

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Mine Hill Board of Education  
Mine Hill, New Jersey**

**For the Fiscal Year Ended June 30, 2010**

**Prepared by**

**Township of Mine Hill Board of Education  
Finance Department**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**

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## **INTRODUCTORY SECTION**



**CANFIELD AVENUE SCHOOL  
MINE HILL, N.J. 07803-3085  
PHONE 973-366-0590  
FAX 973-366-8786**

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November 3, 2010

Honorable President and Members of the Board of Education  
Mine Hill Township  
Mine Hill, New Jersey 07803

Dear Members of the Board,

The comprehensive annual financial report (C.A.F.R.) of the Mine Hill Township School District (District) for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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 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 District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 officers. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes the 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 1996 and the U.S. Office Management and Budget Circular A-133, "Audit of State and Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**Reporting Entity and Its Services**

The Mine Hill Township School District is an independent reporting agency formed within the criteria adopted by the G.A.S.B., Statement No. 14. The District, its schools and programs constitute the reporting entity.

The District provides a full range of educational services for students in grades Pre-K through 6<sup>th</sup> grade. The majority of the students in grades 7<sup>th</sup> through 12<sup>th</sup> attend Dover Middle School and Dover

High School. Five students are permitted by law to attend the Roxbury High School based on the results of a lottery. As of June 20, 2010, the total district enrollment was 577, 376 for Pre-K through 6<sup>th</sup>, and 201 for 7<sup>th</sup> through 12<sup>th</sup> grades.

### **Economic Condition and Outlook**

The Mine Hill Township Board of Education continues to provide a high quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. Cost saving techniques like the use of jointures and shared services enables Mine Hill to consistently rank near the bottom in per pupil spending in the county, while meeting the stringent guidelines set by the State on fiscal spending. Even with this strong fiscal policy, Mine Hill provides its students with an excellent education, making it a lighthouse district in Morris County.

### **Major Initiatives**

The District's curriculum is aligned with the NJ Core Curriculum Content Standards. The District has developed an expansive technology laboratory that has greatly increased its ability to address the special needs of the students.

This focus on student needs has improved student performance and can be seen as effective through the NJ ASK test scores. The district's proficiency rate is 73.9 % in Language/Literacy and 81.5 % in Mathematics. For the 2009-2010 school year, 10.3 % and 35.9 % of the 3<sup>rd</sup> through 6<sup>th</sup> graders scored in the advanced proficient range in Mathematics and Language Arts, respectively.

As mentioned above, the District continued the initiative with the Wharton Borough School District to share the services of the Superintendent, Special Services Supervisor, Child Study Team and Substitute Calling services through three inter-local service agreements during the 2009-2010 school year. This program has proven successful in reducing administrative costs for both school districts.

The district also negotiated agreements with the Wharton School District to lease classroom space at the Canfield Avenue School to house the *Project PRIDE* pre-school disabled program and the *A-STARs* autistic program. It negotiated agreements with the Mine Hill Educational Foundation to lease classroom space for the town's Canfield Kids, a preschool program for three and four year olds.

During the 2009-2010 school year, the District also continued a major campaign to complete capital projects identified in the district's Long-Range Facilities Plan. The District contributed funds from its Capital Reserve and budgeted Capital Outlay for 2009-2010. The projects completed included a fire alarm upgrade and bathroom renovation project at the Canfield Avenue School. In the spring 2010, a sink hole formed near the school playground, requiring emergency action to repair.

### **Internal Accounting Controls**

The administration 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 is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles (G.A.A.P). 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 the cost of a control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by the administration.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to the federal and state programs. This internal control structure is subject to periodic evaluation by the District's administration. However, as part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including

that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

### **Budgetary Controls**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

### **Accounting System and Reports**

The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

### **Debt Administration**

The District has successfully boned 2.7 million dollars of its debt in long-term notes. The remaining 1.2 million dollars had been derived from short-term notes; the final receipt of funds from EDA was received and the short-term note was redeemed in 2005.

### **Cash Management**

The investment policy of the District is guided by State statute as detailed in the "Notes to the 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 the loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

### **Risk Management**

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

### **Other Information**

State statutes require an annual independent audit by independent certified public accountants or registered municipal accountants. The accounting firm of VM Associates, Inc. was selected. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The Auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial

section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**Acknowledgment**

We would like to express our appreciation to the members of the Mine Hill Township Board of Education for their continuing commitment to provide fiscal accountability to the citizens and taxpayers of Mine Hill 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,

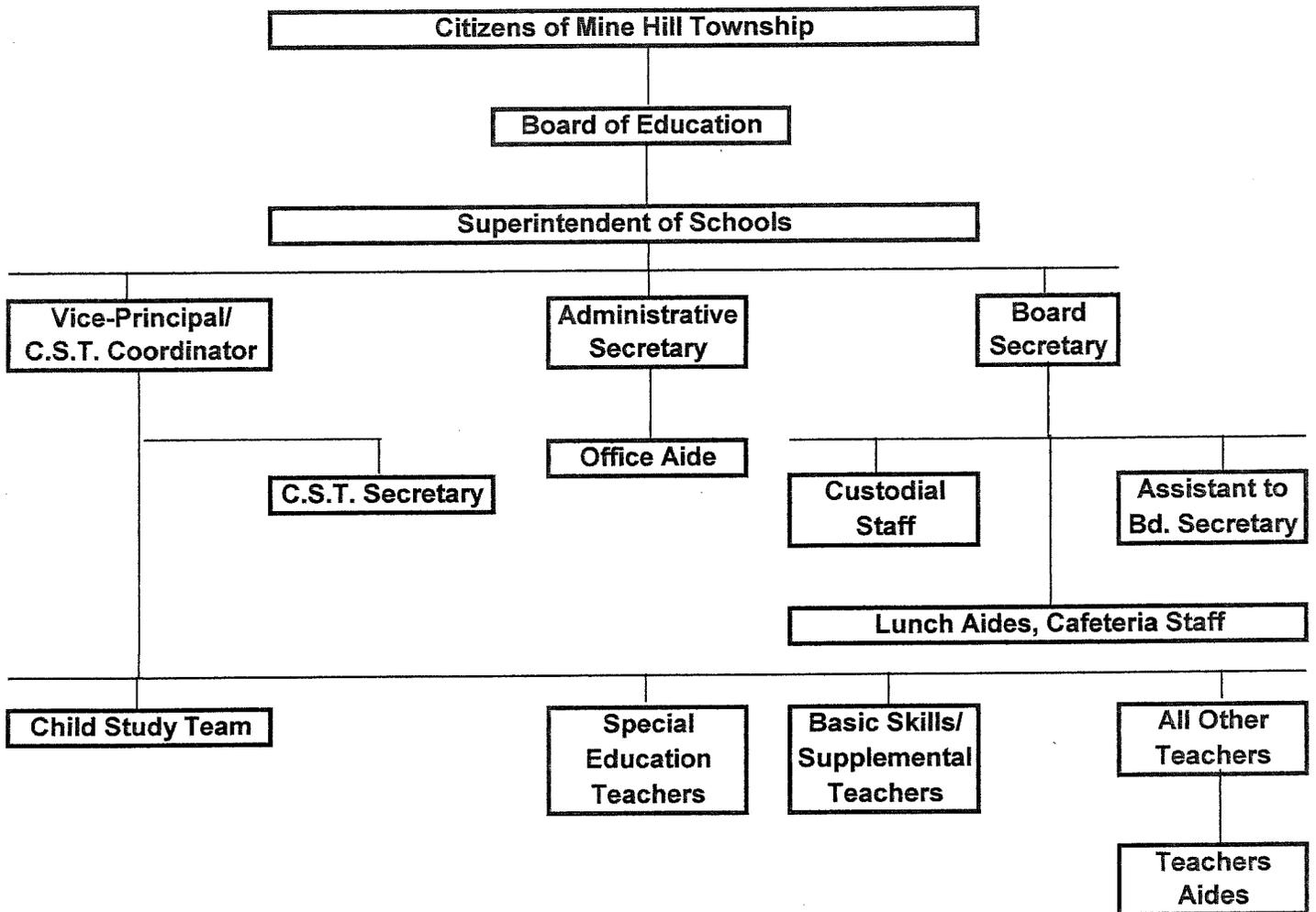


Katine M. Slunt  
Business Administrator/ Board Secretary



Dr. Ernest Palestis  
Superintendent

# ORGANIZATION CHART



**TOWNSHIP OF MINE HILL BOARD OF EDUCATION  
MINE HILL, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2010**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Mary Jo Waliiko	President	2011
Steve Hoh	Vice President	2012
Caryn Battaglia	Member	2010
Bridget Mauro	Member	2012
Margo Maher	Member	2010
Patricia Hernandez	Member	2011
Anthony Novelli	Member	2011

Other Officials

Ernest Palestis, Superintendent

Katine Slunt, Business Administrator/Board Secretary

Paula Hatch, Treasurer of School Moneys

Andrew Brown, Board Attorney

**TOWNSHIP OF MINE HILL BOARD OF EDUCATION  
MINE HILL, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

Audit Firm

VM Associates, Inc.  
111 Howard Boulevard  
P.O. Box 397  
Mt. Arlington, New Jersey 07856

Attorney

Schwartz, Simon, Edlestein, et alia  
44 Whippany Road  
Morristown, NJ 07962

Official Depositories

JP Morgan Chase Bank  
Valley National Bank  
NJ Cash Management Fund

**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Vincent M. Montanino, RMA, PSA  
Michael S. Zambito, CPA, RMA  
Antonia Russo, Associate

INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Township of Mine Hill School District  
County of Morris, New Jersey

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mine Hill School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Mine Hill School District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mine Hill School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2010 on our consideration of the Township of Mine Hill School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on page 13 through 19 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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



Vincent M. Montanino  
Public School Accountant  
License No. CS000495



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

December 28, 2010

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Mine Hill Township School District financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter and the District's financial statements.

### FINANCIAL HIGHLIGHTS

- The District's Total Net Assets increased \$3,996,979.05 or 150% as a result of this year's operations, due mainly to an adjustment to fixed assets. Minus this adjustment the increase would be \$746,980.10 or 28%. The decrease in Net Assets of Business-type Activities was \$296.66 or 4.6% and there was an increase in the Net Assets of Governmental Activities of prior to the fixed assets adjustment of \$746,980.10 or 28%.
- The Total Cost of District programs was \$8,330,269.24 in 2009-2010 compared to \$8,281,997.99 in 2008-2009, an increase of \$48,271.25 or .5.8%.
- During the year, the District had expenses for Governmental Activities of \$8,198,204.92 or \$3,997,275.71 less than the \$12,195,480.63 generated in tax, special items and other program revenues.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 22 and 23) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 26. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

#### Reporting the District as a Whole

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

Our analysis of the District as a whole begins on page 15. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- Governmental activities: Most of the District's basic services are reported here, including general administration. Local taxes, tuition, and state and federal aid finance most of these activities.
- Business-type-activities: The District has one (1) proprietary fund as shown on pages 30 to 32.

## Reporting the District's Most Significant Funds

### Fund Financial Statements

Our analysis of the District's major funds begins on page 17. The fund financial statements begin on page 26 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

*Governmental funds:* Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation on page 28.

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

### The District as Trustee

#### Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 34 and 35. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, *increasing* from \$2,686,618.04 to \$6,683,597.09. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30, 2010.

**Table 1**  
Net Assets

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 1,084,491.60	\$ 724,809.11	\$ 39,201.82	\$ 48,688.34	\$ 1,123,693.42	\$ 773,497.45
Capital Assets	7,883,885.76	4,214,711.26	-	2,435.00	7,883,885.76	4,217,146.26
Total Assets	8,968,377.36	4,939,520.37	39,201.82	51,123.34	9,007,579.18	4,990,643.71
Long-term Debt Outstanding	1,937,140.00	2,057,840.00			1,937,140.00	2,057,840.00
Other Liabilities	368,184.48	212,783.32	21,777.49	33,402.35	389,961.97	246,185.67
Total Liabilities	2,305,324.48	2,270,623.32	21,777.49	33,402.35	2,327,101.97	2,304,025.67
Net Assets:						
Invested in Capital Assets, Net of Debt	6,010,885.76	2,231,711.26	-	2,435.00	6,010,885.76	2,234,146.26
Restricted	728,535.00	460,536.79	-	-	728,535.00	460,536.79
Unrestricted (Deficit)	(73,248.00)	(23,351.00)	17,424.33	15,285.99	(55,823.67)	(8,065.01)
Total Net Assets	\$ 6,666,172.76	\$ 2,668,897.05	\$ 17,424.33	\$ 17,720.99	\$ 6,683,597.09	\$ 2,686,618.04

Total Net Assets of the District's Governmental Activities increased \$3,997,275.71 or 150% percent, while those of Business Type Activities decreased \$296.66 or 1.7%. Total Capital Assets (Net of Debt) increased \$3,779,174.50 as a result of this year's activity. Restricted net assets, those restricted mainly for capital projects increased \$267,998.21. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements decreased \$49,897.00.

**Table 2**  
**Changes in Net Assets**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
<u>Revenues</u>						
Program Revenues:						
Charges for Services	\$ 7,714.26	\$ 19,425.22	\$ 79,473.49	\$ 79,159.75	\$ 87,187.75	\$ 98,584.97
Operating Grants and Contributions	789,406.91	794,206.89	52,275.51	63,970.51	841,682.42	858,177.40
General Revenues:						
Property Taxes	5,614,096.98	5,651,575.00			5,614,096.98	5,651,575.00
Federal and State Aid	2,387,167.21	1,774,655.13			2,387,167.21	1,774,655.13
Interest and Investment Earnings	1,533.51	4,024.69	18.66	54.93	1,552.17	4,079.62
Special Item - Adjustment to Fixed Assets	3,250,295.61				3,250,295.61	-
Other General Revenues	145,266.15	117,130.77	-	-	145,266.15	117,130.77
Total Revenues:	<u>12,195,480.63</u>	<u>8,361,017.70</u>	<u>131,767.66</u>	<u>143,185.19</u>	<u>12,327,248.29</u>	<u>8,504,202.89</u>
<u>Program Expenses Including Indirect Expenses</u>						
Instruction:						
Regular	2,409,776.86	2,481,855.01	-	-	2,409,776.86	2,481,855.01
Special	572,296.55	437,529.69			572,296.55	437,529.69
Other Instruction	64,655.11	37,169.65			64,655.11	37,169.65
Support Services:						
Tuition	2,788,930.32	2,605,750.47			2,788,930.32	2,605,750.47
Student and Instruction Related Services	610,456.47	642,391.87			610,456.47	642,391.87
School Administrative Services	200,921.20	238,226.85			200,921.20	238,226.85
Administrative Services	395,011.63	391,061.10			395,011.63	391,061.10
Plant Operations and Maintenance	543,102.15	623,065.49			543,102.15	623,065.49
Pupil Transportation	516,819.61	557,788.39			516,819.61	557,788.39
Transfer Out	3,760.00				3,760.00	-
Charter Schools	-	29,266.00			-	29,266.00
Interest on Long-term Debt	92,475.02	97,275.00			92,475.02	97,275.00
Business-type Activities:						
Food Services	-	-	132,064.32	140,618.47	132,064.32	140,618.47
Total Expenses	<u>8,198,204.92</u>	<u>8,141,379.52</u>	<u>132,064.32</u>	<u>140,618.47</u>	<u>8,330,269.24</u>	<u>8,281,997.99</u>
Increase (Decrease) in Net Assets	\$ <u>3,997,275.71</u>	\$ <u>219,638.18</u>	\$ <u>(296.66)</u>	\$ <u>2,566.72</u>	\$ <u>3,996,979.05</u>	\$ <u>222,204.90</u>

**THE DISTRICT'S FUNDS**

**Governmental Activities**

**Table 3**

Information below compares revenues and expenditures for all governmental fund types for 2009-2010 and 2008-2009.

<u>Revenues by Source:</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>% Change</u>
Local Tax Levy	\$ 5,706,572.00	\$ 5,748,850.00	-0.74%
Tuition Charges	7,714.26	19,425.22	-60.29%
Interest Earned to Investments	1,533.51	4,024.69	-61.90%
Miscellaneous	<u>145,266.15</u>	<u>117,130.77</u>	24.02%
Total - Local Sources	5,861,085.92	5,889,430.68	-0.48%
State Sources	2,496,553.54	2,308,846.88	8.13%
Federal Sources	<u>587,545.56</u>	<u>162,740.14</u>	261.03%
Total Revenues	<u>\$ 8,945,185.02</u>	<u>\$ 8,361,017.70</u>	6.99%

<u>Expenditures by Function:</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>% Change</u>
Current:			
Regular Instruction	\$ 1,797,659.93	\$ 1,818,650.05	-1.15%
Special Education	437,379.54	344,013.37	27.14%
Other Instruction	51,078.62	23,613.23	116.31%
Support Services and Undistributed Costs:			
Tuition	2,788,930.32	2,605,750.47	7.03%
Student and Instruction Related Services	534,192.49	558,795.03	-4.40%
School Administrative Services	155,020.33	172,514.13	-10.14%
General and Business Administrative Services	350,787.60	355,133.45	-1.22%
Plant Operations and Maintenance	477,361.12	558,803.43	-14.57%
Pupil Transportation	516,011.41	557,788.39	-7.49%
Employee Benefits	812,399.54	884,002.97	-8.10%
Capital Outlay	610,727.89	426,581.39	43.17%
Charter School		29,266.00	-100.00%
Debt Service:			
Principal	110,000.00	105,000.00	4.76%
Interest on Long-term Debt	<u>94,125.02</u>	<u>98,850.00</u>	-4.78%
Total Expenditures	<u>\$ 8,735,673.81</u>	<u>\$ 8,538,761.91</u>	2.31%

### Business-type Activities

The district's Enterprise Fund consists entirely of Food Service. The basic financial statement for the fund is included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included this fund in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

	Food Service
Total Assets	\$ 39,201.82
Net Assets	17,424.33
Change in Net Assets	(296.66)
Return on Ending Total Assets	-0.76%
Return on Ending Net Assets	-1.70%

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

Table 5

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

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 59,696.00	\$ 59,696.00	\$ -	\$ -	\$ 59,696.00	\$ 59,696.00
Construction-in-Progress	884,341.76	580,276.26			884,341.76	580,276.26
Land Improvements	253,921.00	107,862.00			253,921.00	107,862.00
Buildings	8,893,783.00	5,565,449.00			8,893,783.00	5,565,449.00
Machinery and Equipment	423,844.00	72,479.00	48,692.00	48,692.00	472,536.00	121,171.00
Subtotal	10,515,585.76	6,385,762.26	48,692.00	48,692.00	10,564,277.76	6,434,454.26
Accumulated Depreciation	(2,631,700.00)	(2,171,051.00)	(48,692.00)	(46,257.00)	(2,680,392.00)	(2,217,308.00)
Totals	\$ 7,883,885.76	\$ 4,214,711.26	\$ -	\$ 2,435.00	\$ 7,883,885.76	\$ 4,217,146.26

This year's major additions in Governmental Activities includes revisions to match the fixed asset appraisal report and \$304,065.5 in construction in progress for the Districts on going capital projects.

The District anticipates in 2010-2011 of continuing its building improvements in the capital projects fund and site improvements in the capital outlay portion of its budget. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

## DEBT

At year-end, the District had total debt of \$1,937,140 outstanding versus \$2,057,840 last year, a decrease of \$120,700 or 5.87 percent – as shown in Table 6.

### Outstanding Debt, at year –end Table 6

	Governmental <u>Activities</u>	
	<u>2010</u>	<u>2009</u>
Serial Bonds	\$ 1,873,000.00	\$ 1,983,000.00
Compensated Absences	<u>64,140.00</u>	<u>74,840.00</u>
	<u>\$ 1,937,140.00</u>	<u>\$ 2,057,840.00</u>

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

## BUDGETS

The significant variances between the originally adopted budget for the 2009-2010 school year and the final budget were caused by the treatment of encumbrances that are added to or subtracted from the original budget. In addition, the receipt of additional unanticipated state and federal aid, less than anticipated spending for special education student placements and fiscal constraint of general operating expense spending have contributed to the current budget surplus.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Mine Hill Township School District, 42 Canfield Avenue, Mine Hill, New Jersey 07803.

## **BASIC FINANCIAL STATEMENTS**

**SECTION A**  
**DISTRICT – WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Statement of Net Assets  
June 30, 2010**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 43,768.32	\$ 672.66	\$ 44,440.98
Receivables, Net	741,062.90	36,783.84	777,846.74
Interfund Receivable	6,377.51		6,377.51
Inventory		1,745.32	1,745.32
Restricted Assets:			
Cash and Cash Equivalents	78,792.44		78,792.44
Tuition Reserve Account - Cash	85,609.31		85,609.31
Capital Reserve Account - Cash	132,001.00		132,001.00
Capital Assets Not Being Depreciated	944,037.76		944,037.76
Capital Assets, Net	<u>6,939,848.00</u>	-	<u>6,939,848.00</u>
Total Assets	<u>8,971,497.24</u>	<u>39,201.82</u>	<u>9,010,699.06</u>
<b>LIABILITIES</b>			
Accounts Payable	210,719.54	21,777.49	232,497.03
Interfund Payable	91,715.27	-	91,715.27
Payable to Federal Government	3,225.92		3,225.92
Bond and Note Interest Payable	29,725.00		29,725.00
Deferred Revenue	32,798.75		32,798.75
Noncurrent Liabilities			
Due Within One Year	120,000.00		120,000.00
Due Beyond One Year	<u>1,817,140.00</u>	-	<u>1,817,140.00</u>
Total Liabilities	<u>2,305,324.48</u>	<u>21,777.49</u>	<u>2,327,101.97</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	6,010,885.76	-	6,010,885.76
Restricted For:			
Debt Service	0.28		0.28
Capital Projects	270,785.14		270,785.14
Other Purposes	457,749.58		457,749.58
Unrestricted	<u>(73,248.00)</u>	<u>17,424.33</u>	<u>(55,823.67)</u>
Total Net Assets	<u>\$ 6,666,172.76</u>	<u>\$ 17,424.33</u>	<u>\$ 6,683,597.09</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Statement of Activities  
For the Year Ended June 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 2,409,776.86	\$ 186,310.76	\$ -	\$ (2,215,751.84)	-	\$ (2,215,751.84)
Special Education	572,296.55	305,211.40	-	(267,085.15)	-	(267,085.15)
Other	64,655.11	2,517.71	-	(62,137.40)	-	(62,137.40)
Support Services:						
Tuition	2,788,930.32	-	-	(2,788,930.32)	-	(2,788,930.32)
Student and Instruction Related Services	610,456.47	24,897.38	-	(585,559.09)	-	(585,559.09)
School Administrative Services	200,921.20	18,183.49	-	(182,737.71)	-	(182,737.71)
General and Business Administrative Services	395,011.63	7,832.89	-	(387,178.74)	-	(387,178.74)
Plant Operations and Maintenance	543,102.15	16,225.26	-	(526,876.89)	-	(526,876.89)
Pupil Transportation	516,819.61	135,753.00	-	(381,066.61)	-	(381,066.61)
Charter Schools	-	-	-	-	-	-
Interest on Long-Term Debt	92,475.02	92,475.02	-	-	-	-
Total Governmental Activities	<u>8,194,444.92</u>	<u>789,406.91</u>	<u>-</u>	<u>(7,397,323.76)</u>	<u>-</u>	<u>(7,397,323.76)</u>
Business-Type Activities:						
Food Service	132,064.32	79,473.49	-	-	(315.32)	(315.32)
Total Business-Type Activities	<u>132,064.32</u>	<u>79,473.49</u>	<u>-</u>	<u>-</u>	<u>(315.32)</u>	<u>(315.32)</u>
Total Primary Government	<u>\$ 8,326,509.24</u>	<u>\$ 841,682.42</u>	<u>\$ -</u>	<u>\$ (7,397,323.76)</u>	<u>\$ (315.32)</u>	<u>\$ (7,397,639.08)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				\$ 5,502,447.00		\$ 5,502,447.00
Property Taxes, Levied for Debt Service Principal				111,649.98		111,649.98
Federal and State Aid Not Restricted				2,387,167.21		2,387,167.21
Investment Earnings				1,533.51	18.66	1,552.17
Miscellaneous Income				145,266.15		145,266.15
Special item - adjustment to fixed assets				3,250,295.61		3,250,295.61
Net Transfers				(3,760.00)		(3,760.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>11,394,599.46</u>	<u>18.66</u>	<u>11,394,618.12</u>
Change in Net Assets				<u>3,997,275.71</u>	<u>(296.66)</u>	<u>3,996,979.05</u>
Net Assets—Beginning				<u>2,668,897.05</u>	<u>17,720.99</u>	<u>2,686,618.04</u>
Net Assets—Ending				<u>\$ 6,666,172.76</u>	<u>\$ 17,424.33</u>	<u>\$ 6,683,597.09</u>

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

**SECTION B**  
**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Balance Sheet  
Governmental Funds  
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 43,768.04	\$ -	\$ 78,792.44	\$ 0.28	\$ 122,560.76
Interfunds Receivable	407,654.84		-		407,654.84
Receivables From Other Governments	103,492.20	432,466.00	191,992.70		727,950.90
Other Receivable	13,112.00	-			13,112.00
Restricted Cash and Cash Equivalents	<u>217,610.31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,610.31</u>
Total Assets	<u>\$ 785,637.39</u>	<u>\$ 432,466.00</u>	<u>\$ 270,785.14</u>	<u>\$ 0.28</u>	<u>\$ 1,488,888.81</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 210,719.54	\$ -	\$ -	\$ -	\$ 210,719.54
Interfunds Payable	91,715.27	401,277.33			492,992.60
Payable to Federal Government		3,225.92			3,225.92
Deferred Revenue - Tax Levy	4,836.00				4,836.00
Deferred Revenue - State and Federal	<u>-</u>	<u>27,962.75</u>			<u>27,962.75</u>
Total Liabilities	<u>307,270.81</u>	<u>432,466.00</u>	<u>-</u>	<u>-</u>	<u>739,736.81</u>
Fund Balances:					
Reserved For:					
Encumbrances	122,431.27		-		122,431.27
Excess Surplus - Designated for Subsequent Year's Expenditures	106,212.49				106,212.49
Tuition Reserve Account:					
Designated for 2012-2013 Budget	85,609.31				85,609.31
Capital Reserve Account	132,001.00				132,001.00
Unreserved - Designated for Subsequent Year's Expenditures	11,495.51				11,495.51
Unreserved, Reported in:					
General Fund	20,617.00				20,617.00
Debt Service Fund	-			0.28	0.28
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>270,785.14</u>	<u>-</u>	<u>270,785.14</u>
Total Fund Balances	<u>478,366.58</u>	<u>-</u>	<u>270,785.14</u>	<u>0.28</u>	<u>749,152.00</u>
Total Liabilities and Fund Balances	<u>\$ 785,637.39</u>	<u>\$ 432,466.00</u>	<u>\$ 270,785.14</u>	<u>\$ 0.28</u>	

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

Interest on long term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.

(29,725.00)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,515,585.76 and the accumulated depreciation is \$2,631,700.00.

7,883,885.76

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

(1,937,140.00)

Net assets of governmental activities

\$ 6,666,172.76

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

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Statement of Revenues, Expenditures, And Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 5,502,447.00	\$ -	\$ -	\$ 204,125.00	\$ 5,706,572.00
Tuition Charges	7,714.26				7,714.26
Interest Earned on Investments	1,033.51				1,033.51
Interest Earned on Capital Reserve Funds	500.00				500.00
Miscellaneous	<u>132,391.15</u>	<u>12,875.00</u>	<u>-</u>	<u>-</u>	<u>145,266.15</u>
Total - Local Sources	5,644,085.92	12,875.00	-	204,125.00	5,861,085.92
State Sources	2,304,560.84		191,992.70	-	2,496,553.54
Federal Sources	<u>210,849.00</u>	<u>376,696.56</u>	<u>-</u>	<u>-</u>	<u>587,545.56</u>
Total Revenues	<u>8,159,495.76</u>	<u>389,571.56</u>	<u>191,992.70</u>	<u>204,125.00</u>	<u>8,945,185.02</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	1,692,224.20	105,435.73			1,797,659.93
Special Education Instruction	306,358.54	131,021.00			437,379.54
Other Instruction	40,203.62	10,875.00			51,078.62
Support Services and Undistributed Costs:					
Tuition	2,788,930.32				2,788,930.32
Student and Instruction Related Services	517,473.66	16,718.83			534,192.49
School Administrative Services	155,020.33				155,020.33
General and Business Administrative Services	350,787.60				350,787.60
Plant Operations and Maintenance	477,361.12				477,361.12
Pupil Transportation	516,011.41				516,011.41
Unallocated Benefits	808,199.54	4,200.00			812,399.54
Capital Outlay	21,771.33	121,321.00	467,635.56		610,727.89
Debt Service:					
Principal				110,000.00	110,000.00
Interest and Other Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,125.02</u>	<u>94,125.02</u>
Total Expenditures	<u>7,674,341.67</u>	<u>389,571.56</u>	<u>467,635.56</u>	<u>204,125.02</u>	<u>8,735,673.81</u>
Excess (Deficiency) of Revenues over Expenditures	<u>485,154.09</u>	<u>-</u>	<u>(275,642.86)</u>	<u>(0.02)</u>	<u>209,511.21</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Transfers In			526,240.00		526,240.00
Transfers (Out)	<u>(530,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(530,000.00)</u>
Total Other Financing Sources and (Uses)	<u>(530,000.00)</u>	<u>-</u>	<u>526,240.00</u>	<u>-</u>	<u>(3,760.00)</u>
Net Change in Fund Balances	(44,845.91)	-	250,597.14	(0.02)	205,751.21
Fund Balance—July 1	<u>523,212.49</u>	<u>-</u>	<u>20,188.00</u>	<u>0.30</u>	<u>543,400.79</u>
Fund Balance—June 30	<u>\$ 478,366.58</u>	<u>\$ -</u>	<u>\$ 270,785.14</u>	<u>\$ 0.28</u>	<u>\$ 749,152.00</u>

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2) \$ 205,751.21

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

	Depreciation expense	\$ (191,849.00)	
	Capital outlays	<u>3,861,023.50</u>	
			3,669,174.50

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 110,000.00

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

	Proceeds of long-term debt	-	
	Capital lease proceeds	-	

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

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

	Interest paid	94,125.02	
	Interest accrued	<u>(92,475.02)</u>	
			1,650.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+). 10,700.00

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

		<u>-</u>
<b>Change in net assets of governmental activities</b>		<b><u>\$ 3,997,275.71</u></b>

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

**PROPRIETARY FUNDS**

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 672.66	\$ 672.66
Accounts Receivable	15,259.58	15,259.58
Other Receivables	21,524.26	21,524.26
Inventories	1,745.32	1,745.32
Total Current Assets	<u>39,201.82</u>	<u>39,201.82</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	48,692.00	48,692.00
Less Accumulated Depreciation	<u>(48,692.00)</u>	<u>(48,692.00)</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>39,201.82</u>	<u>39,201.82</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	<u>21,777.49</u>	<u>21,777.49</u>
Total Current Liabilities	<u>21,777.49</u>	<u>21,777.49</u>
Total Liabilities	<u>21,777.49</u>	<u>21,777.49</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	-	-
Unrestricted	<u>17,424.33</u>	<u>17,424.33</u>
Total Net Assets	<u>\$ 17,424.33</u>	<u>\$ 17,424.33</u>

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

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2010

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 78,012.59	\$ 78,012.59
Daily Sales - Non-reimbursable Programs	1,325.60	1,325.60
Special Functions	135.30	135.30
Total Operating Revenues	<u>79,473.49</u>	<u>79,473.49</u>
 <b>Operating Expenses:</b>		
Cost of Sales	59,295.60	59,295.60
Salaries	45,965.14	45,965.14
Employee Benefits	12,857.29	12,857.29
Purchased Property Service	8,240.00	8,240.00
Other Purchased Services	1,109.50	1,109.50
Misc.	2,161.79	2,161.79
Depreciation	2,435.00	2,435.00
Total Operating Expenses	<u>132,064.32</u>	<u>132,064.32</u>
Operating (Loss)	<u>(52,590.83)</u>	<u>(52,590.83)</u>
 <b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	2,327.34	2,327.34
School Breakfast Program	732.50	732.50
Federal Sources:		
National School Lunch Program	40,173.41	40,173.41
Special Milk Program	578.40	578.40
School Breakfast Program	7,669.90	7,669.90
Food Distribution Program	5,873.14	5,873.14
Interest and Investment Revenue	18.66	18.66
Current Year Subsidy Receivable Denied	(5,079.18)	(5,079.18)
Prior Year Subsidy Receivable Canceled	-	-
Total Nonoperating Revenues (Expenses)	<u>52,294.17</u>	<u>52,294.17</u>
Change in Net Assets	(296.66)	(296.66)
Total Net Assets—Beginning	<u>17,720.99</u>	<u>17,720.99</u>
Total Net Assets—Ending	<u>\$ 17,424.33</u>	<u>\$ 17,424.33</u>

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 79,473.49	\$ 79,473.49
Payments to Employees	(45,965.14)	(45,965.14)
Payments for Employee Benefits	(12,857.29)	(12,857.29)
Payments to Suppliers	<u>(77,138.82)</u>	<u>(77,138.82)</u>
Net Cash Provided By (Used for) Operating Activities	<u>(56,487.76)</u>	<u>(56,487.76)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,872.44	2,872.44
Federal Sources	<u>40,814.10</u>	<u>40,814.10</u>
Net Cash Provided By Non-capital Financing Activities	<u>43,686.54</u>	<u>43,686.54</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	<u>18.66</u>	<u>18.66</u>
Net Cash Provided By (Used for) Investing Activities	<u>18.66</u>	<u>18.66</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(12,782.56)	(12,782.56)
Balances—Beginning of Year	<u>13,455.22</u>	<u>13,455.22</u>
Balances—End of Year	<u>\$ 672.66</u>	<u>\$ 672.66</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:</b>		
Operating (Loss)	\$ (52,590.83)	\$ (52,590.83)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:		
Depreciation and Net Amortization	2,435.00	2,435.00
(Increase) Decrease in Inventories	(580.21)	(580.21)
(Increase) Decrease in Other Current Assets	5,873.14	5,873.14
Increase (Decrease) in Accounts Payable	<u>(11,624.86)</u>	<u>(11,624.86)</u>
Total Adjustments	<u>(3,896.93)</u>	<u>(3,896.93)</u>
Net Cash (Used for) Operating Activities	<u>\$ (56,487.76)</u>	<u>\$ (56,487.76)</u>

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

## **FIDUCIARY FUNDS**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 29,874.80	\$ 24,886.16
Interfund Receivable	<u>70,125.20</u>	<u>65.81</u>
Total Assets	<u>\$ 100,000.00</u>	<u>\$ 24,951.97</u>
<b>LIABILITIES</b>		
Payable to District		\$ 4,775.86
Payable to Student Groups		12,059.99
Payroll Deductions and Withholdings		<u>8,116.12</u>
Total Liabilities		<u>\$ 24,951.97</u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 100,000.00</u>	

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

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2010**

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Other	\$ <u>20,939.22</u>
Total Contributions	<u>20,939.22</u>
Investment Earnings:	
Interest	<u>16.42</u>
Net Investment Earnings	<u>16.42</u>
Total Additions	<u>20,955.64</u>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>73,704.43</u>
Total Deductions	<u>73,704.43</u>
Change in Net Assets	<u>(52,748.79)</u>
Net Assets—Beginning	<u>152,748.79</u>
Net Assets—Ending	<u>\$ 100,000.00</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

D. Basic Financial Statements- Fund Financial Statements

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

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

The following fund types are used by the District:

Governmental Fund Types

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

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

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

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

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

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Type

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

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

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

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

Food Service Fund:	
Equipment	12 Years

Fiduciary Fund Types

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

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

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Appropriation of prior year encumbrances in the amount of \$255.00 was made during the year ended June 30, 2010. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

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

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories and Prepaid Expenses

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

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

Prepaid expenses represent payments made for services that will benefit periods beyond June 30, 2009.

4. Capital Assets

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

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

Land and Construction in Progress are not depreciated.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

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

5. Compensated Absences

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

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

6. Deferred Revenue

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

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

8. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

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

H. Recent Accounting Pronouncements

In June 2007, The Governmental Standards Board (GASB) issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. The Reporting and Disclosure Requirements Promulgated by GASB Statement No. 51 are not applicable for the District.

In June 2008, The Governmental Standards Board (GASB) issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. The Reporting and Disclosure Requirements Promulgated by GASB Statement No. 53 are not applicable for the District.

In March 2009, the Governmental Accounting Standards Board (GASB) adopted Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement will become effective for fiscal periods beginning after June 15, 2010. The effective date for the District is the fiscal year beginning July 1, 2010. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing fund balance type definitions.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note II: Reconciliation of Government Wide and Fund Financial Statements

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

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

<u>Assets</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>Long - term</u> <u>Assets</u> <u>Liabilities (1)</u>	<u>Reclassifications</u> <u>and Eliminations</u>	<u>Statement</u> <u>of Net</u> <u>Assets</u> <u>Totals</u>
Cash and Cash Equivalents	\$ 122,560.76	\$ -	\$ (78,792.44)	\$ 43,768.32
Receivables, Net			741,062.90	741,062.90
Interfund Receivables	407,654.84		(401,277.33)	6,377.51
Receivables from Other Governments	727,950.90		(727,950.90)	-
Other Receivables	13,112.00		(13,112.00)	-
Restricted Assets:				
Cash and Cash Equivalents			78,792.44	78,792.44
Tuition Reserve Account - Cash	85,609.31			85,609.31
Capital Reserve Account - Cash	132,001.00			132,001.00
Capital Assets Not Depreciated		944,037.76		944,037.76
Capital Assets, Net	-	6,939,848.00	-	6,939,848.00
Total Assets	<u>1,488,888.81</u>	<u>7,883,885.76</u>	<u>(401,277.33)</u>	<u>8,971,497.24</u>
 <u>Liabilities</u>				
Accounts Payable	210,719.54			210,719.54
Interfunds Payable	492,992.60		(401,277.33)	91,715.27
Payable to Federal Government	3,225.92			3,225.92
Bond and Note Interest Payable			29,725.00	29,725.00
Deferred Revenue	32,798.75			32,798.75
Noncurrent Liabilities	-	1,873,000.00	64,140.00	1,937,140.00
Total Liabilities	<u>739,736.81</u>	<u>1,873,000.00</u>	<u>(307,412.33)</u>	<u>2,305,324.48</u>
 <u>Fund Balances/Net Assets</u>				
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt		6,010,885.76		6,010,885.76
Restricted for:				
Capital Projects	270,785.14			270,785.14
Debt Service	0.28			0.28
Other Purposes	457,749.58			457,749.58
Unrestricted	20,617.00	-	(93,865.00)	(73,248.00)
Total Fund Balances/Net Assets	<u>749,152.00</u>	<u>6,010,885.76</u>	<u>(93,865.00)</u>	<u>6,666,172.76</u>
Total Liabilities and Fund Balances/Net Assets	<u>\$ 1,488,888.81</u>	<u>\$ 7,883,885.76</u>	<u>\$ (401,277.33)</u>	<u>\$ 8,971,497.24</u>

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

Cost of Capital Assets	\$ 10,515,585.76
Accumulated Depreciation	<u>(2,631,700.00)</u>
	<u>\$ 7,883,885.76</u>

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

Serial Bonds	\$ 1,873,000.00
Compensated Absences	<u>64,140.00</u>
	<u>\$ 1,937,140.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

Explanation of Differences between Governmental Funds Operating Statement of Activities

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

<u>Revenues and Other Sources</u>	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Local Tax Levy	\$ 5,706,572.00	\$ -	\$ -	\$ -	\$ -	\$ 5,706,572.00
Tuition Charges	7,714.26					7,714.26
Interest Earned on Investments	1,533.51					1,533.51
Miscellaneous	145,266.15					145,266.15
State Sources	2,496,553.54					2,496,553.54
Federal Sources	587,545.56	-	-	-	-	587,545.56
Total	<u>\$ 8,945,185.02</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,945,185.02</u>
<u>Expenditures</u>						
Current:						
Regular Instruction	1,797,659.93		102,689.22	(7,820.00)	517,247.71	2,409,776.86
Special Education	437,379.54		26,727.47	540.00	107,649.54	572,296.55
Other Instruction	51,078.62		7,919.09		5,657.40	64,655.11
Support Services and Undistributed Costs:						
Tuition	2,788,930.32					2,788,930.32
Student and Instruction Related Services	534,192.49		8,044.42	5,180.00	63,039.56	610,456.47
School Administrative Services	155,020.33		11,666.29	(8,600.00)	42,834.58	200,921.20
General and Business Administrative Services	350,787.60		15,937.05		28,286.98	395,011.63
Plant Operations and Maintenance	477,361.12		18,865.46		46,875.57	543,102.15
Pupil Transportation	516,011.41				808.20	516,819.61
Unallocated Benefits	812,399.54				(812,399.54)	-
Capital Outlay	610,727.89		(3,861,023.50)			(3,250,295.61)
Debt Service:						
Principal	110,000.00			(110,000.00)		-
Interest	94,125.02	(1,650.00)	-	-	-	92,475.02
Total	<u>8,735,673.81</u>	<u>(1,650.00)</u>	<u>(3,669,174.50)</u>	<u>(120,700.00)</u>	<u>(0.00)</u>	<u>4,944,149.31</u>
Other Financing Uses/Changes in Net Assets:						
Net Transfers to/(from) other funds	(3,760.00)					(3,760.00)
Total	<u>(3,760.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,760.00)</u>
Net Change for the Year	<u>\$ 205,751.21</u>	<u>\$ 1,650.00</u>	<u>\$ 3,669,174.50</u>	<u>\$ 120,700.00</u>	<u>\$ 0.00</u>	<u>\$ 3,997,275.71</u>

2. In the statement of activities, interest on long - term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+) \$ 1,650.00

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

Depreciation Expense	\$ (191,849.00)
Capital Outlays	<u>3,861,023.50</u>
	<u>\$ 3,669,174.50</u>

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

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the differences is an addition to the reconciliation (+). \$ 10,700.00

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

Debt Principal	<u>110,000.00</u>
	<u>\$ 120,700.00</u>

5. Allocate Benefits Expenditures

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

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

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

At June 30, 2010 the Township of Mine Hill School District's cash and cash equivalent's amounted to \$1,121,074.50. Of this amount, \$500,000.00 was covered by federal depository insurance (F.D.I.C.) and \$618,143.31 was covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2010 the Township of Mine Hill School District's participation in the State of New Jersey Cash Management Fund amounted to \$2,931.19.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2010, \$2,931.19 of the Township of Mine Hill School District's cash and cash equivalents of \$1,121,074.50 was exposed to custodial credit risk as follows:

Uninsured and collateral held by public depository or by its' trust department not in the Township of Mine Hill School District's name	<u>\$ 2,931.19</u>
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The District does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

A. Deposits and Investments (Continued)

Investments

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

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

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

(2) Government money market mutual funds;

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

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

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

(6) Local government investment pools;

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

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

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

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

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

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

The Township of Mine Hill School District had no investments as described in Note I:G.1 at June 30, 2010.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

A. Deposits and Investments (Continued)

Investments (Continued)

*Custodial Credit Risk:* Pursuant to GASB 40, the District did not have any investments that were exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any investments at June 30, 2010.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The District did not have any investments at June 30, 2010.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. The District did not have any investments at June 30, 2010.

B. Interfund Receivables and Payables

As of June 30, 2010, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	\$ 407,654.84	\$91,715.27
Special Revenue Fund		401,277.33
Capital Projects Fund		
Fiduciary Fund	70,191.01	4,775.86
Enterprise Fund	<u>21,524.26</u>	<u>1,601.65</u>
	<u>\$ 499,370.11</u>	<u>\$499,370.11</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 59,696.00	\$ -	\$ -	\$ 59,696.00
Construction in Progress	<u>580,276.26</u>	<u>610,727.89</u>	<u>(306,662.39)</u>	<u>884,341.76</u>
Total Capital Assets Not Being Depreciated	<u>639,972.26</u>	<u>610,727.89</u>	<u>(306,662.39)</u>	<u>944,037.76</u>
Land Improvements	107,862.00		146,059.00	253,921.00
Buildings and Improvements	5,565,449.00		3,328,334.00	8,893,783.00
Machinery and Equipment	<u>72,479.00</u>	<u>-</u>	<u>351,365.00</u>	<u>423,844.00</u>
Totals at Historical Cost	<u>5,745,790.00</u>	<u>-</u>	<u>3,825,758.00</u>	<u>9,571,548.00</u>
Less Accumulated Depreciation For:				
Land Improvements	(72,797.00)	(14,035.00)	(62,459.00)	(149,291.00)
Buildings and Improvements	(2,029,048.00)	(162,367.00)	81,116.00	(2,110,299.00)
Machinery and Equipment	<u>(69,206.00)</u>	<u>(15,447.00)</u>	<u>(287,457.00)</u>	<u>(372,110.00)</u>
Total Accumulated Depreciation	<u>(2,171,051.00)</u>	<u>(191,849.00)</u> (1)	<u>(268,800.00)</u>	<u>(2,631,700.00)</u>
Net Capital Assets Being Depreciated	<u>3,574,739.00</u>	<u>(191,849.00)</u>	<u>3,556,958.00</u>	<u>6,939,848.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,214,711.26</u>	<u>\$ 418,878.89</u>	<u>\$3,250,295.61</u>	<u>\$ 7,883,885.76</u>
Business - Type Activities:				
Equipment	\$ 48,692.00	\$ -	\$ -	\$ 48,692.00
Less Accumulated Depreciation	<u>(46,257.00)</u>	<u>(2,435.00)</u>	<u>-</u>	<u>(48,692.00)</u>
Business - Type Activities Capital Assets, Net	<u>\$ 2,435.00</u>	<u>\$ (2,435.00)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Instruction	\$ 102,689.22
Special Education	26,727.47
Other Instruction	7,919.09
Student and Instruction Related Services	8,044.42
School Administrative Services	11,666.29
General and Business Administrative Services	15,937.05
Plant Operations and Maintenance	<u>18,865.46</u>
	<u>\$ 191,849.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has no commitments to lease equipment under operating leases.

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long - Term Debt:					
Serial Bonds	\$1,983,000.00	\$ -	\$ (110,000.00)	\$ 1,873,000.00	\$ 120,000.00
Total Debt Payable	<u>1,983,000.00</u>	<u>-</u>	<u>(110,000.00) (1)</u>	<u>1,873,000.00</u>	<u>120,000.00</u>
Other Liabilities:					
Compensated Absences	74,840.00	5,720.00	(16,420.00)	64,140.00	
Total Other Liabilities	<u>74,840.00</u>	<u>5,720.00</u>	<u>(16,420.00) (2)</u>	<u>64,140.00</u>	<u>-</u>
Governmental Activities					
Long - Term Liabilities	<u>\$2,057,840.00</u>	<u>\$ 5,720.00</u>	<u>\$ (126,420.00)</u>	<u>\$ 1,937,140.00</u>	<u>\$ 120,000.00</u>

(1) Paid by Debt Service Fund

(2) Paid by General Fund

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2010 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
School Expansion	Various	3/1	2022	<u>\$2,553,000.00</u>	<u>\$1,873,000.00</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2011	\$ 120,000.00	\$ 89,175.00	\$ 209,175.00
2012	125,000.00	83,775.00	208,775.00
2013	130,000.00	78,150.00	208,150.00
2014	135,000.00	72,300.00	207,300.00
2015	145,000.00	66,090.00	211,090.00
2016	150,000.00	59,275.00	209,275.00
2017	155,000.00	52,150.00	207,150.00
2018	165,000.00	44,787.50	209,787.50
2019	175,000.00	36,950.00	211,950.00
2020	185,000.00	28,418.75	213,418.75
2021	190,000.00	19,400.00	209,400.00
2022	<u>198,000.00</u>	<u>9,900.00</u>	<u>207,900.00</u>
	<u>\$1,873,000.00</u>	<u>\$ 640,371.25</u>	<u>\$2,513,371.25</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

B. Long – Term Liabilities (Continued)

2. Bonds Authorized But Not Issued

As of June 30, 2010 the Board had \$800,000.00 of authorized but not issued bonds.

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$106,212.49. The reserved fund balance of \$106,212.49 has been appropriated in the fiscal year 2010-2011.

B. Capital Reserve Account

A capital reserve account was established by the Township of Mine Hill School District Board of Education by inclusion of \$1.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13 (g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects is \$1,503,600.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note VI: Pension Plans

Description of Systems

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

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

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

According to the State of New Jersey Management Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports maybe obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Retirement Benefits

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note VI: Pension Plans (Continued)

Significant Legislation

Chapter 89, P.L. 2008, effective November 1, 2008, increased TPAF and PERS retirement age. If a person becomes a member on or after November 1, 2008 that person must be at least 62 years of age in order to retire without a reduction in their retirement allowance.

Chapter 99, P.L. 2009, effective March 17, 2009 gives local PERS employers the option to defer 50% of their contributions in fiscal year 2009 the normal and accrued liability and pay 50 percent of the certified amount as determined by the actuary or pay the full 100% certified amount.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.50 percent for TPAF and PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2010, for TPAF, annual pension cost equals annual required contribution. For PERS, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Contributions – Actual

The District's total payroll for the year ended June 30, 2010 was \$2,594,959.11 and covered payroll was \$1,981,630.00 for TPAF and \$351,870.00 for PERS. Contributions to the TPAF and the PERS for the last three years ended June 30 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		<u>TPAF</u>	Percent of Covered <u>Payroll</u>	<u>PERS</u>	Percent of Covered <u>Payroll</u>
Employees	6/30/08	102,345.98	5.56%	23,020.76	5.98%
	6/30/09	116,584.76	5.72%	18,188.64	5.65%
	6/30/10	111,752.39	6.26%	22,021.90	5.64%
Board of Education	6/30/08			22,096.00	11.99%
	6/30/09			32,518.50	10.10%
	6/30/10			34,404.74	9.78%
State of New Jersey	6/30/08	306,410.00	16.64%		
	6/30/09	126,401.00	6.20%		
	6/30/10	129,263.00	6.52%		

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note VI: Pension Plans (Continued)

Contributions – Actual (Continued)

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$147,409.84 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VII: Post-Retirement Medical Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement medical (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

The Reporting and Disclosure Requirements Promulgated by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefit Plans Other Than Pension Plans* are not applicable for the District.

The District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/gasb43-sept2008.pdf](http://www.state.nj.us/treasury/pensions/gasb43-sept2008.pdf).

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note VIII: Risk Management

The District is a member of the Educational Liability Fund (“ELF”). The Educational Liability Fund is composed of Boards of Education who wish to take a more active role in their own risk management. ELF offers excess liability coverage to its member districts either directly through the commercial insurance market, or through one of the following vehicles:

- Excess Insurance
- Reinsurance
- Approved Joint Insurance Fund
- Joint Purchase Agreement
- Individual Contracts

The member Boards of Education of the Fund have passed resolutions to become members of this Fund and agree to cooperate with each other in safety and loss control activities and to share all expenses of operating the Fund.

This Fund is established for the purchase of Excess Liability Coverage either from commercial insurance companies with Best’s rating of “A” or better.

Claims negotiation will be conducted directly with the Board of Education involved in the loss.

The annual assessment of each member school district shall be its pro-rata share of the probable net cost for the upcoming year as computed.

The District continues to carry commercial insurance coverage for all other risks of loss. See exhibit J-20 of the Statistical Section for additional coverages.

The District is also a member of the Northeast Bergen County Insurance Group (NESBIG). NESBIG is an insured and self-administered workers’ compensation liability pool. The District pays an annual assessment to the NESBIG and should it be determined that payments received by the NESBIG are deficient, additional assessments may be levied. Additionally, the NESBIG maintains a contract of excess insurance with a commercial reinsurer to secure the payment of statutory workers’ compensation benefits.

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

<u>Fiscal Year</u>	<u>Local School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$20,939.22	\$ 0.00	\$73,704.43	\$100,000.00
2008-2009	\$125,000.00	\$8,196.26	\$14,625.66	\$152,748.79
2007-2008	\$ 0.00	\$ 0.00	\$13,761.88	\$42,554.87

TOWNSHIP OF MINE HILL

NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Note IX: Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after 10 years of service.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2009, no liability existed for compensated absences in the Food Service Fund.

Note X: Contingent Liabilities

The Township of Mine Hill School District has no material pending or threatened litigation, claims or assessments as of the date of Audit. Additional liabilities, if not covered by insurance, should not be material in amount.

Note XI Subsequent Events

The Township of Mine Hill School District management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of audit.

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART II**

**SECTION C**  
**BUDGETARY COMPARISON SCHEDULES**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
<b>REVENUES:</b>						
Local Sources:						
Local Tax Levy	\$ 5,502,447.00	\$ -	\$ 5,502,447.00	\$ 5,502,447.00	\$ -	
Tuition	-	-	-	7,714.26	7,714.26	
Interest Earned on Investments	2,000.00	-	2,000.00	1,033.51	(966.49)	
Interest Earned on Capital Reserve Funds	500.00	-	500.00	500.00	-	
Miscellaneous	74,495.00	-	74,495.00	132,391.15	57,896.15	
<b>Total - Local Sources</b>	<b>5,579,442.00</b>	<b>-</b>	<b>5,579,442.00</b>	<b>5,644,065.92</b>	<b>64,643.92</b>	
State Sources:						
Equalization Aid	1,162,048.00	(210,849.00)	951,199.00	922,923.00	(28,276.00)	
School Choice Aid	537,022.00	-	537,022.00	537,022.00	-	
Transportation Aid	218,153.00	-	218,153.00	141,799.00	-	
Special Education Aid	311,347.00	-	311,347.00	311,347.00	-	
Security Aid	71,659.00	-	71,659.00	46,578.00	(25,081.00)	
Extraordinary Aid	25,000.00	-	25,000.00	83,584.00	58,584.00	
Non-Public Transportation Aid	-	-	-	4,011.00	4,011.00	
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	129,263.00	129,263.00	
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	147,409.84	147,409.84	
<b>Total State Sources</b>	<b>2,325,229.00</b>	<b>(210,849.00)</b>	<b>2,114,380.00</b>	<b>2,323,936.84</b>	<b>209,556.84</b>	
Federal Sources:						
ARRA - SFSF - ESF (Educ. State Grants)	-	202,991.00	202,991.00	202,991.00	-	
ARRA - SFSF - GSF (Government Services)	-	7,858.00	7,858.00	7,858.00	-	
<b>Total - Federal Sources</b>	<b>-</b>	<b>210,849.00</b>	<b>210,849.00</b>	<b>210,849.00</b>	<b>-</b>	
<b>Total Revenues</b>	<b>7,904,671.00</b>	<b>-</b>	<b>7,904,671.00</b>	<b>8,178,871.76</b>	<b>274,200.76</b>	
<b>EXPENDITURES:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction</b>						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	\$ 176,100.00	\$ (8,890.18)	\$ 167,209.82	\$ 167,046.43	\$ 163.39
Grades 1-5 - Salaries of Teachers	120-100-101	1,167,117.00	31,790.37	1,198,907.37	1,197,481.42	1,425.95
Grades 6-8 - Salaries of Teachers	130-100-101	151,197.00	(35,389.00)	115,808.00	115,316.62	491.38
<b>Regular Programs - Home Instruction:</b>						
Purchased Technical Services	150-100-340	3,920.00	(3,920.00)	-	-	-
<b>Regular Programs - Undistributed Instruction</b>						
Other Salaries for Instruction	190-100-106	94,817.00	(13,889.74)	80,927.26	80,925.46	1.80
Purchased Technical Services	190-100-340	17,019.00	949.29	17,968.29	17,968.29	-
Other Purchased Services (400-500 series)	190-100-500	19,207.00	(3,629.00)	15,578.00	15,528.78	49.22
General Supplies	190-100-610	88,135.00	17,742.67	105,877.67	95,516.37	10,361.30
Textbooks	190-100-640	-	29,559.13	29,559.13	68.65	29,490.48
Other Objects	190-100-890	1,000.00	1,429.50	2,429.50	2,372.18	57.32
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>		<b>1,718,512.00</b>	<b>15,753.04</b>	<b>1,734,265.04</b>	<b>1,692,224.20</b>	<b>42,040.84</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>						
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	213-100-101	222,481.00	31,776.63	254,257.63	253,586.57	671.06
Other Salaries for Instruction	213-100-106	22,405.00	28,250.24	50,655.24	50,655.24	-
General Supplies	213-100-610	4,439.00	(2,322.27)	2,116.73	2,116.73	-
<b>Total Resource Room/Resource Center</b>		<b>249,325.00</b>	<b>57,704.60</b>	<b>307,029.60</b>	<b>306,358.54</b>	<b>671.06</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>						
		<b>249,325.00</b>	<b>57,704.60</b>	<b>307,029.60</b>	<b>306,358.54</b>	<b>671.06</b>
<b>Basic Skills/Remedial - Instruction</b>						
Salaries of Teachers	230-100-101	-	11,513.15	11,513.15	11,513.15	-
<b>Total Basic Skills/Remedial - Instruction</b>		<b>-</b>	<b>11,513.15</b>	<b>11,513.15</b>	<b>11,513.15</b>	<b>-</b>
<b>Bilingual Education - Instruction</b>						
Salaries of Teachers	240-100-101	-	10,011.20	10,011.20	10,011.20	-
<b>Total Bilingual Education - Instruction</b>		<b>-</b>	<b>10,011.20</b>	<b>10,011.20</b>	<b>10,011.20</b>	<b>-</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>						
Salaries	401-100-100	6,767.00	1,416.29	8,183.29	8,183.29	-
Supplies and Materials	401-100-600	735.00	(735.00)	-	-	-
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>		<b>7,502.00</b>	<b>681.29</b>	<b>8,183.29</b>	<b>8,183.29</b>	<b>-</b>
<b>Other Instructional Programs - Instruction</b>						
Salaries	422-100-100	12,000.00	(1,504.02)	10,495.98	10,495.98	-
<b>Total Other Instructional Programs - Instruction</b>		<b>12,000.00</b>	<b>(1,504.02)</b>	<b>10,495.98</b>	<b>10,495.98</b>	<b>-</b>
<b>Total Instruction</b>		<b>1,987,339.00</b>	<b>94,159.26</b>	<b>2,081,498.26</b>	<b>2,038,786.36</b>	<b>42,711.90</b>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2010  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	
<b>Undistributed Expenditures - Instruction:</b>						
Tuition to Other LEAs Within the State - Regular	000-100-561	\$ 1,757,740.00	\$ 9,315.65	\$ 1,767,055.65	\$ 1,767,055.65	\$ -
Tuition to Other LEAs Within the State - Special	000-100-562	458,504.00	(65,012.66)	393,491.34	393,491.34	-
Tuition to County Voc. School Dist. - Regular	000-100-563	131,430.00	(8,762.00)	122,668.00	121,791.80	876.20
Tuition to CSSD & Regional Day Schools	000-100-565	61,000.00	(3,600.00)	57,400.00	57,400.00	-
Tuition to Private Schools for the Disabled - Within State	000-100-566	348,864.00	99,039.53	447,903.53	447,903.53	-
Tuition - State Facilities	000-100-568	-	1,600.00	1,600.00	1,288.00	312.00
<b>Total Undistributed Expenditures - Instruction:</b>		<u>2,757,538.00</u>	<u>32,580.52</u>	<u>2,790,118.52</u>	<u>2,788,930.32</u>	<u>1,188.20</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>						
Salaries	000-211-100	1,540.00	123.77	1,663.77	1,663.77	-
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>		<u>1,540.00</u>	<u>123.77</u>	<u>1,663.77</u>	<u>1,663.77</u>	<u>-</u>
<b>Undist. Expend. - Health Services</b>						
Salaries	000-213-100	48,623.00	8,127.05	56,750.05	56,589.90	160.15
Purchased Professional and Technical Services	000-213-300	4,500.00	1,762.59	6,262.59	5,825.00	437.59
Supplies and Materials	000-213-600	2,924.00	367.59	3,291.59	3,291.59	-
Other Objects	000-213-800	390.00	(390.00)	-	-	-
<b>Total Undistributed Expenditures - Health Services</b>		<u>56,437.00</u>	<u>9,867.23</u>	<u>66,304.23</u>	<u>65,706.49</u>	<u>597.74</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>						
Salaries of Other Professional Staff	000-216-100	81,503.00	1,950.00	83,453.00	83,453.00	-
Purchased Professional - Educational Services	000-216-320	121,466.00	(29,726.85)	91,739.15	91,739.15	-
Supplies and Materials	000-216-600	6,967.00	(5,694.85)	1,292.15	1,292.15	-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>		<u>209,966.00</u>	<u>(33,471.70)</u>	<u>176,484.30</u>	<u>176,484.30</u>	<u>-</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Reg.</b>						
Salaries of Other Professional Staff	000-218-104	57,688.00	(8,761.00)	48,927.00	48,699.40	227.60
Other Purchased Services (400-500 series)	000-218-500	2,000.00	(180.00)	1,820.00	1,816.93	3.07
Supplies and Materials	000-218-600	3,139.00	3,105.00	6,244.00	3,878.58	2,365.42
Other Objects	000-218-800	500.00	(363.00)	137.00	116.58	20.42
<b>Total Undist. Expend. - Other Supp. Serv. Students-Reg.</b>		<u>63,327.00</u>	<u>(6,199.00)</u>	<u>57,128.00</u>	<u>54,511.49</u>	<u>2,616.51</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Special</b>						
Salaries of Other Professional Staff	000-219-104	-	2,500.00	2,500.00	2,418.27	81.73
Salaries of Secretarial and Clerical Assistants	000-219-105	34,857.00	(26,271.00)	8,586.00	8,287.93	298.07
Purchased Professional - Educational Services	000-219-320	125,406.00	8,243.62	133,649.62	133,483.24	166.38
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	3,200.00	(1,855.00)	1,345.00	1,076.56	268.44
Supplies and Materials	000-219-600	8,527.00	(1,812.00)	6,715.00	6,698.40	16.60
<b>Total Undist. Expend. - Other Supp. Serv. Students-Spl.</b>		<u>171,990.00</u>	<u>(19,194.38)</u>	<u>152,795.62</u>	<u>151,964.40</u>	<u>831.22</u>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>						
Salaries of Other Professional Staff	000-221-104	10,000.00	-	10,000.00	-	10,000.00
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>		<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>						
Salaries	000-222-100	54,298.00	530.00	54,828.00	54,828.00	-
Other Purchased Services (400-500 series)	000-222-500	3,112.00	2,700.00	5,812.00	5,758.57	53.43
Supplies and Materials	000-222-600	7,770.00	(3,000.00)	4,770.00	4,414.44	355.56
Other Objects	000-222-800	500.00	-	500.00	-	500.00
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>		<u>65,680.00</u>	<u>230.00</u>	<u>65,910.00</u>	<u>65,001.01</u>	<u>908.99</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>						
Other Purchased Services (400-500 series)	000-223-500	11,475.00	(1,575.00)	9,900.00	2,142.20	7,757.80
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>		<u>11,475.00</u>	<u>(1,575.00)</u>	<u>9,900.00</u>	<u>2,142.20</u>	<u>7,757.80</u>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>						
Salaries	000-230-100	4,680.00	34,006.72	38,686.72	38,294.65	392.07
Legal Services	000-230-331	31,000.00	(2,927.42)	28,072.58	28,072.58	-
Audit Fees	000-230-332	12,100.00	(600.00)	11,500.00	11,500.00	-
Purchased Technical Services	000-230-340	72,990.00	2,603.89	75,593.89	75,593.89	-
Communications/Telephone	000-230-530	25,000.00	(8,853.73)	16,146.27	16,146.27	-
BOE Other Purchased Services	000-230-585	24,190.00	(2,771.01)	21,418.99	21,418.99	-
Other Purchased Services (400-500 series)	000-230-590	5,215.00	(3,145.57)	2,069.43	2,069.43	-
General Supplies	000-230-610	4,559.00	(2,249.46)	2,309.54	2,309.54	-
Miscellaneous Expenditures	000-230-890	2,265.00	(712.08)	1,552.94	1,552.94	-
BOE Membership Dues and Fees	000-230-895	6,650.00	(138.45)	6,511.55	6,511.55	-
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>		<u>188,649.00</u>	<u>15,212.91</u>	<u>203,861.91</u>	<u>203,469.84</u>	<u>392.07</u>
<b>Undist. Expend. - Support Serv. - School Admin.</b>						
Salaries of Principals/Assistant Principals	000-240-103	101,239.00	(973.00)	100,266.00	100,266.00	-
Salaries of Secretarial and Clerical Assistants	000-240-105	37,313.00	(1,038.00)	36,275.00	36,241.70	33.30
Other Purchased Services (400-500 series)	000-240-500	3,531.00	(2,260.10)	1,270.90	954.92	315.98
Supplies and Materials	000-240-600	1,819.00	13,081.00	14,900.00	14,099.21	800.79
Other Objects	000-240-800	1,350.00	2,253.00	3,603.00	3,458.50	144.50
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>		<u>145,252.00</u>	<u>11,062.90</u>	<u>156,314.90</u>	<u>155,020.33</u>	<u>1,294.57</u>
<b>Undist. Expend. - Supp. Serv. - Central Services</b>						
Salaries	000-251-100	67,366.00	(15,707.00)	51,659.00	51,499.06	159.94
Other Purchased Professional Services	000-251-330	1,000.00	64,000.00	65,000.00	64,368.75	631.25
Purchased Technical Services	000-251-340	86,500.00	(72,800.00)	13,700.00	12,655.10	1,044.90
Miscellaneous Purchased Services	000-251-592	7,800.00	4,590.00	12,390.00	11,309.95	1,080.05
Supplies and Materials	000-251-600	2,500.00	4,325.00	6,825.00	6,812.01	12.99
Other Objects	000-251-890	1,203.00	(335.00)	868.00	672.89	195.11
<b>Total Undist. Expend. - Supp. Serv. - Central Services</b>		<u>166,369.00</u>	<u>(15,927.00)</u>	<u>150,442.00</u>	<u>147,317.76</u>	<u>3,124.24</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2010  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. - Information Technology</b>					
Purchased Technical Services	000-252-340 \$ 5,100.00	\$ -	\$ 5,100.00	\$ -	\$ 5,100.00
Other Purchased Services (400-500 series)	000-252-500 300.00	-	300.00	-	300.00
Supplies and Materials	000-252-600 3,981.00	-	3,981.00	-	3,981.00
<b>Total Undist. Expend. - Supp. Serv. - Information Technology</b>	<u>9,381.00</u>	<u>-</u>	<u>9,381.00</u>	<u>-</u>	<u>9,381.00</u>
<b>Undist. Expend. - Required Maint. for Sch. Facil.</b>					
Salaries	000-261-100 38,560.00	(3,635.00)	34,925.00	34,923.98	1.02
Cleaning, Repair and Maintenance Services	000-261-420 143,200.00	(40,820.94)	102,379.06	81,594.05	20,785.01
General Supplies	000-261-610 8,165.00	396.50	8,561.50	5,204.60	3,356.90
Other Objects	000-261-800 -	565.00	565.00	102.59	462.41
<b>Total Undist. Expend. - Required Maint. for Sch. Facil.</b>	<u>189,925.00</u>	<u>(43,494.44)</u>	<u>146,430.56</u>	<u>121,825.22</u>	<u>24,605.34</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>					
Salaries	000-262-100 99,863.00	991.68	100,854.68	93,111.73	7,742.95
Purchased Professional and Technical Services	000-262-300 12,450.00	10,857.24	23,307.24	21,007.24	2,300.00
Cleaning, Repair and Maintenance Services	000-262-420 53,102.00	(10,697.50)	42,404.50	40,705.45	1,699.05
Insurance	000-262-520 17,724.00	-	17,724.00	17,724.00	-
General Supplies	000-262-610 22,000.00	(7,232.00)	14,768.00	13,974.59	793.41
Energy (Energy and Electricity)	000-262-620 190,000.00	(38,130.23)	151,869.77	127,185.65	24,684.12
Other Objects	000-262-800 1,000.00	(300.00)	700.00	372.00	328.00
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>396,139.00</u>	<u>(44,510.81)</u>	<u>351,628.19</u>	<u>314,080.66</u>	<u>37,547.53</u>
<b>Care and Upkeep of Grounds</b>					
Salaries	000-263-100 3,436.00	(1,230.00)	2,206.00	471.24	1,734.76
Grounds and Repair Services	000-263-420 9,800.00	1,530.00	11,330.00	11,330.00	-
General Supplies	000-263-610 -	9,000.00	9,000.00	9,000.00	-
<b>Total Care and Upkeep of Grounds</b>	<u>13,236.00</u>	<u>9,300.00</u>	<u>22,536.00</u>	<u>20,801.24</u>	<u>1,734.76</u>
<b>Security</b>					
Salaries	000-266-100 -	20,654.00	20,654.00	20,654.00	-
<b>Total Security</b>	<u>-</u>	<u>20,654.00</u>	<u>20,654.00</u>	<u>20,654.00</u>	<u>-</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-107 -	3,500.00	3,500.00	3,500.00	-
Contracted Services (Other than Between Home and School) - Vendors	000-270-512 8,400.00	7,452.00	15,852.00	15,120.75	731.25
Contracted Services (Special Education Students) - Vendors	000-270-514 -	5,080.00	5,080.00	4,080.00	1,000.00
Contracted Services (Special Education Students) - Joint Agreements	000-270-515 5,400.00	9,269.00	14,669.00	14,594.32	74.68
Contracted Services (Regular Students) - ESCs	000-270-517 230,000.00	17,323.00	247,323.00	246,958.95	364.05
Contracted Services (Special Education Students) - ESCs	000-270-518 283,533.00	(117,778.00)	165,755.00	164,261.39	1,493.61
Contracted Services - Aid in Lieu of Payments	000-270-503 45,500.00	22,085.00	67,585.00	67,496.00	89.00
Contracted Services - Aid in Lieu of Payments-Charter Schools	000-270-504 2,652.00	(2,652.00)	-	-	-
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>575,485.00</u>	<u>(55,721.00)</u>	<u>519,764.00</u>	<u>516,011.41</u>	<u>3,752.59</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	000-291-220 54,307.00	(7,804.85)	46,502.15	46,312.73	189.42
Other Retirement Contributions - Regular	000-291-241 34,440.00	(35.26)	34,404.74	34,404.74	-
Unemployment Compensation	000-291-250 -	30,627.16	30,627.16	20,939.22	9,687.94
Workmen's Compensation	000-291-260 27,500.00	(2,593.00)	24,907.00	24,907.00	-
Health Benefits	000-291-270 366,636.00	(2,827.85)	363,808.15	357,046.47	6,761.68
Tuition Reimbursement	000-291-280 9,000.00	3,202.00	12,202.00	12,202.00	-
Other Employee Benefits	000-291-290 27,500.00	8,214.54	35,714.54	35,714.54	-
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>519,383.00</u>	<u>28,782.74</u>	<u>548,165.74</u>	<u>531,526.70</u>	<u>16,639.04</u>
On-behalf TPAF pension Contributions (non-budgeted)				129,263.00	(129,263.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				147,409.84	(147,409.84)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>276,672.84</u>	<u>(276,672.84)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>519,383.00</u>	<u>28,782.74</u>	<u>548,165.74</u>	<u>808,199.54</u>	<u>(260,033.80)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>5,551,762.00</u>	<u>(92,279.26)</u>	<u>5,459,482.74</u>	<u>5,613,783.98</u>	<u>(154,301.24)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>7,539,101.00</u>	<u>1,880.00</u>	<u>7,540,981.00</u>	<u>7,652,570.34</u>	<u>(111,589.34)</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2010  
(Concluded)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Professional and Technical Services	000-400-390	\$ -	100,000.00	21,771.33	\$ -
Construction Services	000-400-450	-	100,000.00	21,771.33	78,228.67
<b>Total Facilities Acquisition and Construction Services</b>	<u>100,000.00</u>	<u>-</u>	<u>100,000.00</u>	<u>21,771.33</u>	<u>78,228.67</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>100,000.00</u>	<u>-</u>	<u>100,000.00</u>	<u>21,771.33</u>	<u>78,228.67</u>
Transfer of Funds to Charter Schools	000-100-56X	17,825.00	(1,625.00)	16,200.00	-
<b>TOTAL EXPENDITURES</b>	<u>7,656,926.00</u>	<u>255.00</u>	<u>7,657,181.00</u>	<u>7,674,341.67</u>	<u>(33,360.67)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>247,745.00</u>	<u>(255.00)</u>	<u>247,490.00</u>	<u>504,530.09</u>	<u>257,040.09</u>
<b>Other Financing Sources:</b>					
<b>Operating Transfer Out:</b>					
Transfer to Capital Project Fund	(530,000.00)	-	(530,000.00)	(530,000.00)	-
<b>Total Other Financing Sources:</b>	<u>(530,000.00)</u>	<u>-</u>	<u>(530,000.00)</u>	<u>(530,000.00)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(282,255.00)</u>	<u>(255.00)</u>	<u>(282,510.00)</u>	<u>(25,469.91)</u>	<u>257,040.09</u>
<b>Fund Balance, July 1</b>	<u>733,219.49</u>	<u>-</u>	<u>733,219.49</u>	<u>733,219.49</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 450,964.49</u>	<u>\$ (255.00)</u>	<u>\$ 450,709.49</u>	<u>\$ 707,749.58</u>	<u>\$ 257,040.09</u>
<b>Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):</b>					
Increase in Capital Reserve	\$ 500.00	\$ -	\$ 500.00	\$ 50,000.00	\$ 49,500.00
Withdrawal from Capital Reserve	(205,000.00)	-	(205,000.00)	(205,000.00)	-
Adjustment for Prior Year Encumbrances	-	(255.00)	(255.00)	(255.00)	-
Budgeted Fund Balance	<u>(77,755.00)</u>	<u>-</u>	<u>(77,755.00)</u>	<u>129,785.09</u>	<u>207,540.09</u>
<b>Total</b>	<u>\$ (282,255.00)</u>	<u>\$ (255.00)</u>	<u>\$ (282,510.00)</u>	<u>\$ (25,469.91)</u>	<u>\$ 257,040.09</u>
<b>Analysis of Fund Balance June 30, 2010:</b>					
Reserved:					
Encumbrances				\$ 122,431.27	
Excess Surplus (2%) - Designated for Subsequent Year's Expenditures				106,212.49	
Tuition Reserve				85,609.31	
Capital Reserve Account				132,001.00	
Unreserved:					
Designated for Subsequent Year's Expenditures				11,495.51	
Undesignated				<u>250,000.00</u>	
				<u>\$ 707,749.58</u>	
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>					
Fund Balance June 30, 2010				\$ 707,749.58	
Last Current Year State Aid Payment Not Realized on GAAP Basis				<u>(229,383.00)</u>	
				<u>\$ 478,366.58</u>	

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund - ARRA Education Stabilization Fund (ESF Fund 16)  
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>						
Federal Sources:						
ARRA - SFSF - ESF (Educ. State Grants)		\$ -	\$ 202,991.00	\$ 202,991.00	\$ 202,991.00	\$ -
<b>Total Revenues</b>		<u>-</u>	<u>202,991.00</u>	<u>202,991.00</u>	<u>202,991.00</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Current Expense:						
<b>Regular Programs - Instruction</b>						
Grades 1-5 - Salaries of Teachers	120-100-101	-	118,391.00	118,391.00	118,391.00	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>		<u>-</u>	<u>118,391.00</u>	<u>118,391.00</u>	<u>118,391.00</u>	<u>-</u>
<b>Total Instruction</b>		<u>-</u>	<u>118,391.00</u>	<u>118,391.00</u>	<u>118,391.00</u>	<u>-</u>
<b>Undist. Expend. - Health Services</b>						
Salaries	000-213-100	-	34,002.00	34,002.00	34,002.00	-
<b>Total Undistributed Expend. - Health Services</b>		<u>-</u>	<u>34,002.00</u>	<u>34,002.00</u>	<u>34,002.00</u>	<u>-</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Reg.</b>						
Salaries of Other Professional Staff	000-218-104	-	13,785.00	13,785.00	13,785.00	-
<b>Total Undist. Expend. - Other Supp. Serv. Students-Reg.</b>		<u>-</u>	<u>13,785.00</u>	<u>13,785.00</u>	<u>13,785.00</u>	<u>-</u>
<b>UNALLOCATED BENEFITS</b>						
Health Benefits	000-291-270	-	36,803.00	36,803.00	36,803.00	-
<b>TOTAL UNALLOCATED BENEFITS</b>		<u>-</u>	<u>36,803.00</u>	<u>36,803.00</u>	<u>36,803.00</u>	<u>-</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>		<u>-</u>	<u>84,590.00</u>	<u>84,590.00</u>	<u>84,590.00</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>		<u>\$ -</u>	<u>\$ 202,981.00</u>	<u>\$ 202,981.00</u>	<u>\$ 202,981.00</u>	<u>\$ -</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
General Fund - ARRA Government Services Fund (GSF Fund 17)  
Fiscal Year Ended June 30, 2010

		Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
<b>REVENUES:</b>						
Federal Sources:						
ARRA - SFSF - GSF (Government Services)		\$ -	\$ 7,858.00	\$ 7,858.00	\$ 7,858.00	\$ -
<b>Total Revenues</b>		<u>\$ -</u>	<u>\$ 7,858.00</u>	<u>\$ 7,858.00</u>	<u>\$ 7,858.00</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>						
Current Expense:						
<b>Undist. Expend. - Health Services</b>						
Salaries	000-213-100	\$ -	\$ 7,858.00	\$ 7,858.00	\$ 7,858.00	\$ -
<b>Total Undistributed Expend. - Health Services</b>		<u>-</u>	<u>7,858.00</u>	<u>7,858.00</u>	<u>7,858.00</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>		<u>\$ -</u>	<u>\$ 7,858.00</u>	<u>\$ 7,858.00</u>	<u>\$ 7,858.00</u>	<u>\$ -</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ -	\$ 1,225.15	\$ 1,225.15	\$ -	\$ 1,225.15
Federal Sources	163,767.00	238,667.16	402,434.16	387,472.56	14,961.60
Local Sources	-	13,875.00	13,875.00	12,875.00	1,000.00
<b>Total Revenues</b>	<u>163,767.00</u>	<u>253,767.31</u>	<u>417,534.31</u>	<u>400,347.56</u>	<u>17,186.75</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Personal Services - Salaries	150,486.00	(129,291.32)	21,194.68	21,194.68	-
Purchased Professional and Technical Services	-	241.00	241.00	-	241.00
Other Purchased Services (400-500 series)	3,400.00	123,240.00	126,640.00	126,640.00	-
General Supplies		113,401.15	113,401.15	110,273.05	3,128.10
Other Objects	-	2,528.32	2,528.32	-	2,528.32
<b>Total Instruction</b>	<u>153,886.00</u>	<u>110,119.15</u>	<u>264,005.15</u>	<u>258,107.73</u>	<u>5,897.42</u>
<b>Support Services</b>					
Personal Services - Employee Benefits		4,200.00	4,200.00	4,200.00	-
Purchased Professional - Education Services	9,881.00	2,948.00	12,829.00	4,917.67	7,911.33
Other Purchased Services (400-500 series)		6,121.16	6,121.16	6,121.16	-
Travel		6,380.00	6,380.00	5,680.00	700.00
Supplies & Materials	-	2,678.00	2,678.00	-	2,678.00
<b>Total Support Services</b>	<u>9,881.00</u>	<u>22,327.16</u>	<u>32,208.16</u>	<u>20,918.83</u>	<u>11,289.33</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	-	121,321.00	121,321.00	121,321.00	-
<b>Total Facilities Acquisition and</b>	<u>-</u>	<u>121,321.00</u>	<u>121,321.00</u>	<u>121,321.00</u>	<u>-</u>
<b>Total Expenditures</b>	<u>163,767.00</u>	<u>253,767.31</u>	<u>417,534.31</u>	<u>400,347.56</u>	<u>17,186.75</u>
<b>Total Outflows</b>	<u>\$ 163,767.00</u>	<u>\$ 253,767.31</u>	<u>\$ 417,534.31</u>	<u>\$ 400,347.56</u>	<u>\$ 17,186.75</u>

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended

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

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1 & C-2]	\$ 8,178,871.76	\$ 400,347.56
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(19,376.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	(10,776.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 8,159,495.76</u>	<u>\$ 389,571.56</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1 & C-2]	\$ 7,674,341.67	\$ 400,347.56
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			(10,776.00)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	\$ -		
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 7,674,341.67</u>	<u>\$ 389,571.56</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SECTION D**  
**SCHOOL LEVEL SCHEDULES**

**SECTION E**  
**SPECIAL REVENUE FUND**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

		<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>	<u>Local Aid</u>
<b>REVENUES</b>					
State Sources		\$ -	\$ -	\$ -	\$ -
Federal Sources		387,472.56	-	387,472.56	-
Local Sources		<u>12,875.00</u>	<u>-</u>	<u>-</u>	<u>12,875.00</u>
<b>Total Revenues</b>		<u>400,347.56</u>	<u>-</u>	<u>387,472.56</u>	<u>12,875.00</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Personal Services - Salaries	100-100	21,194.68	-	21,194.68	-
Other Purchased Services (400-500 series)	100-500	126,640.00	-	126,640.00	-
General Supplies	100-610	<u>110,273.05</u>	<u>-</u>	<u>99,398.05</u>	<u>10,875.00</u>
<b>Total Instruction</b>		<u>258,107.73</u>	<u>-</u>	<u>247,232.73</u>	<u>10,875.00</u>
<b>Support Services:</b>					
Personal Services - Employee Benefits	200-200	4,200.00	-	4,200.00	-
Purchased Professional - Educational Services	200-320	4,917.67	-	2,917.67	2,000.00
Other Purchased Services (400-500 series)	200-500	6,121.16	-	6,121.16	-
Travel	200-580	<u>5,680.00</u>	<u>-</u>	<u>5,680.00</u>	<u>-</u>
<b>Total Support Services</b>		<u>20,918.83</u>	<u>-</u>	<u>18,918.83</u>	<u>2,000.00</u>
<b>Facilities Acquisition and Const. Serv.:</b>					
Instructional Equipment	400-731	<u>121,321.00</u>	<u>-</u>	<u>121,321.00</u>	<u>-</u>
<b>Total Facilities Acquisition and Const. Serv.</b>		<u>121,321.00</u>	<u>-</u>	<u>121,321.00</u>	<u>-</u>
<b>Total Expenditures</b>		<u>\$ 400,347.56</u>	<u>\$ -</u>	<u>\$ 387,472.56</u>	<u>\$ 12,875.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Special Revenue Fund

Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

	Total	N.C.L.B.		I.D.E.A. Part B	
		Title I	Title II	Basic	Preschool
<b>REVENUES</b>					
Federal Sources	\$ 387,472.56	\$ 126,803.73	\$ 8,326.83	\$ 244,520.00	\$ 7,822.00
<b>Total Federal Revenues</b>	<u>387,472.56</u>	<u>126,803.73</u>	<u>8,326.83</u>	<u>244,520.00</u>	<u>7,822.00</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Personal Services - Salaries	21,194.68	21,194.68			
Other Purchased Services (400-500 series)	126,640.00			123,199.00	3,441.00
General Supplies	99,398.05	93,900.05	1,117.00	-	4,381.00
<b>Total Instruction</b>	<u>247,232.73</u>	<u>115,094.73</u>	<u>1,117.00</u>	<u>123,199.00</u>	<u>7,822.00</u>
<b>Support Services:</b>					
Personal Services - Employee Benefits	4,200.00	4,200.00			
Purchased Professional - Educational Services	2,917.67	1,829.00	1,088.67		
Other Purchased Services (400-500 series)	6,121.16		6,121.16		
Travel	5,680.00	5,680.00	-		
<b>Total Support Services</b>	<u>18,918.83</u>	<u>11,709.00</u>	<u>7,209.83</u>		
<b>Facilities Acquisition and Const. Serv.:</b>					
Instructional Equipment	121,321.00			121,321.00	
<b>Total Facilities Acquisition and Const. Serv.</b>	<u>121,321.00</u>	<u>-</u>	<u>-</u>	<u>121,321.00</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 387,472.56</u>	<u>\$ 126,803.73</u>	<u>\$ 8,326.83</u>	<u>\$ 244,520.00</u>	<u>\$ 7,822.00</u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Special Revenue Fund

Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

		<u>Total</u>	<u>Achieve 3000</u>
<b>REVENUES</b>			
Local Sources		\$ 12,875.00	\$ 12,875.00
<b>Total State Revenues</b>		<u>12,875.00</u>	<u>12,875.00</u>
 <b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Personal Services - Salaries	100-100	-	
General Supplies	100-600	10,875.00	10,875.00
Textbooks	100-640	-	
<b>Total Instruction</b>		<u>10,875.00</u>	<u>10,875.00</u>
 <b>Support Services:</b>			
Purchased Professional - Educational Services	200-320	2,000.00	2,000.00
Other Purchased Services (400-500 series)	200-500	-	
Supplies & Materials	200-600	-	
<b>Total Support Services</b>		<u>2,000.00</u>	<u>2,000.00</u>
 <b>Total Expenditures</b>		 <u>\$ 12,875.00</u>	 <u>\$ 12,875.00</u>

**SECTION F**  
**CAPITAL PROJECTS FUND**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Year Ended June 30, 2010

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2010
			Prior Years	Current Year	
Roof Renovations to Canfield Avenue Elementary School	2008-2009	\$ 404,360.00	\$ 384,172.00	\$ 20,188.00	\$ -
Renovations of Fire Alarms and HVAC	6/29/2009	560,002.00	-	133,682.56	426,319.44
Renovations of Classrooms & Bathrooms	6/29/2009	361,292.68	32,534.20	313,765.00	14,993.48
<b>Totals</b>		<u>\$ 1,325,654.68</u>	<u>\$ 416,706.20</u>	<u>\$ 467,635.56</u>	<u>\$ 441,312.92</u>

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2010**

**REVENUES AND OTHER FINANCING SOURCES**

State Sources - SCC Grant	\$ 362,520.48
Transfer from Capital Reserve	205,000.00
Transfer from Capital Outlay	<u>321,240.00</u>
Total Revenues	<u>888,760.48</u>

**EXPENDITURES AND OTHER FINANCING USES**

Other Purchased Professional and Technical Services (390)	133,682.56
Construction Services (450)	<u>333,953.00</u>
Total Expenditures	<u>467,635.56</u>

Excess (deficiency) of revenues over (under) expenditures	421,124.92
Fund Balance - July 1	<u>20,188.00</u>
Fund Balance - June 30	<u><u>441,312.92</u></u>

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Roof Renovations to Canfield Avenue Elementary School  
From Inception and for the Year Ended June 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from Capital Reserve	226,000.00	-	226,000.00	226,000.00
Transfer from Capital Outlay	<u>178,360.00</u>	<u>-</u>	<u>178,360.00</u>	<u>178,360.00</u>
Total Revenues	<u>404,360.00</u>	<u>-</u>	<u>404,360.00</u>	<u>404,360.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services (390)	600.00	-	600.00	600.00
Construction Services (450)	<u>383,572.00</u>	<u>20,188.00</u>	<u>403,760.00</u>	<u>403,760.00</u>
Total Expenditures	<u>384,172.00</u>	<u>20,188.00</u>	<u>404,360.00</u>	<u>404,360.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,188.00</u>	<u>(20,188.00)</u>	<u>-</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Percentage Completed	100.00%			
Original Target Completion Date	9/1/09			
Revised Target Completion Date	9/1/09			

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Renovations of Fire Alarms and HVAC  
From Inception and for the Year Ended June 30, 2010

	<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 Grant	\$ -	\$ 224,000.80	\$ 224,000.80	\$ 224,000.80
Transfer from Capital Reserve		18,521.20	18,521.20	18,521.20
Transfer from Capital Outlay	-	<u>317,480.00</u>	<u>317,480.00</u>	<u>317,480.00</u>
Total Revenues	<u>-</u>	<u>560,002.00</u>	<u>560,002.00</u>	<u>560,002.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional & Technical Services (390)		133,682.56	133,682.56	183,682.56
Construction Services (450)			-	356,319.44
Other Objects (800)	-	-	-	<u>20,000.00</u>
Total Expenditures	<u>-</u>	<u>133,682.56</u>	<u>133,682.56</u>	<u>560,002.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 426,319.44</u>	<u>\$ 426,319.44</u>	<u>\$ -</u>

**ADDITIONAL PROJECT INFORMATION**

Project Number	3240-030-09-1001
Grant Date	6/29/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	560,002.00
Additional Authorized Cost	-
Revised Authorized Cost	560,002.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	23.87%
Original Target Completion Date	9/1/11
Revised Target Completion Date	9/1/11

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Renovations of Classrooms & Bathrooms  
From Inception and for the Year Ended June 30, 2010

	<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 Grant		138,519.68	138,519.68	138,519.68
Transfer from Capital Reserve		186,478.80	186,478.80	186,478.80
Transfer from Capital Outlay	32,534.20	3,760.00	36,294.20	36,294.20
Total Revenues	<u>32,534.20</u>	<u>328,758.48</u>	<u>361,292.68</u>	<u>361,292.68</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services (390)	32,534.20		32,534.20	35,000.00
Construction Services (450)		313,765.00	313,765.00	323,292.68
Other Objects (800)	-	-	-	3,000.00
Total Expenditures	<u>32,534.20</u>	<u>313,765.00</u>	<u>346,299.20</u>	<u>361,292.68</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>14,993.48</u>	<u>14,993.48</u>	<u>-</u>
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	3240-030-09-1002			
Grant Date	6/29/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	368,781.00			
Additional Authorized Cost	\$ (7,488.32)			
Revised Authorized Cost	361,292.68			
Percentage Increase over Original Authorized Cost	-2.03%			
Percentage Completed	95.85%			
Original Target Completion Date	9/1/10			
Revised Target Completion Date	9/1/10			

**SECTION G**  
**PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**INTERNAL SERVICE FUND**

**SECTION H**  
**FIDUCIARY FUND**

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2010**

<u>Schools</u>	<u>Balance June 30, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2010</u>
Elementary Schools:				
Canfield Avenue	\$ 9,545.27	\$ 24,078.62	\$ 22,662.92	\$ 10,960.97
Educational Media				-
Center Account	937.74	240.08	78.80	1,099.02
Student Council	<u>113.08</u>	<u>-</u>	<u>113.08</u>	<u>-</u>
	<u>\$ 10,596.09</u>	<u>\$ 24,318.70</u>	<u>\$ 22,854.80</u>	<u>\$ 12,059.99</u>

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
Payroll Deductions and Withholdings	\$ 14,778.07	\$ 1,234,079.75	\$ 1,244,703.20	\$ 4,154.62
Net Salaries and Wages	1,428.87	1,564,957.35	1,562,424.72	3,961.50
Interfund Accounts Payable	<u>-</u>	<u>4,775.86</u>	<u>-</u>	<u>4,775.86</u>
	<u>\$ 16,206.94</u>	<u>\$ 2,803,812.96</u>	<u>\$ 2,807,127.92</u>	<u>\$ 12,891.98</u>

**SECTION I**  
**LONG – TERM DEBT**

**BOARD OF EDUCATION**  
**TOWNSHIP OF MINE HILL**  
**Long - Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2010**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2010</u>				<u>Interest Rate</u>	<u>Balance June 30, 2009</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2010</u>
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Balance June 30, 2009</u>					
School Expansion	3/1/2001	\$ 2,633,000.00	3/1/2011	\$ 120,000.00	4.50%	\$ 1,983,000.00	\$ -	\$ 110,000.00	\$ 1,873,000.00		
			3/1/2012	125,000.00	4.50%						
			3/1/2013	130,000.00	4.50%						
			3/1/2014	135,000.00	4.60%						
			3/1/2015	145,000.00	4.70%						
			3/1/2016	150,000.00	4.75%						
			3/1/2017	155,000.00	4.75%						
			3/1/2018	165,000.00	4.75%						
			3/1/2019	175,000.00	4.875%						
			3/1/2020	185,000.00	4.875%						
			3/1/2021	190,000.00	5.00%						
			3/1/2022	198,000.00	5.00%						
							<u>\$ 1,983,000.00</u>	<u>\$ -</u>	<u>\$ 110,000.00</u>	<u>\$ 1,873,000.00</u>	

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL  
Budgetary Comparison Schedule  
Debt Service Fund**

For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 204,125.00	\$ -	\$ 204,125.00	\$ 204,125.00	\$ -
<b>Total Revenues</b>	<u>204,125.00</u>	<u>-</u>	<u>204,125.00</u>	<u>204,125.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	110,000.00		110,000.00	110,000.00	-
Interest	94,125.00		94,125.00	94,125.02	0.02
<b>Total Regular Debt Service</b>	<u>204,125.00</u>		<u>204,125.00</u>	<u>204,125.02</u>	<u>0.02</u>
<b>Total Expenditures</b>	<u>204,125.00</u>	<u>-</u>	<u>204,125.00</u>	<u>204,125.02</u>	<u>0.02</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(0.02)	(0.02)
Fund Balance, July 1	0.30		0.30	0.30	-
Fund Balance, June 30	<u>\$ 0.30</u>	<u>\$ -</u>	<u>\$ 0.30</u>	<u>\$ 0.28</u>	<u>\$ (0.02)</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

## STATISTICAL SECTION (Unaudited)

### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30, 2004.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>							
Invested in Capital Assets, Net of Related Debt Restricted	\$ 6,010,885.76	\$ 2,231,711.26	\$ 1,837,903.87	\$ 1,736,454.64	\$ 1,770,091.98	\$ 1,807,256.67	\$ 1,765,007.00
Unrestricted	728,535.00	460,536.79	470,819.30	269,392.34	469,994.87	632,939.67	636,755.22
	(73,248.00)	(23,351.00)	140,535.70	97,668.01	45,936.07	(3,894.55)	31,191.78
<b>Total Governmental Activities Net Assets</b>	<b>\$ 6,666,172.76</b>	<b>\$ 2,668,897.05</b>	<b>\$ 2,449,258.87</b>	<b>\$ 2,103,514.99</b>	<b>\$ 2,286,022.92</b>	<b>\$ 2,436,301.79</b>	<b>\$ 2,432,954.00</b>
<b>Business-type Activities</b>							
Invested in Capital Assets, Net of Related Debt Restricted	\$ -	\$ 2,435.00	\$ 7,304.00	\$ 12,173.00	\$ 19,621.00	\$ 25,227.00	\$ 30,834.00
Unrestricted	17,424.33	15,285.99	7,850.27	5,777.64	10,299.84	16,242.85	19,651.48
<b>Total business-type Activities Net Assets</b>	<b>\$ 17,424.33</b>	<b>\$ 17,720.99</b>	<b>\$ 15,154.27</b>	<b>\$ 17,950.64</b>	<b>\$ 29,920.84</b>	<b>\$ 41,469.85</b>	<b>\$ 50,485.48</b>
<b>District-Wide</b>							
Invested in Capital Assets, Net of Related Debt Restricted	\$ 6,010,885.76	\$ 2,234,146.26	\$ 1,845,207.87	\$ 1,748,627.64	\$ 1,789,712.98	\$ 1,832,483.67	\$ 1,795,841.00
Unrestricted	728,535.00	460,536.79	470,819.30	269,392.34	469,994.87	632,939.67	636,755.22
	(55,823.67)	(8,065.01)	148,385.97	103,445.65	56,235.91	12,348.30	50,843.26
<b>Total District Net Assets</b>	<b>\$ 6,683,597.09</b>	<b>\$ 2,686,618.04</b>	<b>\$ 2,464,413.14</b>	<b>\$ 2,121,465.63</b>	<b>\$ 2,315,943.76</b>	<b>\$ 2,477,771.64</b>	<b>\$ 2,483,439.48</b>

Source: District Records

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

**Changes in Net Assets  
Last Seven Fiscal Years  
(accrual basis of accounting)  
Unaudited**

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>							
Governmental activities							
Instruction							
Regular	\$ 2,409,776.86	\$ 2,481,855.01	\$ 2,437,301.07	\$ 2,378,350.00	\$ 2,199,310.06	\$ 2,199,563.39	\$ 2,110,444.01
Special Education	572,296.55	437,529.69	427,577.86	474,025.61	417,608.01	500,073.26	387,226.84
Other Instruction	64,655.11	37,169.65	34,991.59	23,847.41	35,936.43	38,179.78	37,533.60
Support Services:							
Tuition	2,788,930.32	2,605,750.47	2,753,073.83	3,083,499.61	3,095,147.62	2,666,666.20	2,077,867.52
Student and Instruction Related Services	610,456.47	642,391.87	580,257.29	499,293.01	441,336.59	421,371.92	467,187.82
School Administrative Services	200,921.20	238,226.85	206,082.03	234,404.44	180,303.19	165,137.68	124,935.48
General and Business Administrative Services	395,011.63	391,061.10	346,676.03	343,664.14	423,773.04	409,927.45	389,787.16
Plant Operations and Maintenance	543,102.15	623,065.49	653,806.14	572,562.24	443,275.34	442,026.00	370,779.23
Pupil Transportation	516,819.61	557,788.39	550,022.65	515,798.23	481,630.03	386,124.14	321,797.06
Charter Schools	-	29,266.00	26,859.00	18,182.00	-	-	7,135.00
Interest on Long-Term Debt	92,475.02	97,275.00	101,849.50	106,200.00	110,475.02	114,756.94	123,717.17
Payment on Notes	-	-	-	-	-	267,245.00	-
Total Governmental Activities Expenses	8,194,444.92	8,141,379.52	8,118,496.99	8,249,826.69	7,828,795.33	7,611,071.76	6,418,410.89
Business-Type Activities:							
Food Service	132,064.32	140,618.47	118,164.71	107,945.37	110,942.04	107,168.92	106,737.67
Total Business-Type Activities Expense	132,064.32	140,618.47	118,164.71	107,945.37	110,942.04	107,168.92	106,737.67
Total District-Wide Expenses	8,326,509.24	8,281,997.99	8,236,661.70	8,357,772.06	7,939,737.37	7,718,240.68	6,525,148.56
<b>Program Revenues</b>							
Governmental Activities:							
Charges for Services:							
Instruction (Tuition)	7,714.26	19,425.22	68,644.40	24,126.41	46,038.03	-	-
Operating Grants and Contributions	789,406.91	794,206.89	1,147,062.65	1,101,082.59	987,895.25	908,951.84	893,578.17
Total Governmental Activities Program Revenues	797,121.17	813,632.11	1,215,707.05	1,125,209.00	1,033,933.28	908,951.84	893,578.17

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Changes in Net Assets  
Last Seven Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Business-Type Activities:</b>							
Charges for Services							
Food Service	\$ 79,473.49	\$ 79,159.75	\$ 72,075.05	\$ 73,050.86	\$ 66,600.61	\$ 68,094.55	\$ 71,026.50
Operating Grants and Contributions	52,275.51	63,970.51	42,881.73	30,095.56	32,792.42	30,058.74	35,388.34
Total Business-Type Activities Program Revenues	131,749.00	143,130.26	114,956.78	103,146.42	99,393.03	98,153.29	106,414.84
Total District-Wide Program Revenues	928,870.17	956,762.37	1,330,663.83	1,228,355.42	1,133,326.31	1,007,105.13	999,993.01
<b>Net (Expense)/Revenue</b>							
Governmental Activities	(7,397,323.75)	(7,327,747.41)	(6,902,789.94)	(7,124,617.69)	(6,794,862.05)	(6,702,119.92)	(5,524,832.72)
Business-Type Activities	(315.32)	2,511.79	(3,207.93)	(4,798.95)	(11,549.01)	(9,015.63)	(322.83)
Total District-Wide Net Expense	<u>(7,397,639.07)</u>	<u>(7,325,235.62)</u>	<u>(6,905,997.87)</u>	<u>(7,129,416.64)</u>	<u>(6,806,411.06)</u>	<u>(6,711,135.55)</u>	<u>(5,525,155.55)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Taxes:							
Property Taxes, Levied for General Purposes	5,502,447.00	5,545,000.00	5,728,000.00	5,728,000.00	5,329,955.00	5,421,575.00	4,812,640.00
Property Taxes, Levied for Debt Service Principal	111,649.98	106,575.00	101,500.50	65,516.00	95,000.00	90,000.00	122,066.83
Federal and State Aid Not Restricted	2,387,167.21	1,774,655.13	1,098,573.22	1,051,580.50	1,114,134.00	1,157,679.00	1,001,632.62
Investment Earnings	1,533.51	4,024.69	25,752.92	51,989.98	44,893.62	21,096.77	4,216.71
Miscellaneous Income	145,266.15	117,130.77	294,707.18	45,023.28	60,600.56	15,116.94	21,077.76
Special Item - adjustment to fixed assets	3,250,295.61						
N.J. Economic Development Authority Grants							266,400.34
Net Transfers	(3,760.00)						
Total Governmental Activities	<u>11,394,599.46</u>	<u>7,547,385.59</u>	<u>7,248,533.82</u>	<u>6,942,109.76</u>	<u>6,644,583.18</u>	<u>6,705,467.71</u>	<u>6,228,024.26</u>
Business-type activities:							
Investment Earnings	18.66	54.93	411.56	197.75			
Retirement of Fixed Assets				(7,369.00)			
Total Business-Type Activities	18.66	54.93	411.56	(7,171.25)			
Total District-Wide General Revenues	<u>11,394,618.12</u>	<u>7,547,440.52</u>	<u>7,248,945.38</u>	<u>6,934,938.51</u>	<u>6,644,583.18</u>	<u>6,705,467.71</u>	<u>6,228,024.26</u>
<b>Change in Net Assets</b>							
Governmental Activities	3,997,275.71	219,638.18	345,743.88	(182,507.93)	(150,278.87)	3,347.79	703,191.54
Business-Type Activities	(296.66)	2,566.72	(2,796.37)	(11,970.20)	(11,549.01)	(9,015.63)	(322.83)
Total District-Wide Change in Net Assets	<u>\$ 3,996,979.05</u>	<u>\$ 222,204.90</u>	<u>\$ 342,947.51</u>	<u>\$ (194,478.13)</u>	<u>\$ (161,827.88)</u>	<u>\$ (5,667.84)</u>	<u>\$ 702,868.71</u>

Source: District Records

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

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

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
General Fund							
Reserved	\$ 446,254.07	\$ 471,723.49	\$ 506,694.00	\$ 303,842.54	\$ 422,733.92	\$ 449,917.31	\$ 382,144.46
Unreserved	32,112.51	51,489.00	217,375.70	189,368.01	182,023.22	262,858.99	106,751.78
Total General Fund	<u>\$ 478,366.58</u>	<u>\$ 523,212.49</u>	<u>\$ 724,069.70</u>	<u>\$ 493,210.55</u>	<u>\$ 604,757.14</u>	<u>\$ 712,776.30</u>	<u>\$ 488,896.24</u>
All Other Governmental Funds							
Reserved	\$ -	\$ 20,188.00	\$ -	\$ -	\$ -	\$ -	\$ 267,245.00
Unreserved, Reported In:							
Capital Projects Fund	270,785.14						
Debt Service Fund	0.28	0.30	(2,924.70)	(0.20)	30,908.80	30,908.82	29,883.02
Total All Other Governmental Funds	<u>\$ 270,785.42</u>	<u>\$ 20,188.30</u>	<u>\$ (2,924.70)</u>	<u>\$ (0.20)</u>	<u>\$ 30,908.80</u>	<u>\$ 30,908.82</u>	<u>\$ 297,128.02</u>
Total Fund Balances	<u>\$ 749,152.00</u>	<u>\$ 543,400.79</u>	<u>\$ 721,145.00</u>	<u>\$ 493,210.35</u>	<u>\$ 635,665.94</u>	<u>\$ 743,685.12</u>	<u>\$ 786,024.26</u>

Source: District Records

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>							
Tax Levy	\$ 5,706,572.00	\$ 5,748,850.00	\$ 5,931,350.00	\$ 5,899,716.00	\$ 5,536,855.00	\$ 5,632,575.00	\$ 5,058,414.00
Tuition Charges	7,714.26	19,425.22	68,644.40	24,126.41	46,038.03		
Interest Earnings	1,533.51	4,024.69	25,752.92	51,989.98	44,893.62	21,096.77	4,216.71
Miscellaneous	145,266.15	117,130.77	294,707.18	45,023.28	60,600.56	15,116.94	21,077.76
State Sources	2,496,553.54	2,308,846.88	1,986,201.09	1,860,203.09	1,821,171.25	1,772,713.84	1,857,191.96
Federal Sources	587,545.56	162,740.14	157,585.28	166,260.00	168,968.00	172,917.00	180,702.00
<b>Total revenues</b>	<b>8,945,185.02</b>	<b>8,361,017.70</b>	<b>8,464,240.87</b>	<b>8,067,318.76</b>	<b>7,678,516.46</b>	<b>7,614,419.55</b>	<b>7,121,602.43</b>
<b>Expenditures</b>							
Instruction							
Regular Instruction	1,797,659.93	1,818,650.05	1,762,333.73	1,737,579.75	1,622,386.90	1,774,411.03	1,627,652.35
Special Education Instruction	437,379.54	344,013.37	323,899.42	361,901.89	327,599.13	299,866.47	295,315.81
Other Instruction	51,078.62	23,613.23	21,128.68	17,652.10	26,699.71	30,153.76	29,652.03
Support Services:							
Tuition	2,788,930.32	2,605,750.47	2,753,073.83	3,083,499.61	3,095,147.62	2,666,666.20	2,077,867.52
Student and Instruction Related Services	534,192.49	558,795.03	503,622.37	431,917.95	383,218.16	375,891.16	422,231.68
School Administrative Services	155,020.33	172,514.13	146,256.37	169,325.65	131,451.66	129,689.44	92,701.58
General and Business Administrative Services	350,787.60	346,376.02	328,678.16	307,193.88	371,997.44	376,485.72	339,795.24
Administrative Information Technology	-	8,757.43	5,111.00	1,744.00	3,344.25		
Plant Operations and Maintenance	477,361.12	558,803.43	550,323.09	473,067.65	362,682.46	380,493.21	330,875.94
Pupil Transportation	516,011.41	557,788.39	550,022.65	515,798.23	481,630.03	386,124.14	321,797.06
Employee Benefits	812,399.54	884,002.97	915,483.19	885,044.98	769,726.95	668,834.69	600,384.51
Charter Schools	-	29,266.00	26,859.00	18,182.00			7,135.00
Capital Outlay	610,727.89	426,581.39	146,165.23	4,241.66	3,751.31	90,923.67	2,700.00
Debt Service:							
Principal	110,000.00	105,000.00	100,000.00	95,000.00	95,000.00	357,245.00	1,184,755.00
Interest and Other Charges	94,125.02	98,850.00	103,349.50	107,625.00	111,900.02	119,974.20	152,172.92
<b>Total Expenditures</b>	<b>8,735,673.81</b>	<b>8,538,761.91</b>	<b>8,236,306.22</b>	<b>8,209,774.35</b>	<b>7,786,535.64</b>	<b>7,656,758.69</b>	<b>7,485,036.64</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>209,511.21</b>	<b>(177,744.21)</b>	<b>227,934.65</b>	<b>(142,455.59)</b>	<b>(108,019.18)</b>	<b>(42,339.14)</b>	<b>(363,434.21)</b>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

	Fiscal Year Ending June 30,						
	2010	2009	2008	2007	2006	2005	2004
<b>Other Financing Sources (Uses)</b>							
Transfers in	\$ 526,240.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(530,000.00)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,760.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 205,751.21</u>	<u>\$ (177,744.21)</u>	<u>\$ 227,934.65</u>	<u>\$ (142,455.59)</u>	<u>\$ (108,019.18)</u>	<u>\$ (42,339.14)</u>	<u>\$ (363,434.21)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.51%	2.51%	2.51%	2.47%	2.66%	6.31%	17.87%

Source: District Records

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

Fiscal Year Ending June 30,	Annual Totals	Tuition	Interest	Prior Year Refunds	Rentals	Miscellaneous
2001	\$ 57,747.40	\$ 4,856.75	\$ 26,803.21	\$ -	-	\$ 26,087.44
2002	47,280.38	4,005.50	4,877.81	-	-	38,397.07
2003	6,339.91	4,366.74	1,973.17	-	-	-
2004	25,294.47	-	4,216.71	-	-	21,077.76
2005	36,213.71	7,513.79	21,096.77	1,160.84	-	6,442.31
2006	151,532.21	46,038.03	44,893.62	-	-	60,600.56
2007	121,139.67	24,126.41	51,989.98	-	-	45,023.28
2008	389,104.50	68,644.40	25,752.92	202,219.00	66,927.86	25,560.32
2009	140,580.68	19,425.22	4,024.69	-	95,983.11	21,147.66
2010	154,513.92	7,714.26	1,533.51	59,814.29	71,926.00	13,525.86

Source: District Records

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Direct School Tax Rate
2000	\$ 8,933,500	\$184,173,100	\$ 18,600	\$ 12,995,000	\$ 7,678,300	\$ 358,500	\$214,157,000	\$ 425,924	\$ 214,582,924	\$ 230,147,633	1.70
2001	8,650,800	185,919,100	18,600	13,587,400	7,678,300	358,500	216,112,700	494,309	216,607,009	245,273,614	1.74
2002	8,258,800	188,813,200	18,600	13,710,000	11,678,300	358,500	222,837,400	431,291	223,268,691	276,805,882	1.84
2003	6,478,600	189,619,500	18,600	13,781,600	11,678,300	358,500	223,835,100	397,354	224,332,454	307,523,045	2.08
2004	7,940,100	189,928,400	18,600	13,916,800	11,678,300	358,500	223,840,700	333,954	224,174,654	347,296,859	2.49
2005	7,062,000	190,605,900	18,600	14,372,300	11,678,300	358,500	224,095,600	262,742	224,358,342	391,304,608	2.49
2006	33,235,700	453,439,400	23,700	29,070,200	18,594,300	722,300	535,085,600	429,295	535,514,895	452,300,051	1.07
2007	33,459,600	453,829,000	23,700	28,979,800	18,594,300	722,300	535,608,700	443,438	536,052,138	521,428,158	1.10
2008	20,309,600	454,795,300	23,700	28,936,700	18,655,600	722,300	523,443,200	548,783	523,991,983	534,511,212	1.11
2009	19,709,000	455,905,300	23,700	28,936,700	18,655,600	722,300	523,952,600	697,397	524,649,997	538,663,656	1.09

Source: Municipal Tax Assessor

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	Garbage District Taxes	County	
2001	1.740	-	1.740	0.850	0.110	0.340	3.04
2002	1.840	-	1.840	0.900	0.110	0.370	3.22
2003	0.333	1.747	2.080	0.900	0.140	0.400	3.52
2004	1.270	1.220	2.490	0.900	0.140	0.470	4.00
2005	1.429	1.060	2.489	0.900	0.140	0.460	3.99
2006	0.642	0.426	1.068	0.425	0.070	0.210	1.77
2007	0.692	0.408	1.100	0.440	0.070	0.240	1.85
2008	N/A	0.398	1.110	0.540	0.070	0.240	1.96
2009	0.712	0.378	1.090	0.570	0.070	0.230	1.96

Source: Municipal Tax Collector

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

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

Fiscal Year Ended June 30,	2010		2001	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
John Crim/County Concrete	\$ 18,773,500	0.035827838		
Canfield Building Associates	5,613,400	0.010712759		
Stowaway Self Storage VI, LLC	3,100,000	0.005916121		
Bruce & Diane Kreeger	2,453,300	0.004681942		
Multi-Fab Sales & Service, Inc.	2,339,900	0.004465526		
B & G Land Management/Benkendorf	2,182,400	0.004164949		N/A
Landmark at Thomastown, LLC	1,920,000	0.003664178		
Samuel T. Bryant, Inc.	1,773,600	0.003384785		
Anthony Campo	1,740,300	0.003321234		
Mroz Family Properties, LLC	1,235,400	0.002357670		
<b>Total</b>	<b>\$ 41,131,800</b>	<b>7.85%</b>	<b>\$ -</b>	<b>0.00%</b>

**Source: Municipal Tax Assessor**

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 6,414,586.00	\$ 6,270,400.00	97.75%	-	\$ 6,270,400.00	97.75%
2001	6,760,819.86	6,591,136.10	97.49%	-	6,591,136.10	97.49%
2002	7,203,270.00	6,975,585.00	96.83%	-	6,975,585.00	96.83%
2003	7,921,944.00	7,629,218.00	96.30%	-	7,629,218.00	96.30%
2004	8,705,884.60	8,445,009.64	97.00%	-	8,445,009.64	97.00%
2005	9,044,306.84	8,624,304.92	95.36%	-	8,624,304.92	95.36%
2006	9,537,867.35	9,251,793.58	97.00%	-	9,251,793.58	97.00%
2007	9,939,083.00	9,457,155.00	95.15%	335,252.70	9,792,407.70	98.52%
2008	10,267,132.00	9,982,277.43	97.22%	272,185.95	10,254,463.38	99.87%
2009	10,331,060.00	10,032,208.94	97.10%	-	10,032,208.94	97.10%

Source: Municipal Tax Collector

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)				
2001	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	
2002	-	-	-	-	-	0.00%	-	
2003	2,553,000	-	-	1,367,000	3,920,000	3.72%	1,069.58	
2004	2,468,000	-	-	267,245	2,735,245	2.53%	749.59	
2005	2,378,000	-	-	-	2,378,000	2.14%	653.12	
2006	2,283,000	-	-	-	2,283,000	2.00%	629.62	
2007	2,188,000	-	-	-	2,188,000	1.87%	606.26	
2008	2,088,000	-	-	-	2,088,000	1.74%	580.81	
2009	1,983,000	-	-	-	1,983,000	1.61%	552.83	
2010	1,873,000	-	-	-	1,873,000	1.48%	522.16	

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2001	\$ -	\$ -	\$ -	0.00%	\$ -
2002	-	-	-	0.00%	-
2003	2,553,000		2,553,000	1.14%	696.59
2004	2,468,000		2,468,000	1.10%	676.35
2005	2,378,000		2,378,000	1.06%	653.12
2006	2,283,000		2,283,000	1.02%	629.62
2007	2,188,000		2,188,000	0.41%	606.26
2008	2,088,000		2,088,000	0.39%	580.81
2009	1,983,000		1,983,000	0.38%	552.83
2010	1,873,000		1,873,000	0.36%	522.16

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Direct and Overlapping Governmental Activities Debt  
As of December 31, 2009  
Unaudited

Net Direct Debt of School District as of December 31, 2009	\$ 1,873,000.00
Net Overlapping Debt of School District: Township of Mine Hill (100%)	\$ 4,305,896.00
County of Morris - Township's share (.052%)	<u>132,616.40</u>
Total Direct and Overlapping Debt as of December 31, 2009	<u>4,438,512.40</u>
	<u>\$ 6,311,512.40</u>

Source: Township of Mine Hill Chief Financial Officer and Morris County Treasurer's Office

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

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

**Legal Debt Margin Calculation for Fiscal Year 2010**

	Equalized Valuation Basis			
	2007	2008	2009	2010
	543,158,605.00	534,343,814.00	512,974,936.00	<u>\$ 1,590,477,355.00</u>
Average Equalized Valuation of Taxable Property	\$ 530,159,118.33			
Debt Limit ( 2.5 % of \$530,159,118.33)	\$ 13,253,977.96			
Total Net Debt Applicable to Limit	1,873,000.00			
Legal Debt Margin	<u>\$ 11,380,977.96</u>			

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 9,828,253.33	\$ 12,354,520.69	\$ 12,557,822.18	\$ 13,292,862.62	\$ 13,253,977.96
Total Net Debt Applicable to Limit	<u>2,283,000.00</u>	<u>2,188,000.00</u>	<u>2,188,000.00</u>	<u>2,088,000.00</u>	<u>1,873,000.00</u>
Legal Debt Margin	<u>7,545,253.33</u>	<u>10,166,520.69</u>	<u>10,369,822.18</u>	<u>11,204,862.62</u>	<u>11,380,977.96</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.23%	17.71%	17.42%	15.71%	14.13%

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt Limit	\$ -	\$ -	\$ 6,467,069.23	\$ 7,337,631.00	\$ 8,356,975.66
Total Net Debt Applicable to Limit	<u>N/A</u>	<u>N/A</u>	<u>\$ 2,553,000.00</u>	<u>2,468,000.00</u>	<u>2,378,000.00</u>
Legal Debt Margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,914,069.23</u>	<u>\$ 4,869,631.00</u>	<u>\$ 5,978,975.66</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	33.63%	28.46%

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

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited**

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	3,656	\$ 102,121,476	\$ 27,932.57	3.90%
2002	3,665	105,444,055	28,770.55	5.90%
2003	3,649	108,133,238	29,633.66	5.90%
2004	3,641	111,133,054	30,522.67	4.70%
2005	3,626	113,995,470	31,438.35	4.10%
2006	3,609	116,864,849	32,381.50	4.30%
2007	3,595	119,903,853	33,352.95	3.90%
2008	3,587	123,226,140	34,353.54	3.90%
2009	3,587 (Est)	126,922,924	35,384.14	5.10%

**Sources:**

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Principal Employers  
Current Year and Nine Years Ago  
Unaudited

Employer	2010		2000		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Rank [Optional]	Percentage of Total Municipal Employment
FCR					
Gardens of the World					
Benkendorf Landscaping					
Nationwide Trucking					
Eastern Installation					
	0		0.00%	0	0.00%

NOT AVAILABLE

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	-	-	-	-	-	-	-	-	-	-
Regular	-	-	-	-	-	-	-	-	29.6	29.6
Special Education	-	-	-	-	-	-	-	-	9.4	9.4
Other Instruction	-	-	-	-	-	-	-	-	0.3	0.3
School Sponsored/Other Instructional	-	-	-	-	-	-	-	-	7.0	7.0
Support Services:										
Student and Instruction Related Services	-	-	-	-	-	-	-	-	5.5	5.5
School Administrative Services	-	-	-	-	-	-	-	-	2.0	2.0
General and Business Administrative Services	-	-	-	-	-	-	-	-	1.9	1.9
Central Services	-	-	-	-	-	-	-	-	1.1	1.1
Plant Operations and Maintenance	-	-	-	-	-	-	-	-	10.5	10.5
Pupil Transportation	-	-	-	-	-	-	-	-	0.1	0.1
Total	-	-	-	-	-	-	-	-	67.4	67.4

Source: District Personnel Records

Years 2001 to 2008 Not Available.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary				
2001	383.2	\$ 4,763,539.28	\$ 12,769.73	3.36%				383.2	366.2	2.30%	95.56%
2002	411.0	5,047,498.01	13,171.97	3.15%				411.0	393.4	7.25%	95.72%
2003	397.0	5,452,151.77	13,265.58	0.71%	34	1:12		397.0	379.6	-3.41%	95.62%
2004	380.0	5,963,406.72	15,021.18	13.23%	32.5	1:12		380.0	365.2	-4.28%	96.11%
2005	370.1	7,002,622.49	18,427.95	22.68%	35	1:12		370.1	351.9	-2.61%	95.08%
2006	368.0	7,575,884.31	20,469.83	11.08%	35	1:12		368.0	350.9	-0.57%	95.35%
2007	352.1	8,002,907.69	21,747.03	6.24%	35	1:12		352.1	338.6	-4.32%	96.17%
2008	364.0	7,886,791.49	22,399.29	3.00%	39	1:13		364.0	348.3	3.38%	95.68%
2009	377.0	7,794,806.99	20,675.88	-7.69%	29.5	1:13		377.0	357.5	3.57%	94.83%
2010	376.3	8,050,100.10	21,392.77	3.47%	39.31	1:9.67		376.3	360.7	-0.19%	95.85%

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

School Building Information  
Last Ten Fiscal Years  
Unaudited

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>District Building</b>										
Elementary										
Canfield Avenue School (1923)	62,800	62,800	62,800	62,800	54,466	54,466	54,466	54,466	61,271	61,271
Square Feet			512	512	480	480	480	480	470	470
Capacity (students)			397	380	370.1	368	352.1	364	377	376.3
Enrollment	383.2	411								

Number of Schools at June 30, 2010

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of alterations and additions. Enrollment is based on the annual October district count.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

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

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

*School Facility	Pending Projects (w/DOE Project #)	2010	2009	2008	2007	2006	2005	2004
Canfield Avenue School	N/A	\$121,825.22	\$ 183,407.24	\$ 170,402.17	\$140,034.45	\$ 87,522.37	\$ 94,076.45	\$ 19,154.00
Other Facilities		-	-	-	-	-	-	-
<b>District Total</b>		<u>\$121,825.22</u>	<u>\$ 183,407.24</u>	<u>\$ 170,402.17</u>	<u>\$140,034.45</u>	<u>\$ 87,522.37</u>	<u>\$ 94,076.45</u>	<u>\$ 19,154.00</u>

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

Source: District Records

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**

**Insurance Schedule  
As of June 30, 2010  
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
New Jersey School Boards Assoc. Ins. Group		
<u>Section I: Property:</u>		
Blanket Real and Personal Property	\$ 300,000,000	\$ 1,000
Blanket Extra Expense	50,000,000	\$ 1,000
Blanket Valuable Papers & Records	10,000,000	\$ 1,000
Demolition and Increased Cost of Construction	10,000,000	
Flood Zines Prefix A & V	10,000,000	\$ 500,000
All Other Flood Zones	50,000,000	\$ 10,000
Earthquake	50,000,000	
Terrorism	1,000,000	
* Each on and off Premises		
<u>Section II: Electronic Data Processing</u>		
Blanket Hardware	720,000	1,000
Blanket Data/Medical/Software (included above)		
<u>Section III: Boiler &amp; Machinery</u>		
Property Damage & Extra Expense	100,000,000	1,000
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Extra Expenses arising from Hazardous Substance Cleanup	500,000	
<u>Section IV: Crime</u>		
Faithful Performance Limit	25,000	500
Public Official Bonds		
Board Secretary	195,000	1,000
Board Treasurer	188,000	1,000
<u>Section V: Comprehensive General Liability</u>		
Bodily Injury & Property Damage	11,000,000	
Bodily Injury from Products and Completed Operations	11,000,000	
Sexual Abuse	11,000,000	
Personal Injury & Advertising Injury	11,000,000	
Employee benefits Liability	11,000,000	1,000
Premises Medical Payments	each accident 10,000	100
<u>Section VI: Automobile</u>		
Bodily Injury & Property Damage	11,000,000	
Uninsured/Underinsured-Private Passenger Auto	1,000,000	
Uninsured/Underinsured-All Other Vehicles	15,000	per person
Personal Injury Protection	250,000	

**SINGLE AUDIT SECTION**

Vincent M. Montanino, RMA, PSA  
Michael S. Zambito, CPA, RMA  
Antonia Russo, Associate

K-1  
Sheet 1

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

The Honorable President  
Members of the Board of Education  
Township of Mine Hill School District  
County of Morris, New Jersey

We have audited the basic financial statements of the Township of Mine Hill School District as of and for the year ended June 30, 2010, and have issued our report thereon dated December 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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Our consideration of the 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 Township of Mine Hill School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain matters that we reported to the Township of Mine Hill School District in a separate Auditors Management Report on Administrative Findings – Financial, Compliance and Performance dated December 28, 2010.

This report is intended solely for the information and use of the audit committee, management, the Township of Mine Hill School District and the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Vincent M. Montanino  
Public School Accountant  
License No. CS000495



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

December 28, 2010

Vincent M. Montanino, RMA, PSA  
Michael S. Zambito, CPA, RMA  
Antonia Russo, Associate

K-2  
Sheet 1

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

The Honorable President  
Members of the Board of Education  
Township of Mine Hill School District  
County of Morris, New Jersey

Compliance

We have audited the compliance of the Township of Mine Hill School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey Compliance Manual State Grants Compliance Supplement that are applicable to each of its major state and federal programs for the year ended June 30, 2010. Township of Mine Hill School District major state and federal programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state and federal programs is the responsibility of the Township of Mine Hill School District's management. Our responsibility is to express an opinion on Township of Mine Hill School District's compliance based on our audit.

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

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In our opinion, the Board of Education of the Township of Mine Hill School District, in the County of Morris, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state and federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

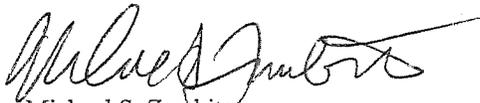
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Township of Mine Hill School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties



Vincent M. Montanino  
Public School Accountant  
License No. CS000495



Michael S. Zambito  
Certified Public Accountant  
License No. 20CC00789500

December 28, 2010

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2010	Due to Grantor
							Disbursements	Accounts Payable	Encumbrances				
									Total		Deferred Revenue		
<b>U.S. Department of Education:</b>													
ARRA - SFSE - ESF (Educ. State Grants)	84.394	7/1/09-6/30/10	\$ 202,991.00	\$ -	\$ -	\$ 202,991.00	\$ 202,991.00	\$ -	\$ 202,991.00	\$ -	\$ -	\$ -	\$ -
ARRA - SFSE - GSF (Government Services)	84.397	7/1/09-6/30/10	7,658.00	-	-	7,658.00	7,658.00	-	7,658.00	-	-	-	-
Total U.S. Department of Treasury						210,649.00	210,649.00	-	210,649.00	-	-	-	-
<b>U.S. Department of Agriculture Passed - Through State Department of Education:</b>													
Food Distribution Program	10.550	7/1/09-6/30/10	\$ 5,873.14	\$ 397.89	\$ -	\$ 5,873.14	\$ 5,398.79	\$ -	\$ 5,398.79	\$ -	\$ 0.00	\$ 872.24	\$ -
School Breakfast Program	10.553	7/1/09-6/30/10	7,669.90	-	609.70	4,824.76	7,669.90	-	7,669.90	-	(2,438.44)	-	-
School Breakfast Program	10.553	7/1/09-6/30/09	6,584.55	(1,556.75)	-	1,556.75	-	-	-	-	-	-	-
National School Lunch Program	10.555	7/1/09-6/30/10	40,173.41	(8,897.47)	4,627.74	23,784.43	40,173.41	-	40,173.41	-	(11,751.24)	-	-
National School Lunch Program	10.555	7/1/09-6/30/09	41,451.96	-	20.00	8,677.47	-	-	-	-	-	-	-
Special Milk Program	10.556	7/1/09-6/30/10	578.40	(161.11)	53.60	354.40	578.40	-	578.40	-	(170.40)	-	-
Special Milk Program	10.556	7/1/09-6/30/09	855.66	-	-	161.11	-	-	-	-	-	-	-
Total U.S. Department of Agriculture					5,311.04	45,039.06	53,620.50	-	53,620.50	-	(14,360.08)	872.24	-
<b>U.S. Department of Education Passed - Through State Department of Education:</b>													
E.S.E.A. Title I	84.010A	9/1/09-8/31/10	94,637.00	-	-	-	79,452.73	10,776.00	90,228.73	-	(94,637.00)	4,408.27	-
E.S.E.A. Title I	84.010A	9/1/09-8/31/09	26,120.00	(26,120.00)	-	-	-	-	-	-	(26,120.00)	-	-
E.S.E.A. Title I - ARRA	84.389	9/1/09-8/31/11	36,575.00	-	-	-	36,575.00	-	36,575.00	-	(36,575.00)	-	-
E.S.E.A. Title I	84.010A	9/1/09-8/31/07	39,451.00	461.50	-	-	-	-	-	-	-	-	461.50
E.S.E.A. Title II A	84.367A	9/1/09-8/31/10	10,117.00	-	-	-	2,205.67	-	2,205.67	-	(10,117.00)	7,911.33	-
E.S.E.A. Title II A	84.367A	9/1/09-8/31/09	8,977.00	(2,855.84)	-	-	6,121.16	-	6,121.16	-	(8,977.00)	-	2,556.42
N.C.L.B. Title II A - Carryover	84.367A	9/1/09-8/31/09	4,106.02	2,556.42	-	-	-	-	-	-	-	-	-
N.C.L.B. Title II D	84.367A	9/1/09-8/31/10	954.00	-	-	-	-	-	-	-	(954.00)	954.00	-
N.C.L.B. Title II D	84.367A	9/1/09-8/31/09	219.00	(219.00)	-	-	-	-	-	-	(219.00)	-	-
N.C.L.B. Title IV	84.186A	9/1/09-8/31/10	1,678.00	-	-	-	-	-	-	-	(1,678.00)	1,678.00	-
N.C.L.B. Title IV	84.186A	9/1/09-8/31/09	837.00	(837.00)	-	-	-	-	-	-	(837.00)	-	-
N.C.L.B. Title IV - Carryover	84.186A	9/1/09-8/31/09	208.00	208.00	-	-	-	-	-	-	-	-	208.00
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	123,199.00	-	-	74,149.00	123,199.00	-	123,199.00	-	(123,199.00)	-	-
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/09	120,064.00	(74,149.00)	-	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Basic - ARRA	84.391	9/1/09-8/31/11	121,321.00	(3,400.00)	-	3,400.00	121,321.00	-	121,321.00	-	(121,321.00)	-	-
I.D.E.A. Part B, Preschool	84.173A	9/1/09-8/31/10	3,441.00	-	-	-	3,441.00	-	3,441.00	-	(3,441.00)	-	-
I.D.E.A. Part B, Preschool	84.173A	9/1/09-8/31/09	3,400.00	-	-	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Preschool - ARRA	84.392	9/1/09-8/31/11	4,381.00	(104,354.92)	-	77,549.00	376,686.56	10,776.00	387,472.56	-	(4,381.00)	14,951.60	3,225.92
Total U.S. Department of Education					5,311.04	333,437.06	641,366.06	10,776.00	652,142.06	-	(446,826.08)	15,833.84	3,225.92
Total Federal Financial Assistance													

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

**BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL**  
Schedule of Expenditures of State Financial Assistance, Schedule B  
For the Fiscal Year Ended June 30, 2010

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Adjustments	Cash Received	Disbursements	BUDGETARY EXPENDITURES		Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2010	
								Accounts Payable	Encumbrances				
								Total				Deferred Revenue	Due to Grantor
<b>State Department of Education:</b>													
<b>General Funds:</b>													
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	\$ 951,199.00	\$ -	\$ -	\$ 797,214.60	\$ 922,923.00	\$ -	\$ -	\$ -	\$ (125,708.40)	\$ -	\$ -
Equalization Aid	09-495-034-5120-078	7/1/09-6/30/09	1,200,693.00	(117,249.60)	-	117,249.60	-	-	-	-	-	-	-
School Choice Aid	10-495-034-5120-068	7/1/09-6/30/10	537,022.00	-	-	483,319.80	537,022.00	-	-	-	(63,702.20)	-	-
School Choice Aid	09-495-034-5120-068	7/1/09-6/30/09	449,022.00	(44,902.20)	-	44,902.20	-	-	-	-	-	-	-
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	218,153.00	(13,575.30)	-	127,619.10	141,799.00	-	-	-	(14,179.90)	-	-
Transportation Aid	09-495-034-5120-014	7/1/09-6/30/09	135,783.00	-	-	13,575.30	-	-	-	-	-	-	-
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	311,347.00	(28,143.30)	-	280,212.30	311,347.00	-	-	-	(31,134.70)	-	-
Special Education Aid	09-495-034-5120-089	7/1/09-6/30/09	281,433.00	-	-	28,143.30	-	-	-	-	(4,657.80)	-	-
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	71,659.00	(6,136.60)	-	41,920.20	46,578.00	-	-	-	(4,657.80)	-	-
Security Aid	09-495-034-5120-084	7/1/09-6/30/09	61,366.00	-	-	6,136.60	-	-	-	-	(83,584.00)	-	-
Extraordinary Aid	10-495-034-5120-044	7/1/09-6/30/10	48,917.00	(48,917.00)	-	48,917.00	83,584.00	-	-	-	(4,011.00)	-	-
Extraordinary Aid	09-495-034-5120-044	7/1/09-6/30/09	48,917.00	-	-	-	-	-	-	-	(4,011.00)	-	-
Non-Public Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	5,568.00	(5,568.00)	-	5,568.00	4,011.00	-	-	-	-	-	-
Non-Public Transportation Aid	09-495-034-5120-014	7/1/09-6/30/09	5,568.00	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	147,409.84	(7,895.53)	-	131,512.64	147,409.84	-	-	-	(15,897.20)	-	-
Reimbursed TPAF Social Security Contribution	09-495-034-5095-002	7/1/09-6/30/09	153,344.68	-	-	7,895.53	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions	10-495-034-5095-001	7/1/09-6/30/10	129,263.00	(272,387.53)	-	2,263,449.17	2,323,936.84	-	-	-	(332,875.20)	-	-
<b>Total General Funds</b>			<b>63,250.00</b>	<b>1,225.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225.15</b>	<b>-</b>	<b>-</b>
<b>Special Revenue Funds:</b>													
Targeted At Risk Aid	08-495-134-5120-005	7/1/09-6/30/10	63,250.00	1,225.15	-	-	-	-	-	-	-	1,225.15	-
<b>Total Special Revenue Funds</b>													
<b>Capital Project Funds:</b>													
Fire Alarms & HVAC Renovations	3240-030-09-07AZ	7/1/09-6/30/11	224,000.80	-	-	53,473.02	53,473.02	-	-	-	(63,473.02)	-	-
Classrooms & Bathroom Renovations	3240-030-09-00CC	7/1/09-6/30/11	138,519.68	-	-	138,519.68	138,519.68	-	-	-	(138,519.68)	-	-
<b>Total Capital Project Funds</b>													
<b>Enterprise Funds:</b>													
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	2,327.34	240.14	-	1,409.60	2,327.34	-	-	-	(677.60)	-	-
State School Lunch Program	09-100-010-3350-023	7/1/09-6/30/09	2,437.84	(479.86)	-	499.86	-	-	-	-	-	-	-
State School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	732.50	62.00	-	448.60	732.50	-	-	-	(221.90)	-	-
State School Breakfast Program	09-100-010-3350-021	7/1/09-6/30/09	740.40	(162.30)	-	162.30	-	-	-	-	-	-	-
<b>Total All Funds</b>			<b>\$ (271,804.54)</b>	<b>\$ 282.14</b>	<b>\$ -</b>	<b>\$ 2,285,969.53</b>	<b>\$ 2,518,989.38</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (525,767.40)</b>	<b>\$ 1,225.15</b>	<b>\$ -</b>

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2010

Note 1: General

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

Note 2: Basis of Accounting

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

Note 3: Relationship to Basic Financial Statements

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

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

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2010  
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,376.00) for the general fund and \$(10,776.00) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$210,829.00	\$2,304,560.84	\$2,515,389.84
Special Revenue Fund	376,696.56		376,696.56
Capital Projects Fund		362,520.48	362,520.48
Food Service Fund	<u>53,820.50</u>	<u>3,059.84</u>	<u>56,880.34</u>
 Total Awards and Financial Assistance	 <u>\$641,346.06</u>	 <u>\$2,270,141.16</u>	 <u>\$3,311,487.22</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: New Jersey Schools Development Authority (NJSDA) Grant

The District has been awarded grants in the amount of \$362,520.48 from the NJSDA in connection with non referendum projects for school building improvements and roof renovations. As of June 30, 2010, \$188,872.82 of the grant funds has been expended. In the Capital Projects Fund, the District realized the full amount of the grant revenue on the budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended. The funds expended for the NJSDA projects are presented on the schedule of expenditures of state financial assistance as required by New Jersey Department of Education guidance.

Note 6: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unqualified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified? \_\_\_\_\_yes        X   no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_yes        X   no
- C) Noncompliance material to basic financial statements noted? \_\_\_\_\_yes        X   no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$300,000.00 \_\_\_\_\_
- E) Auditee qualified as low-risk auditee?   X   yes      \_\_\_\_\_no      \_\_\_\_\_n/a
- F) Type of auditor’s report on compliance for major programs \_\_\_\_\_Unqualified\_\_\_\_\_
- G) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_yes        X   no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_yes        X   no
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? \_\_\_\_\_yes        X   no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A/ 84.391	I.D.E.A. Part B, Basic
84.173A/84.392	I.D.E.A. Part B Preschool
84.394/84.397	ARRA – SFSF – ESF/GSF

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

State Financial Assistance Section

D) Dollar threshold used to determine Type A Programs \$300,000.00

E) Auditee qualified as low-risk auditee?  yes  no  n/a

F) Type of auditor’s report on compliance for major programs. Unqualified

G) 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  no

H) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?  yes  no

I) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>10-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>10-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>10-495-034-5120-089</u>	<u>Special Education Aid</u>
<u> </u>	<u> </u>

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

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

Not Applicable

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)

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

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

Not Applicable

BOARD OF EDUCATION  
TOWNSHIP OF MINE HILL

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2010

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

STATUS OF PRIOR YEAR FINDINGS

Not Applicable