

**WALDWICK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Waldwick, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Waldwick Board of Education**

**Waldwick, New Jersey**

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

**Prepared by**

**Business Office**

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials	v
Consultants and Advisors	vi

**FINANCIAL SECTION**

Independent Auditors' Report	1-2
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	3-16
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1	Statement of Net Assets	17
A-2	Statement of Activities	18

**B. Fund Financial Statements**

*Governmental Funds*

B-1	Balance Sheet	19
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	21

*Proprietary Funds*

B-4	Statement of Net Assets	22
B-5	Statement of Revenues, Expenses, and Changes in Net Assets	23
B-6	Statement of Cash Flows	24

*Fiduciary Funds*

B-7	Statement of Fiduciary Net Assets	25
B-8	Statement of Changes in Fiduciary Net Assets	26

<b>Notes to the Basic Financial Statements</b>	27-51
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**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	52-59
C1-B	Budgetary Comparison Schedule – Education Jobs Fund Program – Budget and Actual	60
C-2	Budgetary Comparison Schedule – Special Revenue Fund – Budget (Non-GAAP) and Actual	61
C-3	Budgetary Comparison Schedule - Required Supplementary Information	62

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	63-64
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	65

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	66-67
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	68
F-2A	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Traphagen Building Classroom Upgrades #9 and District Facilities and Electrical Upgrade	69
F-2B	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Traphagen Classroom Building Upgrade Project #10	70
F-2C	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Crescent Roof	71
F-2D	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Traphagen Classroom Building Upgrades Project #7 & 8	72
F-2E	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Traphagen Classroom Building Upgrades Project #6	73
F-2F	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status Budgetary Basis – Traphagen Classroom Building Upgrades Project #1	74

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**OTHER SUPPLEMENTARY INFORMATION**

**G. Proprietary Funds**

*Enterprise Fund*

G-1	Combining Schedule of Net Assets – Not Applicable	75
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Assets – Not Applicable	75
G-3	Combining Schedule of Cash Flows – Not Applicable	75

**H. Fiduciary Funds**

H-1	Combining Schedule of Agency Net Assets	76
H-2	Combining Schedule of Changes in Net Assets – Not Applicable	76
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	77
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	77

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	78
I-2	Schedule of Obligations under Capital Leases – Not Applicable	79
I-3	Debt Service Fund Budgetary Comparison Schedule	79

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Assets by Component	80
J-2	Changes in Net Assets	81-82
J-3	Fund Balances – Governmental Funds	83
J-4	Changes in Fund Balances - Governmental Funds	84
J-5	General Fund Other Local Revenue by Source	85
J-6	Assessed Value and Actual Value of Taxable Property	86
J-7	Property Tax Rates Direct and Overlapping Governments	87
J-8	Principal Property Taxpayers	88
J-9	Property Tax Levies and Collections	89
J-10	Ratios of Outstanding Debt by Type	90
J-11	Ratios of Net General Bonded Debt Outstanding	91
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	92
J-13	Legal Debt Margin Information	93
J-14	Demographic Statistics	94
J-15	Principal Employers	95
J-16	Full-Time Equivalent District Employees by Function/Program	96
J-17	Operating Statistics	97
J-18	School Building Information	98
J-19	Schedule of Required Maintenance for School Facilities	99
J-20	Schedule of Insurance	100

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	101-102
K-2	Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04	103-104
K-3	Schedule of Expenditures of Federal Awards	105
K-4	Schedule of Expenditures of State Financial Assistance	106
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	107-108
K-6	Schedule of Findings and Questioned Costs	109-112
K-7	Summary Schedule of Prior Audit Findings	113

## **INTRODUCTORY SECTION**

# WALDWICK BOARD OF EDUCATION



JOHN GRIFFIN  
SCHOOL BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

155 SUMMIT AVENUE  
WALDWICK, NJ 07463  
201-445-3340 EXT. 4109

September 29, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Waldwick School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Waldwick Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Waldwick School District is an independent reporting entity within the criteria adopted by the Governmental Accounts Standards Board (GASB) as established by NCGA. All funds of the District are included in this report. The Waldwick 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 Pre-K through 12. These include regular, vocational and special education. The District completed the 2010-2011 fiscal year with an average daily enrollment of 1,593 students, which is the same as the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last six years.

## Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	1,593	.6%
2009-10	1,583	.1%
2008-09	1,582	0%
2007-08	1,582	.2%
2006-07	1,579	.4%
2005-06	1,573	3.7%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Waldwick area is experiencing limited development and expansion which is expected to continue. The number of businesses relocating to the area is limited due to the amount of available space in Waldwick. This results in a flat tax base.

**3) MAJOR INITIATIVES:** The district continues its maintenance program at the High School and new doors were installed at the Media Center entrance. Also at the High School, asbestos floor tiling was removed from the Greenberg Center. All schools throughout the district had a considerable number of Smartboards installed including the associated electrical work required. The district now has Smartboards in almost every classroom. Painting of all the hallways at Crescent School was completed and the painting of all classrooms was started. At Traphagen School a major drainage project was completed in order to prevent flooding. The rehabilitation of the seventh classroom building at the Traphagen campus has been completed on time and under budget. The 2011-2012 budget approved in April 2011 included funding for the rehabilitation of the eighth classroom building upgrade at Traphagen Elementary School. The district applied for New Jersey Schools Development Authority funding for 40% of the costs of this new project but unfortunately the State did not provide the funding.

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

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

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. 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 the end of the fiscal year are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

**7) DEBT ADMINISTRATION:** At June 30, 2011, the District's long-term debt issue is for \$6,516,000 of general obligation bonds to provide funding for the school referendum.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 2. 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.

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

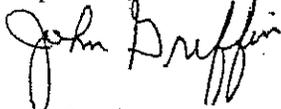
**10) OTHER INFORMATION:**

**A. Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, was selected by the Board's Finance Committee and approved by the full 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 of 1984 as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditors' report on the basic financial statements is included in the financial section of this report.

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted.



John Griffin  
School Business Administrator/Board Secretary



**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Patricia Levine, President	2012
Dawn Monaco, Vice President	2013
Daniel Marro	2013
Dominic J. Novelli	2013
Joseph Orlak	2012
Claire McLafferty	2014
Martha Walsh	2014

**Other Officials**

Dr. Patricia Raupers, Superintendent of Schools

John Griffin, School Business Administrator/Board Secretary

Richard L. Kerber, Treasurer

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

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Fair Lawn, NJ 07410

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Schwartz Simon Edelstein Celso & Zitomer  
44 Whippany Road  
Morristown, NJ 07962

**Official Depository**

Commerce Bank  
63 W. Allendale Ave.  
Allendale, NJ 07401

**Architect**

Dicara/Rubino  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

## INDEPENDENT AUDITORS' REPORT

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

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

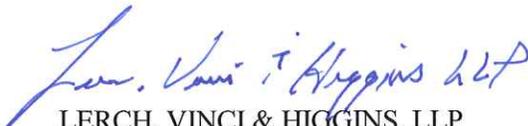
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2011 on our consideration of the Waldwick Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waldwick Board of Education's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
September 29, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

This discussion and analysis of the Waldwick School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2011. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- District-Wide - Overall revenues were \$28,308,477. General revenues accounted for \$24,953,822 or 88 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,354,655 or 12 percent of total revenues of \$28,308,477.
- District-Wide - The School District had \$27,268,995 in expenses; only \$3,354,655 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$24,953,822 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Waldwick Board of Education's governmental funds reported combined ending fund balances of \$2,582,759 an increase of \$375,088 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2011, the unassigned fund balance for the General Fund was \$241,204, an increase of \$46,302 in comparison with the prior year.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Waldwick Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Waldwick Board of Education, reporting the Waldwick Board of Education's operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Waldwick Board of Education operates like a business.
  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Table A-1 summarizes the major features of the Waldwick Board of Education's financial statements, including the portion of the Waldwick Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Table A-1** Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

**District-wide Statements**

**District-wide.** The *District-wide financial statements* are designed to provide readers with a broad overview of the Waldwick Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Waldwick Board of Education's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**District-wide Statements (Continued)**

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund.

**Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Fund Financial Statements (Continued)**

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Scholarship Funds and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE**

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-2 provides a summary of the school district's net assets for fiscal years 2011 and 2010. For 2011 and 2010 net assets were \$11,840,599 and \$10,801,117 respectively.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

Table A-2  
Statement of Net Assets  
As of June 30, 2011 and 2010

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 2,849,818	\$ 2,567,120	\$ 28,135	\$ 21,344	\$ 2,877,953	\$ 2,588,464
Capital Assets	<u>16,118,210</u>	<u>15,855,981</u>	<u>2,904</u>	<u>3,495</u>	<u>16,121,114</u>	<u>15,859,476</u>
<b>Total Assets</b>	<u>18,968,028</u>	<u>18,423,101</u>	<u>31,039</u>	<u>24,839</u>	<u>18,999,067</u>	<u>18,447,940</u>
Current Liabilities	306,102	399,529		268	306,102	399,797
Non-Current Liabilities	<u>6,852,366</u>	<u>7,247,026</u>	<u>-</u>	<u>-</u>	<u>6,852,366</u>	<u>7,247,026</u>
<b>Total Liabilities</b>	<u>7,158,468</u>	<u>7,646,555</u>	<u>-</u>	<u>268</u>	<u>7,158,468</u>	<u>7,646,823</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	9,642,911	8,979,074	2,904	3,495	9,645,815	8,982,569
Restricted	820,776	451,172	-	-	820,776	451,172
Unrestricted	<u>1,345,873</u>	<u>1,346,300</u>	<u>28,135</u>	<u>21,076</u>	<u>1,374,008</u>	<u>1,367,376</u>
<b>Total Net Assets</b>	<u>\$ 11,809,560</u>	<u>\$ 10,776,546</u>	<u>\$ 31,039</u>	<u>\$ 24,571</u>	<u>\$ 11,840,599</u>	<u>\$ 10,801,117</u>

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Governmental activities.** Governmental activities for 2011 increased the District's net assets by \$1,033,014. Key elements of this increase are as follows:

**Table A-3  
Changes in Net Assets  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 35,720	\$ 60,068	\$ 240,223	\$ 258,302	\$ 275,943	\$ 318,370
Operating Grants and Contributions	3,077,196	4,546,317	1,516	1,693	3,078,712	4,548,010
General Revenues						
Property Taxes	24,820,788	23,911,665			24,820,788	23,911,665
Other	133,034	210,364	-	-	133,034	210,364
<b>Total Revenues</b>	<u>28,066,738</u>	<u>28,728,414</u>	<u>241,739</u>	<u>259,995</u>	<u>28,308,477</u>	<u>28,988,409</u>
<b>Expenses</b>						
Instruction						
Regular	10,956,348	10,462,871			10,956,348	10,462,871
Special Education	5,164,887	5,359,297			5,164,887	5,359,297
Other Instruction	870,210	833,081			870,210	833,081
School Sponsored Activities and Ath.	764,823	749,276			764,823	749,276
Support Services						
Student and Instruction Related Serv.	2,778,321	2,777,747			2,778,321	2,777,747
Health Services	340,639	329,014			340,639	329,014
Educational Media/School Library	201,284	286,308			201,284	286,308
General Administrative Services	715,377	1,007,466			715,377	1,007,466
School Administrative Services	1,347,638	1,309,276			1,347,638	1,309,276
Plant Operations and Maintenance	2,263,510	2,168,813			2,263,510	2,168,813
Pupil Transportation	561,135	554,171			561,135	554,171
Central Services	757,003	825,522			757,003	825,522
Food Services			235,271	253,883	235,271	253,883
Interest on Long-Term Debt	312,549	295,034	-	-	312,549	295,034
<b>Total Expenses</b>	<u>27,033,724</u>	<u>26,957,876</u>	<u>235,271</u>	<u>253,883</u>	<u>27,268,995</u>	<u>27,211,759</u>
<b>Change in Net Assets</b>	1,033,014	1,770,538	6,468	6,112	1,039,482	1,776,650
Net Assets, Beginning of Year	<u>10,776,546</u>	<u>9,006,008</u>	<u>24,571</u>	<u>18,459</u>	<u>10,801,117</u>	<u>9,024,467</u>
Net Assets, End of Year	<u>\$ 11,809,560</u>	<u>\$ 10,776,546</u>	<u>\$ 31,039</u>	<u>\$ 24,571</u>	<u>\$ 11,840,599</u>	<u>\$ 10,801,117</u>

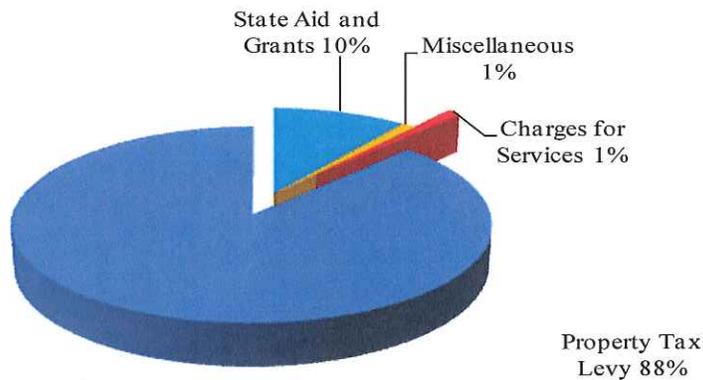
**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

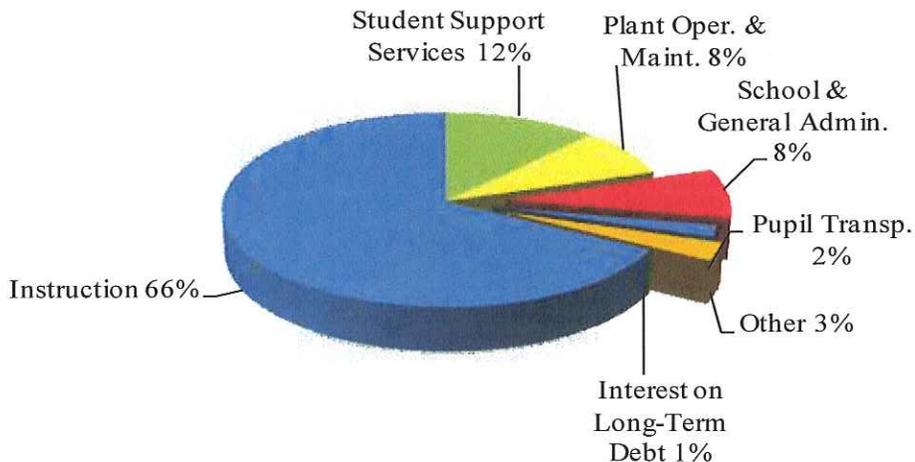
**Governmental activities.** The District's total governmental revenues were \$28,066,738. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$24,953,822 or 89% of total revenues. Funding from state and federal sources and capital grants amounted to \$3,077,196 or 10% and charges for services amounted to \$35,720 or 1%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$17,756,268 (66%), student support services totaled \$8,964,907 (33%) and interest on long-term debt total \$312,549 (1%) of total expenditures. (See Table A-3.)

Revenues by Source- Governmental Activities  
For Fiscal Year 2011



Expenditures by Type- Governmental Activities  
For Fiscal Year 2011



**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Table A-6  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2011 and 2010**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Governmental Activities				
Instruction				
Regular	\$ 10,956,348	\$ 10,462,871	\$ 9,968,157	\$ 7,678,678
Special Education	5,164,887	5,359,297	3,862,243	4,579,892
Other Instruction	870,210	833,081	662,191	623,489
School Sponsored Activities and Athletics	764,823	749,276	705,221	690,995
Support Services				
Student and Instruction Related Svcs.	2,778,321	2,777,747	2,436,384	2,420,073
Health Services	340,639	329,014	312,444	301,136
Educational Media/School Library	201,284	286,308	185,654	264,252
General Administrative Services	715,377	1,007,466	678,070	965,139
School Administrative Services	1,347,638	1,309,276	1,231,243	1,193,939
Plant Operations and Maintenance	2,263,510	2,168,813	2,258,978	2,085,796
Pupil Transportation	561,135	554,171	550,671	427,546
Central Services	757,003	825,522	757,003	825,522
Interest on Long-Term Debt	312,549	295,034	312,549	295,034
	<u>\$ 27,033,724</u>	<u>\$ 26,957,876</u>	<u>\$ 23,920,808</u>	<u>\$ 22,351,491</u>
Total Governmental Activities				

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2011 was \$235,271. These costs were funded by operating grants and charges for services (Detailed on Table A-3). The operations resulted in an increase in net assets of \$6,468.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$2,582,759. In 2009-2010 the fund balance was \$2,207,671.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$28,066,738 and expenditures were \$27,691,650.

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

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 24,984,004	\$ 24,062,735	\$ 921,269	3.83%
State Sources	2,587,418	3,904,630	(1,317,212)	-33.73%
Federal Sources	<u>495,316</u>	<u>761,049</u>	<u>(265,733)</u>	-34.92%
 Total Revenues	 <u>\$ 28,066,738</u>	 <u>\$ 28,728,414</u>	 <u>\$ (661,676)</u>	 -2.30%

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

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

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 17,305,642	\$ 16,990,799	\$ 314,843	1.85%
Undistributed	8,759,462	9,095,669	(336,207)	-3.70%
Capital Outlay	907,960	1,339,613	(431,653)	-32.22%
Debt Service				
Principal	405,000	390,000	15,000	3.85%
Interest	<u>313,586</u>	<u>295,909</u>	<u>17,677</u>	5.97%
 Total Expenditures	 <u>\$ 27,691,650</u>	 <u>\$ 28,111,990</u>	 <u>\$ (420,340)</u>	 -1.5%

**General Fund Budgetary Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were related to:

- An increase in Extraordinary Aid of \$291,878 due to increased Special Education costs and a new formula for reimbursement from the State.
- An unanticipated decrease in energy costs.
- The deposit of \$600,000 into the district's Capital Reserve account.
- A decrease in Special Education students' needs in related services resulted in decreased expenditures.
- A decrease in health benefits expenditures due to the State rates being lower than anticipated in the SEHBP plan and the implementation of the new State requirement that employees pay 1.5% of their salary for health benefits.
- An increase in expenditures for the cost of substitute personnel.
- A decrease in transportation costs due to the use of part time/substitute bus drivers and using district staff to transport special education students therefore decreasing the need for contracted bus transportation.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Capital Assets.** The Waldwick Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$16,121,114 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-5  
Capital Assets  
(net of accumulated depreciation) at June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Construction in Progress	\$ 605,571				\$ 605,571	
Land Improvements	1,412,399	\$ 1,412,399			1,412,399	\$ 1,412,399
Buildings and Building Improvements	20,494,874	20,358,422			20,494,874	20,358,422
Machinery and Equipment	<u>3,115,773</u>	<u>2,949,836</u>	<u>\$ 46,108</u>	<u>\$ 46,108</u>	<u>3,161,881</u>	<u>2,995,944</u>
Total	25,628,617	24,720,657	46,108	46,108	25,674,725	24,766,765
Less: Accumulated Depreciation	<u>9,510,407</u>	<u>8,864,676</u>	<u>43,204</u>	<u>42,613</u>	<u>9,553,611</u>	<u>8,907,289</u>
Total	<u>\$ 16,118,210</u>	<u>\$ 15,855,981</u>	<u>\$ 2,904</u>	<u>\$ 3,495</u>	<u>\$ 16,121,114</u>	<u>\$ 15,859,476</u>

Additional information on Waldwick Board of Education's capital assets can be found in Note 3 of this report.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**Debt Administration.** As of June 30, 2011 the school district had long-term debt and outstanding long-term liabilities in the amount of \$6,852,366 as stated in Table A-6.

**Long-Term Liabilities**

**Table A-6  
Long-Term Debt  
Outstanding Long-Term Liabilities**

	<b>Balance <u>June 30, 2011</u></b>	<b>Balance <u>June 30, 2010</u></b>
Serial Bonds	\$ 6,516,000	\$ 6,921,000
Compensated Absences Payable	<u>336,366</u>	<u>326,026</u>
 Total	 <u>\$ 6,852,366</u>	 <u>\$ 7,247,026</u>

Additional information on Waldwick Board of Education's long-term debt can be found in Note 3 of this report.

Moody's Investors Service has assigned an Aa2 enhanced rating to the Waldwick Board of Education's \$8,701,000 million General Obligation School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

**CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE'S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS**

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey's larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2011**

**FOR THE FUTURE**

Currently, the District is in good financial condition. Everyone associated with the Waldwick School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of declining flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Waldwick School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional information, contact the School Business Administrator at the Waldwick Board of Education, 155 Summit Avenue., Waldwick, NJ 07643.

**BASIC FINANCIAL STATEMENTS**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,724,672	\$ 15,654	\$ 2,740,326
Receivables, net			
Receivables from Other Governments	84,445		84,445
Other		9,756	9,756
Inventory		2,725	2,725
Deferred Charge	40,701		40,701
Capital Assets, net			
Not Being Depreciated	605,571		605,571
Being Depreciated	15,512,639	2,904	15,515,543
Total Assets	<u>18,968,028</u>	<u>31,039</u>	<u>18,999,067</u>
<b>LIABILITIES</b>			
Accounts Payable	197,628		197,628
Payable to State Government	13,762		13,762
Unearned Revenue	1,391		1,391
Accrued Interest Payable	79,744		79,744
Other Current Liabilities	13,577		13,577
Noncurrent Liabilities			
Due Within One Year	465,000		465,000
Due Beyond One Year	6,387,366	-	6,387,366
Total Liabilities	<u>7,158,468</u>	<u>-</u>	<u>7,158,468</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	9,642,911	2,904	9,645,815
Restricted for			
Debt Service	1		1
Capital Projects	820,775		820,775
Unrestricted	1,345,873	28,135	1,374,008
Total Net Assets	<u>\$ 11,809,560</u>	<u>\$ 31,039</u>	<u>\$ 11,840,599</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 10,956,348	\$ 35,720	\$ 949,304	\$ 3,167	\$ (9,968,157)	\$	\$ (9,968,157)
Special Education	5,164,887		1,302,644		(3,862,243)		(3,862,243)
Other Instruction	870,210		208,019		(662,191)		(662,191)
School Sponsored Activities and Athletics	764,823		59,602		(705,221)		(705,221)
Support Services							
Student and Instruction Related Services	2,778,321		341,937		(2,436,384)		(2,436,384)
Health Services	340,639		28,195		(312,444)		(312,444)
Educational Media/School Library	201,284		15,630		(185,654)		(185,654)
School Administrative Services	1,347,638		116,395		(1,231,243)		(1,231,243)
General Administrative Services	715,377		37,307		(678,070)		(678,070)
Plant Operations and Maintenance	2,263,510		4,532		(2,258,978)		(2,258,978)
Pupil Transportation	561,135		10,464		(550,671)		(550,671)
Central Services	757,003				(757,003)		(757,003)
Interest on Long-Term Debt	312,549				(312,549)		(312,549)
<b>Total Governmental Activities</b>	<b>27,033,724</b>	<b>35,720</b>	<b>3,074,029</b>	<b>3,167</b>	<b>(23,920,808)</b>	<b>-</b>	<b>(23,920,808)</b>
<b>Business-Type Activities</b>							
Food Service	235,271	240,223	1,516			\$ 6,468	6,468
<b>Total Business-Type Activities</b>	<b>235,271</b>	<b>240,223</b>	<b>1,516</b>	<b>-</b>	<b>-</b>	<b>6,468</b>	<b>6,468</b>
<b>Total Primary Government</b>	<b>\$ 27,268,995</b>	<b>\$ 275,943</b>	<b>\$ 3,075,545</b>	<b>\$ 3,167</b>	<b>(23,920,808)</b>	<b>6,468</b>	<b>(23,914,340)</b>
<b>General Revenues</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					24,134,786		24,134,786
Taxes Levied for Debt Service					686,002		686,002
Unrestricted State Aid					5,538		5,538
Miscellaneous Income					127,496		127,496
<b>Total General Revenues</b>					<b>24,953,822</b>	<b>-</b>	<b>24,953,822</b>
<b>Change in Net Assets</b>					<b>1,033,014</b>	<b>6,468</b>	<b>1,039,482</b>
<b>Net Assets, Beginning of Year</b>					<b>10,776,546</b>	<b>24,571</b>	<b>10,801,117</b>
<b>Net Assets, End of Year</b>					<b>\$ 11,809,560</b>	<b>\$ 31,039</b>	<b>\$ 11,840,599</b>

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

**FUND FINANCIAL STATEMENTS**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,480,582	\$ 23,267	\$ 220,822	\$ 1	\$ 2,724,672
Due from Other Funds	48				48
Receivables from Other Governments	<u>57,353</u>	<u>27,092</u>	<u>-</u>	<u>-</u>	<u>84,445</u>
Total Assets	<u>\$ 2,537,983</u>	<u>\$ 50,359</u>	<u>\$ 220,822</u>	<u>\$ 1</u>	<u>\$ 2,809,165</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 162,422	\$ 35,206			\$ 197,628
Deposits Payable	13,577				13,577
Due to Other Funds			\$ 48		48
Payable to State Government		13,762			13,762
Deferred Revenue	<u>-</u>	<u>1,391</u>	<u>-</u>	<u>-</u>	<u>1,391</u>
Total Liabilities	<u>175,999</u>	<u>50,359</u>	<u>48</u>	<u>-</u>	<u>226,406</u>
Fund Balances					
Restricted Fund Balance					
Reserved Excess Surplus - Designated for					
Subsequent Year's Expenditures	519,595				519,595
Reserved Excess Surplus	620,323				620,323
Capital Reserve	600,001				600,001
Capital Projects			220,774		220,774
Debt Service				\$ 1	1
Assigned Fund Balance					
Year-End Encumbrances	113,763				113,763
Designated for Subsequent Year's					
Expenditures	267,098				267,098
Unassigned Fund Balance					
General Fund	<u>241,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,204</u>
Total Fund Balances	<u>2,361,984</u>	<u>-</u>	<u>220,774</u>	<u>1</u>	<u>2,582,759</u>
Total Liabilities and Fund Balances	<u>\$ 2,537,983</u>	<u>\$ 50,359</u>	<u>\$ 220,822</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the net assets is \$25,628,617, and the accumulated depreciation is \$9,510,407. \$ 16,118,210

The District has financial capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (79,744)

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. Long-term liabilities at year end consist of:

General Obligation Bonds Payable	\$ 6,516,000	
Less: Deferred Charge for Issuance Costs	(40,701)	
Compensated Absences	<u>336,366</u>	
		<u>(6,811,665)</u>

**Net Assets (Exhibit A-1) \$ 11,809,560**

**WALDWICK BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 24,134,786			\$ 686,002	\$ 24,820,788
Miscellaneous	158,318	-	\$ 4,898	-	163,216
Total - Local Sources	24,293,104	-	4,898	686,002	24,984,004
State Sources	2,412,040	\$ 175,314	64		2,587,418
Federal Sources	26,129	469,187	-	-	495,316
Total Revenues	<u>26,731,273</u>	<u>644,501</u>	<u>4,962</u>	<u>686,002</u>	<u>28,066,738</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	10,616,433	30,918			10,647,351
Special Education Instruction	4,745,928	319,950			5,065,878
Other Instruction	703,681	144,550			848,231
School-Sponsored Activities and Athletics	744,182				744,182
Support Services and Undistributed Costs:					-
Student and Instruction Related Services	2,562,121	145,980			2,708,101
Health Services	330,875				330,875
Educational Media/School Library	195,871				195,871
School Administrative Services	1,307,330				1,307,330
General Administrative Services	702,458				702,458
Plant Operations and Maintenance	2,218,712				2,218,712
Pupil Transportation	556,122				556,122
Central Services	739,993				739,993
Debt Service					
Principal				405,000	405,000
Interest and Other Charges	32,584			281,002	313,586
Capital Outlay	174,461	3,103	730,396	-	907,960
Total Expenditures	<u>25,630,751</u>	<u>644,501</u>	<u>730,396</u>	<u>686,002</u>	<u>27,691,650</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>1,100,522</u>	<u>-</u>	<u>(725,434)</u>	<u>-</u>	<u>375,088</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	4,962		500,000		504,962
Transfers Out	(500,000)	-	(4,962)	-	(504,962)
Total Other Financing Sources and Uses	<u>(495,038)</u>	<u>-</u>	<u>495,038</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	605,484	-	(230,396)	-	375,088
Fund Balance, Beginning of Year	1,756,500	-	451,170	1	2,207,671
Fund Balance, End of Year	<u>\$ 2,361,984</u>	<u>\$ -</u>	<u>\$ 220,774</u>	<u>\$ 1</u>	<u>\$ 2,582,759</u>

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

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 375,088

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

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

Capital Outlay	\$ 907,960	
Depreciation Expense	<u>(645,731)</u>	
		262,229

In the statement of activities, "the payment of long-term debt (e.g. bonds and leases) consumes the current financial resources of the governmental funds. However, this transaction has no effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Reduction of Long-Term Debt		405,000
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In the statement of activities, certain operating expenses - compensated absences and claims and judgments for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Net Increase Compensated Absences		(10,340)
-----------------------------------	--	----------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		4,429
Amortization of Deferred Charge on issuance Costs		<u>(3,392)</u>

**Change in net assets of governmental activities (Exhibit A-2)** \$ 1,033,014

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

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 15,654
Other Receivable	9,756
Inventories	<u>2,725</u>
Total Current Assets	<u>28,135</u>
Capital Assets	
Equipment	46,108
Less: Accumulated Depreciation	<u>(43,204)</u>
Total Capital Assets, Net	<u>2,904</u>
Total Assets	<u>31,039</u>
 <b>NET ASSETS</b>	
Invested in Capital Assets	2,904
Unrestricted	<u>28,135</u>
Total Net Assets	<u>\$ 31,039</u>

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

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

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 235,404
Special Functions	<u>4,819</u>
Total Operating Revenues	<u>240,223</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	96,504
Salaries and Employee Benefits	110,022
Purchase Professional Services	22,472
Supplies and Materials	5,682
Depreciation	<u>591</u>
Total Operating Expenses	<u>235,271</u>
Operating Income	<u>4,952</u>
<b>NONOPERATING REVENUES</b>	
Federal Sources	
Special Milk Program	<u>1,516</u>
Total Nonoperating Revenues	<u>1,516</u>
Net Income	<u>6,468</u>
Change in Net Assets	<u>6,468</u>
Total Net Assets, Beginning of Year	<u>24,571</u>
Total Net Assets, End of Year	<u>\$ 31,039</u>

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

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

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 239,340
Cash Payments for Employees' Salaries and Benefits	(110,022)
Cash Payments to Suppliers for Goods and Services	<u>(124,421)</u>
Net Cash Provided by (Used for) by Operating Activities	<u>4,897</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from Federal Subsidy Reimbursements	<u>1,619</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,619</u>
Net Increase in Cash and Cash Equivalents	6,516
Cash and Cash Equivalents, Beginning of Year	<u>9,138</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,654</u>
<b>Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities</b>	
Operating Income	\$ <u>4,952</u>
Adjustments to Reconcile Operating Income Gain/(Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	591
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(883)
Increase/(Decrease) in Accounts Payable	(268)
( Increase)/Decrease in Inventory	<u>505</u>
Total Adjustments	<u>(55)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,897</u>

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

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

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose Trust Funds</b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 48,300	\$ 34,398	\$ 62,466
Due from Other Funds	-	-	4,512
	<hr/>	<hr/>	<hr/>
Total Assets	48,300	34,398	<u>\$ 66,978</u>
 <b>LIABILITIES</b>			
Due to Other Funds	4,512		
Due to State of New Jersey	12,400		
Payroll Deductions and Withholdings			\$ 16,432
Due to Student Groups	-	-	50,546
	<hr/>	<hr/>	<hr/>
Total Liabilities	16,912	-	<u>\$ 66,978</u>
 <b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 31,388</u>	<u>\$ 34,398</u>	

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

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

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose <u>Trust Funds</u></b>
<b>ADDITIONS</b>		
Contributions		
Board Contributions	\$ 61,594	
Employees	27,492	
Donations		\$ 6,500
Investment Earnings		
Interest	-	307
	<hr/>	<hr/>
Total Additions	89,086	6,807
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Scholarships Awarded		13,000
Unemployment Claims and Contributions	85,099	-
	<hr/>	<hr/>
Total Deductions	85,099	13,000
	<hr/>	<hr/>
Change in Net Assets	3,987	(6,193)
Net Assets, Beginning of Year	27,401	40,591
	<hr/>	<hr/>
Net Assets, End of Year	\$ 31,388	\$ 34,398
	<hr/>	<hr/>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. Basic Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

Additionally, the government reports the following fund type:

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**1. *Deposits and Investments***

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

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

**2. *Receivables and Payables***

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

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

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

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

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

**3. *Inventories***

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

Food service inventories are valued at cost, using the first-in, first-out (FIFO) method.

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

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

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

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$500, if purchased prior to July 1, 2001 or, \$2,000 if purchased after July 1, 2001 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

***5. Compensated Absences***

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

***6. Long-Term Obligations***

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

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Fund Equity*

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

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

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

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

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

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

**Unassigned Fund Balance** – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

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

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

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

**8. *Reclassifications***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$287,359. The increase was funded by grant awards, additional federal aid and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

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

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Tuition to CSSD & Regional Day Schools	\$585,835	\$592,769	\$(6,934)

The above variance was caused by an audit adjustment and was offset with other available resources.

**C. Capital Reserve**

A capital reserve account was established by the District on March 26, 2001. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Balance, July 1, 2010	\$	1
Increases		
Deposits Approved by Board Resolution		<u>600,000</u>
Balance, June 30, 2011	\$	<u>600,001</u>

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$1,139,918. Of this amount, \$519,595 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$620,323 will be appropriated in the 2012/2013 original budget certified for taxes.

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$2,885,490 and bank balances of the Board's cash and deposits amounted to \$3,428,867. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 3,428,867</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2011 the Board's bank balance was not exposed to custodial credit risk.

**Investments**

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

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

Interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

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

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

**B. Receivables**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Receivables:				
Accounts			\$ 9,756	\$ 9,756
Intergovernmental	\$ 57,353	\$ 27,092	-	84,445
Gross Receivables	57,353	27,092	9,756	94,201
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 57,353</u>	<u>\$ 27,092</u>	<u>\$ 9,756</u>	<u>\$ 94,201</u>

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

	<u>Unavailable</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 1,391
Total Deferred Revenue for Governmental Funds	<u>\$ 1,391</u>

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

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

**C. Capital Assets**

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

	<u>Balance, July 1, 2010</u>	<u>Increases</u>	<u>Adjustment</u>	<u>Balance, June 30, 2011</u>
<b>Governmental activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ 605,571	-	\$ 605,571
Total Capital Assets, Not Being Depreciated	-	605,571	-	605,571
Capital Assets, Being Depreciated:				
Land Improvements	\$ 1,412,399			1,412,399
Buildings and Building Improvements	20,358,422	136,452		20,494,874
Machinery and Equipment	2,949,836	165,937	-	3,115,773
Total Capital Assets Being Depreciated	24,720,657	302,389	-	25,023,046
Less Accumulated Depreciation for:				
Land Improvements	(948,491)	(33,593)		(982,084)
Buildings and Building Improvements	(5,894,490)	(484,760)		(6,379,250)
Machinery and Equipment	(2,021,695)	(127,378)	-	(2,149,073)
Total Accumulated Depreciation	(8,864,676)	(645,731)	-	(9,510,407)
Total Capital Assets, Being Depreciated, Net	15,855,981	(343,342)	-	15,512,639
Government Activities Capital Assets, Net	<u>\$ 15,855,981</u>	<u>\$ 262,229</u>	<u>\$ -</u>	<u>\$ 16,118,210</u>

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

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

**C. Capital Assets (Continued)**

	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011
<b>Business-Type activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 46,108	-	-	\$ 46,108
Total Capital Assets Being Depreciated	46,108	-	-	46,108
Less Accumulated Depreciation for:				
Machinery and Equipment	(42,613)	\$ (591)	-	(43,204)
Total Accumulated Depreciation	(42,613)	(591)	-	(43,204)
Total Capital Assets, Being Depreciated, Net	3,495	(591)	-	2,904
Business-Type Activities Capital Assets, Net	\$ 3,495	\$ (591)	\$ -	\$ 2,904

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

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

**C. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 304,071
Special	97,431
Other Special Instruction	21,629
School-Sponsored/Other Instructional	<u>20,312</u>
Total Instruction	<u>443,443</u>
Support Services	
Student Services - Students	69,138
Health Services	9,608
Educational Media	5,327
School Administration	39,666
General Administration	12,713
Plant Operations and Maintenance	44,084
Pupil Transportation	5,013
Central Services	<u>16,739</u>
Total Support Services	<u>202,288</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 645,731</u>

**Business-Type Activities:**

Food Service Fund	<u>\$ 591</u>
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**WALDWICK BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**C. Capital Assets (Continued)**

**Construction Commitments**

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

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Traphagen Classroom #9 and District Facilities and Other Upgrades	\$ 848,982	\$ 46,090
Electrical Upgrades	302,363	
Traphagen Classroom Building Upgrade Project #10	617,384	
Crescent Roof	389,965	
Traphagen Classroom Building Upgrades Project #7& 8	1,117,531	113,269
Traphagen Classroom Building Upgrades Project #6	547,505	46,515
Traphagen Classroom Building Upgrades Project #1	58,066	541,200
	<u>\$ 3,881,796</u>	<u>\$ 747,074</u>

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

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

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	<u>\$ 48</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund.

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

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

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

**D. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	Transfer In:		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 500,000	\$ 500,000
Capital Projects Fund	\$ 4,962	-	4,962
 Total Transfers Out	 <u>\$ 4,962</u>	 <u>\$ 500,000</u>	 <u>\$ 504,962</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**E. Long-Term Debt**

**General Obligation Bonds**

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

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

\$9,021,000, School Improvement Bonds, due in annual installments of \$425,000 to \$636,000 through September 22, 2022, interest at 3.75% to 4.60%	<u>\$6,516,000</u>
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**WALDWICK BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

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

**Governmental Activities:**

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 425,000	\$ 265,440	\$ 690,440
2013	445,000	249,128	694,128
2014	465,000	231,949	696,949
2015	485,000	213,778	698,778
2016	510,000	194,242	704,242
2017-2021	2,915,000	621,970	3,536,970
2022-23	<u>1,271,000</u>	<u>58,489</u>	<u>1,329,489</u>
	<u>\$ 6,516,000</u>	<u>\$ 1,834,996</u>	<u>\$ 8,350,996</u>

**Statutory Borrowing Power**

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

4% of Equalized Valuation Basis (Municipal)	\$ 67,769,723
Less: Net Debt	<u>6,516,000</u>
Remaining Borrowing Power	<u>\$ 61,253,723</u>

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

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

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

**Changes in Long-Term Liabilities**

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

	<u>Balance,</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2011</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 6,921,000		\$ 405,000	\$ 6,516,000	\$ 425,000
Compensated Absences	<u>326,026</u>	<u>\$ 46,285</u>	<u>35,945</u>	<u>336,366</u>	<u>40,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 7,247,026</u>	<u>\$ 46,285</u>	<u>\$ 440,945</u>	<u>\$ 6,852,366</u>	<u>\$ 465,000</u>

Compensated absences are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s fiduciary trust fund for the current and previous two years:

<u>Year Ended</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 61,594	\$ 27,492	\$ 85,099	\$ 31,388
2010	48,000	40,145	131,088	27,401
2009	None	56,930	60,911	70,344

**B. Contingent Liabilities**

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

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

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District had no estimated arbitrage earnings due to the IRS.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

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

**Significant Legislation**

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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

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

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC)**

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

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

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>
2011	\$ 280,285	\$ 35,957
2010	228,277	41,470
2009	180,644	35,026

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$35,957, \$41,470 and \$35,026 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$895,025 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**E. Post-Retirement Medical Benefits**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

**Basis of Accounting**

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

**Significant Legislation**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$763,730, \$778,869 and \$668,214, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**BUDGETARY COMPARISON SCHEDULES**

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 24,134,786		\$ 24,134,786	\$ 24,134,786	
Tuition	20,300		20,300	35,720	\$ 15,420
Miscellaneous	43,000	-	43,000	122,598	79,598
<b>Total Revenues- Local Sources</b>	<b>24,198,086</b>	<b>-</b>	<b>24,198,086</b>	<b>24,293,104</b>	<b>95,018</b>
State Sources					
Categorical Special Education Aid	130,028		130,028	130,028	-
Extraordinary Aid	251,938		251,938	543,816	291,878
Nonpublic Transportation Aid				4,421	4,421
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
NCGI Premium				35,957	35,957
Post-Retirement Medical Contribution				763,730	763,730
On-behalf TPAF Soc. Sec. (Non-Budgeted)	-	-	-	895,025	895,025
<b>Total State Sources</b>	<b>381,966</b>	<b>-</b>	<b>381,966</b>	<b>2,372,977</b>	<b>1,991,011</b>
Federal Sources					
Education Jobs Fund Program	-	26,129	26,129	26,129	-
<b>Total Federal Sources</b>	<b>-</b>	<b>26,129</b>	<b>26,129</b>	<b>26,129</b>	<b>-</b>
<b>Total Revenues</b>	<b>24,580,052</b>	<b>26,129</b>	<b>24,606,181</b>	<b>26,692,210</b>	<b>2,086,029</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	274,154	(36,435)	237,719	237,719	
Grades 1-5	2,658,217	(33,672)	2,624,545	2,599,219	25,326
Grades 6-8	1,785,837	(22,931)	1,762,906	1,727,025	35,881
Grades 9-12	2,636,251	4,191	2,640,442	2,639,709	733
Regular Programs - Undistributed Instruction					
Purchased Technical Services	21,000	(7,400)	13,600	10,938	2,662
Other Purchased Services	67,125	(7,922)	59,203	52,752	6,451
General Supplies	374,609	136,210	510,819	460,035	50,784
Textbooks	60,000	802	60,802	60,343	459
Other Objects	38,022	(14,406)	23,616	19,210	4,406
<b>Total Regular Programs</b>	<b>7,915,215</b>	<b>18,437</b>	<b>7,933,652</b>	<b>7,806,950</b>	<b>126,702</b>
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	163,067	55,315	218,382	218,115	267
Other Salaries for Instruction	216,296	329,189	545,485	545,485	
General Supplies	4,500	(276)	4,224	3,931	293
Textbooks	3,500		3,500	3,329	171
Other Objects	15,000	2,307	17,307	17,306	1
<b>Total Learning and/or Language Disabilities</b>	<b>402,363</b>	<b>386,535</b>	<b>788,898</b>	<b>788,166</b>	<b>732</b>
Auditory Impairments					
Other Salaries for Instruction	30,876	(30,876)	-	-	-
<b>Total Auditory Impairments</b>	<b>30,876</b>	<b>(30,876)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Special Education - Instruction (Continued)					
Behavioral Disabilities					
Other Salaries for Instruction	\$ 54,734	\$ (54,734)	-	-	-
Total Behavioral Disabilities	54,734	(54,734)	-	-	-
Multiple Disabilities					
Other Salaries for Instruction	59,906	(59,906)	-	-	-
Total Multiple Disabilities	59,906	(59,906)	-	-	-
Resource Room					
Salaries of Teachers	1,360,343	(68,245)	\$ 1,292,098	\$ 1,283,804	\$ 8,294
Other Salaries for Instruction	170,506	(141,730)	28,776	28,776	
Purchased Professional-Educational Services	25,000		25,000	9,575	15,425
Other Purchased Services	2,000		2,000	145	1,855
General Supplies	6,500	1,800	8,300	8,077	223
Textbooks	1,500		1,500	1,090	410
Other Objects	33,500	(749)	32,751	24,740	8,011
Total Resource Room	1,599,349	(208,924)	1,390,425	1,356,207	34,218
Autism					
Other Salaries for Instruction	81,825	(81,825)	-	-	-
Total Autism	81,825	(81,825)	-	-	-
Preschool Disabilities - Part - Time					
Salaries of Teachers	59,885	(765)	59,120	58,970	150
Other Salaries for Instruction	70,076	1,728	71,804	71,804	
General Supplies	2,000	-	2,000	1,799	201
Total Preschool Disabilities - Part - Time	131,961	963	132,924	132,573	351
Preschool Disabilities - Full - Time					
Salaries of Teachers	59,225	(1,756)	57,469	44,646	12,823
Other Salaries for Instruction	2,500	71,905	74,405	56,625	17,780
General Supplies	-	2,500	2,500	1,618	882
Total Preschool Disabilities - Full - Time	61,725	72,649	134,374	102,889	31,485
Total Special Education - Instruction	2,422,739	23,882	2,446,621	2,379,835	66,786
Basic Skills/Remedial					
Salaries of Teachers	360,387	(6,796)	353,591	348,653	4,938
Total Basic Skills/Remedial	360,387	(6,796)	353,591	348,653	4,938
Bilingual Education					
Salaries of Teachers	132,513		132,513	131,655	858
Other Salaries for Instruction	32,819	-	32,819	32,108	711
Total Bilingual Education	165,332	-	165,332	163,763	1,569

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
School Sponsored Co-Curricular Activities					
Salaries	\$ 153,562		\$ 153,562	\$ 138,485	\$ 15,077
Supplies and Materials	12,475	\$ (8,458)	4,017	4,017	-
Total School Sponsored Co-Curricular Activities	<u>166,037</u>	<u>(8,458)</u>	<u>157,579</u>	<u>142,502</u>	<u>15,077</u>
School Sponsored Athletics - Instruction					
Salaries	348,668		348,668	342,717	5,951
Purchased Services	39,800	3,658	43,458	36,276	7,182
Supplies and Materials	55,400	(840)	54,560	45,673	8,887
Total School Sponsored Athletics - Instruction	<u>443,868</u>	<u>2,818</u>	<u>446,686</u>	<u>424,666</u>	<u>22,020</u>
Total - Instruction	<u>11,473,578</u>	<u>29,883</u>	<u>11,503,461</u>	<u>11,266,369</u>	<u>237,092</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular		14,747	14,747	14,747	
Tuition to Other LEA's Within the State - Special	162,000	(20,513)	141,487	136,243	5,244
Tuition to County Vocational School District-Reg.	97,050	9,742	106,792	105,892	900
Tuition to County Vocational School District-Special	26,500	(1,000)	25,500	25,500	
Tuition to CSSD & Regional Day Schools	462,000	123,835	585,835	592,769	(6,934)
Tuition to Private Schools - Disabled - State	823,307	(80,805)	742,502	728,822	13,680
Tuition - Other	50,000	(28,514)	21,486	21,190	296
Total Undistributed Expenditures - Instruction	<u>1,620,857</u>	<u>17,492</u>	<u>1,638,349</u>	<u>1,625,163</u>	<u>13,186</u>
Attendance and Social Work					
Salaries	55,130	745	55,875	55,875	-
Total Attendance and Social Work	<u>55,130</u>	<u>745</u>	<u>55,875</u>	<u>55,875</u>	<u>-</u>
Health Services					
Salaries	229,189	1,316	230,505	227,631	2,874
Purchased Professional and Technical Services	11,070	1,000	12,070	11,800	270
Supplies and Materials	3,402	1,277	4,679	4,655	24
Other Objects	-	3,052	3,052	3,052	-
Total Health Services	<u>243,661</u>	<u>6,645</u>	<u>250,306</u>	<u>247,138</u>	<u>3,168</u>
Speech, OT, PT & Related Svcs					
Salaries	272,591	(7,946)	264,645	253,059	11,586
Purchased Professional -Educational Services	350,000	(25,852)	324,148	240,205	83,943
Supplies and Materials	2,500		2,500	693	1,807
Other Objects	500	749	1,249	749	500
Total Speech, OT, PT & Related Svcs	<u>625,591</u>	<u>(33,049)</u>	<u>592,542</u>	<u>494,706</u>	<u>97,836</u>
Guidance					
Salaries of Other Professional Staff	276,811	1,056	277,867	277,867	
Salaries of Secretarial and Clerical Assistants	92,644	(394)	92,250	92,250	
Other Purchased Professional -Technical Services	27,200	(8,551)	18,649	18,649	
Supplies and Materials	7,400	(1,475)	5,925	5,924	1
Total Guidance	<u>404,055</u>	<u>(9,364)</u>	<u>394,691</u>	<u>394,690</u>	<u>1</u>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 697,857	\$ (20,662)	\$ 677,195	\$ 655,286	\$ 21,909
Salaries of Secretarial and Clerical Assistants	49,446	662	50,108	49,912	196
Other Salaries	622		622		622
Purchased Professional-Educational Services	27,500		27,500	27,327	173
Miscellaneous Purchased Services	18,300		18,300	9,796	8,504
Other Objects	1,400	-	1,400	702	698
<b>Total Child Study Teams</b>	<u>795,125</u>	<u>(20,000)</u>	<u>775,125</u>	<u>743,023</u>	<u>32,102</u>
Improvement of Instruction Services/					
Salaries of Supervisor of Instruction	244,615	10,000	254,615	253,695	920
Salaries of Other Professional Staff	10,000	(10,000)			
Other Objects	4,400	-	4,400	4,136	264
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<u>259,015</u>	<u>-</u>	<u>259,015</u>	<u>257,831</u>	<u>1,184</u>
Educational Media Services/School Library					
Salaries	174,891	(1,380)	173,511	126,192	47,319
Purchased Professional and Technical Services	2,000	(1,273)	727		727
Supplies and Materials	41,077	(12,315)	28,762	23,258	5,504
<b>Total Educational Media Services/School Library</b>	<u>217,968</u>	<u>(14,968)</u>	<u>203,000</u>	<u>149,450</u>	<u>53,550</u>
Instructional Staff Training Services					
Purchased Professional - Educational Services	37,466	1,216	38,682	11,840	26,842
<b>Total Instructional Staff Training Services</b>	<u>37,466</u>	<u>1,216</u>	<u>38,682</u>	<u>11,840</u>	<u>26,842</u>
Support Services General Administration					
Salaries	311,569	(10,373)	301,196	301,196	
Legal Services	52,404	57,834	110,238	110,098	140
Audit Fees	28,500	43,516	72,016	42,015	30,001
Architectural/Engineering Services	2,500	20,000	22,500	19,605	2,895
Other Purchased Professional Services	20,825	(3,073)	17,752	17,752	
Communications/Telephone	25,000	16,005	41,005	41,005	
BOE Other Purchased Prof. Svc.	2,850	(2,318)	532	532	
Miscellaneous Purchased Services	26,523	(5,245)	21,278	21,278	
General Supplies	40,439	(14,491)	25,948	25,680	268
Miscellaneous Expenditures	2,499	(1,988)	511	511	
BOE Membership Dues and Fees	12,406	(418)	11,988	11,988	-
<b>Total Support Services General Administration</b>	<u>525,515</u>	<u>99,449</u>	<u>624,964</u>	<u>591,660</u>	<u>33,304</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	695,065	2,659	697,724	697,724	
Salaries of Secretarial and Clerical Assistants	258,857	(6,420)	252,437	241,990	10,447
Other Purchased Services	3,000	-	3,000	3,000	
Supplies and Materials	29,100	(13,897)	15,203	13,857	1,346
<b>Total Support Services School Administration</b>	<u>986,022</u>	<u>(17,658)</u>	<u>968,364</u>	<u>956,571</u>	<u>11,793</u>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 394,521	\$ (1,971)	\$ 392,550	\$ 392,395	\$ 155
Purchased Professional Services	1,700	1,500	3,200	1,635	1,565
Purchased Technical Services	25,780	(1,694)	24,086	24,086	
Misc. Purchased Services	1,425		1,425	848	577
Supplies and Materials	16,712	(310)	16,402	16,196	206
Other Objects	8,740	(26)	8,714	7,886	828
Total Central Services	<u>448,878</u>	<u>(2,501)</u>	<u>446,377</u>	<u>443,046</u>	<u>3,331</u>
Admin. Info. Tech					
Salaries	6,569	-	6,569	4,174	2,395
Purchased Professional Services	154,118	5,400	159,518	159,518	
Purchased Technical Services	15,000	(15,000)			
Other Purchased Services	17,800	(15,059)	2,741	2,741	
Supplies and Materials	18,720	14,573	33,293	33,293	-
Other Objects	28,000	(27,103)	897	459	438
Total Admin. Info. Tech	<u>240,207</u>	<u>(37,189)</u>	<u>203,018</u>	<u>200,185</u>	<u>2,833</u>
Required Maintenance for School Facilities					
Salaries	189,581	(184)	189,397	189,397	
Cleaning, Repair and Maintenance	35,200	(276)	34,924	34,704	220
General Supplies	5,000	30,122	35,122	35,122	-
Total Required Maintenance for School Facilities	<u>229,781</u>	<u>29,662</u>	<u>259,443</u>	<u>259,223</u>	<u>220</u>
Custodial Services					
Salaries	816,383	17,992	834,375	816,357	18,018
Purchased Professional & Technical Svcs.	53,025	53,296	106,321	71,301	35,020
Insurance	175,326	10,877	186,203	186,203	
General Supplies	107,650	(8,715)	98,935	95,034	3,901
Energy (Natural Gas)	323,339	(79,228)	244,111	150,375	93,736
Energy (Electricity)	346,237		346,237	315,872	30,365
Energy (Gasoline)	4,500		4,500	2,855	1,645
Other Objects	1,200	(450)	750	750	-
Total Custodial Services	<u>1,827,660</u>	<u>(6,228)</u>	<u>1,821,432</u>	<u>1,638,747</u>	<u>182,685</u>
Care and Upkeep of Grounds					
Salaries	52,008	(13,370)	38,638	38,638	
Purchased Professional & Technical Svcs.	5,000	3,215	8,215	8,215	
Cleaning, Repair & Maintenance	6,000	1,181	7,181	7,181	
General Supplies	10,000	1,908	11,908	11,878	30
Total Care and Upkeep of Grounds	<u>73,008</u>	<u>(7,066)</u>	<u>65,942</u>	<u>65,912</u>	<u>30</u>
Total Oper & Maint of Plant Services	<u>2,130,449</u>	<u>16,368</u>	<u>2,146,817</u>	<u>1,963,882</u>	<u>182,935</u>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 14,655	\$ (226)	\$ 14,429	\$ 13,391	\$ 1,038
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	37,035		37,035	36,834	201
Salaries for Pupil Transportation (Other than Between Home and School)	59,730	10,226	69,956	68,536	1,420
Cleaning, Repair and Maintenance Services	7,300	5,229	12,529	12,483	46
Lease Purchase Payments - School Buses	21,000	(20,690)	310		310
Contracted Services (Between Home and School) - Vendors		13,442	13,442	10,471	2,971
Contracted Services (Other Than Between Home and School) - Vendors	22,974	(22,974)			
Contracted Services (Regular Students)- ESCs & CTSA's	76,512	14,553	91,065	85,508	5,557
Contracted Services (Spl. Ed. Students)- ESCs & CTSA's	335,354	(42,045)	293,309	276,916	16,393
Contracted Services-Aid in Lieu of Payments-Nonpublic	16,000	(570)	15,430	13,339	2,091
Transportation Supplies	8,400	1,300	9,700	9,667	33
<b>Total Student Transportation Services</b>	<b>598,960</b>	<b>(41,755)</b>	<b>557,205</b>	<b>527,145</b>	<b>30,060</b>
Unallocated Benefits					
Social Security Contributions	309,744	1,743	311,487	276,753	34,734
Pension		1,606	1,606	1,606	
Other Retirement Contributions - PERS	256,401	23,884	280,285	280,285	
Other Retirement Contributions - Regular		1,000	1,000		1,000
Unemployment Compensation	95,000	(33,406)	61,594	61,594	
Workers Comp	152,031	(2,355)	149,676	149,676	
Health Benefits	3,419,968	(26,400)	3,393,568	2,962,750	430,818
Tuition Reimbursement	80,000	4,130	84,130	67,756	16,374
<b>Total Unallocated Benefits</b>	<b>4,313,144</b>	<b>(29,798)</b>	<b>4,283,346</b>	<b>3,800,420</b>	<b>482,926</b>
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				35,957	(35,957)
Post Retirement Medical Contributions				763,730	(763,730)
On-behalf TPAF Soc. Sec. Contr. (Non-Budgeted)	-	-	-	895,025	(895,025)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,694,712</b>	<b>(1,694,712)</b>
<b>Total Undistributed Expenditures</b>	<b>13,502,043</b>	<b>(64,367)</b>	<b>13,437,676</b>	<b>14,157,337</b>	<b>(719,661)</b>
<b>Total Expenditures - Current Expense</b>	<b>24,975,621</b>	<b>(34,484)</b>	<b>24,941,137</b>	<b>25,423,706</b>	<b>(482,569)</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Instruction					
Grades 1-5		\$ 29,752	\$ 29,752	\$ 29,752	
Grades 9-12		2,000	2,000	2,000	
Equipment					
Special Education					
Learning and/or Language Disabilities		2,600	2,600	2,600	
Preschool Disabilities - Part Time		4,754	4,754	4,754	
Preschool Disabilities - Full-Time		5,053	5,053	5,053	
Undistributed					
Support Services - Students - Regular		3,555	3,555	3,555	
Support Services - Instruc. Staff		22,171	22,171	22,171	
Admin Info. Tech.		27,078	27,078	27,078	
Required Maintenance Schl. Facilities		11,627	11,627	11,627	
Care and Upkeep of Grounds		22,641	22,641	22,641	
Non-Instructional Services					
School Buses - Regular	-	43,230	43,230	43,230	-
Total Equipment	-	174,461	174,461	174,461	-
Facilities Acquisition and Construction Services					
Debt Service Assessment	\$ 32,584	-	32,584	32,584	-
	32,584	-	32,584	32,584	-
Total Capital Outlay	32,584	174,461	207,045	207,045	-
Total Expenditures	25,008,205	139,977	25,148,182	25,630,751	\$ (482,569)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,153)	(113,848)	(542,001)	1,061,459	1,603,460
Other Financing Sources/(Uses)					
Transfer In				4,962	4,962
Transfer Out	(500,000)	-	(500,000)	(500,000)	-
Total Other Financing Sources/(Uses)	(500,000)	-	(500,000)	(495,038)	4,962
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	(928,153)	(113,848)	(1,042,001)	566,421	1,608,422
Fund Balances, Beginning of Year	2,339,379	-	2,339,379	2,339,379	-
Fund Balances, End of Year	\$ 1,411,226	\$ (113,848)	\$ 1,297,378	\$ 2,905,800	\$ 1,608,422

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Actual</b>
<b>Recapitulation</b>	
<b>Restricted Fund Balance:</b>	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 519,595
Reserve for Excess Surplus	620,323
Capital Reserve	600,001
<b>Assigned Fund Balance:</b>	
Year-End Encumbrances	113,763
Designated for Subsequent Year's Expenditures	267,098
<b>Unassigned Fund Balance</b>	<b>785,020</b>
 Budgetary Fund Balance	 2,905,800
 Reconciliation to Governmental Funds Statements (GAAP)	
Last State Aid Payment and Extraordinary Aid not recognized on GAAP Basis	543,816
 Fund Balances per Governmental Funds (GAAP)	 \$ 2,361,984

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
EDUCATION JOBS FUND PROGRAM  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Federal Sources					
Educational Job Act	-	\$ 26,129	\$ 26,129	\$ 26,129	-
Total Revenues	-	26,129	26,129	26,129	-
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers Grades 9-12	-	22,780	22,780	22,780	-
Total Regular Programs	-	22,780	22,780	22,780	-
Unallocated Benefits					
Pension		1,606	1,606	1,606	
Social Security Contributions	-	1,743	1,743	1,743	-
Total Unallocated Benefits	-	3,349	3,349	3,349	-
Total Expenditures - Current Expense	-	26,129	26,129	26,129	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Intergovernmental					
State	\$ 146,576	\$ 42,451	\$ 189,027	\$ 175,314	\$ (13,713)
Federal	364,256	104,931	469,187	469,187	-
Total Revenues	<u>510,832</u>	<u>147,382</u>	<u>658,214</u>	<u>644,501</u>	<u>(13,713)</u>
<b>EXPENDITURES</b>					
Instruction					
Other Salaries for Instruction	29,700	(23,750)	5,950	5,950	-
Purchased Prof. & Technical Services	134,800	43,482	178,282	164,572	13,710
Purchased Prof. & Educational Services	6,458	(6,284)	174	174	-
Other Purchased Services	285,134	31,165	316,299	316,299	-
General Supplies	6,153	4,260	10,413	10,410	3
Textbooks	11,776	(1,034)	10,742	10,742	-
Total Instruction	<u>474,021</u>	<u>47,839</u>	<u>521,860</u>	<u>508,147</u>	<u>13,713</u>
Support Services					
Salaries	-	46,437	46,437	46,437	-
Personal Services-Employee Benefits	5,940	4,241	10,181	10,181	-
Purchased Professional/Educational Services		39,354	39,354	39,354	-
Purchased Professional/Technical Services	22,677	5,789	28,466	28,466	-
Other Purchased Services	8,194	619	8,813	8,813	-
General Supplies	-	-	-	-	-
Total Support Services	<u>36,811</u>	<u>96,440</u>	<u>133,251</u>	<u>133,251</u>	<u>-</u>
Facilities Acquisition and Constructions Services					
Instructional Equipment	-	3,103	3,103	3,103	-
Total Facilities & Acq. Services	<u>-</u>	<u>3,103</u>	<u>3,103</u>	<u>3,103</u>	<u>-</u>
Total Expenditures	<u>510,832</u>	<u>147,382</u>	<u>658,214</u>	<u>644,501</u>	<u>13,713</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-2)	(C-1) \$ <u>26,692,210</u>	(C-2) \$ <u>644,501</u>
State Aid payment and Extraordinary Aid (2009/2010) recognized for GAAP purposes, not recognized for budgetary statements.	582,879	
Extraordinary Aid (2010/2011) recognized for budgetary purposes, not recognized for GAAP statements	<u>(543,816)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>26,731,273</u>	(B-2) \$ <u>644,501</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>25,630,751</u>	(C-2) \$ <u>644,501</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>25,630,751</u>	(B-2) \$ <u>644,501</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

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

	Nonpublic Compensatory Education	Nonpublic ESL	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Speech Corr.	Nonpublic Nursing Services	Nonpublic Textbooks	Total Exhibit E-2A	Total 2011
<b>REVENUES</b>									
Intergovernmental									
State	\$ 81,132	\$ 10,587	\$ 9,589	\$ 25,188	\$ 25,347	\$ 12,729	\$ 10,742	\$ -	\$ 175,314
Federal	-	-	-	-	-	-	-	\$ 469,187	469,187
Total Revenues	\$ 81,132	\$ 10,587	\$ 9,589	\$ 25,188	\$ 25,347	\$ 12,729	\$ 10,742	\$ 469,187	\$ 644,501
<b>EXPENDITURES</b>									
Instruction									
Other Salaries for Instruction								\$ 5,950	\$ 5,950
Purchased Professional & Technical Svcs.	\$ 81,132	\$ 10,587	\$ 9,589	\$ 25,188	\$ 25,347	\$ 12,729		-	164,572
Purchased Professional & Educational Svc.								174	174
Other Purchased Services								316,299	316,299
Textbooks							\$ 10,742	10,742	10,742
General Supplies								10,410	10,410
Total Instruction	\$ 81,132	\$ 10,587	\$ 9,589	\$ 25,188	\$ 25,347	\$ 12,729	\$ 10,742	\$ 332,833	\$ 508,147
Support Services									
Salaries								46,437	46,437
Personal Services - Employee Benefits								10,181	10,181
Purchased Professional Educational Svcs.								39,354	39,354
Purchase Professional & Technical Svcs								28,466	28,466
Other Purchased Professional Svcs.								8,813	8,813
General Supplies								-	-
Total Support Services								133,251	133,251
Facilities Acquisition and Constructions Services									
Instructional Equipment								3,103	3,103
Total Facilities & Acq. Services								3,103	3,103
Total Expenditures	\$ 81,132	\$ 10,587	\$ 9,589	\$ 25,188	\$ 25,347	\$ 12,729	\$ 10,742	\$ 469,187	\$ 644,501

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

	IDEIA Part B- Basic Reg. Prog.	IDEIA Part B- Basic Preschool	NCLB Title IIA	NCLB Title III	ARRA IDEIA Part B- Basic Reg. Prog.	Total Exhibit E-2A
<b>REVENUES</b>						
Intergovernmental						
State	\$ 339,402	\$ 14,176	\$ 45,304	\$ 10,036	\$ 60,269	\$ 469,187
Federal						
Total Revenues	\$ 339,402	\$ 14,176	\$ 45,304	\$ 10,036	\$ 60,269	\$ 469,187
<b>EXPENDITURES</b>						
Instruction						
Other Salaries for Instruction			\$ 5,950			\$ 5,950
Purchased Professional & Technical Svcs.				\$ 174		174
Purchased Professional & Educational Svc.	\$ 304,148	\$ 12,151		\$ 6,759	\$ 3,651	316,299
Other Purchased Service						10,410
General Supplies						
Total Instruction	304,148	12,151	5,950	6,933	3,651	332,833
Support Services						
Salaries					46,437	46,437
Personal Services- Employee Benefits					10,181	10,181
Purchased Professional Educational Svcs.			39,354			39,354
Purchased Professional & Technical Svcs.	28,466					28,466
Other Purchased Service	6,788	2,025				8,813
General Supplies						
Total Support Services	35,254	2,025	39,354		56,618	133,251
Facilities Acquisition and Constructions Services						
Instructional Equipment				3,103		3,103
Total Facilities & Acq. Services				3,103		3,103
Total Expenditures	\$ 339,402	\$ 14,176	\$ 45,304	\$ 10,036	\$ 60,269	\$ 469,187

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

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project Number	Issue/Project Title	Modified Appropriation	Expenditures To Date		Adjustments*	Unexpended Balance June 30, 2011
			Prior Years	Current Year		
4	Traphagen Classroom Building Upgrade Project #9 and Other Upgrades	\$ 895,072	\$ 759,686	\$ 89,296	\$ 19,561	\$ 46,090
5	Electrical Upgrade	302,363	295,298	7,065	-	-
6	Traphagen Classroom Building Upgrade Project #10	617,384	617,384	-	(61,177)	-
7	Crescent Roof	389,965	374,788	15,177	(600)	-
8	Traphagen Classroom Building Upgrades Project #7 & 8	1,230,800	1,104,244	13,287	(124,770)	113,269
9	Traphagen Classroom Building Upgrades Project #6	594,020	-	547,505	94,020	46,515
10	Traphagen Classroom Building Upgrades Project #1	599,266	-	58,066	72,966	541,200
	Total	\$ 4,628,870	\$ 3,151,400	\$ 730,396	\$ -	\$ 747,074
						\$ 526,300
						\$ 220,774

\*. Transfers between projects

WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Project Number</u>	<u>Project Number</u>			
4	8	Traphagen Classroom Building Upgrades Project #9	Traphagen Classroom Building	
		Local Share 2007-2008 Budget	Upgrades Projects #7 & #8	\$ 908,170
		Transfer between Projects	Local Share- 2009-2011	(124,770)
			Transfer between Projects	447,400
			State Share SDA	
				<u>\$ 1,230,800</u>
5		Electrical Upgrade		
		Local Share 2007-2008 Budget		
				<u>\$ 875,511</u>
				<u>19,561</u>
				<u>\$ 895,072</u>
				<u>\$ 302,363</u>
6	9	Traphagen Classroom Building Upgrades Project #10	Traphagen Classroom Building	
		Local Share 2007-2008 Budget	Upgrades Projects #6	\$ 500,000
		Local Share 2008-2009 Budget	Local Share 2010-2011 Budget	94,020
		Transfer between Projects	Transfer between Projects	
				<u>\$ 594,020</u>
7	10	Crescent Roof	Traphagen Classroom Building	
		Local Share 2007-2008 Budget	Upgrades Projects #1	\$ 526,300
		Local Share 2008-2009 Budget	Local Share 2011-2012 Budget	72,966
		Transfer between Projects	Transfer between Projects	
				<u>\$ 599,266</u>

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

**Revenues and Other Financing****Sources**

SDA Grant Revenue	\$ 64
Transfer- In From Capital Outlay	500,000
Interest Earned on Investments	<u>4,898</u>

Total Revenues and Other Financing Sources	<u>504,962</u>
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**Expenditures and Other****Financing Uses**

Purchased Professional and Technical Services	126,319
Construction Services	576,711
Equipment Purchases	27,366
Transfer Out to General Fund	<u>4,962</u>

Total Expenditures and Other Financing Uses	<u>735,358</u>
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Excess (Deficiency) or Revenues over (under) Expenditures	(230,396)
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Fund Balance- Beginning	<u>451,170</u>
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Fund Balance- Ending	<u><u>\$ 220,774</u></u>
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**Analysis of Fund Balance**

Committed for Encumbrances	\$ 166,432
Available for Future Projects	<u>54,342</u>

	<u><u>\$ 220,774</u></u>
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**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN BUILDING CLASSROOM UPGRADES #9 AND DISTRICT FACILITIES AND ELECTRICAL UPGRADE  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers between Projects		\$ 19,561	\$ 19,561	\$ 19,561
Transfer In- Capital Outlay	\$ 1,177,874	-	1,177,874	1,177,874
Total Revenues	<u>1,177,874</u>	<u>19,561</u>	<u>1,197,435</u>	<u>1,197,435</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	104,446		104,446	104,446
Land and Improvements Construction Services	950,538	\$ 96,361	1,046,899	1,092,989
Equipment/Supply Purchases		-	-	-
Total Expenditures	<u>1,054,984</u>	<u>96,361</u>	<u>1,151,345</u>	<u>1,197,435</u>
Excess (Deficiency) or Revenues over (under) Expenditures	<u>\$ 122,890</u>	<u>\$ (76,800)</u>	<u>\$ 46,090</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		1,177,874		
Additional Authorized Cost		19,561		
Revised Authorized Cost		1,197,435		
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion		90%		
Original target completion date		12/31/2008		
Revised target completion date		12/31/2011		

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN BUILDING CLASSROOM UPGRADES #9 AND DISTRICT FACILITIES AND ELECTRICAL UPGRADE  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers between Projects		\$ 19,561	\$ 19,561	\$ 19,561
Transfer In- Capital Outlay	\$ 1,177,874	-	1,177,874	1,177,874
Total Revenues	<u>1,177,874</u>	<u>19,561</u>	<u>1,197,435</u>	<u>1,197,435</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	104,446		104,446	104,446
Land and Improvements				
Construction Services	950,538	\$ 96,361	1,046,899	1,092,989
Equipment/Supply Purchases		-	-	-
Total Expenditures	<u>1,054,984</u>	<u>96,361</u>	<u>1,151,345</u>	<u>1,197,435</u>
Excess (Deficiency) or Revenues over (under) Expenditures	<u>\$ 122,890</u>	<u>\$ (76,800)</u>	<u>\$ 46,090</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,177,874			
Additional Authorized Cost	19,561			
Revised Authorized Cost	1,197,435			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	90%			
Original target completion date	12/31/108			
Revised target completion date	12/31/2011			

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN CLASSROOM BUILDING UPGRADE PROJECT #10  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer between Projects		\$ (61,177)	\$ (61,177)	\$ (61,177)
Transfer In- Capital Outlay	\$ 678,561		678,561	678,561
	<u>678,561</u>	<u>(61,177)</u>	<u>617,384</u>	<u>617,384</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	51,290		51,290	51,290
Land and Improvements				
Construction Services	548,570		548,570	548,570
Equipment/Supply Purchases	17,524		17,524	17,524
	<u>617,384</u>	<u>-</u>	<u>617,384</u>	<u>617,384</u>
<b>Total Expenditures</b>				
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 61,177</u>	<u>\$ (61,177)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	678,561			
Additional Authorized Cost	(61,177)			
Revised Authorized Cost	617,384			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	6/30/2008			
Revised target completion date	12/31/2010			

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
CRESCENT ROOF  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer between Projects		\$ (600)	\$ (600)	\$ (600)
Transfer In- Capital Outlay	\$ 390,565		390,565	390,565
Total Revenues	390,565	(600)	389,965	389,965
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	46,067		46,067	46,067
Land and Improvements Construction Services	328,721	15,177	343,898	343,898
Equipment/Supply Purchases		-	-	-
Total Expenditures	374,788	15,177	389,965	389,965
Excess (deficiency) or revenues over (under) expenditures	\$ 15,777	\$ (15,777)	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	390,565			
Additional Authorized Cost	(600)			
Revised Authorized Cost	389,965			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	12/4/2008			
Revised target completion date	12/31/2008			

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN CLASSROOM BUILDING UPGRADES PROJECT #7 & 8  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grants	\$ 908,170		\$ 908,170	\$ 908,170
Transfer between Projects		\$ (124,770)	(124,770)	(124,770)
Transfer In- Capital Outlay	447,400		447,400	447,400
	<u>1,355,570</u>	<u>(124,770)</u>	<u>1,230,800</u>	<u>1,230,800</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	\$ 80,151		\$ 80,151	\$ 80,151
Land and Improvements				
Construction Services	973,244	\$ 13,287	986,531	1,099,800
Equipment/Supply Purchases	50,849		50,849	50,849
	<u>1,104,244</u>	<u>13,287</u>	<u>1,117,531</u>	<u>1,230,800</u>
Total Expenditures				
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 251,326</u>	<u>\$ (138,057)</u>	<u>\$ 113,269</u>	<u>\$ -</u>

**Additional project information:**

Project Number	5410-050-09-2001
Grant Date	Not Available Agreement has not been executed; Preliminary Eligible Cost Only
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,355,570
Additional Authorized Cost	(124,770)
Revised Authorized Cost	1,230,800
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	90%
Original target completion date	12/31/2009
Revised target completion date	12/31/2011

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN CLASSROOM BUILDING UPGRADES PROJECT #6  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer between Projects		\$ 94,020	\$ 94,020	\$ 94,020
Transfer In- Capital Outlay	-	500,000	500,000	500,000
<b>Total Revenues</b>	-	594,020	594,020	594,020
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	-	\$ 68,253	\$ 68,253	\$ 68,253
Land and Improvements				
Construction Services	-	451,886	451,886	498,401
Equipment/Supply Purchases	-	27,366	27,366	27,366
<b>Total Expenditures</b>	-	547,505	547,505	594,020
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 46,515	\$ 46,515	\$ -

**Additional project information:**

Project Number				
Grant Date				Not Available Agreement has not been executed; Preliminary Eligible Cost Only
Bond Authorization Date				N/A
Bonds Authorized				N/A
Bonds Issued				N/A
Original Authorized Cost		500,000		
Additional Authorized Cost		94,020		
Revised Authorized Cost		594,020		
Percentage Increase over Original Authorized Cost				N/A
Percentage completion			90%	
Original target completion date		12/31/2011		
Revised target completion date		12/31/2011		

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-  
BUDGETARY BASIS  
TRAPHAGEN CLASSROOM BUILDING UPGRADES PROJECT #1  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer between Projects		\$ 72,966	\$ 72,966	\$ 72,966
Transfer In- Capital Outlay				526,300
<b>Total Revenues</b>	-	72,966	72,966	599,266
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	-	\$ 58,066	58,066	60,000
Land and Improvements				
Construction Services	-		-	489,266
Equipment/Supply Purchases	-	-	-	50,000
<b>Total Expenditures</b>	-	58,066	58,066	599,266
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 14,900	\$ 14,900	\$ -

**Additional project information:**

Project Number	
Grant Date	Not Available Agreement has not been executed; Preliminary Eligible Cost Only
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	526,300
Additional Authorized Cost	72,966
Revised Authorized Cost	599,266
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	0%
Original target completion date	6/30/2012
Revised target completion date	6/30/2012

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**WALDWICK BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

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

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds 2011</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 50,546	\$ 11,920	\$ 62,466
Due from Other Funds	<u>-</u>	<u>4,512</u>	<u>4,512</u>
Total Assets	<u>\$ 50,546</u>	<u>\$ 16,432</u>	<u>\$ 66,978</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 16,432	\$ 16,432
Due to Student Groups	<u>\$ 50,546</u>	<u>-</u>	<u>50,546</u>
Total Liabilities	<u>\$ 50,546</u>	<u>\$ 16,432</u>	<u>\$ 66,978</u>

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

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

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

	<b>Balance, July 1, <u>2010</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2011</u></b>
Middle School Activities	\$ 29,411	\$ 91,030	\$ 92,342	\$ 28,099
High School Activities	32,284	96,084	105,921	22,447
Athletic Account	<u>-</u>	<u>65,777</u>	<u>65,777</u>	<u>-</u>
 Total All Schools	 <u>\$ 61,695</u>	 <u>\$ 252,891</u>	 <u>\$ 264,040</u>	 <u>\$ 50,546</u>

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

	<b>Balance, July 1, <u>2010</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2011</u></b>
Payroll Deductions and Withholdings	\$ 15,187	\$ 7,053,029	\$ 7,051,784	\$ 16,432
Accrued Salaries and Wages	<u>-</u>	<u>9,966,498</u>	<u>9,966,498</u>	<u>-</u>
 Total	 <u>\$ 15,187</u>	 <u>\$ 17,019,527</u>	 <u>\$ 17,018,282</u>	 <u>\$ 16,432</u>

**LONG-TERM DEBT**

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Decreased</u>	<u>Balance, June 30, 2011</u>
School Improvements	9/15/2002	\$ 9,021,000	9/15/2011	\$ 425,000	3.75 %			
			9/15/2012	445,000	3.75			
			9/15/2013	465,000	3.80			
			9/15/2014	485,000	3.85			
			9/15/2015	510,000	4.00			
			9/15/2016	535,000	4.10			
			9/15/2017	560,000	4.20			
			9/15/2018	585,000	4.30			
			9/15/2019	610,000	4.40			
			9/15/2020	625,000	4.50			
			9/15/2021	635,000	4.60			
			9/15/2022	636,000	4.60			
						\$ 6,921,000	\$ 405,000	\$ 6,516,000

EXHIBIT I-2

WALDWICK BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOT APPLICABLE

EXHIBIT I-3

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 686,002	-	\$ 686,002	\$ 686,002	-
Total Revenues	686,002	-	686,002	686,002	-
EXPENDITURES					
Regular Debt Service	405,000		405,000	405,000	
Principal	281,002		281,002	281,002	
Interest					
Total Expenditures	686,002	-	686,002	686,002	-
Excess / (Deficit) of Revenue and Other Financing Sources Over / (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	1	-
Fund Balance, End of Year	-	-	\$ -	\$ 1	\$ -

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 2,595,060	\$ 3,981,988	\$ 3,764,138	\$ 5,212,221	\$ 5,858,795	\$ 6,639,746	\$ 7,913,210	\$ 8,979,074	\$ 9,642,911	
Restricted	2,042	159,091	1,178,216	207,337	1	1	296,460	451,172	820,776	
Unrestricted	(248,608)	402,251	530,720	1,008,554	1,865,043	1,818,625	796,338	1,346,300	1,345,873	
<b>Total Governmental Activities Net Assets</b>	<b>\$ 2,348,494</b>	<b>\$ 4,543,330</b>	<b>\$ 5,473,074</b>	<b>\$ 6,428,112</b>	<b>\$ 7,723,839</b>	<b>\$ 8,458,372</b>	<b>\$ 9,006,008</b>	<b>\$ 10,776,546</b>	<b>\$ 11,809,560</b>	
<b>Business-Type Activities</b>										
Invested in Capital Assets	\$ 11,470	\$ 12,036	\$ 10,108	\$ 8,180	\$ 6,268	\$ 4,677	\$ 4,086	\$ 3,495	\$ 2,904	
Restricted										
Unrestricted	14,736	7,753	8,795	6,120	9,367	6,375	14,373	21,076	28,135	
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 26,206</b>	<b>\$ 19,789</b>	<b>\$ 18,903</b>	<b>\$ 14,300</b>	<b>\$ 15,635</b>	<b>\$ 11,052</b>	<b>\$ 18,459</b>	<b>\$ 24,571</b>	<b>\$ 31,039</b>	
<b>District-Wide</b>										
Invested in Capital Assets	\$ 2,606,530	\$ 3,994,024	\$ 3,774,246	\$ 5,220,401	\$ 5,865,063	\$ 6,644,423	\$ 7,917,296	\$ 8,982,569	\$ 9,645,815	
Restricted	2,042	159,091	1,178,216	207,337	1	1	296,460	451,172	820,776	
Unrestricted	(233,872)	410,004	539,515	1,014,674	1,874,410	1,825,000	810,711	1,367,376	1,374,008	
<b>Total District Net Assets</b>	<b>\$ 2,374,700</b>	<b>\$ 4,563,119</b>	<b>\$ 5,491,977</b>	<b>\$ 6,442,412</b>	<b>\$ 7,739,474</b>	<b>\$ 8,469,424</b>	<b>\$ 9,024,467</b>	<b>\$ 10,801,117</b>	<b>\$ 11,840,599</b>	

Source: District's Financial Records

Note:

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

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental activities</b>									
Instruction									
Regular	\$ 8,430,064	\$ 8,469,499	\$ 8,846,227	\$ 9,327,843	\$ 10,241,930	\$ 10,649,665	\$ 10,398,420	\$ 10,462,871	\$ 10,956,348
Special education	2,595,914	2,988,550	3,782,188	4,067,361	4,728,946	5,311,435	5,204,688	5,359,297	5,164,887
Other instruction	636,015	772,459	628,035	726,589	864,129	911,291	903,437	833,081	870,210
School Sponsored Activities and Athletics	446,193	484,998	485,519	621,567	639,115	784,616	699,609	749,276	764,823
Support Services:									
Student & instruction related services	1,696,295	1,738,687	1,873,024	2,024,677	2,253,514	2,549,129	2,633,227	2,777,747	2,778,321
Health Services	231,640	242,395	238,968	293,608	311,730	321,422	314,932	329,014	340,639
Educational Media/School Library	303,744	247,107	243,184	161,600	250,368	277,539	260,573	286,308	201,284
School Administrative services	1,051,690	1,199,298	992,026	1,026,997	1,242,768	1,351,888	1,228,711	1,309,276	1,347,638
General administration	509,446	545,153	723,809	708,311	676,777	689,743	636,014	1,007,466	715,377
Central Services									
Plant operations and maintenance	1,418,015	1,551,561	1,941,903	2,070,039	2,143,841	2,182,993	2,142,604	2,168,813	2,263,510
Pupil transportation	496,416	553,301	539,149	632,759	666,680	711,020	732,690	825,522	757,003
Other support services	473,701	563,810	642,599	652,416	703,085	760,898	723,672	554,171	561,135
Interest on long-term debt	321,722	374,857	382,651	357,583	332,174	325,213	309,505	295,034	312,549
Total governmental activities expenses	18,610,855	19,731,675	21,339,282	22,671,350	25,055,037	26,826,852	26,188,082	26,957,876	27,033,724
<b>Business-type activities:</b>									
Food service	292,992	315,311	330,085	328,165	328,545	304,198	283,072	253,883	235,271
Total business-type activities expense	292,992	315,311	330,085	328,165	328,545	304,198	283,072	253,883	235,271
<b>Total district expenses</b>	<b>\$ 18,903,847</b>	<b>\$ 20,046,986</b>	<b>\$ 21,669,367</b>	<b>\$ 22,999,515</b>	<b>\$ 25,383,582</b>	<b>\$ 27,131,050</b>	<b>\$ 26,471,154</b>	<b>\$ 27,211,759</b>	<b>\$ 27,268,995</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
Charges for services:									
Instruction (tuition)				\$ 24,543	\$ 17,000	\$ 52,523	\$ 133,202	\$ 60,068	\$ 35,720
Operating grants and contributions	\$ 2,907,059	\$ 3,240,332	\$ 3,405,339	\$ 3,665,671	\$ 4,386,922	\$ 4,485,977	\$ 3,365,029	\$ 4,081,617	\$ 3,074,029
Capital grants and contributions	16,415	1,809,086	689,114	302,488	-	-	-	464,700	3,167
Total governmental activities program revenues	2,923,474	5,049,438	4,074,453	3,992,702	4,403,922	4,542,500	3,498,231	4,606,385	3,112,916
<b>Business-type activities:</b>									
Charges for services									
Food service	\$ 241,050	\$ 261,626	\$ 282,200	\$ 321,189	\$ 327,330	\$ 296,475	\$ 287,683	\$ 258,302	\$ 240,223
Operating grants and contributions	1,645	1,435	1,848	2,373	2,550	3,140	2,796	1,693	1,516
Total business type activities program revenues	242,695	263,061	284,048	323,562	329,880	299,615	290,479	259,995	241,739
<b>Total district program revenues</b>	<b>\$ 3,166,169</b>	<b>\$ 5,312,499</b>	<b>\$ 4,358,501</b>	<b>\$ 4,316,264</b>	<b>\$ 4,733,802</b>	<b>\$ 4,842,115</b>	<b>\$ 3,788,710</b>	<b>\$ 4,866,380</b>	<b>\$ 3,354,655</b>
<b>Net (Expense)/Revenue</b>									
<b>Governmental activities</b>	\$ (15,687,381)	\$ (14,682,237)	\$ (17,264,829)	\$ (18,678,648)	\$ (20,651,135)	\$ (22,284,352)	\$ (22,689,851)	\$ (22,351,491)	\$ (23,920,808)
<b>Business-type activities</b>	(50,297)	(52,230)	(46,037)	(4,603)	1,335	(4,583)	7,407	6,112	6,468
<b>Total district-wide net expense</b>	<b>\$ (15,737,678)</b>	<b>\$ (14,734,487)</b>	<b>\$ (17,310,866)</b>	<b>\$ (18,683,251)</b>	<b>\$ (20,649,800)</b>	<b>\$ (22,288,935)</b>	<b>\$ (22,682,444)</b>	<b>\$ (22,345,379)</b>	<b>\$ (23,914,340)</b>



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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 24,501	\$ 297,007	\$ 452,381	\$ 1,125,888	\$ 1,852,331	\$ 1,276,248	\$ 984,341	\$ 1,237,410	
Unreserved	685,171	497,301	477,055	362,594	395,996	502,716	310,447	519,090	
Restricted									\$ 1,739,919
Committed									113,763
Assigned									267,098
Unassigned									241,204
<b>Total general fund</b>	<b>\$ 709,672</b>	<b>\$ 794,308</b>	<b>\$ 929,436</b>	<b>\$ 1,488,482</b>	<b>\$ 2,248,327</b>	<b>\$ 1,778,964</b>	<b>\$ 1,294,788</b>	<b>\$ 1,756,500</b>	<b>\$ 2,361,984</b>
All Other Governmental Funds									
Reserved	\$ 5,260,511	\$ 1,597,410	\$ 688,116	\$ 584,427	\$ 203,815	\$ 145,001	\$ 1,014,514		
Unreserved	706,069	922,118	490,099	370,031	223,498	544,144	(718,055)	\$ 451,171	
Restricted									\$ 220,775
<b>Total All Other Governmental Funds</b>	<b>\$ 5,966,580</b>	<b>\$ 2,519,528</b>	<b>\$ 1,178,215</b>	<b>\$ 954,458</b>	<b>\$ 427,313</b>	<b>\$ 689,145</b>	<b>\$ 296,459</b>	<b>\$ 451,171</b>	<b>\$ 220,775</b>

Source: District's Financial Records

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

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extend of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

(Unaudited)  
(modified accrual basis of accounting)

Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Tax levy	\$ 15,059,564	\$ 16,649,596	\$ 17,913,215	\$ 19,223,266	\$ 21,471,456	\$ 22,552,269	\$ 22,906,687	\$ 23,911,665	\$ 24,820,788
Miscellaneous	227,949	107,417	115,856	221,233	275,821	289,259	270,911	151,070	165,216
State sources	2,605,701	4,845,191	3,885,857	3,762,716	4,173,452	4,321,715	3,137,506	3,904,650	2,587,418
Federal sources	317,773	370,140	599,269	419,173	422,170	418,142	421,614	761,049	495,316
<b>Total revenue</b>	<b>18,210,987</b>	<b>21,972,344</b>	<b>22,314,177</b>	<b>23,626,388</b>	<b>26,344,899</b>	<b>27,561,385</b>	<b>26,735,718</b>	<b>28,728,414</b>	<b>28,066,738</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular Instruction	8,123,271	8,485,431	8,703,236	9,078,150	10,014,078	10,385,285	10,187,612	10,192,123	10,647,351
Special education instruction	2,371,580	2,991,672	3,747,088	3,999,858	4,656,637	5,224,817	5,128,677	5,257,903	5,065,878
Other instruction	615,544	775,798	619,230	709,641	845,843	890,313	884,119	811,810	848,231
School sponsored activities and athletics	439,634	485,799	479,058	608,140	626,202	767,046	684,821	728,965	744,182
Support Services:									
Student & inst. related services	1,673,989	1,741,437	1,847,540	1,975,166	2,207,982	2,493,475	2,580,433	2,725,601	2,708,101
Health Services	227,820	242,847	255,035	285,924	304,402	313,152	307,729	319,298	330,875
Educational Media/School Library	238,121	247,572	239,662	157,822	245,232	271,222	253,022	278,621	195,871
General administration	499,245	545,773	976,274	700,600	666,384	678,065	625,697	1,012,714	702,458
School administrative services	1,033,194	1,201,710	716,155	1,063,611	1,212,770	1,316,747	1,198,531	1,274,952	1,307,350
Central services			531,040	620,558	654,754	697,763	720,347	808,683	739,593
Plant operations and maintenance	1,399,516	1,553,542	1,921,537	2,033,430	2,108,585	2,144,215	2,109,389	2,127,126	2,218,712
Pupil transportation	496,180	550,870	640,028	647,997	698,600	756,232	718,724	548,674	556,122
Other Support Services	465,415	552,848							
Capital outlay	2,687,995	5,278,019	1,933,378	785,932	1,237,411	1,096,221	1,331,120	1,339,613	907,960
Principal	350,226	74,127	479,890	333,712	359,039	468,378	370,000	390,000	405,000
Interest and other charges	26,893	563,482	386,080	350,558	359,407	325,985	310,159	295,909	313,586
<b>Total expenditures</b>	<b>20,898,623</b>	<b>25,288,927</b>	<b>23,475,211</b>	<b>23,291,099</b>	<b>26,177,726</b>	<b>27,768,916</b>	<b>27,612,580</b>	<b>28,111,990</b>	<b>27,691,650</b>
Excess (Deficiency) of revenues over (under) expenditures	<b>(2,687,636)</b>	<b>(3,316,583)</b>	<b>(1,161,034)</b>	<b>335,289</b>	<b>167,173</b>	<b>(207,531)</b>	<b>(876,862)</b>	<b>616,424</b>	<b>375,088</b>
<b>Other Financing sources (uses)</b>									
Proceeds from borrowing	9,021,000								
Premium on Bonds	960								
Accrued interest on bonds	2,041								
Capital Leases (Non-Budget)	90,563	30,766	117,166	490,871	65,527	1,290,240	987,528	928,976	504,962
Transfers in	(159,020)	(76,599)	(162,317)	(490,871)	(578,344)	(1,290,240)	(987,628)	(928,976)	(504,962)
Transfers out									
<b>Total other financing sources (uses)</b>	<b>8,975,344</b>	<b>(45,833)</b>	<b>(45,151)</b>	<b>-</b>	<b>65,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 6,287,708</b>	<b>\$ (3,362,416)</b>	<b>\$ (1,206,185)</b>	<b>\$ 335,289</b>	<b>\$ 232,700</b>	<b>\$ (207,531)</b>	<b>\$ (876,862)</b>	<b>\$ 616,424</b>	<b>\$ 375,088</b>
Debt service as a percentage of noncapital expenditures	2.07%	3.19%	4.02%	3.04%	2.80%	2.75%	2.61%	2.56%	2.68%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB 50, 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

WALDWICK BOARD OF EDUCATION  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 (Unaudited)

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Transportation Fees</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2002	\$ 44,727	\$ 5,123	\$	\$ 43,482	\$ 12,440	\$ 4,274	\$ 44,416	\$ 154,462
2003	25,442	5,042	\$ 13,415	82,931	1,811	4,557	7,088	140,286
2004	11,777	3,203	23,500	11,801	4,628	4,286	17,456	76,651
2005	6,425	22,530			21,010	5,853	22,852	78,670
2006	24,543	81,693	13,888		18,512	9,809	35,945	184,390
2007	17,000	186,683				7,275	36,519	247,477
2008	52,523	165,750				3,799	28,250	250,322
2009	133,202	48,780				3,136	73,165	258,283
2010	60,068	30,688			11,373	3,997	41,438	147,564
2011	35,720	35,719				4,473	82,406	158,318

Source: District records (GAAP Basis)

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

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value		Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
								Value	Value				
2002	\$ 3,794,700	\$ 596,992,700	\$ 258,900	\$ 5,300	\$ 60,870,800	\$ 19,104,600	N/A	\$ 681,027,000	\$ 540,421	\$ 681,567,421	\$ 982,815,973	\$ 2.180	
2003	4,736,300	598,059,700	258,900	5,300	59,476,900	19,104,600	N/A	681,641,700	546,701	682,188,401	1,017,602,799	2.340	
2004	4,696,700	603,024,000	258,900	5,300	59,459,600	17,694,100	N/A	685,138,600	487,985	685,626,585	1,135,628,721	2.530	
2005	19,616,200	1,371,936,400	N/A	N/A	112,843,900	30,432,200	N/A	1,534,828,700	791,631	1,535,620,331	1,283,274,653	1.210	
2006	18,657,600	1,376,003,400	N/A	N/A	112,790,200	29,872,200	N/A	1,537,323,400	732,807	1,538,056,207	1,653,646,067	1.320	
2007	17,090,900	1,389,511,900	N/A	N/A	112,990,300	29,872,200	N/A	1,549,465,300	1,067,676	1,550,532,976	1,671,336,331	1.420	
2008	15,491,500	1,397,629,300	N/A	N/A	118,400,700	29,589,600	N/A	1,561,111,100	1,153,803	1,562,264,903	1,716,112,560	1.460	
2009	16,308,700	1,400,421,800	N/A	N/A	125,097,600	29,589,600	N/A	1,571,417,700	1,354,307	1,572,772,007	1,791,321,238	1.489	
2010	16,310,500	1,384,119,500	N/A	N/A	126,610,400	29,589,600	N/A	1,556,630,000	1,578,554	1,558,098,687	1,679,032,604	1.564	
2011	17,652,000	1,385,932,300	N/A	N/A	125,571,700	28,810,500	N/A	1,557,966,500	1,190,616	1,559,157,116	1,626,620,445	1.608	

Source: County Abstract of Rates

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

Note: The Borough underwent a revaluation of property effective January 1, 2005.

**WALDWICK BOARD OF EDUCATION  
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (1)</u>
2002	\$ 3.23	\$ 2.18	\$ 0.73	\$ 0.32
2003	3.44	2.34	0.78	0.32
2004	3.74	2.53	0.87	0.34
2005	1.81	1.21	0.43	0.17
2006	1.96	1.32	0.46	0.18
2007	2.09	1.42	0.47	0.20
2008	2.158	1.455	0.499	0.204
2009	2.228	1.489	0.519	0.220
2010	2.325	1.564	0.549	0.212
2011	2.381	1.608	0.556	0.217

(1) Includes Open Space Tax and Library

Note: The Borough underwent a revaluation of property effective January 1, 2005.

Source: Tax Duplicate, Borough of Waldwick

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

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Waldwick Spash Park LLc	\$ 10,900,000	0.70%	Not Available	
LKD Realty Inc.	7,367,800	0.47%		
Public Service Electric & Gas	5,214,700	0.33%		
Hamilton Properties	5,177,300	0.33%		
Franklin Assets Inc	4,302,100	0.28%		
Med Tech Partners LLC	3,766,600	0.24%		
Waldwick North LLC	3,600,000	0.23%		
Waldwick Shopping Center	3,473,400	0.22%		
Wyckoff Ave Assoc. LLC	3,341,700	0.21%		
Lesterick Corp. Inc.	3,225,000	0.21%		
Urstadt Biddle Property Inc.	3,159,300	0.20%		
	<u>\$ 53,527,900</u>	<u>3.43%</u>		<u>0.00%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 14,704,995	\$ 14,704,995	100.00%	-
2003	15,059,564	15,059,564	100.00%	-
2004	16,649,596	16,649,596	100.00%	-
2005	17,913,215	17,913,215	100.00%	-
2006	19,223,266	19,223,266	100.00%	-
2007	21,471,456	21,471,456	100.00%	-
2008	22,552,269	22,552,269	100.00%	-
2009	22,905,687	22,905,687	100.00%	-
2010	23,911,665	23,911,665	100.00%	-
2011	24,820,788	24,820,788	100.00%	-

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2005	\$ 8,701,000	\$ 15,602	\$ 8,716,602	9,492	\$ 918
2006	8,376,000	6,890	8,382,890	9,420	890
2007	8,036,000	53,378	8,089,378	9,408	860
2008	7,681,000	-	7,681,000	9,481	810
2009	7,311,000	-	7,311,000	9,586	763
2010	6,921,000	-	6,921,000	9,625	719
2011	6,516,000	-	6,516,000	9,625	677

Source: District records

Note:

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 8,701,000	-	\$ 8,701,000	0.57%	\$ 917
2006	8,376,000	-	8,376,000	0.56%	889
2007	8,036,000	-	8,036,000	0.52%	854
2008	7,681,000	-	7,681,000	0.49%	810
2009	7,311,000	-	7,311,000	0.46%	763
2010	6,921,000	-	6,921,000	0.44%	722
2011	6,516,000	-	6,516,000	0.42%	680

Source: District records

Notes:

- a See Exhibit J-6 for property tax data.
- b See Exhibit J-14 for population data.

Note:

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

**WALDWICK BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
School District	\$ 6,516,000
Borough of Waldwick	<u>12,242,542</u>
 Total Direct Debt	 18,758,542
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	6,168,994
Northwest Bergen Regional Sewerage Authority (B)	<u>3,478,003</u>
	<u>9,646,997</u>
 Total Direct and Overlapping Debt	 <u>\$ 28,405,539</u>

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

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

Sources:

(a) Borough of Waldwick 2010 Annual Debt Statement

WALDWICK BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 34,707,721	\$ 37,267,871	\$ 40,783,663	\$ 45,417,767	\$ 51,776,232	\$ 58,806,819	\$ 64,528,576	\$ 68,324,248	\$ 68,805,739	\$ 67,769,723
Total net debt applicable to limit	11,194,000	11,194,000	11,194,000	8,701,000	8,376,000	8,036,000	7,681,000	7,311,000	6,921,000	6,516,000
Legal debt margin	\$ 23,513,721	\$ 26,073,871	\$ 29,589,663	\$ 36,716,767	\$ 43,400,232	\$ 50,770,819	\$ 56,847,576	\$ 61,013,248	\$ 61,884,739	\$ 61,253,723
Total net debt applicable to the limit as a percentage of debt limit	32.25%	30.04%	27.45%	19.16%	16.18%	13.67%	11.90%	10.70%	10.06%	9.61%

	2010	2009	2008
Equalized valuation basis	\$ 1,619,970,861	1,688,970,013	1,773,788,320
	\$ 5,082,729,194		
Average equalized valuation of taxable property	\$ 1,694,243,065		
Debt limit (4 % of average equalization value)	67,769,723 <sup>a</sup>		
Total Net Debt Applicable to Limit	6,516,000		
Legal debt margin	\$ 61,253,723		

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

<sup>a</sup> Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2001	4.1%	\$ 52,102	9,580
2002	5.7%	51,931	9,543
2003	5.6%	51,291	9,538
2004	4.6%	54,669	9,532
2005	1.9%	56,963	9,492
2006	2.0%	63,021	9,420
2007	1.8%	67,113	9,408
2008	2.3%	68,541	9,481
2009	4.3%	64,388	9,586
2010	4.4%	N/A	9,625

(1) County of Bergen

Source: United States Bureau of Census  
U.S. Dept. of Commerce

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

**NOT AVAILABLE**

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction						
Regular	98	104	108	114	112	104
Special education	23	23	22	20	20	31
Other special education	21	21	25	25	25	25
Support Services:						
Student & Instruction related services	20	24	28	27	29	29
General administration	4	3	3	3	3	3
School administrative services	9	10	10	10	10	10
Central services	5	5	5	5	5	5
Plant operations and maintenance	22	20	20	20	20	20
Pupil transportation	2	2	2	3	2	2
Total	<u>204</u>	<u>212</u>	<u>223</u>	<u>225</u>	<u>226</u>	<u>229</u>

**Source:** District Personnel Records

**Note:**

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

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	1,498	\$ 17,412,859	\$ 11,624	1.54%	155	1:15	1:09	1:09	1,498	1,441	0.54%	96.19%
2003	1,545	17,916,643	11,597	-0.24%	147	1:16	1:10	1:10	1,512	1,452	0.93%	96.03%
2004	1,532	19,481,770	12,717	9.66%	142	1:16	1:09	1:09	1,499	1,439	-0.86%	96.00%
2005	1,545	20,703,438	13,400	5.38%	138	1:16	1:10	1:10	1,517	1,449	1.20%	95.52%
2006	1,595	21,844,630	13,696	2.20%	144	1:15	1:11	1:09	1,573	1,496	3.69%	95.10%
2007	1,608	24,241,869	15,076	10.08%	148	1:14	1:12	1:12	1,579	1,513	0.38%	95.82%
2008	1,610	25,938,332	16,111	6.87%	134	1:12	1:09	1:09	1,582	1,529	0.19%	96.63%
2009	1,606	25,401,301	15,817	-1.83%	136	1:12	1:09	1:10	1,582	1,517	0.00%	95.85%
2010	1,590	26,086,468	16,407	3.73%	138	1:12	1:10	1:10	1,582	1,516	0.00%	95.83%
2011	1,605	26,065,104	16,240	-1.02%	139	1:12	1:10	1:10	1,593	1,521	0.70%	95.48%

Sources: District records

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

**WALDWICK BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST SIX FISCAL YEARS  
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>District Building</u></b>						
<b><u>Elementary</u></b>						
<b>Crescent</b>						
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)						
Enrollment	353	367	378	354	360	346
<b>Traphagen</b>						
Square Feet	33,300	33,300	33,300	33,300	33,300	33,300
Capacity (students)						
Enrollment	416	401	392	397	408	417
<b><u>Middle School</u></b>						
Square Feet						
Capacity (students)						
Enrollment	387	373	373	372	369	377
<b><u>High School</u></b>						
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)						
Enrollment	418	443	439	459	438	446

Number of Schools at June 30, 2011

Elementary = 2

Middle School = 1

Senior High School = 1

Source: District Records

Note:

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

WALDWICK BOARD OF EDUCATION  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN YEARS  
 (Unaudited)

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES</b>											
11-000-261-XXX											
<b>School Facilities</b>	<b>Project #(s)</b>										
Crescent E.S.	N/A	\$ 143,090	\$ 121,006	\$ 28,220	\$ 37,820	\$ 27,463	\$ 28,818	\$ 30,909	\$ 34,508	\$ 35,787	\$ 39,626
Traphagen E.S.	N/A	117,376	99,260	23,149	36,505	26,508	27,817	29,834	33,307	34,542	38,248
Waldwick Jr/Sr High School	N/A	549,963	465,085	108,464	173,084	125,687	131,890	141,455	157,924	163,778	181,349
<b>Grand Total</b>		<b>\$ 810,429</b>	<b>\$ 685,351</b>	<b>\$ 159,833</b>	<b>\$ 247,409</b>	<b>\$ 179,658</b>	<b>\$ 188,525</b>	<b>\$ 202,198</b>	<b>\$ 225,739</b>	<b>\$ 234,107</b>	<b>\$ 259,223</b>

Source: School District's Financial Statements

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

	<u>Coverage</u>	<u>Deductible</u>
Selective Insurance		
Package Policy		
Property- Blanket Building and Contents*	\$ 56,560,915	\$ 5,000
Earthquake/Flood (Outside Zones A&V)	5,000,000	50,000
Flood Zone B	2,000,000	100,000
Flood Zones A & V	1,000,000	500,000
Automobile*	1,000,000	1,000
Comprehensive General Liability*	1,000,000	
Crime	100,000 per employee 400,000 Excess	5,000
Forgery & Alterations	50,000	1,000
Boiler and Machinery*	Included in Property Coverage	1,000
Environmental	1,000,000 per occurrence 3,000,000 aggregate	15,000
Educator's Legal Liability	1,000,000	10,000
Employment Practices	1,000,000	25,000
Commercial Umbrella*	9,000,000	10,000
Excess Umbrella	50,000,000 group aggregate	

Source: School District's records

\*Pool coverage for the Northeast Bergen County School Board Insurance Group.

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
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RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Waldwick Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Waldwick Board of Education's basic financial statements and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

Management of the Waldwick Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Waldwick Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Waldwick Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Waldwick Board of Education's internal control over financial reporting.

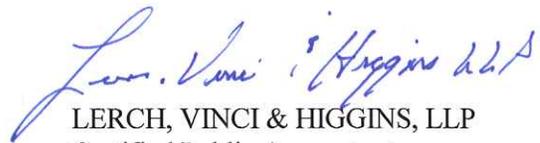
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination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

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

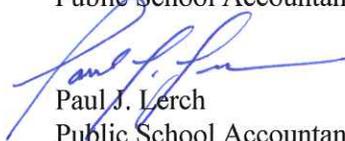
**Compliance and Other Matters**

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

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



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
September 29, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

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

### Independent Auditor's Report

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

### Compliance

We have audited the Waldwick Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Waldwick Board of Education's major state programs for the fiscal year ended June 30, 2011. Waldwick Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Waldwick Board of Education's management. Our responsibility is to express an opinion on Waldwick Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Waldwick Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Waldwick Board of Education's compliance with those requirements.

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

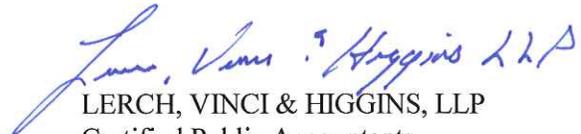
### Internal Control Over Compliance

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

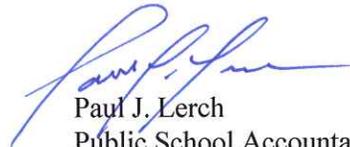
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program 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 state program will not be prevented, or detected and corrected on a timely basis.

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

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



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
September 29, 2011



WALDWICK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010		Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustments	Balance, June 30, 2011		Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue					(Accounts Receivable)	Deferred Revenue	
<b>State Department of Education</b>												
General Fund												
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	\$ 125,009	\$ (6,042)	\$ 6,042	\$ 130,028	\$ 130,028	-	-	-	\$ 130,028	
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	130,028		34,240							
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	676,065	(34,240)	34,240							
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	109,582	(5,539)	5,539							
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	75,700	(4,531)	4,531							
Extra Ordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	543,816		543,816				\$ (543,816)		543,816	
Extra Ordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	532,526	(532,526)								
NonPublic Transportation	N/A	7/1/10-6/30/11	4,421							(4,421)	4,421	
NonPublic Transportation	N/A	7/1/09-6/30/10	5,721	(5,721)								
TPAF - Normal Costs	11-495-034-5095-006	7/1/10-6/30/11	35,957		35,957						35,957	
Post Retirement Medical Costs	11-495-034-5095-001	7/1/10-6/30/11	763,730		763,730						763,730	
On-Behalf TPAF Social Security Aid	11-495-034-5095-002	7/1/10-6/30/11	895,025		848,500				(46,525)		895,025	
On-Behalf TPAF Social Security Aid	10-495-034-5095-002	7/1/09-6/30/10	876,548	(43,878)	43,878							
<b>Total General Fund</b>			<b>2,410,692</b>	<b>(632,477)</b>	<b>2,410,692</b>	<b>2,372,977</b>	<b>2,372,977</b>	<b>-</b>	<b>(594,762)</b>	<b>-</b>	<b>2,372,977</b>	
<b>Special Revenue Fund</b>												
New Jersey Nonpublic Aid	11-100-034-5120-064	7/1/10-6/30/11	10,742		10,742			\$ 52		\$ 52	10,742	
Textbook Aid	11-100-034-5120-070	7/1/10-6/30/11	12,729		12,729						12,729	
Nursing Services												
Auxiliary Services												
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	65,259		1,958		\$ 1,958					
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	82,889		82,889					1,757	81,132	
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	6,851		3,095		3,095					
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	12,722		12,722		10,587			2,135	10,587	
Handicapped Services												
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	23,577		8,036		8,036					
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	26,787		26,787		25,188			1,599	25,188	
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	19,997		1,955		1,955					
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	29,259		29,259		25,347			3,912	25,347	
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	19,114		9,614		9,614					
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	13,896		13,896		9,589			4,307	9,589	
<b>Total Special Revenue Fund</b>			<b>189,024</b>	<b>-</b>	<b>189,024</b>	<b>173,314</b>	<b>24,658</b>	<b>52</b>	<b>(594,762)</b>	<b>13,762</b>	<b>173,314</b>	
<b>Capital Projects Fund</b>												
Educational Facilities Construction and Financing Act	5410-030-09-02Q1	N/A	17,300	(17,300)	17,300							
Bathroom Renovation- High/Middle School	5410-050-09-0LAT	N/A	447,400	(447,400)	447,400							
Traphagan Classroom Renovation				(464,700)	464,700							
<b>Total</b>			<b>3,064,416</b>	<b>(1,097,177)</b>	<b>3,064,416</b>	<b>2,548,291</b>	<b>24,658</b>	<b>52</b>	<b>(594,762)</b>	<b>13,762</b>	<b>2,548,291</b>	
<b>TPAF Pension and Annuity Aid</b>												
Normal Costs	11-495-034-5095-006	7/1/10-6/30/11	35,957		35,957						35,957	
Post Retirement Medical Costs	11-495-034-5095-001	7/1/10-6/30/11	763,730		763,730						763,730	
<b>Total for State Financial Assistance Determination</b>			<b>\$ 2,264,729</b>	<b>\$ (1,097,177)</b>	<b>\$ 2,264,729</b>	<b>\$ 1,748,604</b>	<b>\$ 24,658</b>	<b>\$ 52</b>	<b>\$ (594,762)</b>	<b>\$ 13,762</b>	<b>\$ 1,748,604</b>	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

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

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$39,063 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 26,129	\$ 2,412,040	\$ 2,438,169
Special Revenue Fund	469,187	175,314	644,501
Capital Projects Fund		64	64
Food Service Fund	<u>1,516</u>	<u>-</u>	<u>1,516</u>
Total Financial Assistance	<u>\$ 496,832</u>	<u>\$ 2,587,418</u>	<u>\$ 3,084,250</u>

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

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

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$895,025 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$35,957 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$763,730 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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

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

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

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued: Unqualified

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

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

**Federal Awards Section**

**NOT APPLICABLE**

Internal Control over compliance:

1) Material weakness(es) identified? \_\_\_\_\_ yes      \_\_\_\_\_ no

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes      \_\_\_\_\_ none reported

Type of auditors' report on compliance for major programs: \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? \_\_\_\_\_ yes      \_\_\_\_\_ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

_____	_____
_____	_____
_____	_____

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

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



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

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

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

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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

**CURRENT YEAR FEDERAL AWARDS**

NOT APPLICABLE

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

**WALDWICK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04, as amended.

**STATUS OF PRIOR YEAR FINDINGS**

THERE WERE NONE.