

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2016

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 9, 2016

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, 2016, 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, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These services include regular and vocational as well as special education for handicapped youngsters. The District provides a pre-school program and also provides a pre-school program for special education students for a total of 64 students. The District completed the 2015-2016 fiscal year with an enrollment of 2,986 students, which is 93 fewer students than the previous year's enrollment. In addition, 61 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

Fiscal Year	Student Enrollment	Percent Change
2015-2016	2,986	(3.02)%
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-three percent of the Class of 2016 is pursuing higher education.

Post Graduation Plans

	2016	2015	2014
Total Graduates	222	253	286
Post Secondary Ed.	(208) 93.3	(241) 95.2%	(274) 95.7%
4- Yr. Colleges	(175) 78.5%	(211) 83.3%	(245) 85.7%
2 - Yr. Colleges	(33) 14.8%	(30) 11.9%	(27) 9.5%
Other	(14) 6.7%	(12) 4.8%	(14) 4.8%

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

<u>State</u>	<u># of Students Attending</u>	<u>State</u>	<u># of Students Attending</u>
NJ	70	SC	2
PA	28	CO	2
NY	28	IN	2
MA	11	VT	2
CT	9	MI	1
DE	7	WA	1
FL	7	NH	1
RI	7	AZ	1
MD	6	VA	1
OH	4	WV	1
DC	3	IA	1
GA	3	NC	1
CA	3	AL	1

Advanced Placement Testing

230 Students took 493 exams in

24 academic subjects in May 2016

85% of the students scored 3 or better

****As reported to College Board as of 7/16/16****

<u>AP COURSE</u>	<u>Average Score</u>
Art History	1.8
Biology	3.35
Calculus AB	3.20
Calculus BC	4.82
Chemistry	3.0
Computer Science	3.71
English Language & Composition	3.93
English Literature & Composition	3.28
European History	3.60
Environmental Science	2.00
French Language & Culture	2.55
Macroeconomics	2.48
Microeconomics	2.79
Music Theory	4.80
Physics C- E&M	3.14
Physics C- Mechanics	3.60

	3.70
Spanish Language & Culture	4.56
Statistics	4.23
Studio Art: 2-D Design	2.75
Studio Art: Drawing	2.67
Studio Art: 3-D Design	2.10
United States Government & Politics	3.58
US History	3.37

Class of 2016 – College Matriculation

College/University	# Attending	College/University	# Attending
Bergen Community College	23	Fairleigh Dickinson University	1
Ramapo College of New Jersey	13	Ithaca College	1
William Paterson University of New Jersey	8	Juniata College	1
Pennsylvania State University	8	Lehigh University	1
New Jersey Institute of Technology	6	Long Island University, Brooklyn	1
University of Delaware	6	Manhattan College	1
Quinnipiac University	4	Marist College	1
King's College	3	Mount Saint Mary College	1
The College of New Jersey	3	Delaware Valley University	1
Rensselaer Polytechnic Institute	3	Bloomsburg University of Pennsylvania	1
Seton Hall University	3	Indiana University of Pennsylvania	1
Babson College	3	Pratt Institute	1
Bryant University	3	Rochester Institute of Technology	1
Northeastern University	3	Rockland Community College	1
University of Rhode Island	3	Siena College	1
The Ohio State University	2	Stevens Institute of Technology	1
Fordham University	2	Temple University	1
Iona College	2	United States Military Academy - Army	1
Monmouth University	2	The University of Scranton	1
Rowan University	2	Vassar College	1
Kean University	2	Wilkes University	1
SUNY College at Cortland	2	Boston University	1
Pace University, New York City	2	Brown University	1
Rutgers University-New Brunswick	2	Bentley University	1
Syracuse University	2	Berklee College of Music	1
School of Visual Arts	2	Merrimack College	1
Pennsylvania College of Technology	2	Plymouth State University	1
University of New Haven	2	Sacred Heart University	1
University of Vermont	2	Trinity College	1
University of California, Los Angeles	2	University of Connecticut	1
American University	2	Wellesley College	1
Emory University	2	Concordia University - Irvine	1
Loyola University Maryland	2	University of Northern Colorado	1
University of Maryland, College Park	2	University of Colorado at Boulder	1
University of South Carolina	2	University of Washington	1
The University of Tampa	2	The Catholic University of America	1
Indiana University at Bloomington	1	Delaware Technical & Community College	1

Indiana University at Bloomington	1	Delaware Technical & Community College	1
Miami University, Oxford	1	Elon University	1
Michigan State University	1	Florida International University	1
The University of Alabama	1	Florida State University	1
University of Notre Dame	1	University of Central Florida	1
Xavier University	1	Liberty University	1
Albright College	1	Salisbury University	1
Bucknell University	1	Towson University	1
Carnegie Mellon University	1	Palm Beach State College	1
Clarkson University	1	Savannah College of Art and Design	1
Cornell University	1	University of Miami	1
County College of Morris	1	West Virginia University	1
Dickinson College	1	Iowa State University	1
Drew University	1	Embry-Riddle Aeronautical University	1
Drexel University	1	The Capri Institute	1
Elizabethtown College	1	Parisian Beauty Academy	1
Franklin and Marshall 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, 2016.

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

8) DEBT ADMINISTRATION: At June 30, 2016, the District's outstanding debt issues included \$11,177,000 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.

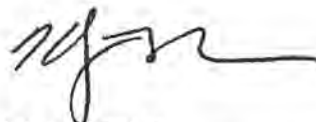
11) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates, LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards" and the State Treasury Circular Letter 15-08 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,

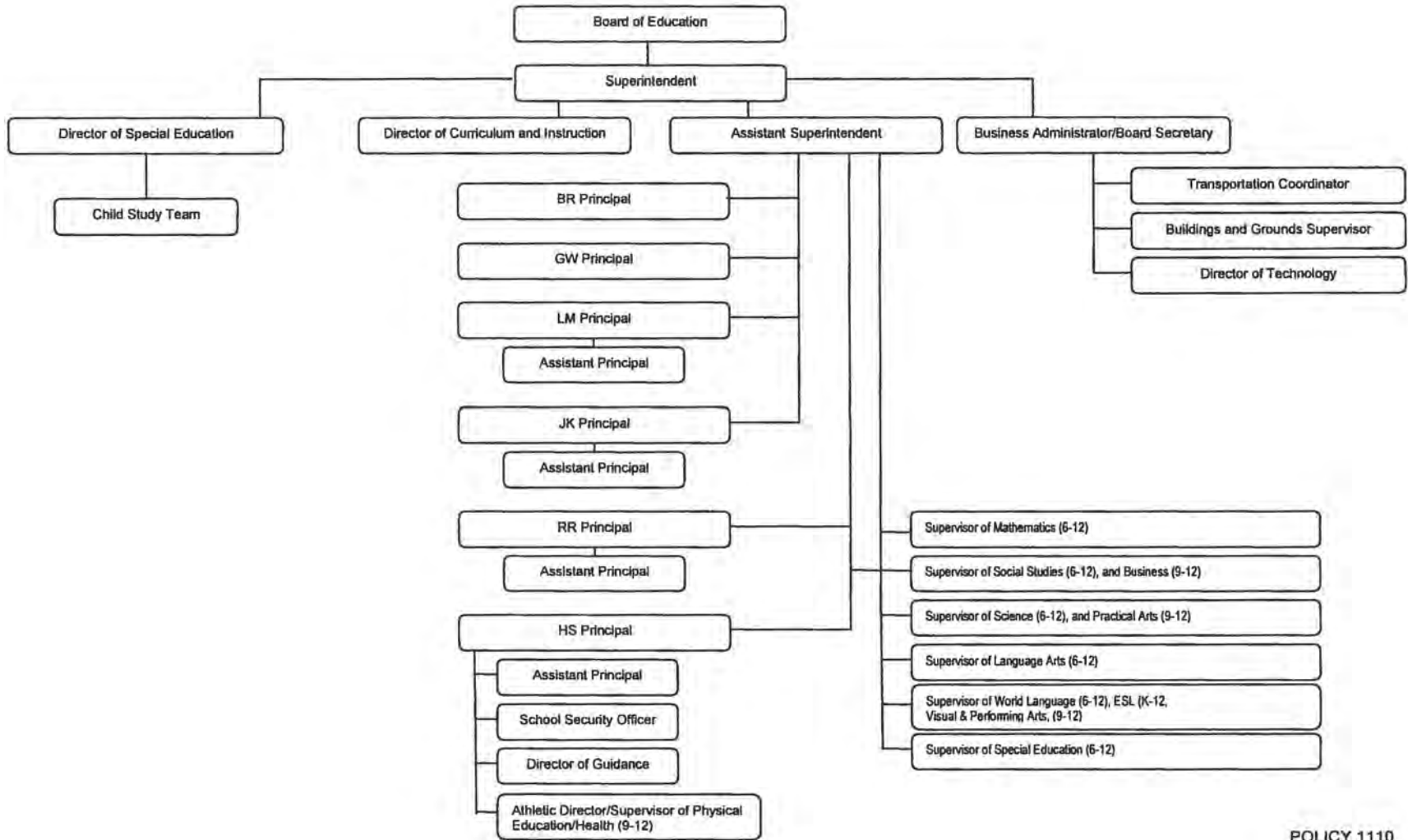


Dr. C. Lauren Schoen
Superintendent



Kyle J. Bleeker
Board Secretary/Business Administrator

ORGANIZATIONAL CHART – 2015-2016



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

**ROSTER OF OFFICIALS
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kim Barron, President	2017
Charles Saldarini, 1st Vice President	2016
Suzanne Curry, 2 nd Vice President	2016
Douglas D'Angelo	2016
Christine Davis, President	2018
Richard De Silva, Jr.	2017
John Dinice	2017
Michael Galow	2018
Leslie Konikow	2018

Other Officials

C. Lauren Schoen, Ed.D., Superintendent of Schools
Kyle J. Bleeker, Business Administrator/Board Secretary
Kenneth Sesholtz, Treasurer

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

**CONSULTANTS AND ADVISORS
JUNE 30, 2016**

Architect Firm

Tokarski & Millemann Architects, LLC
228 Brick Boulevard, 2nd 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
Lamberville, 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

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, 2016, 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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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, 2016, 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

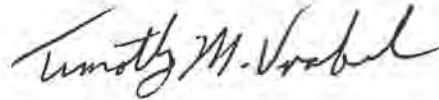
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mahwah School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, statistical tables and the Schedules of Expenditures of Federal Awards and State Financial Assistance as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 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 19, 2016 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 19, 2016

**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, 2016. 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 \$3,520,000 as a result of this year's operations. Net position of our business-type activities increased by \$31,000, or 14.3 percent, and net position of our governmental activities increased by \$3,489,000 or 16.1 percent.
- Total cost of all of the District's programs was \$65,511,000 in 2015-2016 compared to \$65,724,000 in 2014-2015.
- During the year, the District had expenses for governmental activities that were \$2,921,000 less than the \$68,097,000 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 21.893 to 25.411 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, 2016.

Table 1
Net Position (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	17,401	14,458	262	227	17,663	14,685
Long term receivables					-	-
Capital assets	35,329	36,193	23	23	35,352	36,216
Total assets	52,730	50,651	285	250	53,015	50,901
Deferred outflows of resources	2,371	899			2,371	899
Long-term debt outstanding	29,004	28,481			29,004	28,481
Other liabilities	202	208	38	34	240	242
Total liabilities	29,206	28,689	38	34	29,244	28,723
Deferred inflows of resources	731	1,186			731	1,186
Net position:						
Net investment in capital assets	24,152	22,991	23	23	24,175	23,014
Restricted	15,903	12,851			15,903	12,851
Unrestricted (deficit)	(14,891)	(14,167)	224	193	(14,667)	(13,974)
Total net position	25,164	21,675	247	216	25,411	21,891

Net position of the District's governmental activities increased by 16.1 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 – decreased by \$724,000. Restricted net position, those restricted mainly for capital projects increased by \$3,052,000. 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 \$1,161,000.

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program revenues:						
Charges for Services	506	583	803	818	1,309	1,401
Operating Grants and Contributions	7,817	7,529	208	191	8,025	7,720
General revenues:						
Property Taxes	59,274	58,121			59,274	58,121
Federal and State Aid	153	171			153	171
Interest and Investment Earnings	33	27			33	27
Other General Revenues	234	481	2	-	236	481
Total Revenues	68,017	66,912	1,013	1,009	69,030	67,921
<u>Program expenses including indirect expenses</u>						
Instruction:						
Regular	23,721	23,679			23,721	23,679
Special	7,375	7,279			7,375	7,279
Other instruction	3,466	3,210			3,466	3,210
Support services:						
Tuition	4,484	4,337			4,484	4,337
Student and instruction related services	9,384	9,564			9,384	9,564
School administrative services	3,528	3,395			3,528	3,395
General and business administrative services	2,897	3,017			2,897	3,017
Plant operations and maintenance	5,141	5,849			5,141	5,849
Pupil transportation	3,946	3,716			3,946	3,716
Charter Schools					-	-
SDA Debt Service Assessment	80	80			80	80
Interest on long-term debt	506	583			506	583
Business-type activities:						
Food Services	-	-	983	1,015	983	1,015
Total Expenses	64,528	64,709	983	1,015	65,511	65,724
Increase (Decrease) in Net Position	3,489	2,203	30	(6)	3,519	2,197

THE DISTRICT'S FUNDS

Governmental Activities

Table 3

Information below compares revenues and expenditures for all governmental fund types for 2015-2016 and 2014-2015.

(\$000 omitted)

<u>Revenues by Source:</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>% Change</u>
Local Tax Levy	59,781	58,705	1.83%
Interest Earned to Investments	33	27	22.22%
Miscellaneous	385	392	-1.79%
Total - Local Sources	60,199	59,124	1.82%
State Sources	6,857	6,588	4.08%
Federal Sources	1,041	1,044	-0.29%
Total Revenues	<u>68,097</u>	<u>66,756</u>	2.01%

(\$000 omitted)

<u>Expenditures by Function:</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>% Change</u>
Current:			
Regular Instruction	16,259	16,975	-4.22%
Special education	5,287	5,451	-3.01%
Other instruction	2,538	2,422	4.79%
Support Services and undistributed costs:			
Tuition	4,484	4,337	3.39%
Student and instruction related services	7,101	7,585	-6.38%
School administrative services	2,485	2,479	0.24%
General and Business administrative services	2,240	2,498	-10.33%
Plant operations and maintenance	4,838	5,583	-13.34%
Pupil transportation	3,737	3,546	5.39%
Employee Benefits	12,709	11,604	9.52%
Capital Outlay	936	2,083	-55.06%
Debt Service:			
Principal	2,025	1,995	1.50%
Interest on long-term debt	537	613	-12.40%
Total Expenditures	<u>65,176</u>	<u>67,171</u>	-2.97%

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	285
Net Position	247
Change in Net Position	-31
Return on Ending Total Assets	-10.88%
Return on Ending Net Position	-12.55%

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	535	535			535	535
Land Improvements	2,149	2,149			2,149	2,149
Buildings	59,056	58,113			59,056	58,113
Machinery and Equipment	4,457	4,448	154	151	4,611	4,599
Construction-in-progress	-	789	-	-	-	789
Subtotal	<u>66,197</u>	<u>66,034</u>	<u>154</u>	<u>151</u>	<u>66,351</u>	<u>66,185</u>
Accumulated Depreciation	<u>(30,867)</u>	<u>(29,841)</u>	<u>(131)</u>	<u>(128)</u>	<u>(30,998)</u>	<u>(29,969)</u>
Totals	<u>35,330</u>	<u>36,193</u>	<u>23</u>	<u>23</u>	<u>35,353</u>	<u>36,216</u>

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

The District's 2016-2017 capital budget anticipates a spending level of \$1,174,000.00. 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 \$11,177,000 outstanding versus \$13,202,000 last year – a decrease of 15.3 percent – as shown in Table 6.

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

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Serial Bonds	11,177	13,202
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued	-	-
	<u>11,177</u>	<u>13,202</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 2015-2016 and the final budget were caused by the treatment of encumbrances that are added to the original budget. In addition, transfers are made during the year to cover necessary expenditures without causing any budgetary line to have a negative balance.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kyle Bleeker, 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, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 8,208,103.30	\$ 215,139.37	\$ 8,423,242.67
Receivables, net	1,417,649.63	30,334.46	1,447,984.09
Interfund receivable	10,000.00	-	10,000.00
Inventory		16,467.87	16,467.87
Restricted assets:			
Cash and cash equivalents	186,371.57		186,371.57
Capital reserve account - cash	7,578,489.92		7,578,489.92
Capital assets, net (Note III.C.):	<u>35,329,344.39</u>	<u>22,699.63</u>	<u>35,352,044.02</u>
Total Assets	<u>52,729,958.81</u>	<u>284,641.33</u>	<u>53,014,600.14</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>2,371,072.00</u>		<u>2,371,072.00</u>
Total Deferred Outflows of Resources	<u>2,371,072.00</u>		<u>2,371,072.00</u>
LIABILITIES			
Accounts payable		19,016.69	19,016.69
Interfunds payable			-
Payable to state government	5,953.28		5,953.28
Bond interest payable	174,124.24		174,124.24
Unearned revenue	21,479.67	18,748.09	40,227.76
Long-term liabilities other than pensions(Note IV.B.):			
Due within one year	2,156,204.00		2,156,204.00
Due beyond one year	12,730,580.00		12,730,580.00
Aggregate net pension liability	<u>14,117,432.00</u>	<u>-</u>	<u>14,117,432.00</u>
Total liabilities	<u>29,205,773.19</u>	<u>37,764.78</u>	<u>29,243,537.97</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>731,254.00</u>		<u>731,254.00</u>
Total Deferred Inflows of Resources	<u>731,254.00</u>		<u>731,254.00</u>
NET POSITION			
Net investment in capital assets	24,152,344.39	22,699.63	24,175,044.02
Restricted for:			
Capital projects	8,592,386.43		8,592,386.43
Debt service	(172,563.54)		(172,563.54)
Other purposes	7,483,564.32		7,483,564.32
Unrestricted	<u>(14,891,727.98)</u>	<u>224,176.92</u>	<u>(14,667,551.06)</u>
Total Net Position	<u>\$ 25,164,003.62</u>	<u>\$ 246,876.55</u>	<u>\$ 25,410,880.17</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, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 23,720,946.28	\$ -	\$ 2,287,954.86	\$ -	\$ (21,432,991.42)	\$ -	\$ (21,432,991.42)
Special education	7,374,662.77		2,255,742.08		(5,118,920.69)		(5,118,920.69)
Other instruction	3,466,349.65		277,018.62		(3,189,331.03)		(3,189,331.03)
Support services:							
Tuition	4,483,777.37		1,431,274.54		(3,052,502.83)		(3,052,502.83)
Student and instruction related services	9,383,618.91		695,922.97		(8,687,695.94)		(8,687,695.94)
School administrative services	3,528,129.81		301,656.02		(3,226,473.78)		(3,226,473.78)
General and business administrative services	2,896,895.84		164,011.85		(2,732,883.99)		(2,732,883.99)
Plant operations and maintenance	5,141,295.54		78,028.83		(5,063,266.71)		(5,063,266.71)
Pupil transportation	3,946,228.36		325,854.16		(3,620,374.20)		(3,620,374.20)
SDA Debt Service Assessment	79,684.00				(79,684.00)		(79,684.00)
Interest on long-term debt	506,455.75	506,455.75	-		-		-
Total governmental activities	64,528,044.28	506,455.75	7,817,463.93		(56,204,124.60)		(56,204,124.60)
Business-type activities:							
Food Service	983,104.81	803,213.90	207,712.89			27,821.98	27,821.98
Total business-type activities	983,104.81	803,213.90	207,712.89			27,821.98	27,821.98
Total primary government	\$ 65,511,149.09	\$ 1,309,669.65	\$ 8,025,176.82	\$ -	\$ (56,204,124.60)	\$ 27,821.98	\$ (56,176,302.62)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 57,218,837.00	\$ -	\$ 57,218,837.00
Property taxes, levied for debt service principal					2,055,419.25		2,055,419.25
Federal and State aid not restricted					153,130.04		153,130.04
Investment Earnings					33,006.25	41.41	33,047.66
Miscellaneous Income					312,600.18		312,600.18
Adjustment to Capital Assets					(77,364.43)		(77,364.43)
Transfers					(2,600.00)	2,600.00	-
Total general revenues, special items, extraordinary items and transfers					59,693,028.29	2,641.41	59,695,669.70
Change in Net Position					3,488,903.69	30,463.39	3,519,367.08
Net Position—beginning, as restated					21,675,099.93	216,413.16	21,891,513.09
Net Position—ending					\$ 25,164,003.62	\$ 246,876.55	\$ 25,410,880.17

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,179,427.04	\$ 27,432.95	\$ 186,371.57	\$ 1,243.31	\$ 8,394,474.87
Interfunds receivable	10,000.00			317.39	10,317.39
Receivables from other governments	589,807.30		827,842.33		1,417,649.63
Restricted cash and cash equivalents	<u>7,578,489.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,578,489.92</u>
Total Assets	<u>\$ 16,357,724.26</u>	<u>\$ 27,432.95</u>	<u>\$ 1,014,213.90</u>	<u>\$ 1,560.70</u>	<u>\$ 17,400,931.81</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfunds payable	\$ -	\$ -	\$ 317.39	\$ -	\$ 317.39
Payable to state government		5,953.28			5,953.28
Deferred revenue		<u>21,479.67</u>	<u>-</u>		<u>21,479.67</u>
Total Liabilities		<u>27,432.95</u>	<u>317.39</u>		<u>27,750.34</u>
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,783,052.00				1,783,052.00
Reserve for Excess Surplus	1,896,742.62				1,896,742.62
Capital Reserve Account	7,578,489.92				7,578,489.92
Emergency Reserve	500,000.00				500,000.00
Capital Projects			1,013,896.51		1,013,896.51
Debt Service				1,560.70	1,560.70
Assigned to:					
Other Purposes	3,303,769.70				3,303,769.70
Unassigned	<u>1,295,670.02</u>		<u>-</u>	<u>-</u>	<u>1,295,670.02</u>
Total Fund Balances	<u>16,357,724.26</u>	<u>-</u>	<u>1,013,896.51</u>	<u>1,560.70</u>	<u>17,373,181.47</u>
Total Liabilities and Fund Balances	<u>\$ 16,357,724.26</u>	<u>\$ 27,432.95</u>	<u>\$ 1,014,213.90</u>	<u>\$ 1,560.70</u>	

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. (174,124.24)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,196,803.71 and the accumulated depreciation is \$30,867,259.32. 35,329,344.39

Pension liabilities net of deferred outflows and inflows of resources (12,477,614.00)

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.) (14,886,784.00)

Net position of governmental activities \$ 25,164,003.62

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>
REVENUES					
Local sources:					
Local tax levy	\$ 57,218,837.00	\$ -	\$ -	\$ 2,561,875.00	\$ 59,780,712.00
Interest earned on investments	21,469.68		317.39		21,787.07
Interest earned on Capital Reserve Funds	11,219.18				11,219.18
Miscellaneous	<u>312,600.18</u>	<u>72,598.46</u>	<u>-</u>	<u>-</u>	<u>385,198.64</u>
Total - Local Sources	57,564,126.04	72,598.46	317.39	2,561,875.00	60,198,916.89
State sources	6,831,615.19	24,939.55			6,856,554.74
Federal sources	<u>41,448.96</u>	<u>999,991.81</u>	<u>-</u>	<u>-</u>	<u>1,041,440.77</u>
Total Revenues	<u>64,437,190.19</u>	<u>1,097,529.82</u>	<u>317.39</u>	<u>2,561,875.00</u>	<u>68,096,912.40</u>
EXPENDITURES					
Current:					
Regular instruction	15,929,860.79	328,749.27			16,258,610.06
Special education instruction	4,597,171.94	689,830.00			5,287,001.94
Other instruction	2,537,802.38				2,537,802.38
Support services and undistributed costs:					
Tuition	4,483,777.37				4,483,777.37
Student and instruction related services	7,058,644.04	42,186.55			7,100,830.59
School administrative services	2,484,778.80				2,484,778.80
General and business administrative services	2,240,052.74				2,240,052.74
Plant operations and maintenance	4,838,122.14				4,838,122.14
Pupil transportation	3,737,090.10				3,737,090.10
Unallocated benefits	12,672,748.16	36,764.00			12,709,512.16
Capital outlay	666,417.77		269,935.02		936,352.79
Debt service:					
Principal				2,025,000.00	2,025,000.00
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,137.00</u>	<u>537,137.00</u>
Total Expenditures	<u>61,246,466.23</u>	<u>1,097,529.82</u>	<u>269,935.02</u>	<u>2,562,137.00</u>	<u>65,176,068.07</u>
Excess (Deficiency) of revenues over expenditures	<u>3,190,723.96</u>	<u>-</u>	<u>(269,617.63)</u>	<u>(262.00)</u>	<u>2,920,844.33</u>
OTHER FINANCING SOURCES AND (USES)					
Transfers in				317.39	317.39
Transfers (out)	<u>(2,600.00)</u>		<u>(317.39)</u>	<u>-</u>	<u>(2,917.39)</u>
Total Other Financing Sources and (Uses)	<u>(2,600.00)</u>	<u>-</u>	<u>(317.39)</u>	<u>317.39</u>	<u>(2,600.00)</u>
Net change in fund balances	3,188,123.96	-	(269,935.02)	55.39	2,918,244.33
Fund Balance—July 1	<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>
Fund Balance—June 30	<u>\$ 16,357,724.26</u>	<u>\$ -</u>	<u>\$ 1,013,896.51</u>	<u>\$ 1,560.70</u>	<u>\$ 17,373,181.47</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, 2016

Total net change in fund balances - governmental funds (from B-2)		\$ 2,918,244.33
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)</p>		
Interest paid	\$ 537,137.00	
Interest accrued	<u>(508,455.75)</u>	30,681.25
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	(1,642,620.25)	
Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	<u>858,668.79</u>	(785,951.46)
<p>Adjustment to Capital Assets in accordance with physical appraisal and dispositions</p>		
		(77,384.43)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
		-
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).</p>		
District pension contributions - PERS	518,181.00	
Cost of benefits earned net of employees contributions	<u>(797,876.00)</u>	(279,695.00)
<p>Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Debt principal		2,025,000.00
Capital lease principal		
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds of long-term debt		
Capital lease proceeds		
<p>Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)</p>		
		-
Change in net position of governmental activities		<u>\$ 3,488,903.69</u>

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

PROPRIETARY FUNDS

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 215,139.37	\$ 215,139.37
Accounts receivable	30,334.46	30,334.46
Inventories	<u>16,467.87</u>	<u>16,467.87</u>
Total Current Assets	<u>261,941.70</u>	<u>261,941.70</u>
Noncurrent assets:		
Furniture, machinery and equipment	153,972.49	153,972.49
Less accumulated depreciation	<u>(131,272.86)</u>	<u>(131,272.86)</u>
Total Noncurrent Assets	<u>22,699.63</u>	<u>22,699.63</u>
Total Assets	<u>284,641.33</u>	<u>284,641.33</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	19,016.69	19,016.69
Unearned revenue	<u>18,748.09</u>	<u>18,748.09</u>
Total Current Liabilities	<u>37,764.78</u>	<u>37,764.78</u>
NET ASSETS		
Net investment in capital assets	22,699.63	22,699.63
Unrestricted	<u>224,176.92</u>	<u>224,176.92</u>
Total Net Position	<u>\$ 246,876.55</u>	<u>\$ 246,876.55</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, 2016

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 313,900.90	\$ 313,900.90
Daily sales - non-reimbursable programs	482,135.44	482,135.44
Special functions	7,177.56	7,177.56
Total Operating Revenues	<u>803,213.90</u>	<u>803,213.90</u>
Operating Expenses:		
Cost of sales	450,024.28	450,024.28
Salaries	350,302.90	350,302.90
Employee benefits	95,280.86	95,280.86
Management Fee	43,046.90	43,046.90
Other purchased professional services	8,146.00	8,146.00
General supplies	32,986.47	32,986.47
Depreciation	3,317.40	3,317.40
Total Operating Expenses	<u>983,104.81</u>	<u>983,104.81</u>
Operating Income (Loss)	<u>(179,890.91)</u>	<u>(179,890.91)</u>
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	6,966.54	6,966.54
Federal sources:		
National school lunch program	152,675.60	152,675.60
Food distribution program	48,070.75	48,070.75
Interest and investment revenue	41.41	41.41
Total Nonoperating Revenues (Expenses)	<u>207,754.30</u>	<u>207,754.30</u>
Income (loss) before contributions and transfers	27,863.39	27,863.39
Transfers in (out)	2,600.00	2,600.00
Change in net position	30,463.39	30,463.39
Total Net Position—Beginning	<u>216,413.16</u>	<u>216,413.16</u>
Total Net Position—Ending	<u>\$ 246,876.55</u>	<u>\$ 246,876.55</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, 2016

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 783,795.14	\$ 783,795.14
Payments to employees	(350,302.90)	(350,302.90)
Payments for employee benefits	(95,280.86)	(95,280.86)
Payments to suppliers	<u>(524,235.98)</u>	<u>(524,235.98)</u>
Net cash provided by (used for) operating activities	<u>(186,024.60)</u>	<u>(186,024.60)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	6,966.54	6,966.54
Federal Sources	<u>200,746.35</u>	<u>200,746.35</u>
Net cash provided by (used for) non-capital financing activities	<u>210,312.89</u>	<u>210,312.89</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	<u>(2,600.00)</u>	<u>(2,600.00)</u>
Net cash provided by (used for) capital and related financing activities	<u>(2,600.00)</u>	<u>(2,600.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>41.41</u>	<u>41.41</u>
Net cash provided by (used for) investing activities	<u>41.41</u>	<u>41.41</u>
Net increase (decrease) in cash and cash equivalents	21,729.70	21,729.70
Balances—beginning of year	<u>193,409.67</u>	<u>193,409.67</u>
Balances—end of year	<u>\$ 215,139.37</u>	<u>\$ 215,139.37</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (179,890.91)	\$ (179,890.91)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	3,317.40	3,317.40
(Increase) decrease in accounts receivable, net	(18,280.83)	(18,280.83)
(Increase) decrease in inventories	4,541.19	4,541.19
Increase (decrease) in accounts payable	5,426.48	5,426.48
Increase (decrease) in unearned revenue	<u>(1,137.93)</u>	<u>(1,137.93)</u>
Total adjustments	<u>(6,133.69)</u>	<u>(6,133.69)</u>
Net cash provided by (used for) operating activities	<u>\$ (186,024.60)</u>	<u>\$ (186,024.60)</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, 2016**

	Unemployment Compensation <u>Trust</u>	Agency <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 601,684.66	\$ 1,249,589.97
Total Assets	<u>\$ 601,684.66</u>	<u>\$ 1,249,589.97</u>
LIABILITIES		
Payable to student groups		\$ 1,211,384.14
Payroll deductions and withholdings		1,820.89
Flexible Spending Account		26,384.94
Payable to district		<u>10,000.00</u>
Total Liabilities		<u>\$ 1,249,589.97</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 601,684.66</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, 2016**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan member	\$ 78,093.05
Other (Board)	-
Total Contributions	<u>78,093.05</u>
Investment earnings:	
Interest	<u>1,016.79</u>
Net investment earnings	<u>1,016.79</u>
Total Additions	<u>79,109.84</u>
DEDUCTIONS	
Unemployment claims	<u>69,327.27</u>
Total Deductions	<u>69,327.27</u>
Change in Net Position	9,782.57
Net Position—beginning	<u>591,902.09</u>
 Net Position—ending	 <u>\$ 601,684.66</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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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 prior year encumbrances in the amount of \$1,739,430.23 were made during the year ended June 30, 2016. 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 1-5 – Salaries of Teachers	\$ (96,400.00)
Grades 6-8 – Salaries of Teachers	(117,035.00)
Grades 9-12 – Salaries of Teachers	(159,113.00)
Regular Programs – Undistributed Instruction	
Other Salaries for Instruction	173,386.00
Learning and/or Language Disabilities:	
Salaries of Teachers	89,500.00
Other Salaries for Instruction	128,537.00
Resource Room/Resource Center:	
Other Salaries for Instruction	(95,360.00)
Basic Skills/Remedial - Instruction:	
Salaries of Teachers	68,800.00
Undistributed Expenditures - Instruction:	
Tuition to County Voc. School Dist. - Special	87,000.00
Tuition to Private Schools for the Disabled – Within State	(394,875.00)
Undist. Expend. – Speech, OT,PT & Related Services	
Salaries of Other Professional Staff	(74,000.00)
Purchased Professional – Educational Services	312,200.00
Undist. Expend.-Edu. Media Serv/Sch. Library	
Supplies and Materials	76,414.00
Undist. Expend. – Admin. Info. Technology	
Supplies and Materials	271,084.00
Undist. Expend. _ Oth. Oper. & Maint. of Plant	
Cleaning, Repair and Maintenance Services	(115,141.22)
Undist. Expend. – Student Transportation Serv.	
Contracted Services (Between Home and School) – Vendors	(106,400.00)
Contracted Services (Other Than Between Home and School) -Vendors	179,400.00
Contracted Services (Special Education Students) - ESCs	198,950.00
UNALLOCATED BENEFITS	
Health Benefits	(515,474.36)
Special Education – Instruction:	
Undistributed Expenditures – Admin. Info. Technology	63,322.00
Undistributed Expenditures – Student Transportation:	
School Buses – Regular	159,832.36

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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	\$ 14,453,371.19	\$ 1,104,236.18
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.	(16,181.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(6,706.36)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 64,437,190.19</u>	<u>\$ 1,097,529.82</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 61,246,466.23	\$ 1,104,236.18
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.	-	(6,706.36)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 61,246,466.23</u>	<u>\$ 1,097,529.82</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016

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, 2016

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

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

8. Fund Equity

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

9. 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, 2016

Note I: Summary of Significant Accounting Policies (Continued)

H. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will have significant effects on the entity's financial reporting and the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the benefit plans reported at the State of New Jersey level.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

	<u>Balance Sheet/Statement of Net Position</u>			<u>Statement</u>
<u>Assets</u>	<u>Total</u>	<u>Long - term</u>	<u>Reclassifications</u>	<u>of Net</u>
	<u>Governmental</u>	<u>Assets</u>	<u>and Eliminations</u>	<u>Position</u>
	<u>Funds</u>	<u>Liabilities (1)</u>		<u>Totals</u>
Cash and cash equivalents	\$ 8,394,474.87	\$ -	\$ (186,371.57)	\$ 8,208,103.30
Receivables, net			1,417,649.63	1,417,649.63
Interfund Receivables	10,317.39		(317.39)	10,000.00
Receivables from Other Governments	1,417,649.63		(1,417,649.63)	-
Other Receivables			-	-
Restricted assets:				
Cash and cash equivalents			186,371.57	186,371.57
Capital Reserve Account - cash	7,578,489.92			7,578,489.92
Capital Assets, net	-	35,329,344.39	-	35,329,344.39
Total Assets	17,400,931.81	35,329,344.39	(317.39)	52,729,958.81
<u>Deferred Outflows of Resources</u>				
Deferred outflows related to pensions		2,371,072.00		2,371,072.00
Total Deferred Outflows of Resources	-	2,371,072.00	-	2,371,072.00
Total Assets and Deferred Outflows of Resources	\$ 17,400,931.81	\$ 37,700,416.39	\$ (317.39)	\$ 55,101,030.81
<u>Liabilities</u>				
Interfunds Payable	\$ 317.39	\$ -	\$ (317.39)	\$ -
Payable to State Government	5,953.28			5,953.28
Bond Interest Payable			174,124.24	174,124.24
Unearned Revenue	21,479.67			21,479.67
Noncurrent Liabilities	-	25,294,432.00	3,709,784.00	29,004,216.00
Total Liabilities	27,750.34	25,294,432.00	3,883,590.85	29,205,773.19
<u>Deferred Inflows of Resources</u>				
Deferred inflows related to pensions		731,254.00		731,254.00
Total Deferred Inflows of Resources	-	731,254.00	-	731,254.00
Total Liabilities and Deferred Inflows of Resources	27,750.34	26,025,686.00	3,883,590.85	29,937,027.19
<u>Fund Balances/Net Position</u>				
<u>Net Position</u>				
Net investment in capital assets		24,152,344.39		24,152,344.39
Restricted for:				
Capital projects	8,592,386.43			8,592,386.43
Debt Service	1,560.70		(174,124.24)	(172,563.54)
Other purposes	7,483,564.32			7,483,564.32
Unrestricted	1,295,670.02	(12,477,614.00)	(3,709,784.00)	(14,891,727.98)
Total Fund Balances/Net Position	17,373,181.47	11,674,730.39	(3,883,908.24)	25,164,003.62
Total Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position	\$ 17,400,931.81	\$ 37,700,416.39	\$ (317.39)	\$ 55,101,030.81

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note II: Reconciliation of Government Wide and Fund Financial Statements

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

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

Cost of capital assets	\$	66,196,603.71
Accumulated depreciation		<u>(30,867,259.32)</u>
	\$	<u>35,329,344.39</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	\$	14,117,432.00
Deferred outflows related to pensions		(2,371,072.00)
Deferred inflows related to pensions		<u>731,254.00</u>
	\$	<u>12,477,614.00</u>
Serial Bonds	\$	11,177,000.00
Compensated Absences		<u>3,709,784.00</u>
	\$	<u>14,886,784.00</u>

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

\$ (174,124.24)

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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
Revenues and Other Sources						
Local Tax Levy	\$ 59,780,712.00	\$ -	\$ -	\$ -	\$ -	\$ 59,780,712.00
Interest Earned on Investments	33,006.25					33,006.25
Miscellaneous	385,198.64					385,198.64
State Sources	6,856,554.74					6,856,554.74
Federal Sources	1,041,440.77					1,041,440.77
Adjustment to Capital Assets	-		(77,364.43)			(77,364.43)
Total	68,096,912.40	-	(77,364.43)	-	-	68,019,547.97
Expenditures						
Current:						
Regular instruction	16,258,610.06		1,172,852.91	500,192.23	5,789,291.08	23,720,946.28
Special education	5,287,001.94		144,262.44	172,076.88	1,771,321.51	7,374,662.77
Other instruction	2,537,802.38		21,887.00	71,245.23	835,415.04	3,466,349.65
Support Services and undistributed costs:						
Tuition	4,483,777.37					4,483,777.37
Student and instruction related services	7,100,830.59		79,953.43	215,984.98	1,986,849.91	9,383,618.91
School administrative services	2,484,778.80		60,408.43	79,185.52	903,757.06	3,528,129.81
General and business administrative services	2,240,052.74		75,633.76	45,407.00	535,802.34	2,896,895.84
Plant operations and maintenance	4,838,122.14		51,826.28	21,463.99	229,883.13	5,141,295.54
Public transportation	3,737,090.10		35,796.00	34,331.17	139,011.09	3,946,228.36
Unallocated Benefits	12,709,512.16				(12,709,512.16)	-
Capital Outlay	936,352.79		(856,668.79)			79,684.00
Debt Service:						
Principal	2,025,000.00			(2,025,000.00)		-
Interest	537,137.00	(30,681.25)				506,455.75
Total	65,176,068.07	(30,681.25)	785,951.46	(885,113.00)	(518,181.00)	64,528,044.28
Other Financing Uses/Changes in Net Assets						
Net Transfers (to)/from other funds	(2,600.00)					(2,600.00)
Total	(2,600.00)					(2,600.00)
Net Change for the Year	\$ 2,918,244.33	\$ 30,681.25	\$ (863,315.89)	\$ 885,113.00	\$ 518,181.00	\$ 3,488,903.69

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 (+) \$ 30,681.25

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	\$ (1,642,620.25)
Capital outlays (exclusive of capital lease principal payments and SDA Debt Service Assessment)	856,668.79
	<u>\$ (785,951.46)</u>

3. Adjustment to Capital Assets in accordance with physical appraisal and dispositions \$ (77,364.43)

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 (+). \$ (342,011.00)

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	(797,876.00)
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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	2,025,000.00
Capital lease principal	-
	<u>\$ 885,113.00</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 (\$518,181.00)

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016 the Township of Mahwah School District's cash and cash equivalent's amounted to \$20,933,079.26. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$20,683,079.26 was covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2016 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, 2016 the Township of Mahwah School District's cash and cash equivalents of \$20,933,079.26 was not exposed to custodial credit risk as follows:

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

B. Interfund Receivables and Payables

As of June 30, 2016, 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	\$ 0.00
Capital Projects Fund		317.39
Debt Service Fund	317.39	
Trust and Agency Fund	<u>0.00</u>	<u>10,000.00</u>
	<u>\$10,317.39</u>	<u>\$10,317.39</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, 2016 in the amount of \$317.39 was transferred to debt service fund to offset future interest payments to bondholders. Accordingly, an interfund accounts receivable and payable for \$317.39 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, 2016**

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Retirement	Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 535,075.00	\$ -	\$ -	\$ -	\$ 535,075.00
Land Improvements	2,149,086.20				2,149,086.20
Construction in Progress	789,249.47	-	-	(789,249.47)	-
Total Capital assets not being depreciated	<u>3,473,410.67</u>	<u>-</u>	<u>-</u>	<u>(789,249.47)</u>	<u>2,684,161.20</u>
Buildings and Improvements	58,112,549.62	653,989.42	(500,000.00)	789,249.47	59,055,788.51
Machinery and Equipment	4,447,866.00	202,679.37	(193,891.37)	-	4,456,654.00
Totals at historical cost	<u>62,560,415.62</u>	<u>856,668.79</u>	<u>(693,891.37)</u>	<u>789,249.47</u>	<u>63,512,442.51</u>
Less accumulated depreciation for:					
Buildings and Improvements	(27,293,347.01)	(1,374,228.31)	500,000.00		(28,167,575.32)
Machinery and Equipment	(2,547,819.00)	(268,391.94)	116,526.94	-	(2,699,684.00)
Total accumulated depreciation	<u>(29,841,166.01)</u>	<u>(1,642,620.25)</u> (1)	<u>616,526.94</u>	<u>-</u>	<u>(30,867,259.32)</u>
Net capital assets being depreciated	<u>32,719,249.61</u>	<u>(785,951.46)</u>	<u>(77,364.43)</u>	<u>789,249.47</u>	<u>32,645,183.19</u>
Governmental activities capital assets, net	<u>\$ 36,192,660.28</u>	<u>\$ (785,951.46)</u>	<u>\$ (77,364.43)</u>	<u>\$ -</u>	<u>\$ 35,329,344.39</u>
Business - type activities:					
Equipment	\$ 151,372.49	\$ 2,600.00	\$ -	\$ -	\$ 153,972.49
Less accumulated depreciation	(127,955.46)	(3,317.40)	-	-	(131,272.86)
Business - type activities capital assets, net	<u>\$ 23,417.03</u>	<u>\$ (717.40)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,699.63</u>

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

Instruction	\$ 1,172,852.91
Special Education	144,262.44
Other Instruction (Athletic)	21,887.00
Student and Instruction Related Services	79,953.43
School Administrative Services	60,408.43
General and Business Administrative Services	75,633.76
Plant Operations and Maintenance	51,826.28
Pupil Transportation	35,796.00
	<u>\$ 1,642,620.25</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016 were \$85,659.56. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
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>184,135.24</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2016 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	\$ 13,202,000.00	\$ -	\$ (2,025,000.00)	\$ 11,177,000.00	\$ 2,060,000.00
Total debt payable	<u>13,202,000.00</u>	<u>-</u>	<u>(2,025,000.00) (1)</u>	<u>11,177,000.00</u>	<u>2,060,000.00</u>
Other liabilities:					
Compensated absences	<u>3,367,773.00</u>	<u>610,222.00</u>	<u>(268,211.00)</u>	<u>3,709,784.00</u>	<u>96,204.00</u>
Total other liabilities	<u>3,367,773.00</u>	<u>610,222.00</u>	<u>(268,211.00) (2)</u>	<u>3,709,784.00</u>	<u>96,204.00</u>
Governmental activities					
long - term liabilities	<u>\$ 16,569,773.00</u>	<u>\$ 610,222.00</u>	<u>\$ (2,293,211.00)</u>	<u>\$ 14,886,784.00</u>	<u>\$ 2,156,204.00</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, 2016

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, 2016 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	\$ 1,537,000.00
Refunding of 2009	Various	9/15	2022	7,950,000.00	5,085,000.00
Refunding of 2011	Various	8/15	2023	<u>5,550,000.00</u>	<u>4,555,000.00</u>
				<u>\$27,112,000.00</u>	<u>\$11,177,000.00</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,			
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>\$11,177,000.00</u>	<u>\$ 1,709,280.50</u>	<u>\$12,886,280.50</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016.

3. Bonds Authorized But Not Issued

There were no authorized but not issued bonds as of June 30, 2016.

4. Capital Leases Payable

The District had no leases payable as of June 30, 2016.

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, 2016 is \$3,679,794.88. The reserved fund balance of \$1,783,052.26 has been appropriated in the fiscal year 2016-2017 and \$1,896,742.62 will be appropriated in the fiscal year 2017-2018.

B. Capital Reserve Account

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

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

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account (Continued)

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)
2015-2016 Investment Income	11,219.18
2015-2016 Budget (Unreserved Fund Balance)	<u>1,500,000.00</u>
 Balance June 30, 2016	 \$7,578,489.92
Less: Appropriated in 2016-2017	<u>(1,174,000.00)</u>
	 <u>\$6,404,489.92</u>

C. Reserved – Legally Restricted Appropriations

In accordance with N.J.A.C.6A:23A-14.4(a)1, the Board has reserved fund balances in the amount of \$500,000.00 as of June 30, 2016. These are funds anticipated to be required to finance unanticipated general fund current expense costs required for T&E.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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) or the Defined Contribution Retirement Program (DCRP). 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 DCRP is considered a cost sharing multiple-employer defined contribution 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.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note VI: Pension Plans (Continued)

The Teachers' Pension and Annuity Fund (TPAF) was established in 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 for post-retirement health care coverage.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

The 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 (NJSA 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 NJSA 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.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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).

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

During the state fiscal year ended June 30, 2015, 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, 2016 was \$31,953,001.66 and covered payroll was \$23,984,530.00 for TPAF, \$4,142,788.00 for PERS and \$1,093,021.80 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:

			Percent of Covered Payroll		Percent of Covered Payroll		Percent of Covered Payroll
		<u>TPAF</u>		<u>PERS</u>		<u>DCRP</u>	
Employees	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 %
	6/30/16	1,700,492.75	7.09 %	298,316.19	7.20 %	60,460.15	5.53 %
District	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 %
	6/30/16	N/A	N/A %	540,681.00	13.05 %	32,791.53	3.00 %
State of NJ	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 %
	6/30/16	4,291,270.00	17.89 %	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 \$1,702,132.19 during the year ended June 30, 2016 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, 2016

Note VII: Public Employees Retirement System

At June 30, 2016, the District reported a liability of \$14,117,432.00 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, 2015, the District's proportion was 0.0628894962%, which was a decrease of 1.145% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$797,876.00. At June 30, 2016, 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 expected and actual experience	\$ 336,792	\$
Changes of assumptions	1,516,099	
Net difference between projected and actual earnings on pension plan investments		226,981
Changes in proportion District contributions subsequent to the measurement data		504,273
	<u>518,181</u>	
Total	<u>\$2,371,072</u>	<u>\$731,254</u>

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	\$295,997
2017	295,997
2018	295,997
2019	471,424
2020	<u>266,494</u>
Total	<u>\$1,625,909</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note VII: Public Employees Retirement System (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied all periods in the measurement:

Inflation rate	3.04%
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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasury	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note VII: Public Employees Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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 actuarially determined 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 4.90%, 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 (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$17,546,556	\$14,117,432	\$11,243,122

Note VIII: Teachers Pension and Annuity Fund (TPAF)

At June 30, 2016, 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>153,454,980</u>
Total	<u>\$153,454,980</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note VIII: Teachers Pension and Annuity Fund (TPAF)

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, 2015, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State (for the District) recognized pension expense of \$9,369,808 and revenue of \$9,369,808 for support provided by the State. At June 30, 2015, the State (for 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	\$ 775,325	\$45,955
Changes of assumptions	17,378,680	
Net difference between projected and actual earnings on pension plan investments		1,292,172
Changes in proportion	110,979	175,354
State's contribution associated with the District subsequent to the measurement date	<u>1,304,830</u>	
Total	<u>\$19,569,814</u>	<u>\$1,513,481</u>

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	\$1,987,092
2017	1,987,092
2018	1,987,092
2019	3,043,988
2020	2,576,268
Thereafter	<u>5,333,742</u>
Total	<u>\$16,915,274</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied all periods 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%

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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015, 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 actuarially determined 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

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 4.13%, 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 (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	1% Decrease <u>(3.13%)</u>	Current Discount Rate <u>(4.13%)</u>	1% Increase <u>(5.13%)</u>
District's proportionate share of the net pension liability	\$182,381,243	\$153,454,980	\$128,549,237

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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	American Century Services
Lincoln Investment	Security Benefit
VALIC	

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, 2015 and 2016, the employees' contributions to the plan were \$1,490,594.00, and \$1,486,329.66, 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>
2015-2016	\$ 0.00	\$ 78,093.05	\$ 69,327.27	\$ 601,684.66
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

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").

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note XI:Risk Management (Continued)

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 reinsuror 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.

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, 2016, 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 XIV:Subsequent Events

The Township of Mahwah School District has evaluated subsequent events through July 19, 2016, 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, 2016**

Exhibit C-1

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Local Sources:						
Local Tax Levy		\$ 57,218,837.00	\$ -	\$ 57,218,837.00	\$ 57,218,837.00	\$ -
Interest Earned on Investments		20,000.00	-	20,000.00	21,469.68	1,469.68
Interest Earned on Capital Reserve Funds		100.00	-	100.00	11,219.18	11,119.18
Miscellaneous		225,000.00	-	225,000.00	312,600.18	87,600.18
Total - Local Sources		<u>57,463,937.00</u>	<u>-</u>	<u>57,463,937.00</u>	<u>57,564,126.04</u>	<u>100,189.04</u>
State Sources:						
Categorical Transportation Aid		253,921.00	-	253,921.00	253,921.00	-
Categorical Special Education Aid		1,940,400.00	-	1,940,400.00	1,940,400.00	-
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		250,000.00	-	250,000.00	479,910.00	229,910.00
Nonpublic Transportation Aid		-	-	-	26,530.00	26,530.00
TPAF Pension PRM (On-Behalf - Non-Budgeted)		-	-	-	2,332,433.00	2,332,433.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	1,702,132.19	1,702,132.19
Total State Sources		<u>2,556,791.00</u>	<u>-</u>	<u>2,556,791.00</u>	<u>6,847,796.19</u>	<u>4,291,005.19</u>
Federal Sources:						
Medical Assistance Program		28,180.00	-	28,180.00	41,448.96	13,268.96
Total - Federal Sources		<u>28,180.00</u>	<u>-</u>	<u>28,180.00</u>	<u>41,448.96</u>	<u>13,268.96</u>
Total Revenues		<u>60,048,908.00</u>	<u>-</u>	<u>60,048,908.00</u>	<u>64,453,371.19</u>	<u>4,404,463.19</u>
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	\$ 745,000.00	\$ 26,800.00	\$ 772,800.00	\$ 725,482.52	\$ 47,317.48
Grades 1-5 - Salaries of Teachers	120-100-101	4,907,000.00	(96,400.00)	4,810,600.00	4,554,334.61	256,265.39
Grades 6-8 - Salaries of Teachers	130-100-101	3,797,470.00	(117,035.00)	3,680,435.00	3,472,746.05	207,688.95
Grades 9-12 - Salaries of Teachers	140-100-101	5,615,000.00	(159,113.00)	5,655,887.00	5,286,127.84	369,759.36
Regular Programs - Home Instruction:						
Salaries of Teachers	150-100-101	45,000.00	(1,675.00)	43,325.00	30,073.50	13,251.50
Purchased Professional-Educational Services	150-100-320	10,000.00	11,675.00	21,675.00	20,841.00	834.00
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	190-100-106	548,000.00	173,386.00	721,386.00	707,856.35	13,529.65
Purchased Professional-Educational Services	190-100-320	400,000.00	57,922.00	457,922.00	441,328.68	16,593.32
Other Purchased Services (400-500 series)	190-100-500	69,050.00	-	69,050.00	63,063.28	5,986.72
General Supplies	190-100-610	548,185.56	18,318.08	566,503.65	497,255.20	69,248.45
Textbooks	190-100-640	82,281.00	(22,631.82)	59,649.18	51,598.34	8,050.84
Other Objects	190-100-800	98,290.00	(9,402.24)	88,887.76	79,153.62	9,734.14
TOTAL REGULAR PROGRAMS - INSTRUCTION		<u>17,066,276.56</u>	<u>(118,155.97)</u>	<u>16,948,120.59</u>	<u>15,929,860.79</u>	<u>1,018,259.80</u>
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	595,000.00	89,500.00	684,500.00	553,881.97	130,618.03
Other Salaries for Instruction	204-100-106	175,000.00	128,537.00	303,537.00	280,598.75	42,938.25
General Supplies	204-100-610	23,415.00	3,036.59	26,451.59	22,426.37	4,025.22
Textbooks	204-100-640	1,161.00	(711.00)	450.00	28.00	422.00
Total Learning and/or Language Disabilities		<u>794,576.00</u>	<u>220,362.59</u>	<u>1,014,938.59</u>	<u>836,735.09</u>	<u>178,203.50</u>
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	3,459,000.00	(58,100.00)	3,400,900.00	3,314,146.73	86,753.27
Other Salaries for Instruction	213-100-106	370,000.00	(95,380.00)	274,640.00	142,078.65	132,561.35
General Supplies	213-100-610	37,615.57	849.34	38,464.91	30,810.08	7,654.83
Textbooks	213-100-640	5,092.00	(4,317.00)	775.00	-	775.00
Total Resource Room/Resource Center		<u>3,871,707.57</u>	<u>(156,927.66)</u>	<u>3,714,779.91</u>	<u>3,487,035.46</u>	<u>227,744.45</u>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	215,000.00	(47,800.00)	167,200.00	164,127.16	3,072.84
Other Salaries for Instruction	215-100-106	32,000.00	45,654.00	77,654.00	77,653.43	0.57
General Supplies	215-100-610	2,840.97	500.00	3,340.97	3,194.43	146.54
Total Preschool Disabilities - Part-Time		<u>249,840.97</u>	<u>(1,846.00)</u>	<u>248,194.97</u>	<u>244,975.02</u>	<u>3,219.95</u>

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:						
Salaries of Teachers	219-100-101	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 26,426.37	\$ 13,573.63
Purchased Professional-Educational Services	219-100-320	15,000.00	(3,879.00)	11,121.00	2,000.00	9,121.00
Total Home Instruction		<u>55,000.00</u>	<u>(3,879.00)</u>	<u>51,121.00</u>	<u>28,426.37</u>	<u>22,694.63</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION		<u>4,971,124.54</u>	<u>57,909.93</u>	<u>5,029,034.47</u>	<u>4,597,171.94</u>	<u>431,862.53</u>
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	1,080,000.00	68,800.00	1,148,800.00	1,104,372.80	44,427.20
General Supplies	230-100-610	39,465.55	17,895.00	57,360.55	52,988.19	4,372.36
Textbooks	230-100-640	5,350.00	(2,600.00)	2,750.00	443.54	2,306.46
Total Basic Skills/Remedial - Instruction		<u>1,124,815.55</u>	<u>84,095.00</u>	<u>1,208,910.55</u>	<u>1,157,804.53</u>	<u>51,106.02</u>
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	154,000.00	3,650.00	157,650.00	147,569.23	10,080.77
General Supplies	240-100-610	3,388.00	350.00	3,738.00	3,449.15	288.85
Textbooks	240-100-640	680.00	-	680.00	-	680.00
Total Bilingual Education - Instruction		<u>158,268.00</u>	<u>4,000.00</u>	<u>162,268.00</u>	<u>151,019.38</u>	<u>11,248.62</u>
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	383,715.00	-	383,715.00	363,546.91	20,168.09
Supplies and Materials	401-100-600	19,556.50	1,070.00	20,626.50	11,325.54	9,300.96
Other Objects	401-100-800	27,193.20	(1,089.34)	26,103.86	21,236.34	4,867.52
Total School-Spon. Cocurricular Actvts. - Inst.		<u>430,464.70</u>	<u>(19.34)</u>	<u>430,445.36</u>	<u>396,108.79</u>	<u>34,336.57</u>
School-Spon. Athletics - Inst.						
Salaries	402-100-100	582,200.00	(38,396.00)	543,804.00	513,782.00	30,022.00
Purchased Services (300-500 series)	402-100-500	194,170.25	29,502.02	223,672.27	213,850.37	9,821.90
Supplies and Materials	402-100-600	81,136.00	19,828.26	100,964.26	99,636.11	1,328.15
Other Objects	402-100-800	15,200.00	(9,559.80)	5,640.20	5,602.20	38.00
Total School-Spon. Athletics - Inst.		<u>872,706.25</u>	<u>1,374.48</u>	<u>874,080.73</u>	<u>832,870.68</u>	<u>41,210.05</u>
Total Instruction		<u>24,623,656.60</u>	<u>29,204.10</u>	<u>24,652,859.70</u>	<u>23,064,835.11</u>	<u>1,588,024.59</u>
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	1,370,000.00	32,900.00	1,402,900.00	1,389,711.12	13,188.88
Tuition to County Voc. School Dist. - Regular	000-100-563	329,816.40	25,100.00	354,916.40	344,067.03	10,849.37
Tuition to County Voc. School Dist. - Special	000-100-564	54,688.00	87,000.00	141,688.00	106,680.03	35,007.97
Tuition to CSSD & Regional Day Schools	000-100-565	1,534,000.00	(24,725.00)	1,509,275.00	1,333,884.00	175,391.00
Tuition to Private Schools for the Disabled - Within State	000-100-566	1,898,000.00	(394,875.00)	1,503,125.00	1,287,035.19	216,089.81
Tuition to Priv. Sch. Disabled & Other LEAs-Spl. O/S	000-100-567	82,000.00	-	82,000.00	22,400.00	59,600.00
Total Undistributed Expenditures - Instruction:		<u>5,268,504.40</u>	<u>(274,600.00)</u>	<u>4,993,904.40</u>	<u>4,483,777.37</u>	<u>510,127.03</u>
Undist. Expend. - Health Services						
Salaries	000-213-100	374,000.00	-	374,000.00	358,924.96	15,075.04
Purchased Professional and Technical Services	000-213-300	24,000.00	-	24,000.00	23,800.00	200.00
Supplies and Materials	000-213-600	16,885.52	170.00	17,055.52	16,417.45	638.07
Total Undistributed Expenditures - Health Services		<u>414,885.52</u>	<u>170.00</u>	<u>415,055.52</u>	<u>399,142.41</u>	<u>15,913.11</u>
Undist. Expend. - Speech,OT,PT & Related Services						
Salaries of Other Professional Staff	000-215-100	354,000.00	(74,000.00)	280,000.00	271,798.25	8,201.75
Purchased Professional - Educational Services	000-215-320	1,295,200.00	312,200.00	1,607,400.00	1,477,595.55	129,804.45
Supplies and Materials	000-215-600	10,000.00	(582.00)	9,418.00	6,076.54	3,341.46
Other Objects	000-215-800	10,641.28	-	10,641.28	8,026.57	2,614.71
Total Undist. Expend. - Speech,OT,PT & Related Services		<u>1,669,841.28</u>	<u>237,618.00</u>	<u>1,907,459.28</u>	<u>1,763,496.91</u>	<u>143,962.37</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Salaries of Other Professional Staff	000-217-100	1,061,000.00	(10,418.00)	1,050,582.00	1,050,581.54	0.46
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		<u>1,061,000.00</u>	<u>(10,418.00)</u>	<u>1,050,582.00</u>	<u>1,050,581.54</u>	<u>0.46</u>
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	000-218-104	760,000.51	(25,000.00)	735,000.51	704,052.20	30,948.31
Salaries of Secretarial and Clerical Assistants	000-218-105	134,000.00	(49,404.00)	84,596.00	67,648.70	16,947.30
Other Purchased Prof. and Tech. Services	000-218-390	-	1,050.00	1,050.00	1,050.00	-
Supplies and Materials	000-218-600	41,670.00	(7,500.00)	34,170.00	27,462.95	6,707.05
Other Objects	000-218-800	128,532.00	(3,050.00)	125,482.00	83,776.95	41,705.05
Total Undist. Expend. - Guidance		<u>1,064,302.51</u>	<u>(83,904.00)</u>	<u>980,398.51</u>	<u>883,990.80</u>	<u>96,407.71</u>
Undist. Expend. - Child Study Team						
Salaries of Other Professional Staff	000-219-104	\$ 1,119,481.27	\$ (8,000.00)	\$ 1,111,481.27	\$ 1,037,817.87	\$ 73,663.40
Salaries of Secretarial and Clerical Assistants	000-219-105	99,000.00	-	99,000.00	92,711.00	6,289.00

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-218-592	17,500.00	-	17,500.00	3,166.91	14,333.09
Supplies and Materials	000-218-600	14,186.57	10,800.00	24,986.57	13,890.96	11,105.61
Other Objects	000-218-800	16,213.37	(2,800.00)	13,413.37	5,379.26	8,034.11
Total Undist. Expend. - Child Study Team		1,266,381.21	-	1,266,381.21	1,152,956.00	113,425.21
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Supervisor of Instruction	000-221-102	148,000.00	5,109.00	153,109.00	153,108.57	0.43
Salaries of Other Professional Staff	000-221-104	724,000.00	-	724,000.00	720,136.78	3,863.22
Salaries of Secy and Clerical Assist.	000-221-105	39,000.00	-	39,000.00	27,713.96	11,286.04
Other Salaries	000-221-110	61,010.28	(5,109.00)	55,901.28	29,840.91	26,060.37
Other Purch Prof. and Tech. Services	000-221-390	23,500.00	-	23,500.00	16,300.00	7,200.00
Other Purchased Services (400-500 series)	000-221-500	5,000.00	-	5,000.00	467.38	4,532.62
Supplies and Materials	000-221-600	6,000.00	-	6,000.00	2,845.03	3,154.97
Other Objects	000-221-800	24,235.30	(11,500.00)	12,735.30	8,735.14	4,000.16
Total Undist. Expend. - Improvement of Inst. Serv.		1,030,745.58	(11,500.00)	1,019,245.58	959,147.77	60,097.81
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	530,000.00	-	530,000.00	510,533.22	19,466.78
Supplies and Materials	000-222-600	247,114.94	76,414.00	323,528.94	197,166.50	126,362.44
Other Objects	000-222-800	10,375.00	-	10,375.00	6,986.00	3,389.00
Total Undist. Expend. - Edu. Media Serv./Sch. Library		787,489.94	76,414.00	863,903.94	714,685.72	149,218.22
Undist. Expend. - Instructional Staff Training Serv.						
Purchased Professional - Educational Service	000-223-320	2,000.00	-	2,000.00	280.00	1,720.00
Other Purchased Prof. and Tech. Services	000-223-390	100,425.00	47,905.00	148,330.00	132,482.58	15,847.42
Other Purchased Services (400-500 series)	000-223-500	2,000.00	-	2,000.00	644.49	1,355.51
Supplies and Materials	000-223-600	2,000.00	-	2,000.00	535.82	1,464.18
Other Objects	000-223-800	4,000.00	(1,405.00)	2,595.00	700.00	1,895.00
Total Undist. Expend. - Instructional Staff Training Serv.		110,425.00	46,500.00	156,925.00	134,642.89	22,282.11
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	262,610.00	-	262,610.00	261,199.13	1,410.87
Legal Services	000-230-331	139,306.50	-	139,306.50	43,449.85	95,856.65
Audit Fees	000-230-332	31,400.00	(219.00)	31,181.00	29,400.00	1,781.00
Other Purchased Professional Services	000-230-339	36,000.00	8,193.00	44,193.00	44,192.62	0.38
Purchased Technical Services	000-230-340	41,152.17	6,513.00	47,665.17	46,377.51	1,287.66
Communications/Telephone	000-230-530	401,806.10	(14,487.00)	387,319.10	157,095.87	230,223.23
BOE Other Purchased Services	000-230-585	5,500.00	-	5,500.00	2,504.27	2,995.73
Other Purchased Services (400-500 series)	000-230-590	7,000.00	-	7,000.00	5,623.64	1,376.36
General Supplies	000-230-610	26,000.00	-	26,000.00	10,933.72	15,066.28
BOE In-House Training/Meeting Supplies	000-230-630	3,300.00	-	3,300.00	2,241.46	1,058.54
Miscellaneous Expenditures	000-230-890	30,138.81	-	30,138.81	7,936.39	22,202.42
BOE Membership Dues and Fees	000-230-895	29,000.00	-	29,000.00	28,909.60	90.40
Total Undist. Expend. - Supp. Serv. - General Admin.		1,013,213.58	-	1,013,213.58	639,864.06	373,349.52
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	1,351,000.00	42,440.00	1,393,440.00	1,393,436.99	3.01
Salaries of Other Professional Staff	000-240-104	368,000.00	3,531.00	371,531.00	371,038.47	492.53
Salaries of Secretarial and Clerical Assistants	000-240-105	639,374.57	(45,971.00)	593,403.57	554,168.01	39,235.56
Other Purchased Services (400-500 series)	000-240-500	12,500.00	-	12,500.00	9,457.90	3,042.10
Supplies and Materials	000-240-600	154,963.43	(7,925.27)	147,038.16	106,536.49	40,501.67
Other Objects	000-240-800	61,532.00	(3,108.00)	58,424.00	50,140.94	8,283.06
Total Undist. Expend. - Support Serv. - School Admin.		2,587,370.00	(11,033.27)	2,576,336.73	2,484,776.60	91,557.93
Undist. Expend. - Central Services						
Salaries	000-251-100	670,000.00	(15,000.00)	655,000.00	647,685.63	7,314.37
Purchased Technical Services	000-251-340	179,816.00	(47,035.00)	132,781.00	93,280.55	39,500.45
Miscellaneous Purchased Services (400-500 series)	000-251-592	4,500.00	37.00	4,537.00	3,944.74	592.26
Supplies and Materials	000-251-609	24,633.17	(9,337.00)	15,296.17	12,271.34	3,024.83
Other Objects	000-251-890	9,158.00	-	9,158.00	6,895.90	2,263.10
Total Undist. Expend. - Central Services		888,108.17	(71,335.00)	816,773.17	764,078.16	52,695.01
Undist. Expend. - Admin. Info. Technology						
Salaries	000-252-100	\$ 361,200.00	\$ (9,427.00)	\$ 351,773.00	\$ 351,772.99	\$ 0.01
Purchased Professional Services	000-252-330	57,800.00	10,834.00	68,634.00	57,162.72	11,471.28
Other Purchased Services (400-500 series)	000-252-500	56,225.00	(32,577.00)	23,648.00	23,647.50	0.50
Supplies and Materials	000-252-600	417,492.00	271,094.00	688,586.00	403,527.31	285,048.69
Total Undist. Expend. - Admin. Info. Technology		892,717.00	239,914.00	1,132,631.00	836,110.52	296,520.48
Undist. Expen.-Allowable Maint. For School Facilities						

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016**

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries	000-261-100	414,000.00	-	414,000.00	401,385.70	12,614.30
Cleaning, Repair and Maintenance Services	000-261-420	1,062,370.15	(15,858.06)	1,046,512.09	559,663.33	486,848.76
General Supplies	000-261-610	260,705.00	(18,015.00)	242,690.00	102,809.61	139,880.39
Total Undist. Expen.-Allowable Maint. For School Facilities		1,737,075.15	(33,873.06)	1,703,202.09	1,063,858.64	639,343.45
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	247,000.00	-	247,000.00	198,373.70	48,626.30
Purchased Professional and Technical Services	000-262-300	1,449,950.00	35,739.00	1,485,689.00	1,356,688.05	129,000.95
Cleaning, Repair and Maintenance Services	000-262-420	781,456.22	(115,141.22)	666,315.00	519,961.73	146,333.27
Insurance	000-262-520	311,000.00	-	311,000.00	308,763.00	2,237.00
Miscellaneous Purchased Services	000-262-590	64,275.45	-	64,275.45	45,969.84	18,305.61
General Supplies	000-262-610	471,138.47	(4,650.00)	466,488.47	345,276.52	121,209.95
Energy (Natural Gas)	000-262-621	412,807.93	(40,417.00)	372,390.93	180,782.51	191,608.42
Energy (Electricity)	000-262-622	1,019,378.11	(38,457.00)	980,921.11	813,002.16	167,918.95
Total Undist. Expend. - Other Oper. & Maint. Of Plant		4,757,006.18	(162,926.22)	4,594,079.96	3,768,839.51	825,240.45
Undist. Expend. - Care and Upkeep of Grounds						
Purchased Professional and Technical Services	000-263-300	-	5,425.00	5,425.00	5,423.99	1.01
Total Undist. Expend. - Care and Upkeep of Grounds		-	5,425.00	5,425.00	5,423.99	1.01
Undist. Expend. - Student Transportation Serv.						
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	335,000.00	(4,179.00)	330,821.00	330,820.15	0.85
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161	25,000.00	-	25,000.00	-	25,000.00
Salaries for Pupil Trans. (Other than Between Home & School)	000-270-182	50,000.00	-	50,000.00	31,856.36	18,143.64
Cleaning, Repair and Maintenance Services	000-270-420	30,000.00	(20,000.00)	10,000.00	3,597.75	6,402.25
Contracted Services - Aid in Lieu of Payments-Non Public School	000-270-503	167,994.80	(32,449.00)	135,545.80	124,467.20	11,078.60
Contracted Services (Between Home and School) - Vendors	000-270-511	1,672,000.00	(106,400.00)	1,565,600.00	1,543,335.62	22,264.38
Contracted Services (Other than Between Home and School) - Vendors	000-270-512	82,000.00	(79,400.00)	2,600.00	261,400.00	34,401.00
Contracted Services (Regular Students) - ESCs	000-270-517	230,000.00	(15,821.00)	214,179.00	176,385.45	37,793.55
Contracted Services (Special Education Students) - ESCs	000-270-518	1,085,000.00	198,950.00	1,283,950.00	1,254,860.57	29,089.43
Miscellaneous Purchased Services - Transportation	000-270-593	14,650.00	(5,000.00)	9,650.00	6,442.59	3,207.41
Supplies and Materials	000-270-600	148,920.56	(39,274.00)	109,646.56	38,325.41	71,321.15
Total Undist. Expend. - Student Transportation Serv.		3,840,565.36	155,227.00	3,995,792.36	3,737,090.10	258,702.26
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	631,676.20	(5,500.00)	626,176.20	561,623.29	64,552.91
Other Retirement Contributions - Regular	000-291-241	666,560.90	-	666,560.90	576,139.52	90,421.28
Workmen's Compensation	000-291-260	285,000.00	-	285,000.00	222,990.00	62,010.00
Health Benefits	000-291-270	7,734,750.00	(515,474.36)	7,219,275.64	6,810,450.74	408,824.90
Tuition Reimbursement	000-291-280	127,669.20	-	127,669.20	104,916.19	22,751.01
Other Employee Benefits	000-291-290	86,010.78	49,953.00	135,963.78	93,849.60	42,114.18
Unused Sick Payment to Terminated/Retired Staff	000-291-299	210,000.00	58,212.00	268,212.00	268,211.53	0.47
TOTAL UNALLOCATED BENEFITS		9,741,667.08	(412,809.36)	9,328,857.72	8,638,182.97	690,674.75
TPAF Pension PRM (On-Behalf - Non-Budgeted)		-	-	-	2,332,433.00	(2,332,433.00)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	1,702,132.19	(1,702,132.19)
TOTAL ON-BEHALF CONTRIBUTIONS		-	-	-	4,034,565.19	(4,034,565.19)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		9,741,667.08	(412,809.36)	9,328,857.72	12,672,748.16	(3,343,890.44)
TOTAL UNDISTRIBUTED EXPENDITURES		38,131,297.96	(311,130.91)	37,820,167.05	37,515,213.35	304,953.70
TOTAL GENERAL CURRENT EXPENSE		62,754,953.56	(281,926.81)	62,473,026.75	60,580,048.46	1,892,978.29
CAPITAL OUTLAY						
Equipment						
Special Education - Instruction:						
Undistributed Expenditures - Instruction	000-100-710	\$ 4,937.00	\$ 9,374.85	\$ 14,311.65	\$ 14,311.65	\$ -
Undistributed Expenditures - Admin. Info. Technology	000-252-730	65,933.00	63,322.00	129,275.00	129,275.00	-
Undistributed Expenditures - Operation of Plant Services	000-260-730	53,593.72	3,499.00	58,092.72	59,092.72	-
Undistributed Expenditures - Student Transportation:						
School Buses - Regular	000-270-733	-	159,832.36	159,832.36	-	159,832.36
Total Equipment		126,463.72	236,028.01	362,511.73	202,679.37	159,832.36
Facilities Acquisition and Construction Services						
Construction Services	000-400-450	507,775.99	-	507,775.99	384,054.40	123,721.59
Assessment for Debt Service on SDA Funding	000-400-896	79,684.00	-	79,684.00	79,684.00	-

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Facilities Acquisition and Construction Services	587,459.95	-	587,459.95	463,738.40	123,721.55
TOTAL CAPITAL OUTLAY	<u>713,943.67</u>	<u>236,028.01</u>	<u>949,971.68</u>	<u>666,417.77</u>	<u>283,553.91</u>
TOTAL EXPENDITURES	<u>63,468,897.23</u>	<u>(45,898.80)</u>	<u>63,422,998.43</u>	<u>61,246,466.23</u>	<u>2,176,532.20</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,419,989.23)	45,898.80	(3,374,090.43)	3,206,904.96	6,580,995.39
Other Financing Sources (Uses): Operating Transfer Out: Transfer to Food Service Fund		(45,898.80)	(45,898.80)	(2,600.00)	43,298.80
Total Other Financing Sources (Uses):	<u>-</u>	<u>(45,898.80)</u>	<u>(45,898.80)</u>	<u>(2,600.00)</u>	<u>43,298.80</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses)	(3,419,989.23)	0.00	(3,419,989.23)	3,204,304.96	6,624,294.19
Fund Balance, July 1	13,258,479.30	-	13,258,479.30	13,258,479.30	-
Fund Balance, June 30	<u>\$ 9,838,490.07</u>	<u>\$ 0.00</u>	<u>\$ 9,838,490.07</u>	<u>\$ 16,462,784.26</u>	<u>\$ 6,624,294.19</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses): Increase in Capital Reserve	\$ 100.00	\$ -	\$ 100.00	\$ 1,511,219.18	\$ 1,511,119.18
Adjustment for Prior Year Encumbrances	(1,739,430.23)	-	(1,739,430.23)	(1,739,430.23)	-
Budgeted Fund Balance	(1,680,659.00)	-	(1,680,659.00)	3,432,516.01	5,113,175.01
Total	<u>\$ (3,419,989.23)</u>	<u>\$ -</u>	<u>\$ (3,419,989.23)</u>	<u>\$ 3,204,304.96</u>	<u>\$ 6,624,294.19</u>
Analysis of Fund Balance June 30, 2016: Restricted Fund Balance: Reserve Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,783,052.00	
Reserve for Excess Surplus				1,896,742.62	
Capital Reserve Account				7,578,489.92	
Emergency Reserve				500,000.00	
Assigned Fund Balance: Year-end Encumbrances				3,303,769.70	
Unassigned Fund Balance				1,400,730.02	
				<u>\$ 16,462,784.26</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance: Fund Balance June 30, 2016				\$ 16,462,784.26	
Last Two Current Year State Aid Payments Not Realized on GAAP Basis				(105,060.00)	
				<u>\$ 16,357,724.26</u>	

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES:					
State Sources	\$ 15,000.00	\$ 16,800.00	\$ 31,800.00	\$ 25,846.72	\$ 5,953.28
Federal Sources	775,000.00	225,791.00	1,000,791.00	1,000,791.00	-
Local Sources	-	102,874.71	102,874.71	77,598.46	(25,276.25)
Total Revenues	\$ 790,000.00	\$ 345,465.71	\$ 1,135,465.71	\$ 1,104,236.18	\$ (19,322.97)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	\$ 175,000.00	\$ 67,623.00	\$ 242,623.00	\$ 242,623.00	\$ -
Other Purchased Services (400-500 series)	600,000.00	89,830.00	689,830.00	689,830.00	-
General Supplies	5,000.00	4,874.00	9,874.00	9,874.00	-
Textbooks	-	4,453.00	4,453.00	4,453.00	-
Other Objects	-	102,874.71	102,874.71	77,598.46	25,276.25
Total Instruction	780,000.00	269,654.71	1,049,654.71	1,024,378.46	25,276.25
Support Services					
Personal Services - Salaries		6,400.00	6,400.00	6,400.00	-
Personal Services - Employee Benefits		36,764.00	36,764.00	36,764.00	-
Purchased Professional and Technical Services		21,680.00	21,680.00	21,680.00	-
Purchased Professional - Educational Services	10,000.00	9,967.00	19,967.00	14,013.72	5,953.28
Supplies and Materials	-	1,000.00	1,000.00	1,000.00	-
Total Support Services	10,000.00	75,811.00	85,811.00	79,857.72	5,953.28
Total Expenditures	790,000.00	345,465.71	1,135,465.71	1,104,236.18	31,229.53
Total Outflows	\$ 790,000.00	\$ 345,465.71	\$ 1,135,465.71	\$ 1,104,236.18	\$ 31,229.53

**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, 2016

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	\$ 64,453,371.19	\$ 1,104,236.18
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.		(16,181.00)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	(6,706.36)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 64,437,190.19</u>	<u>\$ 1,097,529.82</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 61,246,466.23	\$ 1,104,236.18
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-	(6,706.36)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 61,246,466.23</u>	<u>\$ 1,097,529.82</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	2016
District's proportion of the net pension liability	0.0665667679%	0.0636181678%	0.0628894962%
District's proportionate share of the net pension liability	\$ 12,722,232.00	\$ 11,911,061.00	\$ 14,117,432.00
District's covered employee payroll	\$ 4,257,820.00	\$ 4,130,496.00	\$ 4,142,788.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	298.80%	288.37%	340.77%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.92%

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**

	Fiscal Year Ending June 30,		
	2014	2015	2016
Contractually required contribution	\$ 501,567.00	\$ 524,459.00	\$ 518,181.00
Contributions in relation to the contractually required contribution	<u>(501,567.00)</u>	<u>(524,459.00)</u>	<u>(518,181.00)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 4,257,820.00	\$ 4,130,496.00	\$ 4,142,788.00
Contributions as a percentage of covered employee payroll	11.78%	12.70%	12.51%

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	2016
District's proportion of the State's net pension liability	0.2411912076%	0.2361649679%	0.2427921080%
District's proportionate share of the State's net pension liability	\$ 121,896,139.31	\$ 126,222,489.04	\$ 153,454,980.00
District's covered employee payroll	\$ 24,289,273.00	\$ 24,508,618.00	\$ 23,984,530.00
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	501.85%	515.01%	639.81%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%

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, 2016

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

A. Benefit Changes

There were none.

B. Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015 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 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015 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, 2016**

	<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>	<u>Local Aid</u>
REVENUES				
State Sources	\$ 25,846.72	\$ 25,846.72	\$ -	\$ -
Federal Sources	1,000,791.00	-	1,000,791.00	-
Local Sources	<u>77,598.46</u>	<u>-</u>	<u>-</u>	<u>77,598.46</u>
Total Revenues	\$ 1,104,236.18	\$ 25,846.72	\$ 1,000,791.00	\$ 77,598.46
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100 \$ 242,623.00	\$ -	\$ 242,623.00	\$ -
Other Purchased Services (400-500 series)	100-500 689,830.00	-	689,830.00	-
General Supplies	100-610 9,874.00	-	9,874.00	-
Textbooks	100-640 4,453.00	4,453.00	-	-
Other Objects	100-800 <u>77,598.46</u>	<u>-</u>	<u>-</u>	<u>77,598.46</u>
Total Instruction	<u>1,024,378.46</u>	<u>4,453.00</u>	<u>942,327.00</u>	<u>77,598.46</u>
Support Services:				
Personal Services - Salaries	200-100 6,400.00	-	6,400.00	-
Personal Services - Employee Benefits	200-200 36,764.00	-	36,764.00	-
Purchased Professional and Technical Services	200-300 21,680.00	7,380.00	14,300.00	-
Purchased Professional - Educational Services	200-320 14,013.72	14,013.72	-	-
Supplies and Materials	200-600 <u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>
Total Support Services	<u>79,857.72</u>	<u>21,393.72</u>	<u>58,464.00</u>	<u>-</u>
Total Expenditures	\$ 1,104,236.18	\$ 25,846.72	\$ 1,000,791.00	\$ 77,598.46

**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, 2016

	<u>Total</u>	<u>N.J. Nonpublic Textbook Aid</u>	<u>N.J. Nonpublic Auxiliary Services</u>	<u>N.J. Nonpublic Handicapped Services</u>	<u>N.J. Nonpublic Nursing Services</u>	<u>N.J. Nonpublic Technology Initiative</u>	<u>N.J. Nonpublic Technology Initiative</u>
REVENUES							
State Sources	\$ 25,846.72	\$ 4,453.00	\$ 2,368.89	\$ 7,566.83	\$ 7,380.00	\$ 2,028.00	\$ 2,050.00
Total State Revenues	<u>\$ 25,846.72</u>	<u>\$ 4,453.00</u>	<u>\$ 2,368.89</u>	<u>\$ 7,566.83</u>	<u>\$ 7,380.00</u>	<u>\$ 2,028.00</u>	<u>\$ 2,050.00</u>
EXPENDITURES:							
Instruction:							
Textbooks		100-640	\$ 4,453.00	\$ 4,453.00	\$ -	\$ -	\$ -
Total Instruction	<u>4,453.00</u>		<u>4,453.00</u>				
Support Services:							
Purchased Professional and Technical Services		200-300	7,380.00		7,380.00		
Purchased Professional - Educational Services		200-320	14,013.72	2,368.89	7,566.83	-	2,028.00
Total Support Services	<u>21,393.72</u>		<u>-</u>	<u>2,368.89</u>	<u>7,566.83</u>	<u>7,380.00</u>	<u>2,028.00</u>
Total Expenditures	<u>\$ 25,846.72</u>	<u>\$ 4,453.00</u>	<u>\$ 2,368.89</u>	<u>\$ 7,566.83</u>	<u>\$ 7,380.00</u>	<u>\$ 2,028.00</u>	<u>\$ 2,050.00</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, 2016

		<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>
REVENUES							
Federal Sources		\$ 1,000,791.00	\$ 217,628.00	\$ 76,114.00	\$ 17,219.00	\$ 654,567.00	\$ 35,263.00
Total Federal Revenues		<u>\$ 1,000,791.00</u>	<u>\$ 217,628.00</u>	<u>\$ 76,114.00</u>	<u>\$ 17,219.00</u>	<u>\$ 654,567.00</u>	<u>\$ 35,263.00</u>
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	100-100	\$ 242,623.00	\$ 180,708.00	\$ 48,265.00	\$ 13,650.00	\$ -	\$ -
Other Purchased Services (400-500 series)	100-500	689,830.00				654,567.00	35,263.00
General Supplies	100-610	9,874.00	7,349.00	-	2,525.00	-	-
Total Instruction		<u>942,327.00</u>	<u>188,057.00</u>	<u>48,265.00</u>	<u>16,175.00</u>	<u>654,567.00</u>	<u>35,263.00</u>
Support Services:							
Personal Services - Salaries	200-100	6,400.00	6,400.00				
Personal Services - Employee Benefits	200-200	36,764.00	23,171.00	12,549.00	1,044.00		
Purchased Professional and Technical Services	200-300	14,300.00		14,300.00			
Supplies and Materials	200-600	1,000.00	-	1,000.00	-		
Total Support Services		<u>58,464.00</u>	<u>29,571.00</u>	<u>27,849.00</u>	<u>1,044.00</u>	<u>-</u>	<u>-</u>
Total Expenditures		<u>\$ 1,000,791.00</u>	<u>\$ 217,628.00</u>	<u>\$ 76,114.00</u>	<u>\$ 17,219.00</u>	<u>\$ 654,567.00</u>	<u>\$ 35,263.00</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, 2018

	<u>Total</u>	<u>Mahwah HSD</u>	<u>Mahwah Schools Foundation</u>
REVENUES			
Local Sources	\$ 77,598.46	\$26,599.99	\$ 50,998.47
Total Local Revenues	\$ 77,598.46	\$ 26,599.99	\$ 50,998.47
EXPENDITURES:			
Instruction:			
Other Objects	100-800 \$ 77,598.46	\$ 26,599.99	\$ 50,998.47
Total Instruction	77,598.46	26,599.99	50,998.47
Total Expenditures	\$ 77,598.46	\$ 26,599.99	\$ 50,998.47

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, 2016

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations 6/30/2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
High School Electrical Switchgear/Generator	8/9/2014	\$ 934,762.00	\$ 535,088.43	\$ 220,480.52	\$ 179,193.05
Betsy Ross Boiler	6/9/2014	332,004.00	170,516.00	-	161,488.00
Joyce Kilmer Unit Ventilators	8/9/2014	660,537.00	254,181.04	49,454.50	356,921.46
Ramapo Ridge Boiler	8/9/2014	332,004.00	176,529.00	-	155,475.00
George Washington Boiler	6/9/2014	332,004.00	171,185.00	-	160,819.00
Totals		<u>\$ 2,591,311.00</u>	<u>\$ 1,307,479.47</u>	<u>\$ 269,935.02</u>	<u>\$ 1,013,896.51</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2016

REVENUES AND OTHER FINANCING SOURCES	
State Sources - SDA Grant	\$ -
Bond Proceeds	-
Contribution from private sources	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total Revenues	<u>-</u>
 EXPENDITURES AND OTHER FINANCING USES	
Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	2,550.00
Construction Services (450)	267,385.02
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>269,935.02</u>
Excess (deficiency) of revenues over (under) expenditures	(269,935.02)
Fund Balance - July 1	<u>1,283,831.53</u>
Fund Balance - June 30	<u>\$ 1,013,896.51</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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 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	-	-	-	-
Total Revenues	<u>934,762.00</u>	<u>-</u>	<u>934,762.00</u>	<u>934,762.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	19,250.00	2,550.00	21,800.00	30,000.00
Construction Services (450)	515,838.43	217,930.52	733,768.95	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)	-	-	-	-
Total Expenditures	<u>535,088.43</u>	<u>220,480.52</u>	<u>755,568.95</u>	<u>934,762.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>399,673.57</u>	<u>(220,480.52)</u>	<u>179,193.05</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-050-14-G1EX			
Grant Date	8/9/2014			
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	80.83%			
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 Boller
From Inception and for the Year Ended June 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 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	-		-	
Total Revenues	<u>332,004.00</u>	<u>-</u>	<u>332,004.00</u>	<u>332,004.00</u>
EXPENDITURES AND OTHER FINANCING USES				
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 (810)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-		-	
Total Expenditures	<u>170,516.00</u>	<u>-</u>	<u>170,516.00</u>	<u>332,004.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161,488.00</u>	<u>-</u>	<u>161,488.00</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 284,215.00	\$ -	\$ 284,215.00	\$ 284,215.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	398,322.00		398,322.00	398,322.00
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>680,537.00</u>	<u>-</u>	<u>680,537.00</u>	<u>680,537.00</u>
EXPENDITURES AND OTHER FINANCING USES				
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)	218,161.04	49,454.50	265,615.54	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>254,161.04</u>	<u>49,454.50</u>	<u>303,615.54</u>	<u>680,537.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>406,375.96</u>	<u>(49,454.50)</u>	<u>358,921.46</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
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	\$ 680,537.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 680,537.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	45.98%			
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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 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	-		-	
Total Revenues	<u>332,004.00</u>	<u>-</u>	<u>332,004.00</u>	<u>332,004.00</u>
EXPENDITURES AND OTHER FINANCING USES				
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 (810)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-		-	
Total Expenditures	<u>176,529.00</u>	<u>-</u>	<u>176,529.00</u>	<u>332,004.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155,475.00</u>	<u>-</u>	<u>155,475.00</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP 2900-076-14-G1FA			
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		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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 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	-	-	-	-
Total Revenues	<u>332,004.00</u>	<u>-</u>	<u>332,004.00</u>	<u>332,004.00</u>
EXPENDITURES AND OTHER FINANCING USES				
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 (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>171,185.00</u>	<u>-</u>	<u>171,185.00</u>	<u>332,004.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>160,819.00</u>	<u>-</u>	<u>160,819.00</u>	<u>-</u>

ADDITIONAL PROJECT INFORMATION

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, 2016**

<u>Schools</u>	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Student Activity and Athletic Fund	\$ 1,034,466.72	\$ 899,056.28	\$ 723,121.86	\$ 1,210,401.14
School Store	-	2,945.80	1,962.80	983.00
	<u>\$ 1,034,466.72</u>	<u>\$ 902,002.08</u>	<u>\$ 725,084.66</u>	<u>\$ 1,211,384.14</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Payroll Deductions and Withholdings	\$ 1,176.58	\$ 16,043,107.52	\$ 16,041,568.11	\$ 2,715.99
Net Salaries and Wages	8,286.64	18,768,507.48	18,777,689.22	(895.10)
Flexible Spending Account	29,280.75	66,160.44	69,056.25	26,384.94
Interfund Accounts Payable	10,000.00	-	-	10,000.00
	<u>\$ 48,743.97</u>	<u>\$ 34,877,775.44</u>	<u>\$ 34,888,313.58</u>	<u>\$ 38,205.83</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, 2016

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2016		Interest Rate	Balance June 30, 2015	Retired Current Year	Balance June 30, 2016
			Date	Amount				
Additions and Renovations to Various Schools	7/15/97	\$ 13,850,000.00 (\$38,000 Canceled)	7/15/16	\$ 800,000.00	5.10%	\$ 2,337,000.00	\$ 800,000.00	\$ 1,537,000.00
			7/15/17	737,000.00				
Refunding Bonds of 2009	12/2/09	7,950,000.00	9/15/16	735,000.00	4.00%	5,805,000.00	720,000.00	5,085,000.00
			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	8/15/16	525,000.00	3.00%	5,060,000.00	505,000.00	4,555,000.00
			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>\$ 13,202,000.00</u>	<u>\$ 2,025,000.00</u>	<u>\$ 11,177,000.00</u>

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	Actual	Variance Final to <u>Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,561,875.00	\$ -	\$ 2,561,875.00	\$ 2,561,875.00	\$ -
Total Revenues	<u>2,561,875.00</u>	-	<u>2,561,875.00</u>	<u>2,561,875.00</u>	-
EXPENDITURES:					
Regular Debt Service:					
Interest	537,137.00	-	537,137.00	537,137.00	-
Redemption of Principal	<u>2,025,000.00</u>	-	<u>2,025,000.00</u>	<u>2,025,000.00</u>	-
Total Regular Debt Service	<u>2,562,137.00</u>	-	<u>2,562,137.00</u>	<u>2,562,137.00</u>	-
Total Expenditures	<u>2,562,137.00</u>	-	<u>2,562,137.00</u>	<u>2,562,137.00</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262.00)	-	(262.00)	(262.00)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	<u>-</u>	-	<u>-</u>	<u>317.39</u>	<u>317.39</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(262.00)	-	(262.00)	55.39	317.39
Fund Balance, July 1	<u>1,505.31</u>	-	<u>1,505.31</u>	<u>1,505.31</u>	-
Fund Balance, June 30	<u>\$ 1,243.31</u>	<u>\$ -</u>	<u>\$ 1,243.31</u>	<u>\$ 1,560.70</u>	<u>\$ 317.39</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (262.00)</u>	<u>\$ -</u>	<u>\$ (262.00)</u>	<u>\$ 55.39</u>	<u>\$ 317.39</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
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Revenue Capacity

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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
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Demographic and Economic Information

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Operating Information

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BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 24,152,344.39	\$ 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
Restricted	15,903,387.21	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
Unrestricted	(14,891,727.98)	(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)
Total governmental activities net position	\$ 25,164,003.62	\$ 33,873,018.93	\$ 31,689,644.88	\$ 30,031,564.04	\$ 27,419,146.19	\$ 23,035,704.93	\$ 19,363,841.61	\$ 17,380,215.43	\$ 15,788,162.04	\$ 15,203,554.64
Business-type activities										
Net investment in capital assets	\$ 22,699.63	\$ 23,417.03	\$ 25,578.39	\$ 35,993.90	\$ 34,007.81	\$ 43,433.31	\$ 52,859.57	\$ 82,285.83	\$ 60,682.09	\$ 69,365.50
Restricted										
Unrestricted	224,176.92	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
Total business-type activities net position	\$ 246,876.55	\$ 216,413.16	\$ 222,557.61	\$ 197,019.45	\$ 223,733.40	\$ 184,288.04	\$ 160,131.29	\$ 167,608.84	\$ 158,510.80	\$ 186,065.14
District-wide										
Net investment in capital assets	\$ 24,175,044.02	\$ 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
Restricted	15,903,387.21	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
Unrestricted	(14,667,551.06)	(1,775,588.80)	(1,797,421.67)	(1,622,551.18)	(1,518,216.60)	(1,436,462.49)	(1,963,535.28)	(2,265,242.67)	(2,014,207.93)	(1,396,797.40)
Total district net position	\$ 25,410,880.17	\$ 34,089,432.09	\$ 31,892,202.49	\$ 30,228,563.49	\$ 27,642,879.59	\$ 23,219,992.97	\$ 19,523,972.90	\$ 17,547,824.27	\$ 15,946,672.84	\$ 15,389,619.78

Source: District records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

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

	Fiscal Year Ending June 30.									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 23,720,946.28	\$ 23,679,032.44	\$ 23,572,905.32	\$ 23,806,863.88	\$ 22,325,235.14	\$ 22,730,683.26	\$ 23,415,618.17	\$ 23,601,775.26	\$ 23,514,320.64	\$ 22,138,311.42
Special education	7,374,682.77	7,278,720.80	7,337,372.87	7,000,275.38	6,949,744.01	6,537,014.82	5,883,421.73	5,838,537.38	5,604,265.92	5,842,897.50
Other instruction	3,466,349.65	3,210,219.97	3,149,484.85	3,177,417.92	2,980,585.36	2,548,912.93	3,062,707.03	2,991,761.38	2,670,607.91	2,397,169.36
Support Services:										
Tuition	4,483,777.37	4,337,066.56	3,903,782.19	3,009,950.82	2,489,789.64	2,603,900.86	2,745,506.08	2,429,116.33	2,855,202.82	2,665,189.65
Student and instruction related service	9,383,818.91	9,564,208.25	9,022,128.06	8,789,889.47	8,206,086.51	7,566,562.38	7,763,540.65	7,454,518.75	7,285,458.19	7,442,070.80
School administrative services	3,528,129.81	3,395,140.05	3,422,346.19	3,342,560.53	3,357,271.72	3,373,183.11	3,351,857.39	3,318,566.21	3,382,382.06	3,093,028.91
General and business administrative services	2,896,895.84	3,017,074.75	3,308,362.37	2,952,462.72	3,146,546.05	2,692,797.80	3,009,151.72	2,738,692.99	2,878,880.51	2,411,826.16
Plant operations and maintenance	5,141,295.54	5,849,398.90	6,589,151.97	6,267,301.60	5,597,728.58	5,698,176.10	5,702,269.02	4,782,759.02	5,251,429.78	5,012,198.08
Pupil transportation	3,046,228.36	3,715,677.51	3,554,636.85	3,333,207.82	3,390,980.08	3,279,740.84	3,279,245.74	3,287,139.74	3,446,822.79	3,531,171.70
Charter Schools				51,863.00	23,370.00	23,079.00				
SDA Debt Service Assessment	79,684.00	79,684.00	79,684.00	79,684.00	57,405.00	92,327.00				
Interest on long-term debt	506,455.75	583,488.56	658,939.50	737,273.25	788,179.62	918,719.22	1,025,224.90	1,141,872.90	1,218,959.75	1,293,423.51
Total governmental activities expenses	64,528,044.28	64,709,710.79	64,507,771.77	62,548,780.29	59,323,921.72	57,975,107.22	59,249,642.43	57,564,739.94	58,288,630.18	55,827,244.91
Business-type activities:										
Food service	983,104.81	1,014,776.17	992,626.92	1,035,906.43	980,673.48	940,643.44	913,955.36	887,638.62	905,916.94	868,856.48
Total business-type activities expense	983,104.81	1,014,776.17	992,626.92	1,035,906.43	980,673.48	940,643.44	913,955.36	887,638.62	905,916.94	868,856.48
Total district-wide expenses	\$ 65,511,149.09	\$ 65,724,486.96	\$ 65,500,398.69	\$ 63,584,686.72	\$ 60,304,595.20	\$ 58,915,750.66	\$ 60,163,597.79	\$ 58,452,378.56	\$ 59,194,547.12	\$ 56,696,101.39
Program Revenues										
Governmental activities:										
Charges for services:										
Pupil transportation						\$ 328.00	\$ 330.00	\$ -	\$ -	\$ 34,258.41
Interest on long-term debt	506,455.75	583,488.56	658,939.50	737,273.25	788,179.62	918,719.22	1,025,224.90	1,141,872.90	1,218,959.75	1,293,423.51
Operating grants and contributions	7,817,463.93	7,529,293.87	7,911,540.53	8,849,221.97	856,376.14	5,834,181.85	6,955,882.32	7,673,603.55	9,145,943.86	9,135,647.13
Total governmental activities program revenues	8,323,919.68	8,112,782.43	8,570,480.03	9,386,495.22	1,644,555.76	6,753,229.07	7,981,437.22	8,815,476.45	10,364,903.63	10,463,329.05

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

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

	For Fiscal Year Ending June 30.									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities:										
Charges for services										
Food service	\$ 803,213.00	\$ 818,288.48	\$ 822,950.72	\$ 814,273.01	\$ -	\$ 802,644.78	\$ 733,210.08	\$ 728,490.42	\$ 723,605.80	\$ 746,650.56
Operating grants and contributions	207,712.89	180,304.44	195,214.36	200,523.02	-	161,170.84	172,361.22	156,731.76	136,065.03	105,440.48
Total business-type activities program revenues	1,010,926.79	1,008,592.92	1,018,165.08	1,014,896.03	-	963,815.72	905,500.30	885,222.18	862,700.83	852,091.04
Total district-wide program revenues	\$ 9,334,846.47	\$ 9,121,375.35	\$ 9,588,645.11	\$ 10,401,391.25	\$ 1,644,555.76	\$ 7,717,044.79	\$ 8,887,017.52	\$ 9,700,688.63	\$ 11,227,604.46	\$ 11,315,420.09
Net (Expense)/Revenue										
Governmental activities	\$ (56,204,124.60)	\$ (56,585,828.36)	\$ (55,037,281.74)	\$ (53,162,285.07)	\$ (57,679,365.96)	\$ (51,221,878.15)	\$ (51,267,205.21)	\$ (48,749,263.48)	\$ (47,923,726.55)	\$ (45,363,915.86)
Business-type activities	27,821.98	(6,185.25)	25,536.16	(19,010.40)	(880,673.48)	23,172.28	(8,375.06)	(2,416.44)	(49,216.11)	(16,765.44)
Total district-wide net expense	\$ (56,176,302.62)	\$ (56,603,113.61)	\$ (55,011,745.58)	\$ (53,181,295.47)	\$ (58,560,039.44)	\$ (51,198,705.87)	\$ (51,275,580.27)	\$ (48,751,679.92)	\$ (47,969,942.66)	\$ (45,380,681.30)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 57,218,837.00	\$ 56,096,809.00	\$ 54,066,960.00	\$ 53,018,588.00	\$ 52,861,361.00	\$ 51,901,030.00	\$ 50,145,221.00	\$ 48,070,644.00	\$ 46,221,773.00	\$ 45,107,181.00
Property taxes, levied for debt service principal	2,055,419.25	2,024,327.44	1,944,843.50	1,945,711.75	1,833,223.38	1,855,617.78	1,796,838.10	1,707,676.10	1,651,619.26	1,550,645.49
Federal and State aid not restricted	153,130.04	171,132.31	1,214,070.58	(246,250.44)	138,798.90	366,811.14	357,197.35	485,884.36	379,549.78	251,680.94
Tuition (other than special schools)	-	-	-	-	-	-	1,494.00	46,334.00	26,633.00	6,950.00
Investment earnings	33,006.25	27,024.88	24,500.90	23,550.08	18,658.05	87,276.17	82,089.34	116,315.60	302,869.64	430,432.06
Miscellaneous income	312,600.18	323,407.05	300,331.70	371,215.34	288,580.72	184,342.53	189,031.10	231,614.07	180,901.02	208,764.80
Special item - proceeds from sale of assets	-	-	-	-	-	558,811.00	828,782.00	(66,128.24)	-	-
N.J. Economic Development Authority grants	-	-	-	-	-	-	25,503.03	-	-	-
Refunding Bond Proceeds (Net)	(77,364.43)	157,511.83	(905,334.08)	(238,102.81)	132,000.00	(60,147.15)	(176,324.62)	(220,823.01)	(243,750.58)	127,347.26
Adjustment to Capital Assets	(2,600.00)	-	-	-	-	-	(10,200.00)	(11,351.17)	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities:	\$ 58,685,689.29	\$ 58,800,302.41	\$ 57,575,372.58	\$ 55,774,702.92	\$ 55,372,631.05	\$ 54,893,741.47	\$ 53,250,831.39	\$ 50,341,316.88	\$ 48,508,333.95	\$ 47,683,081.55
Business-type activities:										
Investment earnings	41.41	40.00	-	16.89	5.09	984.47	897.51	1,314.48	4,310.60	5,955.16
Transfers	2,600.00	-	-	-	-	-	-	10,200.00	-	-
Total business-type activities	2,641.41	40.00	-	16.89	5.09	984.47	897.51	11,514.48	4,310.60	5,955.16
Total district-wide general revenues	\$ 58,685,689.70	\$ 58,800,343.21	\$ 57,575,372.58	\$ 55,774,721.81	\$ 55,372,636.14	\$ 54,894,725.94	\$ 53,251,728.90	\$ 50,352,831.36	\$ 48,512,644.55	\$ 47,689,036.71
Change in Net Position										
Governmental activities	\$ 3,488,903.69	\$ 2,203,374.05	\$ 1,638,089.84	\$ 2,612,417.85	\$ (2,306,734.91)	\$ 3,671,863.32	\$ 1,983,626.18	\$ 1,582,053.39	\$ 594,807.40	\$ 2,320,065.69
Business-type activities	30,463.39	(6,144.45)	25,536.16	(18,991.51)	(880,688.39)	24,156.75	(7,477.55)	9,088.04	(38,905.51)	(10,810.28)
Total district-wide change in net position	\$ 3,519,367.08	\$ 2,187,229.60	\$ 1,663,619.00	\$ 2,593,426.34	\$ (3,287,403.30)	\$ 3,696,020.07	\$ 1,976,148.63	\$ 1,601,151.43	\$ 545,701.89	\$ 2,309,255.41

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Restricted	\$ 11,758,284.54	\$ 10,030,982.00	\$ 10,729,476.62	\$ 11,005,171.23	\$ 8,230,996.95	\$ 5,414,285.29	\$ -	\$ -	\$ -	\$ -
Assigned	3,303,769.70	1,739,430.23	1,693,206.30	2,214,537.14	2,423,474.47	2,106,507.48				
Unassigned	1,295,670.02	1,399,188.07	1,406,922.11	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
Unreserved							1,298,452.00	1,170,564.32	1,275,578.36	1,552,285.96
Total general fund	<u>\$ 16,357,724.26</u>	<u>\$ 13,169,600.30</u>	<u>\$ 13,832,605.03</u>	<u>\$ 14,447,291.47</u>	<u>\$ 11,849,699.29</u>	<u>\$ -</u>	<u>\$ 5,955,915.89</u>	<u>\$ 6,732,958.64</u>	<u>\$ 6,291,925.52</u>	<u>\$ 5,652,211.74</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund	\$ 1,013,896.51	\$ 1,029,288.96	\$ 1,036,526.00	\$ (88,464.05)	\$ 227,273.48	\$ (109,198.98)	\$ -	\$ -	\$ -	\$ -
Debt service fund	1,560.70	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
Unreserved, reported in:										
Capital projects fund							440,696.09	(89,186.14)	(23,057.90)	(7,161.89)
Debt service fund							20,385.40	6,751.63	14,073.55	15,329.76
Total all other governmental funds	<u>\$ 1,015,457.21</u>	<u>\$ 1,285,336.84</u>	<u>\$ 1,037,328.40</u>	<u>\$ (49,647.38)</u>	<u>\$ 263,549.94</u>	<u>\$ -</u>	<u>\$ 461,081.49</u>	<u>\$ (82,434.51)</u>	<u>\$ (8,984.35)</u>	<u>\$ 390,788.46</u>
Total Fund Balances	<u>\$ 17,373,181.47</u>	<u>\$ 14,454,937.14</u>	<u>\$ 14,869,933.43</u>	<u>\$ 14,397,644.09</u>	<u>\$ 12,113,249.23</u>	<u>\$ -</u>	<u>\$ 6,416,997.38</u>	<u>\$ 6,650,524.13</u>	<u>\$ 6,282,941.17</u>	<u>\$ 6,043,000.20</u>

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax levy	\$ 58,780,712.00	\$ 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	\$ 48,092,352.00	\$ 47,951,250.00
Tuition charges	-	-	-	-	-	-	1,494.00	46,334.00	26,633.00	6,950.00
Transportation fees	-	-	-	-	-	328.00	330.00	-	-	34,258.41
Interest earnings	33,006.25	27,024.98	24,500.90	23,550.08	18,658.05	87,276.17	82,089.34	116,315.60	302,869.64	430,432.06
Miscellaneous	385,198.64	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
State sources	6,856,554.74	6,587,961.32	8,150,533.30	7,375,170.37	6,143,444.21	4,730,957.88	6,309,017.56	7,187,807.65	8,608,598.01	8,450,908.02
Federal sources	1,041,440.77	1,043,940.32	897,489.97	1,027,792.16	1,541,907.00	1,470,035.11	1,004,062.11	951,880.26	916,895.65	936,402.05
Total revenues	68,096,912.40	66,755,573.21	67,051,186.69	65,399,300.95	63,575,362.98	61,148,306.69	60,554,308.20	59,453,944.58	59,128,339.33	58,019,963.34
Expenditures										
Instruction										
Regular instruction	16,258,610.06	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
Special education instruction	5,287,001.94	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
Other instruction	2,537,802.38	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
Support Services:										
Tuition	4,483,777.37	4,337,066.56	3,803,762.19	3,009,960.62	2,498,789.64	2,603,900.66	2,745,506.08	2,429,116.33	2,855,202.62	2,665,168.65
Student and instruction related services	7,100,830.59	7,584,567.27	6,993,598.64	6,719,355.46	6,071,345.92	5,941,932.02	5,952,809.56	5,897,535.08	5,509,478.28	5,664,442.84
School administrative services	2,484,778.80	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
General and business administrative services	2,240,052.74	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
Plant operations and maintenance	4,838,122.14	5,582,776.10	6,312,559.47	5,987,487.89	5,265,156.39	5,346,286.51	5,324,655.62	4,411,109.84	4,620,180.57	4,398,966.48
Pupil transportation	3,737,080.10	3,546,408.41	3,369,639.41	3,136,352.74	3,158,198.80	3,083,276.15	3,051,281.60	3,072,622.91	3,259,903.67	3,350,686.16
Employee benefits	12,709,512.16	11,603,930.85	11,923,724.98	12,501,817.42	11,434,078.09	10,308,826.07	11,097,790.43	11,599,650.23	11,728,997.43	11,226,685.92
Charter Schools	-	-	-	51,863.00	23,370.00	23,079.00	-	-	-	-
Capital outlay	936,352.79	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
Debt service:										
Principal	2,025,000.00	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
Interest and other charges	537,137.00	613,355.75	690,059.50	767,984.50	827,703.31	851,088.50	1,074,082.98	1,172,162.26	1,248,294.76	1,321,809.76
Total expenditures	65,176,068.07	67,170,569.50	66,578,897.35	63,114,906.09	60,465,377.45	59,120,851.37	61,682,119.98	59,010,033.38	58,877,047.19	58,694,419.00
Excess (Deficiency) of revenues over (under) expenditures	2,920,844.33	(414,996.29)	472,289.34	2,284,394.86	3,109,985.53	2,027,455.32	(1,127,811.78)	443,911.20	251,292.14	(674,455.66)

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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing sources (uses)							65,503.03			
Proceeds from borrowing										
Temporary Notes Paid by Budget										
Sale of Assets										
N.J. Economic Development Authority grants						558,811.00	828,782.00	(66,128.24)		
Transfers in	317.39	1,556,027.66	375,143.94	539.71	300,231.15	3,711.71	1,354,550.43	291.34	6,459.55	1,289,130.34
Transfers out	(2,917.39)	(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)
Total other financing sources (uses)	<u>(2,600.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,811.00</u>	<u>884,285.03</u>	<u>(76,328.24)</u>	<u>(11,351.17)</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,918,244.33</u>	<u>\$ (414,996.29)</u>	<u>\$ 472,289.34</u>	<u>\$ 2,284,394.86</u>	<u>\$ 3,109,985.53</u>	<u>\$ 2,585,266.32</u>	<u>\$ (233,526.75)</u>	<u>\$ 367,582.96</u>	<u>\$ 239,940.97</u>	<u>\$ (674,455.65)</u>
Debt service as a percentage of noncapital expenditures	3.99%	4.01%	4.08%	4.27%	4.52%	4.77%	4.72%	4.97%	4.96%	5.17%

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>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>	<u>2016</u>
Transportation	\$ 34,258.41	\$ -	\$ -	\$ 330.00	\$ 328.00	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition	6,950.00	26,633.00	46,334.00	1,494.00						
Interest	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	32,688.86
Prior Year Refunds	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	126,530.79
Rentals	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	149,251.55
Miscellaneous	47,538.50	7,330.79	7,376.00	7,986.03	14,973.27	5,842.61	20,592.01	23,769.87	38,365.16	36,817.95
	<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>	<u>\$ 345,289.15</u>

125 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
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
2016	99,182,100	4,386,777,000	14,540,400	797,400,700	339,170,900	49,592,700	5,686,663,800	4,774,230	5,691,438,030	5,923,219,890	1.061

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	
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
2016	1.016	0.045	1.061	0.430	0.256	1.747

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>2016</u>		<u>2007</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.	81,000,000	1.43%		
Howmedica Osteonics Corporation	60,000,000	1.06%		
Crossroads Developers Assoc.	55,350,200	0.98%		
933 Inspiration LLC	30,918,900	0.55%		
Inwood Realty Group	24,555,400	0.43%		
Jaquar Land Rover North America, Inc.	21,000,000	0.37%		
Garden Crossroads, LLC	20,100,000	0.35%		
Mindray DS USA, Inc.	19,437,900	0.34%		
One International Blvd. LLC	19,000,000	0.34%		
Total	\$ 431,362,400	7.62%	\$ -	0.00%

Source: Municipal Tax Assessor

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

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

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	479,675	95,684,321	99.89%
2015	97,957,426	97,499,767	99.53%		97,499,767	99.53%

Source: Municipal Tax Collector

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	1.03%	497	
2016	11,177,000					11,177,000	0.92%	420	

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	497

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2015
Unaudited**

Net Direct Debt of School District as of December 31, 2014		\$ 11,177,000.00
Net Overlapping Debt of School District:		
Township of Mahwah (100%)	\$ 29,494,375.20	
County of Bergen - Township's share (3.6670%)	35,335,378.36	
Northwest Bergen County Utilities Authority (28.22%)	<u>3,995,596.99</u>	
		<u>68,825,350.55</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2015		<u>\$ 80,002,350.55</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 2015

Equalized valuation basis:	
2013	5,883,744,780
2014	5,946,416,980
2015	5,866,572,492
	<u>\$ 17,716,734,252</u>
Average equalized valuation of taxable property	<u>\$ 5,905,578,084</u>
Debt limit (4 % of average equalization value)	236,223,123
Total Net Debt Applicable to Limit	<u>11,177,000</u>
Legal debt margin	<u>\$ 225,046,123</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 266,469,440	\$ 258,653,452	\$ 247,028,578	\$ 240,588,360	\$ 236,223,123
Total net debt applicable to limit	<u>19,062,000</u>	<u>17,147,000</u>	<u>15,197,000</u>	<u>13,202,000</u>	<u>11,177,000</u>
Legal debt margin	<u>\$ 247,407,440</u>	<u>\$ 241,506,452</u>	<u>\$ 231,831,578</u>	<u>\$ 227,386,360</u>	<u>\$ 225,046,123</u>
Total net debt applicable to the limit as a percentage of debt limit	7.15%	6.63%	6.15%	5.49%	4.73%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 230,997,852	\$ 252,416,860	\$ 269,024,421	\$ 274,170,435	\$ 274,665,794
Total net debt applicable to limit	<u>27,909,000</u>	<u>26,279,000</u>	<u>24,594,000</u>	<u>22,859,000</u>	<u>21,069,000</u>
Legal debt margin	<u>\$ 203,088,852</u>	<u>\$ 228,137,860</u>	<u>\$ 244,430,421</u>	<u>\$ 251,311,435</u>	<u>\$ 253,596,794</u>
Total net debt applicable to the limit as a percentage of debt limit	12.08%	10.41%	9.14%	8.34%	7.67%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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 Actual	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	26,590	1,284,881,980	48,322 (Est.)	4.4%
2016	26,590 (Est.)	1,220,637,881	45,906 (Est.)	

Sources:

Population information provided by the NJ Dept of Labor and Workforce Development

Personal income has been estimated based upon the municipal population and per capita personal income presented

Per capita personal income by municipality estimated based upon the 2000 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**

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

<u>Function/Program</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>	<u>2016</u>
Instruction										
Regular	222	221	217	215	205	210	211	216	222	216
Special education	67	66	65	64	62	60	71	81	78	84
Other instruction	15	15	15	15	12	14	13	15	17	10
Support Services:										
Student and instruction related services	79	78	78	78	86	84	97	101	93	98
School administrative services	28	28	28	28	28	27	27	29	26	26
General administrative services	3	3	3	3	3	3	2	2	2	3
Central Services	6	6	6	6	6	7	7	8	8	8
Administrative information technology	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	33	31	14	13	10	9	9	9	9	9
Pupil transportation	7	7	7	7	8	7	6	4	6	6
Total	464	459	437	433	424	425	447	469	465	464

Source: District Personnel Records

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
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	62,479,601	20,368	4.50%	298.2	17.5	15.5	3.0	3067.5	2,946.1	-3.44%	96.04%
2016	2,996.0	61,677,578	20,587	1.07%	300.0	17.0	16.5	12.2	2970.0	2,852.0	-3.18%	96.03%

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
Elementary										
Batsy 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	331	334	305	305	261	236	233	237	234	222
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	264	277	259	259	236	210	178	193	193	201
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	478	467	482	482	492	483	469	473	486	461
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	587	520	537	537	492	527	527	473	444	438
Middle School										
Ramapo Ridge Middle School (1974, 1998, 2005)										
Square Feet	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037	100,037
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	826	878	887	887	839	798	798	773	752	753
High School										
Mahwah High School (1954, 1984, 2005)										
Square Feet	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844	187,844
Capacity (students)	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093	1,093
Enrollment	940	992	1,027	1,027	1,051	1,048	1,017	1,028	970	911
Other										
Athletic Building										
Square Feet	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Central Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Maintenance Garage										
Square Feet	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Number of Schools at June 30, 2016										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 3										

Source: District Facilities Office

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**

General Fund

Schedule of Required Maintenance for School Facilities

Last Ten Fiscal Years

Unaudited

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

*School Facility	Project #	Gross Building Area (SF)	Total	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Mahwah High School	SP2900-050-03-0056	191,808	5,785,254	\$ 339,673	\$ 618,465	\$ 862,880	\$ 1,063,843	\$ 731,338	\$ 510,661	\$ 571,033	\$ 313,398	\$ 378,737	\$ 395,226
Betsy Ross	N/A	33,526	1,149,694	81,194	65,139	142,309	362,955	183,389	74,650	52,578	40,343	58,217	88,921
Commodore Perry	N/A												
Joyce Kilmer	N/A	82,220	2,086,049	130,277	396,551	285,589	214,008	279,942	142,433	201,326	127,484	168,052	140,387
Ramapo Ridge	SP2900-076-03-0047	118,037	3,104,264	217,011	441,479	701,730	402,290	212,155	232,352	215,969	261,848	232,127	187,304
George Washington	N/A	32,365	955,927	68,091	97,937	108,521	98,488	111,994	132,081	140,156	50,587	65,887	82,185
Lanapa Meadows	N/A	88,000	1,392,555	227,614	157,998	210,679	114,521	110,149	125,488	104,457	94,587	141,909	105,154
District Total		545,956	14,473,742	\$ 1,063,859	\$ 1,777,509	\$ 2,311,708	\$ 2,256,105	\$ 1,628,967	\$ 1,217,665	\$ 1,285,518	\$ 888,246	\$ 1,044,928	\$ 999,177

*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, 2016
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	1,000,000	1,000
Pollution Liability	4,000,000	15,000
School Board Legal Liability	1,000,000	25,000
Cyber Liability	1,000,000/2,000,000	15,000/25,000
Boiler & Machinery	Up to the Property Limit	1,000
Workers Compensation - Coverage through Northeast Bergen County School Board Insurance Group		
Health Insurance through New Jersey State Health Benefits Plan		
Volunteer Accident Policy- QBE Insurance Company		
Student & Athletic Insurance through Catlin Insurance Company/ US Fire Insurance		
Volunteer Accident Policy- QBE Insurance CO.		
Accident Policy through Gerber Life Insurance Company		
Public Employee Bonds -		
Kyle J. Bleeker Secretary	5,000	
Kenneth Sesholtz Treasurer	350,000	
Blanket Employee Dishonesty (Per Employee)	100,000	5,000
Per Loss (Excess)	400,000	

Source: District records

Single Audit Section



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

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

**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, 2016, 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 19, 2016.

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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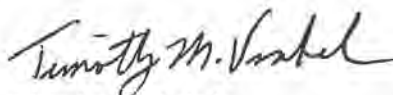
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given 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 19, 2016

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

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 TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS 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 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, 2016. 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 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 standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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

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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, 2016.

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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.

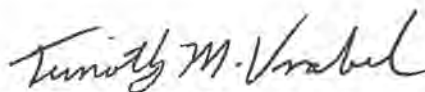
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, 2016, and have issued our report thereon dated July 19, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 19, 2016

**BOARD OF EDUCATION
TOWNSHIP OF MAHWAH**
Schedule of Expenditures of Federal Awards, Schedule A
June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Federal FAIN Number	Grant Period	Award Amount	Balance July 1, 2015	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Balance June 30, 2016		
								Disbursements	Accounts Payable	Encumbrances			Accounts Receivable	Deferred Revenues	Due to Grantor
U.S. Department of Agriculture Passed - Through State Department of Education:															
Food Distribution Program	10.550		7/1/15-6/30/16	\$ 48,070.75	\$ -	\$ -	\$ 48,070.75	\$ 41,263.78	\$ -	\$ -	\$ 41,263.78	\$ -	\$ -	\$ 6,806.96	\$ -
Food Distribution Program	10.550		7/1/14-6/30/15	25,132.43	8,011.39	-	-	8,011.39	-	-	8,011.39	-	-	-	-
National School Lunch Program	10.555	16161NJ304N1096	7/1/15-6/30/16	152,675.60	-	-	123,620.00	152,675.60	-	-	152,675.60	-	(29,055.60)	-	-
National School Lunch Program	10.555	16161NJ304N1096	7/1/14-6/30/15	157,414.20	(11,453.36)	-	11,453.36	-	-	-	-	-	-	-	-
Total U.S. Department of Agriculture					<u>(3,441.99)</u>		<u>183,144.13</u>	<u>201,950.78</u>			<u>201,950.78</u>		<u>(29,055.60)</u>	<u>6,806.96</u>	
U.S. Department of Education Passed - Through State Department of Education:															
Special Revenue Funds:															
E.S.E.A. Title I	84.010A	S010A150030	7/1/15-6/30/16	217,628.00	-	-	217,628.00	216,826.81	-	799.19	217,628.00	-	-	-	-
E.S.E.A. Title I	84.010A	S010A150030	7/1/14-6/30/15	218,784.00	(85,071.00)	-	85,071.00	-	-	-	-	-	-	-	-
E.S.E.A. Title II A	84.367A	S367A150029	7/1/15-6/30/16	76,114.00	-	-	76,114.00	76,114.00	-	-	76,114.00	-	-	-	-
E.S.E.A. Title II A	84.367A	S367A150029	7/1/14-6/30/15	77,535.00	(9,996.00)	-	9,996.00	-	-	-	-	-	-	-	-
E.S.E.A. Title III	84.365A	S365A150030	7/1/15-6/30/16	17,219.00	-	-	17,219.00	17,219.00	-	-	17,219.00	-	-	-	-
E.S.E.A. Title III	84.365A	S365A150030	7/1/14-6/30/15	12,535.00	(12,535.00)	-	12,535.00	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Basic	84.027A	H027A150100	7/1/15-6/30/16	654,567.00	-	-	654,567.00	654,567.00	-	-	654,567.00	-	-	-	-
I.D.E.A. Part B, Basic	84.027A	H027A150100	7/1/14-6/30/15	643,701.00	(1,194.00)	-	1,194.00	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Preschool	84.173A	H173A150114	7/1/15-6/30/16	35,801.00	-	-	35,263.00	35,263.00	-	-	35,263.00	-	-	-	-
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)					<u>(108,792.20)</u>		<u>1,109,587.00</u>	<u>899,991.61</u>		<u>799.19</u>	<u>1,000,791.00</u>			<u>3.80</u>	
Total Federal Financial Assistance					<u>\$ (112,234.19)</u>	<u>\$ -</u>	<u>\$ 1,292,731.13</u>	<u>\$ 1,201,942.59</u>	<u>\$ -</u>	<u>\$ 799.19</u>	<u>\$ 1,202,741.78</u>	<u>\$ -</u>	<u>\$ (29,055.60)</u>	<u>\$ 6,810.76</u>	<u>\$ -</u>

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

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH

Schedule of Expenditures of State Financial Assistance, Schedule II
June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Balance June 30, 2016			Memo	
							Disbursements	Accounts Payable	Encumbrances			Accounts Receivable	Deferred Revenues	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
General Funds:																
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	\$ 253,921.00	\$ -	\$ 3,621.39 (1)	\$ 238,735.06	\$ 253,921.00	\$ -	\$ -	\$ 253,921.00	\$ -	\$ -	\$ -	\$ -	\$ (11,564.52)	253,921.00
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	253,921.00	(8,763.39)	-	9,783.39	-	-	-	-	-	-	-	-	-	-
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,940,400.00	-	-	1,852,026.63	1,940,400.00	-	-	1,940,400.00	-	-	-	-	(88,373.17)	1,940,400.00
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,940,400.00	(74,762.22)	-	74,762.22	-	-	-	-	-	-	-	-	-	-
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	51,859.00	-	-	49,497.14	51,859.00	-	-	51,859.00	-	-	-	-	(2,361.86)	51,859.00
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	51,859.00	(1,998.09)	-	1,998.09	-	-	-	-	-	-	-	-	-	-
Additional Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	1.00	-	-	0.95	1.00	-	-	1.00	-	-	-	-	(0.05)	1.00
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1.00	(0.04)	-	0.04	-	-	-	-	-	-	-	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	30,305.00	-	-	28,924.80	30,305.00	-	-	30,305.00	-	-	-	-	(1,380.20)	30,305.00
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	30,305.00	(1,167.63)	-	1,167.63	-	-	-	-	-	-	-	-	-	-
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	30,305.00	-	-	29,924.60	30,305.00	-	-	30,305.00	-	-	-	-	(1,380.20)	30,305.00
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	30,305.00	(1,167.63)	-	1,167.63	-	-	-	-	-	-	-	-	-	-
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	479,910.00	-	-	479,910.00	-	-	479,910.00	-	(479,910.00)	-	-	-	-	479,910.00
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	370,161.00	(370,161.00)	-	370,161.00	-	-	-	-	-	-	-	-	-	-
Non-Public Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	26,530.00	-	-	40,745.00	26,530.00	-	-	26,530.00	-	(26,530.00)	-	-	-	26,530.00
Non-Public Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	40,745.00	(40,745.00)	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,702,132.19	-	-	1,618,764.89	1,702,132.19	-	-	1,702,132.19	-	(83,367.30)	-	-	-	1,702,132.19
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	1,745,714.71	(86,428.54)	-	86,428.54	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions	16-495-034-5094-002	7/1/15-6/30/16	1,958,637.00	-	-	1,958,637.00	1,958,637.00	-	-	1,958,637.00	-	-	-	-	-	1,958,637.00
On-Behalf TPAF PRM Contributions	16-495-034-5094-001	7/1/15-6/30/16	2,332,433.00	-	-	2,332,433.00	2,332,433.00	-	-	2,332,433.00	-	-	-	-	-	2,332,433.00
Total General Funds				<u>(588,213.54)</u>	<u>3,621.39</u>	<u>8,694,258.04</u>	<u>8,606,633.19</u>			<u>8,606,633.19</u>		<u>(589,607.30)</u>			<u>(105,000.00)</u>	<u>8,606,633.19</u>
Special Revenue Funds:																
New Jersey Nonpublic Aid																
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	4,453.00	-	-	4,453.00	4,438.41	-	13.59	4,453.00	-	-	-	-	-	4,453.00
Auxiliary Services:																
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	3,046.00	-	-	3,046.00	2,368.89	-	-	2,368.89	-	-	677.11	-	-	2,368.89
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	1,792.00	0.40	(0.40) (1)	-	-	-	-	-	-	-	-	-	-	-
Handicapped Services:																
Examination and Classification	16-100-034-5120-068	7/1/15-6/30/16	7,326.00	-	-	7,326.00	4,259.93	-	-	4,259.93	-	-	3,066.07	-	-	4,259.93
Examination and Classification	15-100-034-5120-068	7/1/14-6/30/15	3,903.00	1,982.14	(1,982.14) (1)	-	-	-	-	-	-	-	-	-	-	-
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	4,180.00	-	-	4,180.00	3,009.86	-	-	3,009.86	-	-	1,170.14	-	-	3,009.86
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	7,244.00	1,324.55	(1,324.55) (1)	-	-	-	-	-	-	-	-	-	-	-
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	1,337.00	-	-	1,337.00	297.04	-	-	297.04	-	-	1,039.96	-	-	297.04
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	1,099.00	314.30	(314.30) (1)	-	-	-	-	-	-	-	-	-	-	-
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	7,380.00	-	-	7,380.00	6,486.42	-	893.58	7,380.00	-	-	-	-	-	7,380.00
Technology Initiative	16-100-034-5120-373	7/1/15-6/30/16	2,028.00	-	-	2,028.00	2,028.00	-	-	2,028.00	-	-	-	-	-	2,028.00
Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	2,028.00	-	-	2,028.00	2,028.00	-	-	2,028.00	-	-	-	-	-	2,028.00
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	2,050.00	-	-	2,050.00	2,050.00	-	-	2,050.00	-	-	-	-	-	2,050.00
Security Aid	15-100-034-5120-509	7/1/14-6/30/15	2,050.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Funds				<u>3,621.39</u>	<u>(3,621.39)</u>	<u>31,600.00</u>	<u>24,939.55</u>		<u>907.17</u>	<u>25,646.72</u>				<u>5,953.28</u>		<u>25,646.72</u>
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)	-	88,670.29	-	-	-	-	-	-	-	(64,131.71)	-	-
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	SP2900-078-14-G1FA		132,802.00	(132,802.00)	-	71,075.49	-	-	-	-	-	(61,726.51)	-	-	-	-
N.J. Schools Development Authority Grant	SP2900-080-14-G1FB		132,802.00	(132,802.00)	-	60,937.80	-	-	-	-	-	(63,664.11)	-	-	-	-
Total Capital Project Funds				<u>(1,036,528.00)</u>		<u>208,683.67</u>						<u>(827,842.33)</u>				
Enterprise Funds:																
State School Lunch Program	16-100-010-3380-067	7/1/15-6/30/16	6,966.54	-	-	6,966.54	6,966.54	-	-	6,966.54	-	(1,278.86)	-	-	-	6,966.54
State School Lunch Program	15-100-010-3380-067	7/1/14-6/30/15	7,757.81	(535.30)	-	535.30	-	-	-	-	-	-	-	-	-	-
Total Enterprise Funds				<u>(535.30)</u>		<u>6,222.96</u>	<u>6,966.54</u>			<u>6,966.54</u>		<u>(1,278.86)</u>				<u>6,966.54</u>
Total All Funds				<u>\$ (1,619,653.45)</u>	<u>\$ (0.00)</u>	<u>\$ 8,941,084.69</u>	<u>\$ 8,638,539.28</u>		<u>\$ 907.17</u>	<u>\$ 8,638,446.45</u>		<u>\$ (1,418,928.49)</u>		<u>\$ 5,953.28</u>	<u>\$ (105,060.00)</u>	<u>\$ 8,639,446.45</u>
										Deduct:						
										On-Behalf TPAF Pension Contributions		1,958,637.00				
										On-Behalf TPAF PRM Contributions		2,332,433.00				
										Total State Expenditures Subject to Major Program Determination		\$ 4,548,176.45				

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

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

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BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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, 2016
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(16,181.00) for the general fund and \$(6,706.36) 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	\$ 41,448.96	\$6,831,615.19	\$6,873,064.15
Special Revenue Fund	999,991.81	24,939.55	1,024,931.36
Food Service Fund	<u>200,746.35</u>	<u>6,966.54</u>	<u>207,712.89</u>
Total Awards and Financial Assistance	<u>\$1,242,187.12</u>	<u>\$6,863,521.28</u>	<u>\$8,105,708.40</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, 2016. 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, 2016.

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

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 \$ 750,000.00
- 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, 2016

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

State Financial Assistance Section

- J) Dollar threshold used to determine Type A Programs \$ 750,000.00
- 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>
16-495-034-5120-089	Special Education Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-085	Additional Adjustment Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5095-002	Reimbursed T.P.A.F. Social Security Contributions
16-495-034-5120-044	Extraordinary Aid

BOARD OF EDUCATION
TOWNSHIP OF MAHWAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(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, 2016
(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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, 2016

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, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08.

Not Applicable