SCHOOL DISTRICT OF THE
BOROUGH OF WANAQUE
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

BOROUGH OF WANAQUE
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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BOARD OF EDUCATION
BOROUGH OF WANAQUE
STATE OF NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010

PREPARED BY

WANAQUE BOARD OF EDUCATION
FINANCE OFFICE

INTRODUCTORY SECTION

WANAQUE PUBLIC SCHOOLS

LYNDA D'ANGIOLILLO, M.A.
DIRECTOR OF CURRICULUM, INSTRUCTION, & PROFESSIONAL DEVELOPMENT

RICHARD B. WEISENFELD, PH.D.
SUPERINTENDENT OF SCHOOLS

BARBARA GIGANTE
BUSINESS ADMINISTRATOR/ BOARD SECRETARY

November 30, 2010

Mr. Robert Adams, President
Members of the Board of Education
Wanaque Public School District
973A Ringwood Avenue
Haskell, New Jersey 07420

Mr. Adams and Members of the Board of Education:

The Comprehensive Annual Financial Report of the School District of the Borough of Wanaque ("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 District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial positions and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: (1) Introductory; (2) Financial; (3) Statistical; and (4) Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 (as amended in 1996), the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in Statement No. 14. All funds and account groups of the District are included in this report. The Wanaque Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through eight, including regular education as well as special education programs. The 2009-2010 fiscal year official enrollment of 941 students is a decrease of less than 1% of the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2009-2010	941	(0.95)%
2008-2009	950	(2.0)%
2007-2008	969	(2.6)%
2006-2007	995	(1.5)%
2005-2006	1,010	(2.3)%
2004-2003	1,034	0.9%

Fiscal Year	Student Enrollment	Percent Change
2003-2004	1,025	(1.4)%
2002-2003	1,039	2.6%
2001-2002	1,013	0.9%
2000-2001	1,004	(1.1)%

2. ECONOMIC CONDITION AND OUTLOOK

Wanaque Borough is a rural/suburban residential community with its working population primarily employed by local businesses and other businesses in the surrounding area. The Borough's estimated population of 12,144 in July 2009 is a decrease of 44 people (.042%) compared to the prior year. Over a thirteen year period ending 2007, per capita personal income in Wanaque has increased 28.9% (from $22,956 in 1994 to $29,585 in 2007), an average annual increase of 2.2%.

Looking forward, several state-wide developments are expected to have a negative impact on the future growth of the Borough and the operations of the District:

- the passage of the state's Highlands Act has limited and is likely to continue to limit growth and development in Wanaque in the coming years;
- the passage of recent legislation by the State of New Jersey will continue to have a significant detrimental effect on the District's ability to manage its finances and to finance its operations;
- While the State has recently developed a consistent, long-range formula for the funding of education, its ability to fully fund these obligations remains in question;
- the State of New Jersey is currently considering strategies to reduce property taxes such as consolidation of school districts and the elimination of local districts in favor of a county wide system of school administration; it is unknown what impact, if any, these potential actions may have on the Wanaque Public School District.

Other factors suggest a more positive outlook, such as the creation of new housing and business developments throughout the community, which are either outside the scope of the Highlands Act or predate it.

3. MAJOR INITIATIVES

The District continues to move forward in providing our students with a better education, equipment and facilities.

Our schools are focusing on aligning curriculum to the New Jersey Core Curriculum Content Standards and the District has identified areas in which our students need to achieve at higher levels in order to meet or exceed grade level standards. The schools strive to provide enriched learning environments supported by technology, which is interwoven into the curriculum. These new learning environments will provide opportunities to find and utilize information and resources while applying academic skills. This initiative will prepare students to live, learn, and work in a knowledge-based technical society. Schools will focus on digital age literacy, inventive thinking, effective communication, and high productivity. Teachers explore with their students the vast worlds of ideas and information.

The District continues to move forward in improving articulation between our curriculum and those of the Ringwood and Lakeland Regional High School districts. Toward this end, the District's Director of Curriculum, Instruction and Professional Development has been working closely with our professional staff, as well as with the other districts, to develop curriculum and train staff to ensure our children are well-prepared for high school.

With the installation of internet-connected, electronic SmartBoards in virtually every classroom in both schools, our teaching staff continues to work diligently and enthusiastically to incorporate this exciting technology into their daily lessons. The result has been a tremendous increase in student interaction and involvement in the classroom activities. These efforts, to take advantage of all the functionality the SmartBoards provide, are ongoing as the staff continues to share their successes with each other and find new ways to utilize this powerful tool.

During 2009-2010, the district has closely monitored the newly created class for students with behavioral disabilities. This followed the creation earlier in the year of a program serving preschool autistic children, which complemented an existing class for primary-age students with autism. These classes, geared toward students with special needs, enable the district to provide a comprehensive program for such students to ensure they get the appropriate instruction over the course of their elementary school careers. By creating these classes, the District is able to provide an appropriate educational program for students who would otherwise have to be sent out of district. By staying in-district, transportation time is minimized and the students are in an environment with facilities better suited to their unique needs which is located in their home community.

The strategic plan developed in 2007-2008 by a team of community members, Board members and district staff continues to serve the district.

Our schools continue to work toward a more inclusive model for the education of students with disabilities. The goal is to educate every appropriate disabled student with non-disabled students and to increase the expectations for students with disabilities. Our objective is to prepare these students to be as independent as possible and to have experiences similar to the non-disabled child. Professional development for our staff has been provided in this area, which will continue throughout the 2009/10 school year.

The District provides funding for cultural and performing arts, so that students can be exposed to experience and knowledge of the arts. Activities will include field trips, visiting groups, and classes in the arts. The District maintains an extracurricular vocal music program to broaden students' exposure to that aspect of the arts. The arts curriculum meets the criteria of New Jersey Standards for the arts.

4. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). The internal control structure is continually monitored and adjusted as appropriate.

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the borough. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the 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 appropriations of fund balance in the subsequent year. Those amounts to be appropriated are reported as reservations of fund balance at fiscal year end.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Note 1, "Notes to the Financial Statements".

Effective July 1, 2008, the District engaged Systems 3000, an integrated management information system designed for New Jersey school districts, to provide its financial accounting, reporting and personnel systems.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal years ended June 30, 2009 and 2010:

Revenue Source	2009-2010	%	2008-2009	%	% Inc/Dec
Local	$11,927,652.67	70.7%	$ 11,513,843	70.8%	3.47%
State	4,018,092.74	23.8%	4,356,771	26.8%	8.43%
Federal	923,220.14	05.5%	396,627	2.4%	57.04%
Total	$16,868,965.55	100.0%	$ 16,267,241	100.0%	3.57%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2009 and 2008:

Expenditure Type	2009-2010	%	2008-2009	%	% Inc/Dec
General funds	15,146,444.22	87.62%	$ 15,235,289	83.86%	-00.58%
Capital outlay	45,395.34	0.26%	59,000	.32%	-23.06%
Capital projects	97,607.22	0.56%	1,045,969	5.76%	-09.33%
Special revenue	672,805.18	3.89%	496,118	2.73%	**+35.61%**
Debt service	1,323,572.54	7.66%	1,330,774	7.33%	-00.54%
Total	17,285,824.50	100.0%	$ 18,167,150	100.0%	

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting the requirements of the Single Audit Act of 1984 (as amended in 1996), and the related OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS

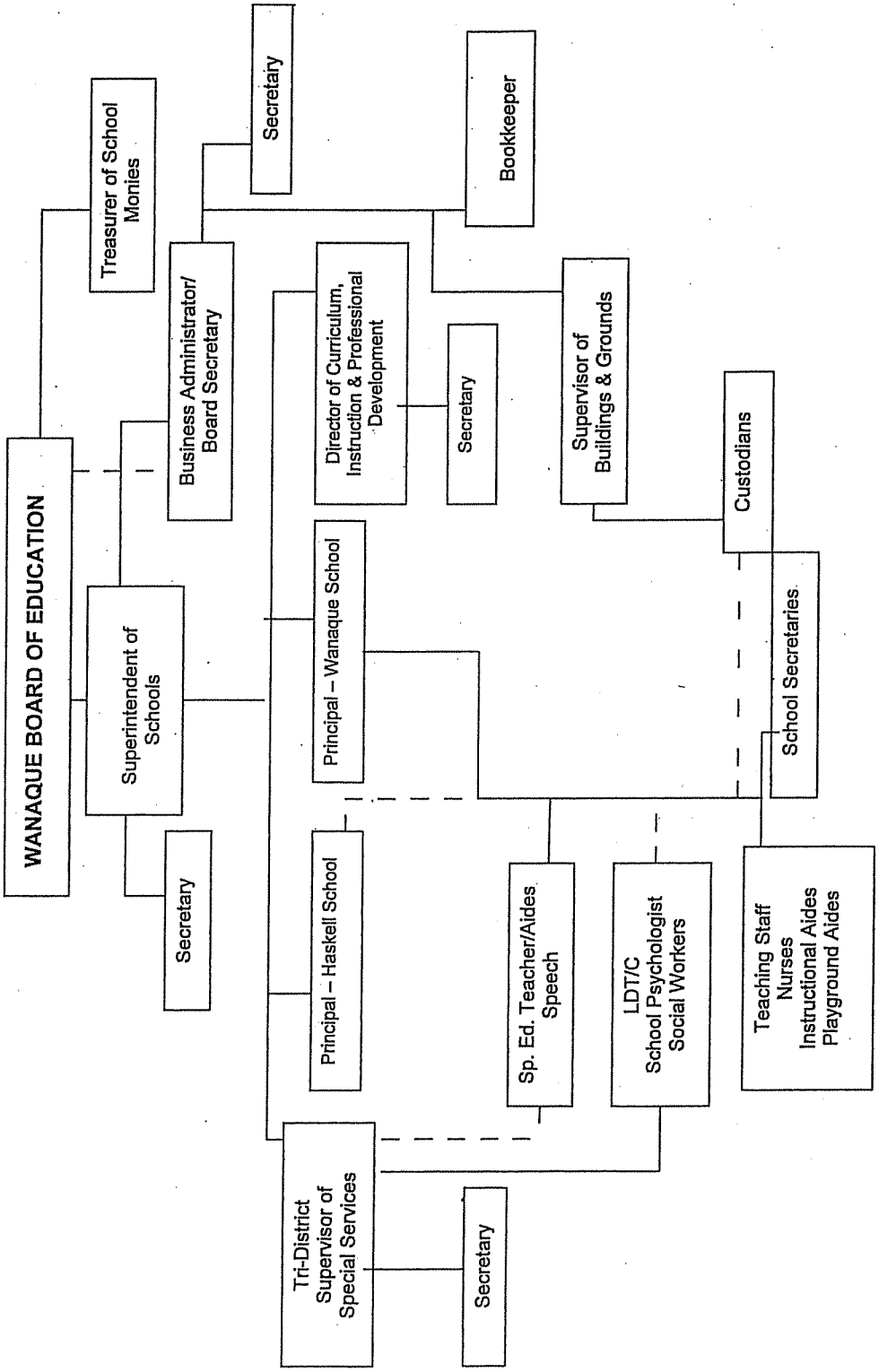
We would like to express our appreciation to the members of the Wanaque Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operations.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

Respectfully submitted,

Richard Weisenfeld, Ph.D.
Superintendent of Schools

Barbara Gigante
Business Administrator/Board Secretary

WANAQUE BOARD OF EDUCATION
Organizational Chart



WANAQUE BOARD OF EDUCATION
WANAQUE, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Robert Adams, President	2013
Jack Crilly, Vice President	2012
Yvette Agnic	2012
Scott Ernest	2011
Frank Malson	2011
Scott Marks	2013
Tom Paster	2013
Daniel Sinclair	2012
Charles Strobel	2011

Superintendent of Schools

Dr. Richard Weisenfeld

Business Administrator/Board Secretary

Joseph P. Kelly 7/1/2009 to 12/31/2009

Mark Resnick, Interim 1/1/2010 to 6/30/2010

Treasurer of School Moneys

Maryann Brindisi

WANAQUE BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
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Newton, New Jersey 07860

Board Attorney

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53 Cardinal Drive
P. O. Box 2369
Westfield, New Jersey 07091-2369

Labor Negotiators

Lindabury, McCormick & Estabrook
53 Cardinal Drive
P. O. Box 2369
Westfield, New Jersey 07091-2369

Official Depository

Lakeland Bank
Ringwood Avenue
Wanaque, New Jersey 07465

and

State of New Jersey Cash Management Fund
$^{c}/_{o}$ Citi Fund Services
P. O. Box 182218
Columbus, OH 43218-2218

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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James J. Cerullo, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

Mr. Daniel Sinclair, President and
Members of the Board of Education
Wanaque Borough School District
County of Passaic, New Jersey 07420

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wanaque School District, in the County of Passaic, State of New Jersey, as of and for the fiscal 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 Borough of Wanaque Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Wanaque Board of Education, in the County of Passaic, State of New Jersey, 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 November 30, 2010 on our consideration of the Borough of Wanaque Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 20 and 54 through 60 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. 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 Borough of Wanaque Board of Education'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 tables 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 tables 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 respectively, 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.

Thomas M. Ferry, C.P.A.
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkotz, Cerullo, & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 30, 2010

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

SCHOOL DISTRICT OF THE BOROUGH OF WANAQUE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(UNAUDITED)

This discussion and analysis of the financial performance of the Wanaque Public School District ("District") provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis ("MD&A") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Using this Comprehensive Annual Financial Report ("CAFR")

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole. The statements then provide an increasingly detailed look at specific financial activities. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the District as a Whole

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting an aggregate view of the District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the District, the General Fund is by far the most significant fund.

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009/10?" The Statement of Net Assets and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, condition of facilities, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District's operations are divided into two distinct kinds of activities:

- Governmental activities – all of the District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activities – this service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise funds are reported as a business activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. Although the District uses many funds to account for a multitude of financial transactions, these financial statements focus on the District's most significant funds. These funds include the General Fund, Special Revenue Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Financial Highlights

Key financial highlights for 2009/10are as follows:

- General fund revenues accounted for $15,337,255 in revenue or 90.91% of all revenues. Program specific revenues in the form of operating grants, debt service levies and interest income on invested funds accounted for $1,531,711 or 9.1% of total revenues of $16,868,966.

- The District had $17,186,554 in expenses related to Governmental Activities and Business-Type Activities; only $951,697 of these expenses were offset by charges for services, grants or contributions. General revenues, comprised primarily of property taxes and federal and state aid in the amounts of $11,642,356 and $4,272,855, respectively, were adequate to provide for these programs.

- Among governmental funds, the General Fund had $15,337,255 in revenues and $15,191,840 in expenditures. As a result, the General Fund's balance increased $145,415 over 2009.

- In the year ended June 30, 2010, the District had spent or had committed to spend $97,607 for renovations at both schools, pursuant to the January 24, 2006 referendum.

- In the year ended June 30, 2010, the District made scheduled principal and interest payments of $1,323,572 on the debt issued pursuant to the January 24, 2006 referendum.

The District as a Whole

Recall that the Statement of Net Assets provides a perspective of the District as a whole. The following provides a summary of the District's net assets as of June 30, 2010, as compared to the prior year.

Net Assets

	June 30, 2010	June 30, 2009
Assets		
Current and other assets	$ 1,787,685	$ 2,889,346
Capital assets, net	18,164,702	18,524,199
Total assets	$ 19,952,387	$ 21,413,545
Liabilities		
Long-term liabilities	$17,333,852	$18,047,895
Other liabilities	444,406	1,153,043
Total liabilities	$ 17,778,258	$ 19,200,938
Net assets		
Invested in capital assets, net of debt	$ 1,032,419	$ 812,730
Restricted	1,389,902	1,715,524
Unrestricted	(248,192)	(315,647)
Total net assets	$ 2,174,129	$ 2,212,607

The following shows the changes in net assets in the fiscal years ended June 30, 2010 and 2009, respectively.

Changes in Net Assets

	Year ended June 30, 2010	2009
Revenues		
Program revenues		
Charges for services	$ 168,632	$ 179,536
Operating grants and contributions	783,065	594,420
General revenues:		
Property taxes	11,642,356	11,167,407
Grants and entitlements	4,272,855	4,253,577
Other	281,168	347,011
Total revenues	17,148,076	16,541,951
Program Expenses		
Instruction	9,812,757	9,529,257
Support services:		
Student and instruction related services	2,551,863	2,839,674
Administration, business and other support services	1,733,245	1,583,621
Operations and maintenance of facilities	1,534,504	1,579,726
Pupil transportation	510,442	494,102
Interest on debt	766,759	790,703
Food service	265,408	258,732
Charter School	11,576	-
Total expenses	17,186,554	17,075,815
(Decrease) Increase in net assets	$ (38,478)	$ (533,865)

Governmental Activities

The unique nature of property taxes and school funding in New Jersey creates the need to routinely seek voter approval for District operations. Property taxes made up 69.02% percent of revenues for governmental activities for the District for the fiscal year ended June 30, 2010. Federal, state and local grants accounted for another 25.33%, while the balance came from interest and other sources. The District's total revenues were $16,868,966 for the fiscal year ended June 30, 2010.

Exhibit A-2, "Statement of Activities", shows the cost of program services and the charges for services and grants offsetting those services, which are summarized below. The net cost reflects the net financial burden that was placed on the District's taxpayers for each of these functions.

	Total cost of services, Year ended June 30,		Net cost of services, Year ended June 30,	
	2010	2009	2010	2009
Instruction	$9,812,757	$9,529,257	$9,222,944	$9,109,284
Support services:				
Student and instruction related services	2,551,863	2,839,674	2,468,870	2,759,825
Administration, business and other support services	1,733,245	1,583,621	1,733,245	1,583,621
Operation and maintenance of facilities	1,534,504	1,579,726	1,534,505	1,579,726
Pupil transportation	510,442	494,102	510,442	494,102
Charter School	766,759	790,703	766,759	790,703
Other	11,576	-	11,576	-
Total expenses	$ 16,921,146	$ 16,817,083	$16,248,341	$16,317,261

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

Administrative, business and other support services include expenses associated with administrative and financial supervision of the District.

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

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

Business-Type Activities

Revenues for the District's Food Service Program were comprised of charges for services and federal and state reimbursements.

- In the fiscal year ended June 30, 2010, food service revenues exceeded expenses by $13,703. In the fiscal year ended June 30, 2009, revenues exceeded expenses by $15,977.

- Charges for services represented $168,632 of revenue in the year ended June 30, 2010, compared to $179,536 in the prior fiscal year. This represents amounts paid by patrons for daily food services.

- Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities, was $110,259 and $94,598 in the fiscal years ended June 30, 2010 and 2009, respectively.

The District's Funds

The District's funds are accounted for using a modified accrual basis of accounting. All governmental funds (i.e., general, special revenue and debt service funds presented in the fund-based statements) had total revenues of $16,868,966 and expenditures of $17,285,824 for the fiscal year ended June 30, 2010.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of governmental funds for the fiscal years ended June 30, 2010 and 2009, respectively:

	Year ended June 30, 2010		Year ended June 30, 2009	
	Amount	**% of total**	**Amount**	**% of total**
Local sources	$ 11,927,653	70.7%	$ 11,513,843	70.8%
State sources	4,018,093	23.8%	4,356,771	26.8%
Federal sources	923,220	5.5%	396,627	2.4%
Total revenues	$ 16,868,966	100.0%	$ 16,267,241	100.0%

The following schedule presents a summary of the expenditures of governmental funds for the fiscal years ended June 30, 2010 and 2009, respectively:

	Year ended June 30, 2010		Year ended June 30, 2009	
	Amount	% of total	Amount	% of total
Instruction	$ 7,582,807	43.9%	$ 7,084,219	39.0%
Support services	8,236,442	47.6%	8,647,188	47.6%
Capital outlay	143,003	.8%	1,104,969	6.1%
Debt service:				
Principal	550,900	3.2%	534,327	2.9%
Interest	772,673	4.5%	796,447	4.4%
Total expenses	$17,285,825	100.0%	$ 18,167,150	100.0%

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is accounted for using a modified accrual basis and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for financial management.

Capital Assets

At the end of the fiscal year, the District had $25,757,739 invested in land, buildings, furniture and equipment, and vehicles. The following shows capital asset balances, net of accumulated depreciation, as of June 30, 2010 and 2009, respectively:

	Capital Assets at June 30,	
	2010	2009
Construction in process	$17,328,966	$17,231,359
Buildings and improvements	403,745	859,155
Machinery and equipment	368,082	365,558
Totals	$18,100,793	$18,456,072

Overall, the balance of capital assets, net of accumulated depreciation, decreased $355,279 as of June 30, 2010 relative to June 30, 2009, primarily as a result of commitments entered into prior to June 30, 2009 for capital projects to be performed in the subsequent fiscal year. Increases in capital assets were offset by depreciation expense charged against all productive assets.

Debt Administration

As of June 30, 2010 and 2009, the District had an outstanding debt balance of $221,566 and $272,464, respectively, from the August 18, 1993 issuance of general obligation bonds. In addition, pursuant to the January 24, 2006 referendum, the District issued general obligation bonds on June 1, 2006 that have an outstanding debt balance of $16,841,000 as of June 30, 2010.

Other long-term debt includes liabilities for compensated absences of $201,570 and $336,427 as of June 30, 2010 and 2009, respectively and lease obligations totaling $69,716 and $98,003 as of June 30, 2010 and 2009, respectively.

For the Future

The Wanaque Public School District is presently in good financial condition. Going forward, however, there are significant concerns:

- Enrollment in special education programs continues to grow, as do the costs associated with these programs, including transportation;
- The District's operations are funded primarily by local property taxes, which means that, as Wanaque is primarily a residential community with few business ratables, the property tax burden is placed primarily on homeowners;
- While the State has recently developed a consistent, long-range formula for the funding of education, its ability to fully fund these obligations remains in question;
- The passage of the state's Highlands Bill has limited and is likely to continue to limit growth and development in Wanaque in the coming years;
- The passage of certain legislation by the State of New Jersey will have continue to have a significant detrimental effect on the District's ability to manage its finances and to finance its operations;
- The State of New Jersey is currently considering strategies to reduce property taxes such as consolidation of school districts and the elimination of local districts in favor of a county-wide system of school administration; it is unknown what impact, if any, these potential actions may have on the Wanaque Public School District.

On a historical basis, the District's budget has been successfully passed by the voters about half the time, including five of the last six years. In addition, a referendum to approve extensive repairs at both schools was approved by the voters in January 2006.

The Wanaque Public School District has committed itself to financial and educational excellence. The District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers 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 information, contact the Business Administrator/Board Secretary at the Wanaque Board of Education, 973A Ringwood Avenue, Haskell, New Jersey 07420.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	925,545.32	43,258.66	968,803.98
Receivables, net	554,101.18	7,420.97	561,522.15
Inventory		3,519.71	3,519.71
Restricted assets:			
Capital reserve account - cash	3,839.46		3,839.46
Maintenance reserve account - cash	250,000.00		250,000.00
Capital assets:			
Construction in Progress	17,328,966.51		17,328,966.51
Other capital assets, net	771,826.32	63,908.98	835,735.30
Total Assets	19,834,278.79	118,108.32	19,952,387.11
LIABILITIES			
Accounts payable	141,230.31	17,605.83	158,836.14
Contracts payable	53,117.62		53,117.62
Accrued Interest Payable	170,904.61		170,904.61
Payable to federal government	36,786.00		36,786.00
Payable to state government	24,761.76		24,761.76
Noncurrent liabilities:			
Due within one year	620,620.83		620,620.83
Due beyond one year	16,713,231.61		16,713,231.61
Total liabilities	17,760,652.74	17,605.83	17,778,258.57
NET ASSETS			
Invested in capital assets, net of related debt	968,510.39	63,908.98	1,032,419.37
Restricted for:			
Debt service	443,889.08		443,889.08
Capital projects	228,214.49		228,214.49
Capital reserves	3,839.46		3,839.46
Maintenance reserves	250,000.00		250,000.00
Other purposes	463,958.59		463,958.59
Unrestricted	(284,785.96)	36,593.51	(248,192.45)
Total net assets	2,073,626.05	100,502.49	2,174,128.54

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular	5,507,577.86	1,614,099.74		589,812.56	(6,531,865.04)	-	(6,531,865.04)
Special education	1,781,550.72	529,286.47			(2,310,837.19)	-	(2,310,837.19)
Other special instruction	92,659.10	26,964.32			(119,623.42)		(119,623.42)
Other instruction	201,019.42	59,599.28			(260,618.70)	-	(260,618.70)
Support services:							
Tuition	586,890.49	-			(586,890.49)	-	(586,890.49)
Student & instruction related services	1,604,511.50	360,460.78		82,992.62	(1,881,979.66)	-	(1,881,979.66)
General administrative services	515,804.61	79,585.85			(595,390.46)	-	(595,390.46)
School administrative service	361,013.63	140,809.17			(501,822.80)	-	(501,822.80)
Central Services and Admin. Infor. Tech.	555,680.46	80,351.73			(636,032.19)		(636,032.19)
Plant operations and maintenance	1,189,694.17	344,810.35			(1,534,504.52)	-	(1,534,504.52)
Pupil transportation	510,442.28	-			(510,442.28)	-	(510,442.28)
Charter School	11,576.00	-			(11,576.00)		(11,576.00)
Interest on long-term debt	766,758.76	-			(766,758.76)		(766,758.76)
Total governmental activities	13,685,179.00	3,235,967.69	-	672,805.18	(16,248,341.51)	-	(16,248,341.51)
Business-type activities:							
Food Service	265,406.75		168,632.16	110,258.44	-	13,483.85	13,483.85
Total business-type activities	265,406.75		168,632.16	110,258.44	-	13,483.85	13,483.85
Total primary government	13,950,585.75		168,632.16	783,063.62	(16,248,341.51)	13,483.85	(16,234,857.66)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					11,298,080.00		11,298,080.00
Taxes levied for debt service					344,276.00		344,276.00
Federal and State aid not restricted					4,272,854.70		4,272,854.70
Investment Earnings					5,395.72	218.65	5,614.37
Miscellaneous Income					275,553.95		275,553.95
Total general revenues, special items, extraordinary items and transfers					16,196,160.37	218.65	16,196,379.02
Change in Net Assets					(52,181.14)	13,702.50	(38,478.64)
Net Assets—beginning					2,125,807.19	86,799.99	2,212,607.18
Net Assets—ending					2,073,626.05	100,502.49	2,174,128.54

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

WANAQUE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	288,079.45		436,290.32	443,889.08	1,168,258.85
Due from other funds	141,059.71				141,059.71
Receivables from other governments	145,890.67	321,519.28			467,409.95
Other Receivable	86,510.23				86,510.23
Other - Tax Levy			181.00		181.00
Restricted cash and cash equivalents	253,839.46				253,839.46
Total assets	915,379.52	321,519.28	436,471.32	443,889.08	2,117,259.20
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash Deficit		242,713.53			242,713.53
Accounts payable	109,892.82	17,257.99	14,079.50		141,230.31
Contracts payable			53,117.62		53,117.62
Due to other funds			141,059.71		141,059.71
Payable to federal government		36,786.00			36,786.00
Payable to state government		24,761.76			24,761.76
Total liabilities	109,892.82	321,519.28	208,256.83	-	639,668.93
Fund Balances:					
Reserved for:					
Encumbrances	99,731.80				99,731.80
Excess Surplus - designated for subsequent year's expenditures	63,454.83				63,454.83
Capital reserve account	3,839.46				3,839.46
Maintance reserve account	250,000.00				250,000.00
Excess Surplus	300,771.96				300,771.96
Unreserved, reported in:					
General fund	87,688.65				87,688.65
Debt Service				443,889.08	443,889.08
Capital projects fund			228,214.49		228,214.49
Total fund balances	805,486.70	-	228,214.49	443,889.08	1,477,590.27
Total liabilities and fund balances	915,379.52	321,519.28	436,471.32	443,889.08	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:	
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(170,904.61)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $25,757,738.69 and the accumulated depreciation is $7,656,945.86.	18,100,792.83
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(17,333,852.44)
Net assets of governmental activities	$ 2,073,626.05

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	11,298,080.00			344,276.00	11,642,356.00
Interest Earned on Capital Reserve Funds	20.98				20.98
Interest on Investments	-		5,374.74		5,374.74
Local Grants		4,347.00			4,347.00
Unrestricted Miscellaneous Revenues	275,553.95				275,553.95
Total - Local Sources	11,573,654.93	4,347.00	5,374.74	344,276.00	11,927,652.67
State sources	3,410,036.70	98,801.04		509,255.00	4,018,092.74
Federal sources	353,563.00	569,657.14			923,220.14
Total revenues	15,337,254.63	672,805.18	5,374.74	853,531.00	16,868,965.55
EXPENDITURES					
Current:					
Regular instruction	4,917,765.30	589,812.56			5,507,577.86
Special education instruction	1,781,550.72				1,781,550.72
Other special instruction	92,659.10				92,659.10
Other instruction	201,019.42				201,019.42
Support services and undistributed costs:					
Tuition	586,890.49				586,890.49
Student & instruction related services	1,540,032.37	82,992.62			1,623,024.99
General administrative services	523,669.54				523,669.54
School administrative services	362,921.77				362,921.77
Central Services and administrative Info. Tech.	555,680.46				555,680.46
Plant operations and maintenance	1,189,694.17				1,189,694.17
Pupil transportation	510,442.28				510,442.28
Unallocated employee benefits	2,872,542.60				2,872,542.60
Charter School	11,576.00				11,576.00
Debt Service:					
Principal				550,899.61	550,899.61
Interest and other charges				772,672.93	772,672.93
Capital outlay	45,395.34		97,607.22		143,002.56
Total expenditures	15,191,839.56	672,805.18	97,607.22	1,323,572.54	17,285,824.50
Excess (Deficiency) of revenues over expenditures	145,415.07	-	(92,232.48)	(470,041.54)	(416,858.95)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In				5,374.54	5,374.54
Operating Transfers Out	-		(5,374.74)		(5,374.74)
Total other financing sources and uses	-	-	(5,374.74)	5,374.54	(0.20)
Net change in fund balances	145,415.07	-	(97,607.22)	(464,667.00)	(416,859.15)
Fund balance—July 1	660,071.63		325,821.71	908,556.08	1,894,449.42
Fund balance—June 30	805,486.70	-	228,214.49	443,889.08	1,477,590.27

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

Exhibit B-3

WANAQUE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (from B-2)		(416,859.15)
of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, on 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 current fiscal year.		
Depreciation expense	$ (498,281.66)	
Capital outlay	143,002.56	
		(355,279.10)
In the statement of activities, certain operating expenses, e.g., compensated absences 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 paid amount exceeds the earned amount the the difference is an addition to the reconciliation (+).		
(Increase)/Decrease in Compensated Absences Payable		134,856.77
Repayment of long-term debt is reported as 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.		
In the current year, these amounts consist of:		
Principal Payments on Capital Leases		28,286.56
Principal Payments on loan Payables		550,899.61
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 change in accrued interest is a increase in the reconciliation.		5,914.17
Change in net assets of governmental activities		(52,181.14)

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	43,258.66
Intergovernmental receivables:	
State Aid	408.10
Federal Aid	7,012.87
Inventories	3,519.71
Total current assets	54,199.34
FIXED ASSETS:	
Furniture, machinery & equipment	109,804.98
Less accumulated depreciation	(45,896.00)
Total fixed assets	63,908.98
TOTAL ASSETS	118,108.32
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	17,605.83
TOTAL CURRENT LIABILITIES	17,605.83
NET ASSETS	
Invested in capital assets net of	
Related debt	63,908.98
Unrestricted	36,593.51
TOTAL NET ASSETS	100,502.49
TOTAL LIABILITIES AND NET ASSETS	118,108.32

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Fund
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	168,452.16
Daily sales - non-reimbursable programs	180.00
Total operating revenues	168,632.16
Operating expenses:	
Cost of sales	121,244.72
Salaries	89,781.76
Employee benefits	27,527.87
Management Fees	9,110.56
General supplies	9,163.30
Depreciation	4,218.00
Repairs	621.00
Miscellaneous	3,739.54
Total operating expenses	265,406.75
Operating loss	(96,774.59)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	4,617.14
State school breakfast program	207.64
Federal sources:	
National school lunch program	79,998.72
National school breakfast program	1,332.40
Special milk program	75.68
Food distribution program	24,026.86
Interest and investment revenue	218.65
Total nonoperating revenues	110,477.09
Net income (loss) before operating transfers	13,702.50
Change in net assets	13,702.50
Total net assets—beginning	86,799.99
Total net assets—ending	100,502.49

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	178,302.04
Payments to employees	(89,781.76)
Payments to suppliers	(190,137.23)
Net cash used for operating activities	(101,616.95)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	4,824.78
Federal Sources	81,406.80
Net cash provided by non-capital financing activities	86,231.58
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	218.65
Net cash provided by investing activities	218.65
Net increase (decrease) in cash and cash equivalents	(15,166.72)
Balances—beginning of year	58,425.38
Balances—end of year	43,258.66
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(96,774.59)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	4,218.00
Food distribution program	24,026.86
(Increase)/ decrease in accounts receivable, net	9,669.88
(Increase)/ decrease in inventories	1,140.39
Increase /(decrease) in accounts payable	(43,897.49)
Total adjustments	(4,842.36)
Net cash used for operating activities	(101,616.95)

Noncash Noncapital Financing Activities:
During the year, the district received $24,026.86 of food commodities from the U.S. Department of Agriculture.

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Unemployment Compensation Trust	Agency Funds
ASSETS		
Cash and cash equivalents	701.14	47,273.75
Interfund Receivable (Agency)	3,751.04	
Total assets	4,452.18	47,273.75
LIABILITIES		
Payable to student groups		27,276.94
Payroll deductions and withholdings		13,016.11
Accrued Salaries and Wages		3,229.66
Interfund Payable (Unemployment)		3,751.04
Total liabilities	-	47,273.75
NET ASSETS		
Held in trust for unemployment claims and other purposes	4,452.18	

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

WANAQUE BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Board Contributions	138,495.81
Plan member	13,458.04
Total Contributions	151,953.85
Investment earnings:	
Interest	34.98
Net investment earnings	34.98
Total additions	151,988.83
DEDUCTIONS	
Unemployment claims	151,495.81
Total deductions	151,495.81
Change in net assets	493.02
Net assets—beginning of the year	3,959.16
Net assets—end of the year	4,452.18

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education ("Board") of the Borough of Wanaque School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wanaque School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The 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 whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Wanaque School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This Statement provides for the most significant change in financial reporting in over twenty years. The Board was required to implement this new model in the 2003-2004 school year. In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures.*

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government, proprietary,* and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. 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 Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America 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.

Special Revenue Fund - The Special Revenue 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 sale of bonds, lease purchases and other revenues.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

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 Board 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 Board has decided that 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 Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include the Unemployment Compensation Insurance Fund.

B. MEASUREMENT FOCUS

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and 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.

E. Encumbrances

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Encumbrances (continued)

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

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include 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. 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.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund" receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of $2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Sites and Improvements	20 years	N/A
Building and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. 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 Board 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 Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Accrued Liabilities and Long-term Obligations (continued)

financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balance Reserves

The Board reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, maintenance reserve, capital reserve, and excess surplus.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service and program fees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Contributed Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensating absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

U. Use of Estimates

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2010, $-0- of the District's bank balance of $1,556,848.61 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statues. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The district places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2010 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Activities	Business Type Activities	District Wide Financial Statements
Tax Levy	181.00		181.00
State Aid	417,052.14	408.10	417,460.24
Federal Aid	50,357.81	7,012.87	57,370.68
Other	86,510.23	-	86,510.23
Interfunds	141,059.71	-	-
Gross Receivables	695,160.89	7,420.97	561,522.15
Less Allowance for Uncollectables	-	-	-
Total Receivables Net	695,160.89	7,420.97	561,522.15

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2010 consist of the following:

Due to Agency from Expendable Trust Fund for the 4th quarter SUI Money received in Agency account.	$ 3,751.04
Due to General Fund from the Capital Projects Fund for expenditures made.	141,059.71
	$144,810.75

Interfund transfers for the year ended June 30, 2010 consisted of the following:

$5,374.54 from the capital projects fund to the debt service fund representing interest earnings in the capital projects fund.

It is anticipated that all interfunds will be liquidated during the next fiscal year.

NOTE 6. CAPITAL ASSETS

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

	Balance 6/30/09	Additions	Deductions	Balance 6/30/10
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	0.00	0.00	0.00	0.00
Construction in Progress	17,231,359.29	97,607.22	0.00	17,328,966.51
Total Capital Assets Not Being Depreciated	17,231,359.29	97,607.22	0.00	17,328,966.51
Capital Assets Being Depreciated				
Building and Building Improvements	5,426,181.00	0.00	0.00	5,426,181.00
Machinery and Equipment	2,957,195.84	45,395.34	0.00	3,002,591.18
Total Capital Assets Being Depreciated, Net	8,383,376.84	45,395.34	0.00	8,428,772.18
Less Accumulated Depreciation:				
Building and Improvements	(4,567,026.30)	(455,410.00)	0.00	(5,022,436.30)
Equipment	(2,591,637.90)	(42,871.66)	0.00	(2,634,509.56)
Total Accumulated Depreciation	(7,158,664.20)	(498,281.66)	0.00	(7,656,945.86)
Total Capital Assets, Being Depreciated, Net	1,224,712.64	(452,886.32)	0.00	771,826.32
Governmental Activities, Capital Assets, Net	18,456,071.93	(355,279.10)	0.00	18,100,792.83
Business-Type Activity				
Food Services	109,804.98	0.00	0.00	109,804.98
Totals	109,804.98	0.00	0.00	109,804.98
Less Accumulated Depreciation - Food Services	(41,678.00)	(4,218.00)	0.00	(45,896.00)
Total Accumulated Depreciation	(41,678.00)	(4,218.00)	0.00	(45,896.00)
Business-Type Activity Capital Assets, Net	68,126.98	(4,218.00)	0.00	63,908.98

NOTE 6. CAPITAL ASSETS (continued)

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

Depreciation expense was charged to functions as follows:

Instruction:

Regular Education	$268,024.66
Special Education	1,484.00
Student and Instruction Related Services	306.00
School Administration	39,034.00
General Administration	2,150.00
Plant Operations and Maintenance	187,283.00
Total Depreciation Expense	$498,281.66

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2010 are as follows:

	Balance June 30, 2009	Issued	Retired	Balance June 30, 2010	Due Within One Year
Capital Lease payable	$ 98,002.63	$	$ 28,286.56	$ 69,716.07	$ 28,027.63
Compensated absences payable	336,426.77	36,593.32	171,450.09	201,570.00	
Loans Payable	272,465.98		50,899.61	221,566.37	52,593.20
EDA Loan Payable	17,341,000.00		500,000.00	16,841,000.00	540,000.00
	$18,047,895.38	$36,593.32	$750,636.26	$17,333,852.44	$620,620.83

A. Bonds Payable:

Bonds are authorized in accordance with State Law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are General Obligation Bonds. Outstanding Bonds Payable at June 30, 2010 consisted of the following:

Issue	Issue Date	Amount Issued	Interest Rates	Date of Maturity	Principal Balance at June 30, 2010
School Bonds of 2006	6/01/06	$18,276,000.00	4.375 - 4.500%	9/01/31	$16,841,000.00

NOTE 7. LONG-TERM OBLIGATION ACTIVITY (continued)

Fiscal Year	Principal	Interest	Total
2011	540,000.00	738,763.76	1,278,763.76
2012	575,000.00	714,373.13	1,289,373.13
2013	585,000.00	688,998.13	1,273,998.13
2014	600,000.00	663,076.26	1,263,076.26
2015	650,000.00	635,732.51	1,285,732.51
2016-2020	3,640,000.00	2,719,021.88	6,359,021.88
2021-2025	4,065,000.00	1,855,237.50	5,920,237.50
2026-2030	4,410,000.00	901,350.00	5,311,350.00
2031-2033	1,776,000.00	79,380.00	1,855,380.00
	16,841,000.00	8,995,933.17	25,836,933.17

B. Public School Facilities Loan Payable:

Fiscal Year	Principal	Interest	Total
2011	52,593.20	8,845.69	61,438.89
2012	54,374.31	6,440.34	60,814.65
2013	56,291.60	3,937.21	60,228.81
2014	58,307.26	1,330.15	59,637.41
	221,566.37	20,553.39	242,119.76

C. Capital Leases

The District is leasing copier equipment totaling $135,798.45 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2010.

NOTE 7. LONG-TERM OBLIGATION ACTIVITY (continued)

Year Ending June 30,	Amount
2011	$ 31,579.56
2012	25,072.56
2013	19,086.30
Total Minimum Lease Payments	75,738.42
Less: Amount representing interest	(6,022.35)
Present Value of net minimum lease	$ 69,716.07

Maturities of capital leases payable are as follows:

Year Ending June 30,	Amount
2011	$28,027.63
2012	23,144.09
2013	18,544.35
	$69,716.07

NOTE 8. PENSION PLANS

Description of Plans- All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

NOTE 8. PENSION PLANS (continued)

Teachers' Pensions and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of *N.J.S.A.* 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of *N.J.S.A.* 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey of any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set be *N.J.S.A.* 43:15A and 43.3B, and *N.J.S.A.* 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medial benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contribution and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other that the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more that 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more that 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

NOTE 8. PENSION PLANS (continued)

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% of PERS and 5.0% for TPAF of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year Ending	
6/30/10	$123,299.00
6/30/09	103,775.00
6/30/08	65,423.20

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

Year Ending	Pension Contributions	Post-Retirement Medical Contributions	NCGI Premium
6/30/10	$ -	$441,379.00	$23,501.00
6/30/09	-	427,635.00	22,416.00
6/30/08	491,815.00	429,416.00	22,867.00

NOTE 8. PENSION PLANS (continued)

During the year ended June 30, 2010, the State of New Jersey contributed $464,880.00 to the TPAF for NCGI premium contributions and post-retirement medical benefits on behalf of the Board, $23,501.00 for NCGI premium contributions and $441,379.00 for post-retirement medical benefits. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $553,985.70 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. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (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 P.L. 1994 Chapter 62. 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 is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2009, the State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metlife
The Equitable
Lincoln Financial Group
ResourceValic
Siracusa Benefits Program

NOTE 11. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2009-2010	$138,530.79	$13,458.04	$151,495.81	$ 4,452.18
2008-2009	12,788.16	27,869.83	73,525.31	3,959.16
2007-2008	10,630.89	12,337.14	30,867.72	36,826.48

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Wanaque Board of Education by inclusion of $100.00 on October 10, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

NOTE 12. CAPITAL RESERVE ACCOUNT (continued)

The activity of the capital reserve for July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	$3,818.48
Interest earnings	20.98
Ending balance June 30, 2010	$3,839.46

NOTE 13. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 23, 2009 in the amount of $25,000.00. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The balance at June 30, 2010 is $250,000.00.

NOTE 14. INVENTORY

Inventory on the Food Service Fund at June 30, 2010 consisted of the following:

Food	$2,820.43
Supplies	699.28
	$3,519.71

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended, 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 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 $364,226.79, of this amount $300,771.96 is the result of current year's operations.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the $805,486.70 General Fund fund balance at June 30, 2010, $99,731.80 is reserved for encumbrances, $364,226.79 is reserved as excess surplus in accordance with *N.J.S.A.* 18A:7F-7 $(63,454.83) of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010; $3,839.46 has been reserved in the Capital Reserve Account, $250,000.00 has been reserved in the Maintenance Reserve Account, $36,545.17 has been appropriated and included as anticipated revenue for the year ended June 30, 2010, and $87,688.65 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2010 of $443,889.08 is unreserved and undesignated.

NOTE 17. CONTINGENT LIABILITIES

Counsel has advised us that there are no material litigation claims or assessments.

REQUIRED SUPPLEMENTARY STATEMENTS
PART II

BUDGETARY COMPARISON SCHEDULE

WANAQUE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	11,298,080.00		11,298,080.00	11,298,080.00	-
Interest Earned on Capital Reserve Funds	35.00		35.00	20.98	(14.02)
Unrestricted Miscellaneous Revenues	65,000.00		65,000.00	275,553.95	210,553.95
Total - Local Sources	11,363,115.00	-	11,363,115.00	11,573,654.93	210,539.93
State Sources:					
Categorical Transportation Aid	183,852.00		183,852.00	119,504.00	(64,348.00)
Categorical Special Education Aid	524,877.00		524,877.00	524,877.00	-
Equalization Aid	1,595,020.00		1,595,020.00	1,591,103.00	(3,917.00)
Categorical Security Aid	100,136.00		100,136.00	65,088.00	(35,048.00)
Extradordinary Aid	85,000.00		85,000.00	111,626.00	26,626.00
Non Public Transportation Aid			-	6,656.00	6,656.00
On-behalf TPAF NCGI Premium (non-budget)			-	23,501.00	23,501.00
On-behalf TPAF Post Retirment Medical (non-budget)			-	441,379.00	441,379.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	553,985.70	553,985.70
Total State Sources	2,488,885.00	-	2,488,885.00	3,437,719.70	948,834.70
Federal Sources:					
Medicaid Reimbursement	10,805.00	-	10,805.00		(10,805.00)
ARRA - ESF		340,386.00	340,386.00	340,386.00	-
ARRA - GSF		13,177.00	13,177.00	13,177.00	-
Total Federal Sources	10,805.00	353,563.00	364,368.00	353,563.00	(10,805.00)
Total Revenues	13,862,805.00	353,563.00	14,216,368.00	15,364,937.63	1,148,569.63
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	373,799.00	399,856.00	773,655.00	773,655.00	-
Grades 1-5 - Salaries of Teachers	2,423,824.00	81,644.77	2,505,468.77	2,505,468.77	-
Grades 6-8 - Salaries of Teachers	1,215,777.00	32,620.00	1,248,397.00	1,230,810.20	17,586.80
Regular Programs - Home Instruction:		-			
Salaries of Teachers	15,000.00	-	15,000.00	10,412.50	4,587.50
Regular Programs - Undistributed Instruction		-		-	
Other Purchased Services (400-500 series)	40,500.00	-	40,500.00	22,571.89	17,928.11
General Supplies	238,492.87	(11,441.09)	227,051.78	201,417.91	25,633.87
Textbooks	307,353.72	(12,055.64)	295,298.08	161,336.45	133,961.63
Other Objects	8,500.00	6,332.58	14,832.58	12,092.58	2,740.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,623,246.59	496,956.62	5,120,203.21	4,917,765.30	202,437.91
Learning and/or Language Disabilities:					
Salaries of Teachers	140,212.00	12,483.52	152,695.52	152,695.52	-
Other Salaries for Instruction	48,927.00	38,222.36	87,149.36	87,149.36	-
General Supplies	1,747.00	(93.87)	1,653.13	948.58	704.55
Other Objects	280.00	(280.00)			-
Total Learning and/or Language Disabilities	191,166.00	50,332.01	241,498.01	240,793.46	704.55
Behavioral Disabilities:					
Salaries of Teachers	49,282.00	713.00	49,995.00	49,995.00	-
Other Salaries for Instruction	24,463.00	23,192.62	47,655.62	47,655.62	-
General Supplies	960.00	-	960.00	270.98	689.02
Total Behavioral Disabilities	74,705.00	23,905.62	98,610.62	97,921.60	689.02
Resource Room/Resource Center:					
Salaries of Teachers	956,774.00	(57,721.27)	899,052.73	898,630.42	422.31
Other Salaries for Instruction	244,635.00	(33,657.38)	210,977.62	207,080.05	3,897.57
General Supplies	6,177.00	(95.26)	6,081.74	5,533.25	548.49
Total Resource Room/Resource Center	1,207,586.00	(91,473.91)	1,116,112.09	1,111,243.72	4,868.37
Autism:					
Salaries of Teachers	122,025.00	1,465.00	123,490.00	123,490.00	-
Other Salaries for Instruction	73,391.00	50,013.75	123,404.75	123,404.75	-
General Supplies	1,888.00	(37.73)	1,850.27	1,850.27	-
Total Autism	197,304.00	51,441.02	248,745.02	248,745.02	-
Preschool Disabilities - Part-Time:					
Salaries of Teachers	69,743.00	752.00	70,495.00	70,495.00	-
Other Salaries for Instruction	61,822.00	(49,968.00)	11,854.00	11,853.96	0.04
General Supplies	502.00	-	502.00	497.96	4.04
Total Preschool Disabilities - Part-Time	132,067.00	(49,216.00)	82,851.00	82,846.92	4.08
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,802,828.00	(15,011.26)	1,787,816.74	1,781,550.72	6,266.02

WANAQUE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	80,419.00	10,131.73	90,550.73	90,550.73	-
General Supplies	2,118.00	(6.93)	2,111.07	2,108.37	2.70
Total Basic Skills/Remedial - Instruction	82,537.00	10,124.80	92,661.80	92,659.10	2.70
School-Spon. Co/Extra-Curr Activities - Instruction					
Salaries	87,253.00	4,467.00	91,720.00	91,720.00	-
Purchased Services (300-500 Series)	3,000.00	-	3,000.00		3,000.00
Supplies and Materials	6,056.00	(2,895.50)	3,160.50	875.00	2,285.50
Total School-Spon. Co/Extra Curr. Activities - Instruction	96,309.00	1,571.50	97,880.50	92,595.00	5,285.50
Summer School - Inst.					
Salaries of Teachers	69,776.00	14,611.46	84,387.46	84,387.46	-
Other Salaries of Instruction	23,520.00	516.96	24,036.96	24,036.96	-
General Supplies	1,000.00	(1,000.00)			-
Total Summer School - Inst.	94,296.00	14,128.42	108,424.42	108,424.42	-
Total Instruction	6,699,216.59	507,770.08	7,206,986.67	6,992,994.54	213,992.13
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Special	173,700.00	(12,537.32)	161,162.68	161,162.68	-
Tuition to Private School for Disabled w/in State	372,074.00	70,469.15	442,543.15	425,727.81	16,815.34
Total Undistributed Expenditures - Instruction:	545,774.00	57,931.83	603,705.83	586,890.49	16,815.34
Undist. Expend. - Health Services					
Salaries	146,987.00	3,268.00	150,255.00	148,442.60	
Purchased Professional and Technical Services	6,750.00	(6,450.00)	300.00	300.00	-
Supplies and Materials	3,684.00	106.54	3,790.54	3,790.54	-
Total Undistributed Expenditures - Health Services	157,421.00	(3,075.46)	154,345.54	152,533.14	1,812.40
Undist. Expend.- Speech, OT,PT, Related Services					
Salaries	228,327.00	4,019.00	232,346.00	232,346.00	-
Supplies and Materials	2,648.00	(798.43)	1,849.57	1,849.57	-
Total Undist. Expend.- Speech, OT, PT, Related Services	230,975.00	3,220.57	234,195.57	234,195.57	-
Undist. Expend.- Guidance					-
Salaries of Other Professional Staff	150,517.00	1,973.00	152,490.00	152,490.00	-
Supplies and Materials	2,824.00	(48.01)	2,775.99	2,775.99	-
Other Objects	27,527.58	15,000.00	42,527.58	33,034.82	9,492.76
Total Undist. Expend.- Guidance	180,868.58	16,924.99	197,793.57	188,300.81	9,492.76
Undist. Expend.- Child Study Team					
Salaries of Other Professional Staff	268,582.00	26,688.30	295,270.30	267,272.80	27,997.50
Salaries of Secretarial and Clerical Assistants	47,240.00	712.96	47,952.96	47,169.96	783.00
Purchased Professional - Educational Services	135,880.00	32,436.96	168,316.96	167,500.18	816.78
Other Purchased Prof. And Tech. Services	45,000.00	(1,704.56)	43,295.44	43,295.44	-
Misc Purchased Services (400-500 series O /than Resid Costs)	3,000.00	(13.86)	2,986.14	2,956.34	29.80
Supplies and Materials	2,103.68	4,084.17	6,187.85	6,173.92	13.93
Total Undist. Expend.- Child Study Team	501,805.68	62,203.97	564,009.65	534,368.64	29,641.01
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	108,377.00	12,610.58	120,987.58	116,143.83	4,843.75
Salaries of Secretarial and Clerical Assistants	40,559.00	457.00	41,016.00	41,016.00	-
Purchased Professional - Educational Services	31,500.00	10,710.00	42,210.00	42,210.00	-
Other Purchased Services (400-500)	4,629.00	(4,433.70)	195.30	195.30	-
Supplies and Materials	6,322.00	(3,906.01)	2,415.99	2,415.99	-
Total Undist. Expend. - Improvement of Inst. Serv.	191,387.00	15,437.87	206,824.87	201,981.12	4,843.75
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	201,815.00	2,764.28	204,579.28	204,579.28	-
Purchased Profession and Technical Services	4,826.00	-	4,826.00	4,000.60	825.40
Other Purchased Services (400-500 Series)	18,276.00	513.28	18,789.28	17,965.36	823.92
Supplies and Materials	1,153.15	(1,153.15)			-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	226,070.15	2,124.41	228,194.56	226,545.24	1,649.32
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Services (400-500 series)	10,322.00	(7,963.88)	2,358.12	2,107.85	250.27
Total Undist. Expend. - Instructional Staff Training Serv.	10,322.00	(7,963.88)	2,358.12	2,107.85	250.27
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	261,082.00	(1,039.36)	260,042.64	260,042.64	-
Legal Services	60,000.00	66,218.44	126,218.44	126,218.44	-
Audit Fees	26,500.00	(8,735.00)	17,765.00	17,765.00	-
Architectural/Engineering Services	10,000.00				
Other Purchased Professional Services	42,230.00	(34,564.08)	7,665.92	7,665.92	-
Communications/Telephone	52,926.00	(1,739.94)	51,186.06	42,713.06	8,473.00

WANAQUE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
BOE Other Purchased Services	6,000.00	(3,452.92)	2,547.08	2,547.08	-
Other Purchased Services (400-500 series)	43,019.98	7,916.73	50,936.71	50,936.71	-
General Supplies	2,000.00	1,961.75	3,961.75	3,961.75	-
Miscellaneous Expenditures	3,000.00	(260.06)	2,739.94	2,739.94	-
BOE Membership Dues and Fees	8,000.00	1,079.00	9,079.00	9,079.00	-
Total Undist. Expend. - Supp. Serv. - General Admin.	514,757.98	17,384.56	532,142.54	523,669.54	8,473.00
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	193,994.00	(13,619.16)	180,374.84	180,374.84	-
Salaries of Secretarial and Clerical Assistants	141,080.00	16,265.81	157,345.81	157,345.81	-
Other Salaries	5,000.00	(942.49)	4,057.51	4,057.51	-
Other Purchased Services (400-500 series)	7,000.00	9,753.27	16,753.27	16,753.27	-
Supplies and Materials	10,880.00	(6,719.25)	4,160.75	4,160.75	-
Other Objects	9,188.00	(8,958.41)	229.59	229.59	-
Total Undist. Expend. - Support Serv. - School Admin.	367,142.00	(4,220.23)	362,921.77	362,921.77	-
Undist. Expend. - Central Services:					
Salaries	299,043.00	(29,208.35)	269,834.65	269,834.65	-
Purchased Technical Services	56,833.34	(1,341.34)	55,492.00	46,142.00	9,350.00
Miscellaneous Purchased Services (400-500 Series)	4,000.00	4,831.62	8,831.62	8,831.62	-
Supplies and Materials	6,200.00	(971.90)	5,228.10	4,879.06	349.04
Miscellaneous Expenditures	1,000.00		1,000.00		1,000.00
Total Undist. Expend. - Central Services:	367,076.34	(26,689.97)	340,386.37	329,687.33	10,699.04
Undist. Expend. - Administration Info. Tech.					
Purchased Professional Services	113,400.00	(15,584.06)	97,815.94	87,999.97	9,815.97
Purchased Technincial Services			59,233.34	52,560.09	6,673.25
Other Purchased Services (400-500 series)	80,570.00	-	80,570.00	76,379.35	4,190.65
Supplies and Materials	9,868.00	-	9,868.00	7,044.31	2,823.69
Other Objects	3,278.00	-	3,278.00	2,009.41	1,268.59
Total Undist. Expend. - Administration Info. Tech.	207,116.00	43,649.28	250,765.28	225,993.13	24,772.15
Undist. Expend. - Expend. Required Maint. School Facilities					
Salaries	71,438.00	1,164.46	72,602.46	72,602.46	-
Cleaning, Repair and Maintenance Services	23,000.00	13,576.73	36,576.73	17,396.83	19,179.90
Total Undist. Expend. - Expend. Required Maint. School Facilities	94,438.00	14,741.19	109,179.19	89,999.29	19,179.90
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	181,741.00	11,322.25	193,063.25	191,899.24	1,164.01
Cleaning, Repair and Maintenance Services	442,531.00	(2,460.20)	440,070.80	440,070.80	-
Other Purchased Property Services	15,950.00	1,024.46	16,974.46	15,417.00	1,557.46
Insurance	73,000.00	(785.10)	72,214.90	72,214.90	-
Miscellaneous Purchased Services	23,600.00	8,371.27	31,971.27	31,971.27	-
General Supplies	48,148.92	25,098.22	73,247.14	73,247.14	-
Energy (Energy and Electricity)	203,000.00	(79,581.22)	123,418.78	71,782.32	51,636.46
Energy (Natural Gas)	137,000.00	63,824.26	200,824.26	200,824.26	-
Other objects	6,682.00	(6,382.00)	300.00	300.00	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,131,652.92	20,431.94	1,152,084.86	1,097,726.93	54,357.93
Undist, Expend. - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	8,000.00		8,000.00	1,967.95	6,032.05
Total Undist. Expend. Care & Upkeep	8,000.00	-	8,000.00	1,967.95	6,032.05
Undist. Expend - Security					
General Supplies	3,000.00				-
Total Undist. Expend. Security	3,000.00	-	-	-	-
Total Undist. Expend. - Oper. & Maint. Plant Services	1,237,090.92	32,173.13	1,269,264.05	1,189,694.17	79,569.88
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Trans. Program	10,107.00	(4,153.65)	5,953.35		5,953.35
Contracted Services - (Bet. Home and Sch) - Joint Agreements	77,116.00	908.85	78,024.85	78,024.85	-
Contracted Services - (Sp Ed Stds) - Joint Agreements	136,041.00	-	136,041.00	135,605.94	435.06
Contract Services - (Reg. Students) - ESCs & CTSAS	-	3,244.80	3,244.80	3,244.80	-
Contract Services - (Spl.Ed. Students) - ESCs & CTSAs	292,670.00	-	292,670.00	266,806.00	25,864.00
Contract Services - Aid in Lieu Pymts - Nonpublic Schools	30,940.00	-	30,940.00	26,760.69	4,179.31
Total Undist. Expend. - Student Transportation Serv.	546,874.00	0.00	546,874.00	510,442.28	36,431.72
UNALLOCATED BENEFITS- EMPLOYEE BENEFITS					
Group Insurance	4,800.00	-	4,800.00	4,050.42	749.58
Social Security Contributions	147,000.00	-	147,000.00	142,465.44	4,534.56
T.P.A.F. Contributions - ERIP	48,000.00	-	48,000.00	36,013.30	11,986.70
Other Retirement Contributions - Regular	86,000.00	37,354.00	123,354.00	123,299.03	54.97
Unemployment Compensation	128,600.00	10,269.31	138,869.31	138,869.31	-
Workmen's Compensation	105,000.00	(20,074.90)	84,925.10	77,228.41	7,696.69
Health Benefits	1,692,851.00	(433,726.15)	1,259,124.85	1,256,534.90	2,589.95
Tuition Reimbursement	37,500.00	-	37,500.00	35,911.84	1,588.16
Other Employee Benefits	5,000.00	34,304.25	39,304.25	39,304.25	-

WANAQUE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNALLOCATED BENEFITS	2,254,751.00	(371,873.49)	1,882,877.51	1,853,676.90	29,200.61
On-behalf TPAF NCGI Premium (non-budget)				23,501.00	(23,501.00)
On-behalf TPAF Post Retirment Medical (non-budget)				441,379.00	(441,379.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				553,985.70	(553,985.70)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,018,865.70	(1,018,865.70)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,254,751.00	(371,873.49)	1,882,877.51	2,872,542.60	(989,665.09)
TOTAL UNDISTRIBUTED EXPENDITURES	7,539,431.65	(162,772.42)	7,376,659.23	8,141,873.68	(765,214.45)
TOTAL GENERAL CURRENT EXPENSE	14,238,648.24	344,997.66	14,583,645.90	15,134,868.22	(551,222.32)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	35.00	(35.00)	-		-
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	28,945.00		28,945.00	28,945.00	-
Undist. Expenditures - Instruction		13,155.34	13,155.34	13,155.34	-
Undist. Expend. - Care and Upkeep of Grounds		3,295.00	3,295.00	3,295.00	-
Total Equipment	28,945.00	16,450.34	45,395.34	45,395.34	-
Facilities Acquisition and Construction Services					
Infrastructure	35,000.00		35,000.00		35,000.00
Total Facilities Acquisition and Construction Services	35,000.00	-	35,000.00	-	35,000.00
TOTAL CAPITAL OUTLAY	63,980.00	16,415.34	80,395.34	45,395.34	35,000.00
Transfer of funds to Charter School	19,426.00	(7,850.00)	11,576.00	11,576.00	
TOTAL EXPENDITURES	14,322,054.24	353,563.00	14,675,617.24	15,191,839.56	(516,222.32)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(459,249.24)	(0.00)	(459,249.24)	173,098.07	632,347.31
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(459,249.24)	(0.00)	(459,249.24)	173,098.07	632,347.31
Fund Balance, July 1	556,643.40		556,643.40	897,986.63	341,343.23
Fund Balance, June 30	97,394.16	(0.00)	97,394.16	1,071,084.70	973,690.54
Recapitulation of excess (deficiency of revenues under expenditures:					
Adjustment for prior year encumbrances	(122,678.24)		(122,678.24)	(122,678.24)	
Budgeted fund balance	(561,606.00)		(561,606.00)	70,755.33	632,361.33
Increase in Maintenance Reserve Account	225,000.00		225,000.00	225,000.00	
Increase in capital reserve:					
Interest	35.00		35.00	20.98	(14.02)
	(459,249.24)	-	(459,249.24)	173,098.07	632,347.31

Recapitulation:	
Reserve for Encumbrances	99,731.80
Unrestricted - Designated for Subsequent Year's Expenditures	36,545.17
Excess Surplus - Designated for Subsequent Year's Expenditures	63,454.83
Reserve for Excess Surplus	300,771.96
Maintenance Reserve	250,000.00
Capital Reserve Account	3,839.46
Unreserved Fund Balance	316,741.48
	1,071,084.70
Reconciliation to Government Fund Statements (GAAP):	
Less: State Aid Payment not Recognized on GAAP Basis	(265,598.00)
Fund Balance per Governmental Funds (GAAP)	805,486.70

WANAQUE BOROUGH SCHOOL DISTRICT
AMERICAN RECOVERY AND REINVESTMENT ACT - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
ARRA - ESF		340,386.00	340,386.00	340,386.00	-
ARRA - GSF		13,177.00	13,177.00	13,177.00	-
Total Federal Sources	-	353,563.00	353,563.00	353,563.00	-
Total Revenues	-	353,563.00	353,563.00	353,563.00	-
EXPENDITURES:					
ARRA Funds:					
Regular Programs - Instruction					
ARRA - ESF					
Grades 1-5 - Salaries of Teachers		340,386.00	340,386.00	340,386.00	-
ARRA - GSF					
Grades 1-5 - Salaries of Teachers		13,177.00	13,177.00	13,177.00	
TOTAL REGULAR PROGRAMS - INSTRUCTION	-	353,563.00	353,563.00	353,563.00	-

Exhibit C-2

WANAQUE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	4,465.00		4,465.00	4,347.00	(118.00)
State Sources	60,000.00	69,481.00	129,481.00	98,801.04	(30,679.96)
Federal Sources	322,147.00	398,466.10	720,613.10	606,155.38	(114,457.72)
Total Revenues	386,612.00	467,947.10	854,559.10	709,303.42	(145,255.68)
EXPENDITURES:					
Instruction					
Personal Services - Salaries	118,278.00	47,358.00	165,636.00	135,633.45	30,002.55
Other Salaries for Instruction		22,320.00	22,320.00	22,320.00	-
Purchased prof. & tech. services	35,000.00	71,978.00	106,978.00	76,335.92	30,642.08
Other Purchased Services	203,869.00	131,372.00	335,241.00	322,356.52	12,884.48
General Supplies		63,341.00	63,341.00	61,979.26	1,361.74
Textbooks	10,000.00	(1,993.00)	8,007.00	7,973.41	33.59
Total Instruction	367,147.00	334,376.00	701,523.00	626,598.56	74,924.44
Support Services					
Personal Services - Employee Benefits		33,127.00	33,127.00	4,427.00	28,700.00
Purchased prof. Ed. Services	15,000.00	100,320.10	115,320.10	73,930.86	41,389.24
Supplies and Materials	4,465.00	124.00	4,589.00	4,347.00	242.00
Total Support Services	19,465.00	133,571.10	153,036.10	82,704.86	70,331.24
Total Expenditures	386,612.00	467,947.10	854,559.10	709,303.42	145,255.68
Total Outflows	386,612.00	467,947.10	854,559.10	709,303.42	145,255.68
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

Exhibit C-3

WANAQUE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures.

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	15,364,937.63	709,303.42
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: Prior Year Encumbrances			287.76
Less: Current Year Encumbrances			(36,786.00)
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 (GASB 33).			
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(265,598.00)	
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		237,915.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - government funds.	[B-2]	15,337,254.63	672,805.18
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	15,191,839.56	709,303.42
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add: Prior Year Encumbrances			287.76
Less: Current Year Encumbrances			(36,786.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - government funds.	[B-2]	15,191,839.56	672,805.18

OTHER SUPPLEMENTARY INFORMATION

Exhibit E-1

WANAQUE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Total Brought Forward From (Ex. E-1a)	Title I Part - A Improving Basic Program	Title II Part - A Teacher / Principal Training & Recruiting	Title II Part - A Teacher / Principal Training & Recruiting Carryover	Title II Part - D Enhancing Technology thru Educ.	Title II Part - D Enhancing Technology thru Educ. Carryover	Title IV Safe & Drug Free Schools	Title IV Safe & Drug Free Schools Carryover	Totals 2010
REVENUES:									
Federal sources	477,380.02	85,212.00	14,477.02	24,463.02	930.00	51.98	2,776.00	865.34	606,155.38
State sources	98,801.04								98,801.04
Local sources	4,347.00								4,347.00
Total Revenues	580,528.06	85,212.00	14,477.02	24,463.02	930.00	51.98	2,776.00	865.34	709,303.42
EXPENDITURES:									
Instruction:									
Personal Services - Salaries	52,591.45	83,042.00							135,633.45
Other Salaries for Instruction	22,320.00								22,320.00
Purchased prof. & tech. services	76,335.92								76,335.92
Other Purchased Services	322,356.52								322,356.52
Textbooks	7,973.41								7,973.41
General supplies	59,129.26	2,170.00			680.00				61,979.26
Total instruction	540,706.56	85,212.00	-	-	680.00	-	-	-	626,598.56
Support Services:									
Personnel services - employee benefits	4,427.00								4,427.00
Purchased prof. Ed. Services	31,047.50		14,477.02	24,463.02	250.00	51.98	2,776.00	865.34	73,930.86
Supplies and Materials	4,347.00								4,347.00
Total support services	39,821.50	-	14,477.02	24,463.02	250.00	51.98	2,776.00	865.34	82,704.86
Total Expenditures	580,528.06	85,212.00	14,477.02	24,463.02	930.00	51.98	2,776.00	865.34	709,303.42
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-

Exhibit E-1a

WANAQUE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Total Brought Forward From (Ex. E-1b)	Title I ARRA	I.D.E.A. Part B				Total Carried Forward To (Ex. E-1)
			Basic	Basic Carryover	Preschool	Preschool Carryover	
REVENUES:							
Federal sources	196,246.75	29,020.95	232,621.54	5,894.78	13,586.00	10.00	477,380.02
State sources	98,801.04						98,801.04
Local sources	4,347.00						4,347.00
Total Revenues	299,394.79	29,020.95	232,621.54	5,894.78	13,586.00	10.00	580,528.06
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	27,997.50	24,593.95					52,591.45
Other Salaries for Instruction	8,734.00				13,586.00		22,320.00
Purchased prof. & tech. services	76,335.92						76,335.92
Other Purchased Services	89,734.98		232,621.54				322,356.52
Textbooks	7,973.41						7,973.41
General supplies	59,119.26					10.00	59,129.26
Total instruction	269,895.07	24,593.95	232,621.54	-	13,586.00	10.00	540,706.56
Support Services:							
Personnel services - employee benefits	-	4,427.00					4,427.00
Purchased prof. Ed. Services	25,152.72			5,894.78			31,047.50
Supplies and Materials	4,347.00						4,347.00
Total support services	29,499.72	4,427.00	-	5,894.78	-	-	39,821.50
Total Expenditures	299,394.79	29,020.95	232,621.54	5,894.78	13,586.00	10.00	580,528.06
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

WANAQUE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Total Brought Forward From (Ex. E-1c)	ARRA		Nonpublic Textbooks	Nonpublic Nursing Services	Chapter 192 - Auxiliary Services		Total Carried Forward To (Ex. E-1a)
		Basic	Preschool			Nonpublic Comp. Ed	Nonpublic Trans.	
REVENUES:								
Federal sources	-	187,512.75	8,734.00					196,246.75
State sources	33,981.69			7,973.41	9,491.71	34,453.23	12,901.00	98,801.04
Local sources	4,347.00							4,347.00
Total Revenues	38,328.69	187,512.75	8,734.00	7,973.41	9,491.71	34,453.23	12,901.00	299,394.79
EXPENDITURES:								
Instruction:								
Personal Services - Salaries	-	27,997.50						27,997.50
Other Salaries for Instruction	-		8,734.00					8,734.00
Purchased prof. & tech. services	28,981.69					34,453.23	12,901.00	76,335.92
Other Purchased Services	-	89,734.98						89,734.98
Textbooks				7,973.41				7,973.41
General supplies	-	59,119.26						59,119.26
Total instruction	28,981.69	176,851.74	8,734.00	7,973.41	-	34,453.23	12,901.00	269,895.07
Support Services:								
Personnel services - employee benefits	-							-
Purchased prof. Ed. Services	5,000.00	10,661.01			9,491.71			25,152.72
Supplies and Materials	4,347.00							4,347.00
Total support services	9,347.00	10,661.01	-	-	9,491.71	-	-	29,499.72
Total Expenditures	38,328.69	187,512.75	8,734.00	7,973.41	9,491.71	34,453.23	12,901.00	299,394.79
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1c

WANAQUE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Ch. 193 - Handicapped Services						
	Nonpublic Exam. & Class.	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic Home Instruction	Nonpublic Technology Aid	Safety Grant	Total Carried Forward To (Ex. E-1b)
REVENUES:							
Federal sources							-
State sources	9,870.54	7,621.95	10,751.40	737.80	5,000.00		33,981.69
Local sources						4,347.00	4,347.00
Total Revenues	9,870.54	7,621.95	10,751.40	737.80	5,000.00	4,347.00	38,328.69
EXPENDITURES:							
Instruction:							
Personal Services - Salaries							-
Other Salaries for Instruction							-
Purchased prof. & tech. services	9,870.54	7,621.95	10,751.40	737.80			28,981.69
Other Purchased Services							-
Textbooks							-
General supplies							-
Total instruction	9,870.54	7,621.95	10,751.40	737.80	-	-	28,981.69
Support Services:							
Personnel services - employee benefits							-
Purchased prof. Ed. Services					5,000.00		5,000.00
Supplies and Materials						4,347.00	4,347.00
Total support services	-	-	-	-	5,000.00	4,347.00	9,347.00
Total Expenditures	9,870.54	7,621.95	10,751.40	737.80	5,000.00	4,347.00	38,328.69
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

Exhibit F-1

WANAQUE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenue and Other Financing Sources	
Interest Earned on Investments	5,374.74
Total Revenues	5,374.74
Expenditures and Other Financing Uses:	
Construction services	76,064.22
Equipment Purchases	21,543.00
Total Expenditures	97,607.22
Excess (deficiency) of revenue over (under) expenditures	(92,232.48)
Other Financing Sources/(Uses)"	
Operating Transfer Out:	
Interest transferred to Debt Service	5,374.74
Total Other Financing Sources/(Uses):	5,374.74
Fund balance - beginning	325,821.71
Fund balance - ending	228,214.49

WANAQUE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
AND PROJECT STATUS - BUDGETARY BASIS
HASKELL ELEMENTARY IMPROVEMENTS & BUILDING SYSTEMS UPGRADING
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Re-Allocation	Totals	Revised Authorized Cost
Revenues and Other Financing Sources					
Bond proceeds and transfers	10,462,672.80			10,462,672.80	10,462,672.80
Local Tax Levy	108.60			108.60	108.60
Total Revenues	10,462,781.40	-	-	10,462,781.40	10,462,781.40
Expenditures and Other Financing Uses					
Purchase professional and technical services	4,288,465.31		(220,669.91)	4,067,795.40	4,067,795.40
Constructions services	5,721,484.24	76,064.22		5,797,548.46	5,968,709.33
Equipment purchases	407,648.22	16,487.00		424,135.22	424,135.22
Supply purchases	2,141.45			2,141.45	2,141.45
Total expenditures	10,419,739.22	92,551.22	(220,669.91)	10,291,620.53	10,462,781.40
Excess (deficiency) or revenues over (under) expenditures	$ 43,042.18	$ (92,551.22)	$ 220,669.91	$ 171,160.87	$ -
Additional project information:					
Project Number	5440-050-05-1000				
Grant Date	N/A				
Bond Authorization Date	4/25/2006				
Bonds Authorized	10,462,781.40				
Bonds Issued	10,462,672.80				
Original Authorized Cost	10,462,781.40				
Additional Authorized Cost					
Revised Authorized Cost	10,462,781.40				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	98.36%				
Est. Original target completion date	Sep-07				
Est. Revised target completion date	Aug-11				

WANAQUE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
AND PROJECT STATUS - BUDGETARY BASIS
WANAQUE ELEMENTARY IMPROVEMENTS & BUILDING SYSTEMS UPGRADING
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Re-Allocation	Totals	Revised Authorized Cost
Revenues and Other Financing Sources					
Bond proceeds and transfers	7,813,327.20			7,813,327.20	7,813,327.20
Local Tax Levy	72.40			72.40	72.40
Total Revenues	7,813,399.60	-	-	7,813,399.60	7,813,399.60
Expenditures and Other Financing Uses					
Purchase professional and technical services	2,109,535.11		220,669.91	2,330,205.02	2,330,205.02
Constructions services	5,131,770.12			5,131,770.12	5,188,823.74
Equipment purchases	287,774.22	5,056.00		292,830.22	292,830.22
Supply purchases	1,540.62			1,540.62	1,540.62
Total expenditures	7,530,620.07	5,056.00	220,669.91	7,756,345.98	7,813,399.60
Excess (deficiency) or revenues over (under) expenditures	$ 282,779.53	$ (5,056.00)	$ (220,669.91)	$ 57,053.62	$ -
Additional project information:					
Project Number	5440-070-05-1000				
Grant Date	N/A				
Bond Authorization Date	4/25/2006				
Bonds Authorized	7,813,399.60				
Bonds Issued	7,813,327.20				
Original Authorized Cost	7,813,399.60				
Additional Authorized Cost					
Revised Authorized Cost	7,813,399.60				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage completion	99.26%				
Est. Original target completion date	Sep-07				
Est. Revised target completion date	Aug-11				

Exhibit F-2

WANAQUE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PROJECT DESCRIPTION	STATE PLAN NUMBER	APPROPRIATION	PRIOR YEARS	EXPENDITURES Re-Allocation	CURRENT YEAR	UNEXPENDED BALANCE
Haskell Elementary Improvements & Building Systems Upgrading	5440-050-05-1000	10,462,781.40	10,419,739.22	(226,669.91)	92,551.22	177,160.87
Wanaque Elementary Improvements & Building Systems Upgrading	5440-070-05-1000	7,813,399.60	7,530,620.07	226,669.91	5,056.00	51,053.62
		$ 18,276,181.00	$ 17,950,359.29	$ -	$ 97,607.22	$ 228,214.49

WANAQUE BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICES
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	2010
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	43,258.66
Accounts receivable:	
State	408.10
Federal	7,012.87
Inventories	3,519.71
Total current assets	54,199.34
FIXED ASSETS:	
Equipment	109,804.98
Less: accumulated depreciation	(45,896.00)
Total fixed assets	63,908.98
TOTAL ASSETS	118,108.32
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable	17,605.83
Total Current Liabilities	17,605.83
NET ASSETS	
Invested in Capital Assets Net of Related Debt	63,908.98
Unrestricted	36,593.51
Total Net Assets	100,502.49
TOTAL LIABILITIES AND NET ASSETS	118,108.32

WANAQUE BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICES
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2010
OPERATING REVENUES:	
Local sources:	
Daily sales reimbursable programs:	
School lunch programs	168,452.16
Total daily sales	168,452.16
Special functions	180.00
Total operating revenues	168,632.16
OPERATING EXPENSES:	
Salaries	89,781.76
Cost of food	121,244.72
Employee benefits	27,527.87
Supplies and materials	9,163.30
Management Fees	9,110.56
Depreciation	4,218.00
Repairs	621.00
Miscellaneous	3,739.54
Total operating expenses	265,406.75
OPERATING INCOME (LOSS)	(96,774.59)
NON-OPERATING REVENUES:	
State sources:	
State school lunch program	4,617.14
State school breakfast program	207.64
Federal sources:	
National school lunch program	79,998.72
National school breakfast program	1,332.40
Special Milk Program	75.68
Food distribution program	24,026.86
Interest	218.65
Total non-operating revenues	110,477.09
Net Income(Loss) Before Operating Transfers	13,702.50
Total Net Assets - Beginning	86,799.99
Total Net Assets - Ending	100,502.49

WANAQUE BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
FOOD SERVICES
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2010
CASH FLOWS USED BY OPERATING ACTIVITIES:	
Cash receipts from customers	178,302.04
Cash payments to employees for services	(89,781.76)
Cash payments to suppliers for goods and services	(190,137.23)
Net cash used by operating activities	(101,616.95)
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:	
Cash received from state and federal reimbursements	86,231.58
Net cash provided by noncapital financing activities	86,231.58
CASH FLOW USED BY CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of equipment	
CASH FLOW PROVIDED BY INVESTING ACTIVITIES:	
Interest on cash equivalents	218.65
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,166.72)
CASH AND CASH EQUIVALENTS, July 1	58,425.38
CASH AND CASH EQUIVALENTS, June 30	43,258.66
Reconciliation of operating (loss) to net cash provided (used) by operating activities:	
Operating Income (loss)	(96,774.59)
Adjustments to reconcile operating loss to cash provided (used) by operating activities:	
Depreciation	4,218.00
Food distribution program	24,026.86
Changes in assets and liabilities:	
(Increase)/decrease in accounts receivable	9,669.88
(Increase)/decrease in inventory	1,140.39
Increase/(decrease) in accounts payable	(43,897.49)
Net cash used by operating activities	(101,616.95)

NONCASH NONCAPITAL FINANCING ACTIVITIES
During the year the District received $24,026.86 of food commodities from the U.S. Department of Agriculture

Exhibit H-1

WANAQUE BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Agency Funds		Expendable Trust Fund	Totals
	Student Activity	Payroll	Unemployment Compensation Insurance	2010
ASSETS:				
Cash and cash equivalents	27,276.94	19,996.81	701.14	47,974.89
Interfund Receivable (Unemployment)			3,751.04	3,751.04
Total Assets	27,276.94	19,996.81	4,452.18	51,725.93
LIABILITIES:				
Payroll Deductions		13,016.11		13,016.11
Accrued Salaries and Wages		3,229.66		3,229.66
Due to student groups	27,276.94			27,276.94
Interfund Payable (Agency)		3,751.04		3,751.04
Total liabilities	27,276.94	19,996.81	-	47,273.75
NET ASSETS				
Held in Trust for Unemployment Claims and other Purposes			4,452.18	- 4,452.18
Total Net Assets			4,452.18	4,452.18

WANAQUE BOROUGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010

	Unemployment Compensation Insurance Trust
OPERATING REVENUES:	
Local sources:	
Board Contributions	138,495.81
Interest on investments	34.98
Employee Withholdings	13,458.04
Total operating revenues	151,988.83
OPERATING EXPENSES:	
Unemployment compensation assessments	151,495.81
Total operating expenses	151,495.81
Change in Net Assets	493.02
Net Assets - Beginning	3,959.16
Net Assets - Ending	4,452.18

WANAQUE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 30, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Wanaque School	12,955.79	68,966.32	65,486.14	16,435.97
Haskell School	9,784.22	49,176.20	48,179.45	10,780.97
Wanaque School Petty Cash	(0.15)	349.48	344.33	5.00
Haskell School Petty Cash	(4.99)	402.28	342.29	55.00
Total all schools	22,734.87	118,894.28	114,352.21	27,276.94

WANAQUE BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 30, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash	14,859.84	10,011,027.86	10,005,890.89	19,996.81
TOTAL ASSETS	14,859.84	10,011,027.86	10,005,890.89	19,996.81
LIABILITIES:				
Payroll deductions and withholdings	11,521.52	9,990,990.16	9,989,495.57	13,016.11
Accrued Salaries and Wages		6,579.66	3,350.00	3,229.66
Interfund Payable (Unemployment)	3,338.32	13,458.04	13,045.32	3,751.04
TOTAL LIABILITIES	14,859.84	10,011,027.86	10,005,890.89	19,996.81

Exhibit I-1

WANAQUE BOROUGH SCHOOL DISTRICT
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF LOANS PAYABLE
AS OF JUNE 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2009	Retired	Balance June 30, 2010
Safe Program Loan - Roof Improvements	8/18/1993	212,105.00	7/15/10-13	11,163.00	1.50%	55,819.52	11,163.42	44,656.10
Small Project Loan - Roof Improvements	8/18/1993	636,315.00	7/15/10-13	Various	5.288%	216,646.46	39,736.19	176,910.27
						272,465.98	50,899.61	221,566.37

WANAQUE BOROUGH SCHOOL DISTRICT
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF BONDS PAYABLE
AS OF JUNE 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2009	Retired	Balance June 30, 2010
2006 School Bonds	06/01/06	18,276,000.00	9/1/2010	540,000	4.375%			
			9/1/2011	575,000	4.375%			
			9/1/2012	585,000	4.375%			
			9/1/2013	600,000	4.375%			
			9/1/2014	650,000	4.375%			
			9/1/2015	685,000	4.375%			
			9/1/2016	700,000	4.375%			
			9/1/2017	730,000	4.375%			
			9/1/2018	750,000	4.375%			
			9/1/2019	775,000	4.500%			
			9/1/2020	785,000	4.500%			
			9/1/2021	800,000	4.500%			
			9/1/2022	815,000	4.500%			
			9/1/2023	825,000	4.500%			
			9/1/2024	840,000	4.500%			
			9/1/2025	850,000	4.500%			
			9/1/2026	875,000	4.500%			
			9/1/2027	885,000	4.500%			
			9/1/2028-2030	900,000	4.500%			
			9/1/2031	876,000	4.500%			
						17,341,000.00	500,000.00	16,841,000.00

WANAQUE BOROUGH SCHOOL DISTRICT
GENERAL LONG TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2010

Purpose	Date of Lease	Term of Lease	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2009	Retired Current Year	Balance June 30, 2010
(2) Savin 4090 Digital Copiers	06/21/04	5 Years	5.93%	99,353.89	1,908.14	1,908.14	-
(3) Savin 8025SP Digital Copiers, (1) Savin 8035SPF Digital Copier with Accessories	09/26/06	5 Years	5.49%	37,853.40	18,322.60	7,864.93	10,457.67
(1) Xerox 4595 Copier, (1) Xerox 5675pt Copier (1) Xerox 4110 Copier	3/19/2008	5 Years		97,945.05	77,771.89	18,513.49	59,258.40
					98,002.63	28,286.56	69,716.07

Exhibit I-4

WANAQUE BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	344,276.00		344,276.00	344,276.00	-
Total revenues - local sources	344,276.00	-	344,276.00	344,276.00	-
State sources:					
Debt service aid type II	509,255.00		509,255.00	509,255.00	-
Total state sources	509,255.00	-	509,255.00	509,255.00	-
TOTAL REVENUES	853,531.00	-	853,531.00	853,531.00	-
EXPENDITURES					
Regular debt service:					
Interest	772,673.00		772,673.00	772,672.93	0.07
Redemption of principal	550,900.00		550,900.00	550,899.61	0.39
Total regular debt service	1,323,573.00	-	1,323,573.00	1,323,572.54	0.46
TOTAL EXPENDITURES	1,323,573.00	-	1,323,573.00	1,323,572.54	0.46
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(470,042.00)	-	(470,042.00)	(470,041.54)	0.46
OTHER FINANCING SOURCES (USES)					
Transfer from Capital Projects				5,374.54	5,374.54
Total other financing sources and uses	-	-	-	5,374.54	5,374.54
Net Change in fund balances	(470,042.00)	-	(470,042.00)	(464,667.00)	5,375.00
Fund balance - July 1	908,556.08		908,556.08	908,556.08	-
Fund balance - June 30	438,514.08	-	438,514.08	443,889.08	5,375.00
Recapitulation of excess (deficiency of revenues under expenditures:					
Budgeted fund balance	(470,042.00)		(470,042.00)	(464,667.00)	5,375.00

STATISTICAL SECTION

OUTLINE OF NJ DOE STATISTICAL TABLES SECTION (GASB 44)

Exhibit #	
	Financial Trends Information/Schedules
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 Information
J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers (Current year and nine years ago)
J-9	Property Tax Levies and Collections
	Debt Capacity Information
J-10	Ratios or Outstanding Debt by Type
J-11	Ratios of General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt
J-13	Legal Debt Margin Information
	Demographic and Economic Information
J-14	Demographic and Economic Statistics
J-15	Principal Employers, Current and Nine Years Ago
	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 Allowable Maintenance Expenditures by School
J-20	Insurance Schedule

WANAQUE BOARD OF EDUCATION

Net Assets by Component,
Last Ten Fiscal Years (*)
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	247,667	228,370	(16,481,951)	(2,710,802)	(448,541)	744,603	968,510
Restricted	451,103	650,062	17,339,820	4,923,552	3,492,194	1,715,524	1,389,902
Unrestricted	(105,649)	(37,448)	19,945	(322,300)	(368,004)	(334,320)	(284,786)
Total governmental activities net assets	593,121	840,984	877,814	1,890,449	2,675,650	2,125,807	2,073,626
Business-type activities							
Invested in capital assets, net of related debt	26,918	24,226	21,741	19,257	35,015	68,127	63,909
Unrestricted	17,599	21,770	18,441	23,086	35,808	18,673	36,594
Total business-type activities net assets	44,517	45,996	40,182	42,343	70,823	86,800	100,502
District-wide							
Invested in capital assets, net of related debt	274,585	252,596	(16,460,210)	(2,691,545)	(413,526)	812,730	1,032,419
Restricted	451,103	650,062	17,339,820	4,923,552	3,492,194	1,715,524	1,389,902
Unrestricted	(88,050)	(15,678)	38,386	(299,214)	(332,196)	(315,647)	(248,192)
Total district net assets	637,638	886,980	917,995	1,932,792	2,746,472	2,212,607	2,174,129

Source: CAFR Schedule A-1

(*) GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented

WANAQUE BOARD OF EDUCATION

Changes in Net Assets, Last Ten Fiscal Years (*)
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities							
Instruction							
Regular	5,284,275	5,926,597	6,214,662	6,297,654	6,664,948	6,812,355	7,121,678
Special education	1,123,420	1,587,092	1,711,658	1,758,362	2,180,994	2,441,206	2,310,837
Other special education	79,977	41,211	30,111	80,333	100,765	125,654	119,623
Other instruction	25,440	31,732	28,284	40,828	110,348	150,043	260,619
Support Services:							
Tuition	515,848	849,778	530,049	754,620	975,813	788,806	586,890
Student & instruction related services	1,292,086	1,224,605	1,676,325	1,835,934	2,026,570	2,031,017	1,964,972
General administrative services	465,817	518,570	569,713	580,751	541,122	535,515	595,390
School administrative services	410,675	433,953	552,457	515,753	542,724	484,784	501,823
Central Services and Admin. Info. Tech.	373,057	501,227	501,584	577,782	610,830	563,322	636,032
Plant operations and maintenance	1,067,730	1,044,719	1,184,252	1,282,274	1,397,460	1,579,726	1,534,505
Pupil transportation	363,022	457,135	462,797	444,921	591,623	494,102	510,442
Charter Schools			1,462	17,563	3,167	19,851	11,576
Interest on Long term debt	23,355	30,928	36,045	742,134	813,758	790,703	766,759
Unallocated Benefits	726,670						
Total governmental activities expenses	11,751,373	12,647,547	13,499,398	14,928,910	16,560,123	16,817,084	16,921,147
Business-type activities:							
Food service	215,010	209,887	229,606	241,211	263,139	258,732	265,408
Total business-type activities expense	215,010	209,887	229,606	241,211	263,139	258,732	265,408
Total district expenses	11,966,383	12,857,435	13,729,004	15,170,121	16,823,263	17,075,816	17,186,554
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	69,542						
Operating grants and contributions	391,803	450,751	588,671	487,927	608,841	499,822	672,805
Total governmental activities program revenues	461,345	450,751	588,671	487,927	608,841	499,822	672,805
Business-type activities:							
Charges for services							
Food service	143,359	143,376	150,787	163,192	181,216	179,536	168,632
Operating grants and contributions	65,957	67,592	72,466	79,597	91,600	94,598	110,259
Total business type activities program revenues	209,316	210,968	223,253	242,789	272,816	274,134	278,891
Total district program revenues	670,661	661,719	811,924	730,716	881,658	773,956	951,697

WANAQUE BOARD OF EDUCATION

Changes in Net Assets, Last Ten Fiscal Years (*)
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue							
Governmental activities	(11,290,028)	(12,196,796)	(12,910,727)	(14,440,983)	(15,951,282)	(16,317,262)	(16,248,342)
Business-type activities	(5,694)	1,080	(6,353)	1,578	9,677	15,402	13,484
Total district-wide net expense	(11,295,722)	(12,195,716)	(12,917,080)	(14,439,404)	(15,941,605)	(16,301,860)	(16,234,858)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	8,473,961	9,006,898	9,432,336	9,975,454	10,532,586	10,766,727	11,298,080
Taxes levied for debt service	60,822	60,252	61,634	669,142	810,674	400,680	344,276
Unrestricted grants and contributions	3,142,437	3,262,582	3,359,371	3,835,603	4,778,319	4,253,577	4,272,855
Investment Earnings				831,132	518,984	74,559	5,396
Miscellaneous income	336,371	114,927	94,216	142,287	114,161	271,876	275,554
Transfers					(18,242)		
Total governmental activities	12,013,591	12,444,659	12,947,557	15,453,618	16,736,483	15,767,419	16,196,160
Business-type activities:							
Investment earnings	13	398	539	583	561	576	219
Miscellaneous income	22						
Transfers					18,242		
Total business-type activities	35	398	539	583	18,803	576	219
Total district-wide	12,013,626	12,445,057	12,948,096	15,454,201	16,755,285	15,767,995	16,196,379
Change in Net Assets							
Governmental activities	723,563	247,863	36,830	1,012,635	785,200	(549,842)	(52,181)
Business-type activities	(5,659)	1,479	(5,814)	2,162	28,479	15,977	13,703
Total district	717,904	249,341	31,016	1,014,797	813,680	(533,865)	(38,479)

Source: CAFR Schedule A-2

(*) GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented

Exhibit J-3

WANAQUE BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	451,101	650,060	524,108	885,753	814,017	481,146	717,798
Unreserved	253,755	316,704	205,619	212,794	305,869	178,926	87,689
Total general fund	704,857	966,765	729,727	1,098,548	1,119,886	660,072	805,487
All Other Governmental Funds							
Reserved			-	-	-	-	-
Unreserved, reported in:							
Special revenue fund	(1,517)	(1,483)	(1,581)	(1,583)	(3,704)		
Capital projects fund			17,024,025	3,201,455	1,371,790	325,822	228,214
Debt service fund	2	2	21,221	836,343	1,306,386	908,556	443,890
Total all other governmental funds	(1,515)	(1,481)	17,043,666	4,036,215	2,674,473	1,234,378	672,104

Source: CAFR Schedule B-1

(*) GASB requires that ten years of statistical data be presented. However, since fiscal year 2004 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented

WANAQUE BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,				
	2000	2001	2002	2004	2005
Revenues					
Tax levy	$ 6,344,015	$ 6,787,657	$ 7,403,429	$ 8,534,783	$ 9,067,150
Miscellaneous	51,301	47,930	58,948	405,913	114,927
State sources	2,794,365	2,917,086	2,773,686	3,252,206	3,370,951
Federal sources	185,340	257,460	291,407	282,034	342,382
Total revenue	9,375,021	10,010,755	10,527,470	12,474,936	12,895,410
Expenditures					
Instruction					
Regular Instruction	4,023,093	3,926,099	4,235,212	4,364,472	4,487,634
Special education instruction	634,355	632,463	770,571	926,116	1,182,630
Other special instruction	41,985	75,595	88,646	66,117	31,029
Other instruction	16,401	16,260	3,463	21,333	24,213
Support Services:					
Tuition	342,361	363,889	393,379	515,848	849,778
Student & instruction related services	846,219	952,381	1,003,477	1,119,789	946,209
General administrative services	485,684	527,977	461,809	411,163	455,613
School Administrative services	319,228	306,497	401,631	335,236	346,542
Central Services					390,248
Business administrative services				343,709	
Plant operations and maintenance	746,632	821,420	882,373	959,454	870,460
Pupil transportation	183,215	328,696	284,155	363,022	457,135
Unallocated employee benefits	1,665,889	1,812,415	2,018,728	2,214,226	2,496,635
Charter Schools					
Capital outlay	91,783	141,899	319,755	39,619	170,982
Debt Service:					
Principal	137,984	139,086	140,120	42,393	43,627
Interest and Other Charges	47,907	40,691	33,421	23,355	21,504
Total expenditures	9,582,736	10,085,368	11,036,739	11,745,851	12,774,238
Excess (Deficiency) of revenues over (under) expenditures	(207,715)	(74,613)	(509,269)	729,085	121,172
Other Financing sources (uses)					
Capital leases (non-budgeted)				23,195	140,770
Bond proceeds					
Transfers in					
Transfers out					
Total other financing sources (uses)	-	-	-	23,195	140,770
Net change in fund balances	$ (207,715)	$ (74,613)	$ (509,269)	$ 752,280	$ 261,942
Debt service as a percentage of noncapital expenditures	1.959%	1.808%	1.619%	0.562%	0.517%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.
Central Services and Administrative information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Services and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

WANAQUE BOARD OF EDUCATION

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

	Fiscal Year Ending June 30,				
	2006	2007	2008	2009	2010
Revenues					
Tax levy	$ 9,493,970	$ 10,644,596	$ 11,343,260	$ 11,167,407	$ 11,642,356
Miscellaneous	94,035	973,419	633,145	346,436	285,297
State sources	3,825,516	3,952,094	4,978,292	4,356,771	4,018,093
Federal sources	122,526	371,436	408,869	396,627	923,220
Total revenue	13,536,047	15,941,545	17,363,566	16,267,241	16,868,966
Expenditures					
Instruction					
Regular Instruction	4,658,877	4,555,932	4,710,602	5,055,726	5,507,578
Special education instruction	1,255,867	1,250,614	1,501,388	1,825,193	1,781,551
Other special instruction	22,374	56,319	68,725	92,323	92,659
Other instruction	21,207	28,894	75,840	110,978	201,019
Support Services:					
Tuition	530,049	754,620	975,813	788,806	586,890
Student & instruction related services	1,281,716	1,374,708	1,563,613	1,656,731	1,623,025
General administrative services	500,214	496,933	437,411	468,112	523,670
School Administrative services	405,013	353,788	377,121	349,906	362,922
Central Services	376,239	425,213	442,953	456,614	555,680
Business administrative services					
Plant operations and maintenance	970,861	1,018,287	1,105,274	1,200,623	1,189,694
Pupil transportation	462,797	444,921	591,623	494,102	510,442
Unallocated employee benefits	2,834,746	3,353,326	3,641,524	3,212,443	2,872,543
Charter Schools	1,462	17,563	3,167	19,851	11,576
Capital outlay	1,618,202	13,860,424	1,971,797	1,104,969	143,003
Debt Service:					
Principal	44,909	46,316	497,778	534,327	550,900
Interest and Other Charges	19,585	580,168	819,045	796,447	772,673
Total expenditures	15,004,118	28,618,028	18,783,674	18,167,150	17,285,825
Excess (Deficiency) of revenues over (under) expenditures	(1,468,072)	(12,676,483)	(1,420,108)	(1,899,909)	(416,859)
Other Financing sources (uses)					
Capital leases (non-budgeted)		37,853	97,945		
Bond proceeds	18,276,181				
Transfers in	21,220	767,676	452,069	40,683	5,375
Transfers out	(21,220)	(767,676)	(470,311)	(40,683)	(5,375)
Total other financing sources (uses)	18,276,181	37,853	79,703	-	(0)
Net change in fund balances	$ 16,808,109	$(12,638,629)	$ (1,340,405)	$ (1,899,909)	$ (416,859)
Debt service as a percentage of noncapital expenditures	0.482%	4.245%	7.833%	7.800%	7.721%

WANAQUE BOARD OF EDUCATION

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2001	43,765		4,165	47,930
2002	33,948		25,000	58,948
2003	7,622		34,042	41,664
2004	12,599	69,542	323,772	405,913
2005	27,174		87,753	114,927
2006	61,821		32,214	94,035
2007	831,132		142,287	973,419
2008	66,915		114,161	181,076
2009	33,876	258,841	13,035	305,752
2010	14,261	164,608	96,685	275,554

Source: District Records

WANAQUE BOARD OF EDUCATION

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2000	25,047,100	394,011,874	127,300	9,200	42,010,420	14,542,990	1,588,100	477,336,984	1,154,100	478,491,084	1.370	572,339,901
2001	24,034,900	407,776,574	127,300	13,300	42,283,220	14,612,290	1,588,100	490,435,684	1,163,374	491,599,058	1.440	628,204,863
2002	24,284,800	410,713,974	127,300	13,300	41,727,020	14,478,790	1,600,100	492,945,284	1,117,268	494,062,552	1.550	676,381,838
2003	25,053,900	412,696,674	127,300	13,300	42,722,820	13,578,790	1,600,100	495,792,884	1,008,150	496,801,034	1.660	761,081,733
2004	25,166,700	413,441,174	127,300	13,300	42,837,720	13,077,890	1,600,100	496,264,184	858,318	497,122,502	1.770	858,118,559
2005	25,063,200	413,565,074	127,300	13,300	43,334,120	12,895,390	1,600,100	496,598,484	853,956	497,452,440	1.870	942,085,685
2006	21,801,500	439,711,174	0	0	42,899,120	12,895,390	1,600,100	518,907,284	686,471	519,593,755	1.880	1,122,087,188
2007	24,877,300	483,491,974	0	0	42,143,720	10,828,090	1,600,100	562,941,184	637,511	563,578,695	2.030	1,348,849,124
2008	24,025,200	498,917,774	0	0	40,972,420	10,828,090	1,600,100	576,343,584	677,148	577,020,732	3.093	1,425,532,571
2009	24,185,700	502,053,074	0	3,800	41,896,720	10,591,890	1,600,100	580,331,284	0	580,331,284	2.010	1,403,083,133

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per $100

WANAQUE BOARD OF EDUCATION

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

Fiscal Year Ended June 30,	Wanaque Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Regional School District	Borough of Wanaque	Passaic County	
2000	1.314	0.056	1.37	0.80	0.87	0.70	3.74
2001	1.406	0.034	1.44	0.86	0.89	0.76	3.95
2002	1.536	0.014	1.55	0.88	0.91	0.84	4.18
2003	1.660		1.66	0.92	1.07	0.89	4.54
2004	1.770		1.77	1.02	1.08	0.95	4.82
2005	1.870		1.87	1.05	1.13	1.00	5.05
2006	1.868	0.012	1.88	1.12	1.13	1.13	5.26
2007	2.009	0.021	2.03	1.17	1.135	1.19	5.52
2008	1.895	0.021	1.92	1.18	1.33	1.26	5.68
2009	1.991	0.021	2.01	1.23	1.37	1.22	5.84

Source: District Records and Municipal Tax Collector

Note:

N.J.S.A 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

Exhibit J-8

WANAQUE BOARD OF EDUCATION

Principal Property Tax Payers, Current Year and Nine Years Ago

Taxpayer	2010 Taxable Assessed Value	2010 Rank [Optional]	2010 % of Total District Net Assessed Value	2001 Taxable Assessed Value	2001 Rank [Optional]	2001 % of Total District Net Assessed Value
North Jersey District Water Supply Comm.	$ 16,277,200	1	2.82%	$16,139,500	1	3.37%
Wanaque Convalescent Center LP	9,240,300	2	1.60%	9,240,300	2	1.93%
DeRubbio & McCauly	5,666,200	3	0.98%	5,666,200	3	1.18%
Pulte Communities NJ	4,672,200	4	0.81%			
Arrow ACQ c/o Overseas Partners	2,500,000	5	0.43%	3,317,300	5	0.69%
Wanaque Building Associates	2,839,100	6	0.49%			
Haskell Properties	1,517,500	7	0.26%	2,600,000	7	0.57%
Wanaque Realty Corp.	1,486,800	8	0.26%			
Prodani Group LLC	850,000	9	0.15%			
Bernstein Peter and Sandra	843,800	10	0.15%			
Fairfew Partnership (Foodtown)				3,840,000	4	0.80%
Algonquin Gas Transmission				2,136,390	8	0.45%
Power Hollow Assoc.				2,751,300	6	0.57%
Hovnanian at Wanaque, LLC				1,535,000	9	0.32%
U.S. Aluminum				1,300,000	10	0.27%
Total	$ 45,893,100		7.95%	$48,525,990		10.15%

Source: District CAFR & Municipal Tax Assessor

Exhibit J-9

WANAQUE BOARD OF EDUCATION

Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	6,787,657	6,787,657	100.00%	-
2002	7,403,429	7,403,429	100.00%	-
2003	7,928,087	7,928,087	100.00%	-
2004	8,534,783	8,534,783	100.00%	-
2005	9,067,150	9,067,150	100.00%	-
2006	9,493,970	9,493,970	100.00%	-
2007	10,644,596	10,644,596	100.00%	-
2008	11,343,260	11,343,260	100.00%	-
2009	11,167,407	11,167,407	100.00%	-
2010	11,642,356	11,642,356	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State a municipality is required to remit to the school district the entire property tax amount voted upon or certified prior to the end of the school.

Exhibit J-10

WANAQUE BOARD OF EDUCATION

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds [b]	Governmental Activities: Capital Leases	Total District	Percentage of Personal Income	Per Capita [a]
2001	167,000	-	167,000	0.05%	16
2002	67,000	62,363	129,363	0.04%	13
2003	-	50,550	50,550	0.01%	5
2004	-	58,289	58,289	0.02%	6
2005	-	145,053	145,053	0.04%	14
2006	18,276,000	99,912	18,375,912	4.37%	1,766
2007	18,276,000	84,691	18,360,691	3.91%	1,678
2008	17,826,000	146,784	17,972,784	3.51%	1,564
2009	17,341,000	98,003	17,439,003	N/A	1,444
2010	16,841,000	69,716	16,910,716	N/A	1,393

Source: District CAFR

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

WANAQUE BOARD OF EDUCATION

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2001	167,000	-	167,000	0.03%	16
2002	67,000	-	67,000	0.01%	7
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	18,276,000	-	18,276,000	3.52%	1,756
2007	18,276,000		18,276,000	3.24%	1,670
2008	17,826,000		17,826,000	3.09%	1,551
2009	17,341,000		17,341,000	3.49%	1,436
2010	16,841,000		16,841,000	N/A	N/A

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

WANAQUE BOARD OF EDUCATION

Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Wanaque	12,361,547	100.000%	12,361,547
Other debt			
Passaic County	355,741,071	1.700%	6,047,598
Passaic County Utility Authority	60,480,000	1.700%	1,028,160
Subtotal, overlapping debt			19,437,305
Wanaque Borough School District Direct Debt			16,841,000
Total direct and overlapping debt			$ 36,278,305

Sources: Borough of Wanaque Finance Officer, Passaic County Finance Office and Utility Authorities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Wanaque. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

WANAQUE BOARD OF EDUCATION

Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2008

		Equalized valuation basis	
		2009	$ 1,372,126,598
		2008	1,397,196,567
		2007	1,386,896,240
		[A]	$ 4,156,219,405
Average equalized valuation of taxable property		[A/3]	$ 1,385,406,468
Debt limit (3 % of average equalization value)		[B]	41,562,194 a
Net bonded school debt		[C]	16,841,000
Legal debt margin		[B-C]	$ 24,721,194

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	$ 16,998,312	$ 18,332,487	$ 20,269,413	$ 22,727,930	$ 24,516,740	$ 28,582,378	$ 32,440,697	$ 36,944,417	$ 40,225,350	$ 41,562,194
Total net debt applicable to limit	167,000	67,000	-			2,006	18,276,000	17,826,000	17,341,000	16,841,000
Legal debt margin	$ 16,831,312	$ 18,265,487	$ 20,269,413	$ 22,727,930	$ 24,516,740	$ 28,580,372	$ 14,164,697	$ 19,118,417	$ 22,884,350	$ 24,721,194
Total net debt applicable to the limit as a percentage of debt limit	0.98%	0.37%	0.00%	0.00%	0.00%	0.01%	56.34%	48.25%	43.11%	40.52%

Source: Abstract of Ratables and District Records.

a Limit set by N.J.S.A 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Exhibit J-14

WANAQUE BOARD OF EDUCATION

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2000	10,266	315,032,742	30,687	3.9%
2001	10,304	327,110,784	31,746	4.4%
2002	10,295	332,662,335	32,313	5.9%
2003	10,293	337,682,451	32,807	6.1%
2004	10,235	345,134,435	33,721	4.6%
2005	10,406	371,483,794	35,699	3.5%
2006	10,945	420,200,440	38,392	3.6%
2007	11,495	469,513,275	40,845	3.3%
2008	12,077	511,509,258	42,354	4.3%
2009	12,144	N/A	N/A	8.4%

Source:

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

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

[c] Per Capita Personal Income provided by U.S. Department of Commerce, Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

WANAQUE BOARD OF EDUCATION

Principal Employers, Current Year and Eight Years Ago

	2010			2000		
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Wanaque Convalescent Center			N/A			N/A
Lakeland Regional Board of Education			N/A			N/A
Lakeland Health Care Center			N/A			N/A
North Jersey District Water Supply Commission			N/A			N/A
Wanaque Board of Education			N/A			N/A
Borough of Wanaque			N/A			N/A
General Ceramics Division National Beryllia Corp.			N/A			N/A
American Candle Co., Inc.			N/A			N/A
Poly Molding Corp.			N/A			N/A
	-		0.00%	-		0.00%

Source: Prior years Bond Sales Appendix A

Exhibit J-16

WANAQUE BOARD OF EDUCATION

Full-time Equivalent District Employees by Function/Program,

Last Ten Fiscal Years (*)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	62	63	64	63	63	65	65	60	61	62
Special education	13	13	15	13	15	15	16	19	19	20
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	6	6	7	7	10	8	9	13	20	18
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	13	12	12	14	10	14	14	13	13.5	11.0
Student & instruction related services	3	3	3	3	3	2	3	2	2	2
General administrative services	6	7	6	6	5	5	5	8	8	8
School administrative services	-	-	-	-	-	-	-	-	-	-
Business administrative services	4	4	4	4	4	4	4	4	4	2
Plant operations and maintenance	1	1	1	1	1	1	1	1	-	3
Pupil transportation	10	10	10	10	10	10	11	11	3	
Special Schools	-	-	-	-		-	-	-	-	-
Food Service	-	-	-	-		-	-	-	-	-
Child Care	-	-	-	-		-	-	-	-	-
Total	118	119	122	121	121	124	128	131	130.5	126.0

Source: District Personnel Records

(*) GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year, thereafter, an additional year's data will be included until ten years of data is presented

WANAQUE BOARD OF EDUCATION

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	1,004	9,763,692	9,725	6.08%	102	9.8	997.0	953.8	-1.36%	95.67%
2002	1,013	10,543,443	10,408	7.03%	95	10.7	1,027.3	983.3	3.04%	95.72%
2003	1,039	11,036,124	10,622	2.05%	95	10.9	1,028.6	985.8	0.13%	95.84%
2004	1,025	11,640,484	11,357	6.92%	97	10.6	1,033.1	993.8	0.44%	96.20%
2005	1,034	12,538,125	12,126	6.77%	91	11.4	1,026.0	983.2	-0.69%	95.83%
2006	1,010	13,321,422	13,190	8.77%	97	10.4	1,002.0	956.0	-2.34%	95.41%
2007	995	14,131,120	14,202	7.68%	94	10.6	982.2	939.2	-1.98%	95.62%
2008	969	15,495,054	15,991	12.59%	86	11.3	992.9	957.8	1.08%	96.46%
2009	950	15,731,407	16,559	3.56%	93.5	10.2	949.7	905.1	-5.83%	95.30%
2010	941	15,819,249	16,811	1.52%	93.5	10.2	918.2	909.7	-3.32%	96.67%

Sources: District records

Note: Enrollment based on annual October district count.

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

Exhibit J-18

WANAQUE BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

District Building	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Elementary										
Haskell School (1917)										
Square Feet	70,225	70,225	70,225	70,225	70,225	70,225	70,225	70,225	70,225	70,225
Capacity (students)	469	469	469	469	469	469	469	469	469	469
Enrollment	452	456	468	461	465	455	443	403	407	407
Wanaque School (1971)										
Square Feet	81,100	81,100	81,100	81,100	81,100	81,100	81,100	81,800	81,800	81,800
Capacity (students)	574	574	574	574	574	574	574	574	574	574
Enrollment	552	557	571	564	569	556	571	566	543	543
Other										
Central Administration (1905)										
Square Feet	19,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Administration (1965)										
Square Feet	N/A	2,000	2,000	2,000	2,000	N/A	N/A	N/A	N/A	N/A
Central Administration (1917)										
Square Feet	N/A	N/A	N/A	N/A	N/A	2,260	2,260	2,260	2,260	2,260

Number of Schools at June 30, 2010
Elementary = 2

Source: District records, ASSA

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

Exhibit J-19

WANAQUE BOARD OF EDUCATION

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN FISCAL YEARS
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

*School Facilities	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
HASKELL SCHOOL	40,961	70,792	55,927	52,668	35,049	66,202	261,124	226,534	224,426	226,881
WANAQUE SCHOOL	49,038	81,777	65,555	60,840	69,680	59,704	257,362	269,661	226,863	248,334
OTHER FACILITIES	-	-	-	-	-	1,000	12,569	54,800	69,500	50,864
GRAND TOTAL	89,999	152,569	121,482	113,508	104,729	126,906	531,056	550,995	520,789	526,079

(*) 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

WANAQUE BOARD OF EDUCATION

Insurance Schedule
June 30, 2010
Unaudited

	Coverage	Deductible
Package - NJSBAIG		
Property-blanket building and contents	$ 29,500,000	$ 5,000
Crime coverage	250,000	1,000
Comprehensive general liability	11,000,000	
Business auto coverage	11,000,000	1,000
Employee Benefit Liability	11,000,000	1,000
Environmental Impairment - American Safety	1,000,000 / 3,000,000	15,000
Boiler and machinery - New Jersey School Board Association Ins. Group	100,000,000	5,000
Umbrella - CAP Program - Fireman's Fund	50,000,000	
Educators Legal Liability	11,000,000	5,000
Workers Compensation - New Jersey School Board Association Ins. Group	2,000,000	
Public Officials Surety Bonds - CAN Surety Treasurer of School Monies	250,000	

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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

Honorable President and
Members of the Board of Education
Borough of Wanaque School District
County of Passaic
Haskell, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Wanaque School District in the County of Passaic, State of New Jersey as of and for the fiscal year ended June 30, 2010, which collectively comprise the basic financial statements of the Board of Education of the Borough of Wanaque School District in the County of Passaic and have issued our report thereon dated November 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

FWCC

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, the New Jersey Department of Education completed a review of funds received and disbursed from one or more federal programs dated November 10, 2010. The funding sources reviewed include titled programs for the American Recovery and Reinvestment Act (ARRA) in particular, and/or No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA) and State Fiscal Stabilization Funds (Education Stabilization Funds and Government Stabilization Fund). They identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Finding and Questioned Costs that they consider to be significant deficiencies in internal control over financial reporting listed as Finding 10-04, 05, 09, 10, 12, 13 and 14. A significant deficiency is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Wanaque Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, however, the New Jersey Department of Education in their review disclosed instances of noncompliance on other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10-01, 02, 03, 06, 07, 08 and 11.

Also, we noted certain matters that we reported to the Board of Education of the Borough of Wanaque School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 30, 2010.

The Borough of Wanaque Board of Education's responses to the State of New Jersey Department of Education findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit the Borough of Wanaque Board of Education''s response and, accordingly, we express no opinion on it.

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

Thomas M. Ferry, C.P.A.
Licensed Public School Accountant
No. 20CS00209100

Ferraioli, Wielkotz, Cerullo, & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 30, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Wanaque School District
County of Passaic
Haskell, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Wanaque School District in the County of Passaic, State of New Jersey 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 State Office of Management and Budget State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. The Borough of Wanaque Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Wanaque Board of Education's management. Our responsibility is to express an opinion on the Borough of Wanaque Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Wanaque Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Borough of Wanaque Board of Education's compliance with those requirements.

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

FWCC

However, the New Jersey Department of Education completed a review of funds received and disbursed from one or more federal programs dated November 10, 2010. The funding sources reviewed include titled programs for the American Recovery and Reinvestment Act (ARRA) in particular, and/or No Child Left Behind Act (NCLB), the Individuals with Disabilities Education Act (IDEA) and State Fiscal Stabilization Funds (Education Stabilization Funds and Government Stabilization Fund). The results of their testing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-01, 02, 03, 06, 07, 08 and 11.

Internal Control Over Compliance

The management of the Board of Education of the Borough of Wanaque School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Wanaque Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effective of the Borough of Wanaque Board of Education's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, the State of New Jersey Department of Education in their review identified certain deficiencies in internal control over compliance that they consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as Finding 10-04, 05, 09, 10, 12, 13 and 14. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Borough of Wanaque's Board of Education's responses to the findings in our audit are described in the accompanying Schedule of Finding and Questioned Costs. We did not audit Borough of Wanaque's responses and, accordingly we express no opinion on the responses.

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

Thomas M. Ferry, C.P.A.
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Certified Public Accountants

November 30, 2010

BOROUGH OF WANAQUE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2010

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From / To	Balance at June 30, 2009 (Accounts Receivable)	Balance at June 30, 2009 Deferred Revenue	Balance at June 30, 2009 Due to Grantor	Carryover/ (Walkover) Amount
U.S. Department of Education								
Passed - through State Department of Education:								
General Fund:								
ARRA-SFSF-ESF(Educ. State Grants)	84.394	N/A	340,386.00	7/1/09-6/30/10				
ARRA-SFSF-GSF(Government Services)	84.397	N/A	13,177.00	7/1/09-6/30/10				
Total General Fund					-	-	-	-
U.S. Department of Agriculture								
Passed - through State Department of Education:								
Enterprise Fund:								
Food Distribution Program	10.550	N/A	25,303.13	7/1/09-6/30/10		2,952.47		
National School Lunch Program	10.555	N/A	79,998.72	7/1/09-6/30/10				
National School Lunch Program	10.555	N/A	72,700.71	7/1/08-6/30/09	(15,591.36)			
School Breakfast Program	10.553	N/A	1,332.40	7/1/09-6/30/10				
School Breakfast Program	10.553	N/A	1,930.20	7/1/08-6/30/09	(458.50)			
Special Milk Program	10.556	N/A	75.68	7/1/09-6/30/10				
Special Milk Program	10.556	N/A	62.96	7/1/08-6/30/09	(16.79)			
Total Enterprise Fund					(16,066.65)	2,952.47	-	-
U.S. Department of Education								
Passed - through State Department of Education:								
Special Revenue Fund:								
Title I - Improveing Basic Programs	84.010	NCLB544009	105,071.00	9/1/08-8/31/09	(48,324.72)			
Title I - Improveing Basic Programs	84.010	NCLB544010	107,179.00	9/1/09-8/31/10				
ARRA - Title I - Part A	84.389	ARRA544010	31,152.00	9/1/09-8/31/10				
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	NCLB544009	34,462.00	9/1/08-8/31/09	(9,798.98)			
Title II - Part A - Teacher & Principal Training/Recruiting	84.367	NCLB544010	34,911.00	9/1/09-8/31/10				
Title II - Part D - Enhancing Educ. Through Technology	84.318	NCLB544009	878.00	9/1/08-8/31/09	(784.00)			
Title II - Part D - Enhancing Educ. Through Technology	84.318	NCLB544010	1,074.00	9/1/09-8/31/10				
Title IV - Safe and Drug Free Schools	84.186	NCLB544009	2,882.00	9/1/08-8/31/09	(808.66)			
Title IV - Safe and Drug Free Schools	84.186	NCLB544010	2,776.00	9/1/09-8/31/10				
I.D.E.A. Part B - Basic Regular	84.027	IDEA544009	246,061.00	9/1/08-8/31/09	(116,305.26)			
I.D.E.A. Part B - Basic Regular	84.027	IDEA544010	243,964.00	9/1/09-8/31/10				
ARRA - IDEA - Part B	84.391	ARRA544010	241,847.00	9/1/09-8/31/10				
I.D.E.A. Part B, Preschool	84.173	IDEA544009	13,609.00	9/1/08-8/31/09	(4,095.00)			
I.D.E.A. Part B, Preschool	84.173	IDEA544010	13,586.00	9/1/09-8/31/10				
ARRA - I.D.E.A. Part B, Preschool	84.392	ARRA544010	8,734.00	9/1/09-8/31/10				
Total Special Revenue Fund					(180,116.62)	-	-	-
Total Federal Financial Awards					(196,183.27)	2,952.47	-	-

See accompanying notes to Schedules of Expenditures of Federal awards and State Financial Assistance.

BOROUGH OF WANAQUE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2010

Federal Grantor/Pass- Through Grantor/ Program Title	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2010 (Accounts Receivable)	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor at	MEMO Cumulative Total Expenditures
U.S. Department of Education							
Passed - through State Department of Education:							
General Fund:							
ARRA-SFSF-ESF(Educ. State Grants)	340,386.00	(340,386.00)					340,386.00
ARRA-SFSF-GSF(Government Services)	13,177.00	(13,177.00)					13,177.00
Total General Fund	353,563.00	(353,563.00)	-	-	-	-	353,563.00
U.S. Department of Agriculture							
Passed - through State Department of Education:							
Enterprise Fund:							
Food Distribution Program	25,303.13	(24,026.86)			4,228.74		24,026.86
National School Lunch Program	73,134.45	(79,998.72)		(6,864.27)			79,998.72
National School Lunch Program	15,591.36						
School Breakfast Program	1,193.88	(1,332.40)		(138.52)			1,332.40
School Breakfast Program	458.50						
Special Milk Program	65.60	(75.68)		(10.08)			75.68
Special Milk Program	16.79						
Total Enterprise Fund	115,763.71	(105,433.66)	-	(7,012.87)	4,228.74	-	105,433.66
U.S. Department of Education							
Passed - through State Department of Education:							
Special Revenue Fund:							
Title I - Improveing Basic Programs	40,929.72			(7,395.00)			82,548.44
Title I - Improveing Basic Programs	79,653.00	(85,212.00)		(5,559.00)			85,212.00
ARRA - Title I - Part A	26,431.00	(29,020.95)		(2,589.95)			29,020.95
Title II - Part A - Teacher & Principal Training/Recruiting	9,890.00	(24,463.02)		(24,372.00)			34,462.00
Title II - Part A - Teacher & Principal Training/Recruiting	11,465.00	(14,477.02)		(3,012.02)			14,477.02
Title II - Part D - Enhancing Educ. Through Technology		(51.98)		(835.98)			835.98
Title II - Part D - Enhancing Educ. Through Technology	250.00	(930.00)		(680.00)			930.00
Title IV - Safe and Drug Free Schools		(865.34)		(1,674.00)			2,882.00
Title IV - Safe and Drug Free Schools	1,754.00	(2,776.00)		(1,022.00)			2,776.00
I.D.E.A. Part B - Basic Regular	106,600.00	(5,894.78)		(15,600.04)			241,998.04
I.D.E.A. Part B - Basic Regular		(232,621.54)		(232,621.54)			232,621.54
ARRA - IDEA - Part B	181,529.00	(187,512.75)		(5,983.75)			187,512.75
I.D.E.A. Part B, Preschool	4,095.00						13,309.00
I.D.E.A. Part B, Preschool		(13,586.00)		(13,586.00)			13,586.00
ARRA - I.D.E.A. Part B, Preschool	7,146.00	(8,734.00)		(1,588.00)			8,734.00
Total Special Revenue Fund	469,742.72	(606,145.38)		(316,519.28)			950,905.72
Total Federal Financial Awards	939,069.43	(1,065,142.04)	-	(323,532.15)	4,228.74	-	1,409,902.38

See accompanying notes to Schedules of Expenditures of Federal awards and State Financial Assistance.

BOROUGH OF WANAQUE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	Balance at June 30, 2009 Deferred Revenue (Accts Receivable)	Balance at June 30, 2009 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures
State Department of Education:								
General Fund:								
On-behalf T.P.A.F. Post Retirement Medical	10-495-034-5095-001	441,379.00	7/1/09-6/30/10				441,379.00	(441,379.00)
On-behalf T.P.A.F. NCGI Premium	10-495-034-5095-007	23,501.00	7/1/09-6/30/10				23,501.00	(23,501.00)
Reimbursed TPAF Social Security	10-495-034-5095-001	553,985.70	7/1/09-6/30/10				526,377.03	(553,985.70)
Equalization Aid	10-495-034-5120-078	1,591,103.00	7/1/09-6/30/10				1,591,103.00	(1,591,103.00)
Transportation Aid	10-495-034-5120-014	119,504.00	7/1/09-6/30/10				119,504.00	(119,504.00)
Special Education Categorial Aid	10-495-034-5120-089	524,877.00	7/1/09-6/30/10				524,877.00	(524,877.00)
Security Aid	10-495-034-5120-084	65,088.00	7/1/09-6/30/10				65,088.00	(65,088.00)
Extraordinary Special Education Costs Aid	09-100-034-5120-473	186,770.00	7/1/08-6/30/09	(186,770.00)			186,770.00	
Extraordinary Special Education Costs Aid	10-100-034-5120-473	111,626.00	7/1/09-6/30/10					(111,626.00)
Non Public Transportation Aid	09-100-034-5120-068	11,375.25	7/1/08-6/30/09	(11,375.25)			11,375.25	
Non Public Transportation Aid	10-100-034-5120-068	6,656.00	7/1/09-6/30/10					(6,656.00)
Total General Fund				(198,145.25)			3,489,974.28	(3,437,719.70)
Debt Service Fund:								
Debt Service Aid - Type 2	10-100-034-5120-125	509,255.00	7/1/09-6/30/10				509,255.00	(509,255.00)
Total Debt Service Fund							509,255.00	(509,255.00)
Special Revenue Fund:								
N.J. Nonpublic Aid:								
Textbook Aid	10-100-034-5120-064	8,007.00	7/1/09-6/30/10				8,007.00	(7,973.41)
Auxiliary Services:								
Compensatory Education	10-100-034-5120-067	36,468.00	7/1/09-6/30/10				36,468.00	(34,453.23)
Compensatory Education	09-100-034-5120-067	27,869.00	7/1/08-6/30/09		9,455.44			
Home Instruction	10-100-034-5120-067	737.80	7/1/09-6/30/10				737.80	(737.80)
Transportation Aid	10-100-034-5120-068	19,557.00	7/1/09-6/30/10				12,901.00	(12,901.00)
Technology Aid	10-100-034-5120-373	5,000.00	7/1/09-6/30/10					(5,000.00)
Technology Aid	09-100-034-5120-373	4,720.00	7/1/08-6/30/09		239.86			
Nonpublic Nursing	10-100-034-5120-070	9,496.00	7/1/09-6/30/10				9,496.00	(9,491.71)
Nonpublic Nursing	09-100-034-5120-070	9,110.00	7/1/08-6/30/09		1,917.45			
Handicapped Services:								
Supplemental Instruction	10-100-034-5120-066	19,114.00	7/1/09-6/30/10				19,114.00	(10,751.40)
Supplemental Instruction	09-100-034-5120-066	14,042.00	7/1/08-6/30/09		2,395.40			
Examination and Classification	10-100-034-5120-066	19,554.00	7/1/09-6/30/10				19,554.00	(9,870.54)
Examination and Classification	09-100-034-5120-066	25,206.00	7/1/08-6/30/09		6,818.13			
Corrective Speech	10-100-034-5120-066	12,285.00	7/1/09-6/30/10				12,285.00	(7,621.95)
Corrective Speech	09-100-034-5120-066	8,370.00	7/1/08-6/30/09		1,581.00			
Total Special Revenue Fund					22,407.28		118,562.80	(98,801.04)
State Department of Agriculture								
Enterprise Fund:								
National School Lunch Program	09-100-010-3350-023	4,454.30	7/1/08-6/30/09	(964.60)			964.60	
National School Lunch Program	10-100-010-3350-023	4,617.14	7/1/09-6/30/10				4,227.24	(4,617.14)
State School Breakfast Program	09-100-010-3350-021	274.70	7/1/08-6/30/09	(59.60)			59.60	
State School Breakfast Program	10-100-010-3350-021	207.64	7/1/09-6/30/10				189.44	(207.64)
Total Enterprise Fund				(1,024.20)			5,440.88	(4,824.78)
Total State Financial Assistance				(199,169.45)	22,407.28		4,123,232.96	(4,050,600.52)

See accompanying notes to Schedule of Expenditures of Federal awards and State Financial Assistance.

BOROUGH OF WANAQUE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2010

State Grantor/Program Title	Repayment of Prior Years' Balances	Balance at June 30, 2010 (Accounts Receivable)	Deferred Revenue	Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:						
General Fund:						
On-behalf T.P.A.F. Post Retirement Medical						441,379.00
On-behalf T.P.A.F. NCGI Premium						23,501.00
Reimbursed TPAF Social Security		(27,608.67)				553,985.70
Equalization Aid					187,688.00	1,591,103.00
Transportation Aid					17,709.00	119,504.00
Special Education Categorial Aid					50,556.00	524,877.00
Security Aid					9,645.00	65,088.00
Extraordinary Special Education Costs Aid						
Extraordinary Special Education Costs Aid		(111,626.00)				111,626.00
Non Public Transportation Aid						
Non Public Transportation Aid		(6,656.00)				6,656.00
Total General Fund		(145,890.67)			265,598.00	3,437,719.70
Debt Service Fund:						
Debt Service Aid - Type 2						509,255.00
Total Debt Service Fund					-	509,255.00
Special Revenue Fund:						
N.J. Nonpublic Aid:						
Textbook Aid				33.59		(7,973.41)
Auxiliary Services:						
Compensatory Education				2,014.77		(34,453.23)
Compensatory Education	(9,455.44)					
Home Instruction						(737.80)
Transportation Aid						(12,901.00)
Technology Aid		(5,000.00)				(5,000.00)
Technology Aid	(239.86)					
Nonpublic Nursing				4.29		(9,491.71)
Nonpublic Nursing	(1,917.45)					
Handicapped Services:						
Supplemental Instruction				8,362.60		(10,751.40)
Supplemental Instruction	(2,395.40)					
Examination and Classification				9,683.46		(9,870.54)
Examination and Classification	(6,818.13)					
Corrective Speech				4,663.05		(7,621.95)
Corrective Speech	(1,581.00)					
Total Special Revenue Fund	(22,407.28)	(5,000.00)		24,761.76	-	(98,801.04)
State Department of Agriculture						
Enterprise Fund:						
National School Lunch Program						
National School Lunch Program		(389.90)				(4,617.14)
State School Breakfast Program						
State School Breakfast Program		(18.20)				(207.64)
Total Enterprise Fund		(408.10)				(4,824.78)
Total State Financial Assistance	(22,407.28)	(151,298.77)		24,761.76	265,598.00	3,843,348.88

See accompanying notes to Schedule of Expenditures of Federal awards and State Financial Assistance.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include Federal and State Award activity of the Board of Education, Borough of Wanaque School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards 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 on 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 Note 1 to the Board's financial statements. The information in this schedule 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 this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $(27,683.00) for the general fund and $(36,498.24) for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS (Continued)

	Federal	State	Total
General Fund	$ 353,563.00	$3,410,036.70	$3,763,599.70
Special Revenue Fund	569,657.14	98,801.04	668,458.18
Debt Service Fund	-	509,255.00	509,255.00
Food Service Fund	105,433.66	4,824.78	110,258.44
Total Financial Awards	$1,028,653.80	$4,022,917.52	$5,051,571.32

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for 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.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:
1) Material weakness(es) identified? ____ yes __X__ no
2) Significant deficiencies identified? ____ yes __X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal Control over major programs:
1) Material weakness(es) identified? ____ yes __X__ no

2) Significant deficiencies identified? ____ yes __X__ none reported

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

Any audit findings disclosed that are required to be reported In accordance with section .510(a) of Circular A-133? ____ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.391	A.R.R.A. - I.D.E.A. Part B
84.027	I.D.E.A. Part B - Basic
84.394-397	A.R.R.A. - S.F.S.F. - E.S.F./G.S.F.

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk audited? ____ yes __X__ no

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? X yes _____ no

Internal Control over major programs:
1) Material weakness(es) identified? _____ yes X no
2) Significant deficiencies identified? X yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? X yes _____ no

Identification of major programs

GMIS Number(s)	Name of State Program
10-495-034-5120-078	Equalization Aid
10-495-034-5120-089	Categorical Special Education Aid
09-495-034-5095-051	TPAF Social Security
09-495-034-5095-050	TPAF Contributions

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section II - 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 paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

NONE

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

The following are the findings of the New Jersey Department of Education in a report dated November 10, 2010.

"The New Jersey Department of Education has completed a review of funds received and disbursed from one or more federal programs by the Wanaque Board of Education. The funding sources reviewed included titled programs for the American Recovery and Reinvestment Act (ARRA) in particular, and/or No Child Left Behind Act (NCLB), the Individuals and Disabilities Education Act (IDEA) and State Fiscal Stabilization Funds (Education Stabilization Fund and Government Stabilization Fund). The review covered the period July 1, 2009 through June 30, 2010".

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-01

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.389 - ARRA Title I - Part A - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

NCLB §1112, §2112

Condition:

The school district was not able to support the development of the needs assessment by providing data and other supporting documentation. This statement relates to all Titles (Overarching Requirement).

Questioned Costs:

N/A

Context:

Relates to all Titles.

Effect:

Data is not reviewed and could possibly be incorrect.

Cause:

Not reviewing grant requirements.

Recommendation:

The school district must develop a written protocol regarding the review of data and other documentation for the development of the needs assessment.

Management Response:

The District will develop a written protocol.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-02

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.389 - ARRA Title I - Part A - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

NCLB §1115 (b) (1) (B)

Condition:

A written entrance and exit criteria for eligible students in targeted assistance program could not be provided by the school district.

Questioned Costs:

None

Context:

Relates to all Titles.

Effect:

No review is performed which could lead to errors.

Cause:

Not reviewing grant requirements.

Recommendation:

The school district must develop a written entrance and exit criteria for eligible students in the targeted assistance program.

Management Response:

The District will develop a formal entrance and exit criterial for eligible students.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-03

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.389 - ARRA Title I - Part A - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

NCLB §1120. *Participation of Children Enrolled in Private Schools.*

Condition:

Nonpublic consultation could not be verified by review of the completion of the Affirmation of Consultation.

Questioned Costs:

N/A

Context:

Relates to all Nonpublic Consultation.

Effect:

No verification could be established.

Cause:

Not reviewing grant requirements.

Recommendation:

Dialogue with the nonpublic school must include the completion of the Affirmation of Consultation.

Management Response:

Affirmation of Consultation forms will be maintained on file in the Superintendent's office.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-04

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.389 - ARRA Title I - Part A - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

OMB Circular A-87, Attachment B, Section 8(h): *Cost Principles for State, Local and Indian Tribal Governments (Compensation for personal services).*

Condition:

The district does not have the required supporting documentation to verify the activity of Title I or IDEA funded staff as required by federal law.

Questioned Costs:

None

Context:

Relates to Title I and IDEA Staff.

Effect:

Incorrect payroll could be charged to the grants.

Cause:

Not maintaining proper records.

Recommendation:

The district must maintain records to verify the time and activity of staff charged to the grant.

Management Response:

Involved staff have been identified and directed to provide Time/Activity sheets to be submitted and maintained by Payroll.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-05

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.318 - Title II - Part D - NCLB 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

NCLB §2413 (b) (6)

Condition:

The school district utilized Title II, Part D funds to purchase Bio E-Learning Frog Guts. This expenditure did not correspond to the district's Need Assessment. Science is not listed as a Priority Problem on the Need Assessment.

Questioned Costs:

Not available.

Context:

Relates to all Title II - Part D purchases.

Effect:

Incorrect charges to Title II - Part D purchases.

Cause:

Incorrect coding on purchase orders or lack of knowledge of grant requirements.

Recommendation:

The district accurately charge to the grant. This expenditure should have been charged to local funds.

Management Response:

All PO originators have been advised that proper account coding is the responsibility of the originator and verified by Business office.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-06

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.186 - Title IV - NCLB 544010- 9/1/09 - 8/31/10

Criteria or specific requirement:

NCLB §4114-4115

Condition:

The school district could not provide evidence that it evaluated the program to assess the effectiveness.

Questioned Costs:

N/A

Context:

Relates to Title IV grant.

Effect:

Program cannot be evaluated for effectiveness.

Cause:

Not reviewing grant requirements listed above.

Recommendation:

Title IV is no longer a funded program. However, the school district should have a protocol to ensure that all funded programs are assessed for effectiveness.

Management Response:

Duly noted. The district will employ appropriate protocol to assess future programs for effectiveness.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-07

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education:
84.391 - ARRA - IDEA -Part B - ARRA 544010 - 9/1/09 - 8/31/10
84.173 - IDEA - Part B - Basic Regular - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

IDEA Regulations 34CFR §300.130-300.144

Condition:

The district did not provide written verification of consultation with nonpublic schools for both IDEA Basic and ARRA-IDEA Basic. The Individual Service Plan (ISP) did not consistently specify the services provided by separate funding sources; specifically IDEA Basic and ARRA-IDEA nonpublic proportionate share. The monitors also noted that the current ISPs combine Chapter 193 and IDEA services.

Questioned Costs:

N/A

Context:

IDEA Basic and ARRA-IDEA Basic.

Effect:

No verification of consultation could be established.

Cause:

Not reviewing grant requirements listed above.

Recommendation:

The district must develop a procedures to consistently capture consultation with nonpublic schools and obtain confirmation of consultation. The ISPs must be revised to reflect the funding source and services.

Management Response:

A consultation log will be established to track activity.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-08

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.394/397 - ARRA SFSF - ESF/GSF - 7/1/09 - 6/30/10

Criteria or specific requirement:

American Recovery and Reinvestment Act of 2009 (ARRA), EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Condition:

The district failed to maintain copies of their ARRA quarterly 1512 and cash management reports. In addition, the district could not document or explain the methodology used to calculate the number of jobs created and jobs retained submitted on the 1512 report.

Questioned Costs:

N/A

Context:

ARRA - SFSF - ESF and GSF.

Effect:

State could not review reports and number of jobs created.

Cause:

Failure to follow grant requirements listed above.

Recommendation:

Copies of all quarterly ARRA reports should be retained by the district. The method used to calculate the jobs created and jobs retained reported on the quarterly 1512 report should be documented and retained.

Management Response:

Re: Form 1512 - All quarterlies have been recreated and all future forms will be maintained.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-09

Information on the federal Program:

Pertains to all Grants and on State Aid.

Criteria or specific requirement:

EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.S.A. 18A:18A(2)(v) Public School Contracts Law.

Condition:

On numerous occasions the district failed to issue a purchase order prior to goods being purchased or services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to the purchase of goods or the rendering of services.

Questioned Costs:
N/A

Context:

Applies to District-wide purchases.

Effect:

Possible overexpenditure of appropriations.

Cause:

Lack of staff knowledge pertaining to purchase system.

Recommendation:

Purchase orders should be issued to all vendors prior to goods or services being provided.

Management Response:

Staff has been notified/reminded that a purchase order must initiate the purchase process.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-10

Information on the federal Program:

Pertains to all Grants and on State Aid

Criteria or specific requirement:

EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.A.C. 6A:23A-6.10 Approval of amounts paid in excess of approved purchase orders; board policy

Condition:

Monitors noted that accounting staff had issued payment to a vendor in excess of the purchase order amount without authorization.

Questioned Costs:
N/A

Context:

Applies to District-wide purchases.

Effect:

Possible overexpenditure of appropriations.

Cause:

Lack of a Board policy.

Recommendation:

The district must adopt a policy establishing the approval process for any remittance of payment for invoice amounts greater that the approved purchase order. The policy shall require the school business administrator (SBA) to identify, and investigate, if necessary, the reason for any increase to the purchase order. If it is found that such an increase is warranted, the SBA shall either approve a revision to the original purchase order with the reason noted, approve the issuance of a supplemental purchase order for the difference, or cancel the original purchase order and issue a new purchase order.

Management Response:

Policy #6470 will be reviewed with accounts payable to assure compliance

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-11

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education:
84.010 - Title I - NCLB 544010 - 9/1/09 - 8/31/10
84.389 - ARRA - Title I -Part A - ARRA 544010 - 9/1/09 - 8/31/10
84.027 - IDEA - Part B - Basic - IDEA 544010 - 9/1/09 - 8/31/10
84.391 - ARRA - IDEA -Part B - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Condition:

The district failed to formally appoint individuals charged to IDEA and Title I by board resolution.

Questioned Costs:

N/A

Context:

IDEA and Title I grants.

Effect:

Teachers are not approved by resolution.

Cause:

Not following grant requirements stated above.

Recommendation:

All staff charged against grants should be reappointed annually by board resolution.

Management Response:

All staff charged against a grant will be reappointed annually by board resolution

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-12

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education 84.389 - ARRA Title I - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Condition:

The district retroactively charged staff to the ARRA - Title I grant by making a payroll adjustment in June 2010. As a result, the employee was not included in the jobs created and jobs retained on the quarterly 1512 reports.

Questioned Costs:

N/A

Context:

ARRA - Tile I grant.

Effect:

Possibly charging an incorrect salary amount to the grant.

Cause:

Not charging payroll directly against the grant every pay period.

Recommendation:

Staff charged against the grant should be charged throughout the fiscal year. The district must include all staff funded by the ARRA grant in the jobs created and jobs retained calculation.

Management Response:

Payroll accounting will be done in a timely manner which will assist the jobs created and retained calculation process.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-13

Information on the federal Program:

U.S. Department of Education passed- through State Department of Education:
84.027 - IDEA - Part B - Basic Regular - IDEA 544010 - 9/1/09 - 8/31/10
84.391 - ARRA - IDEA -Part B - ARRA 544010 - 9/1/09 - 8/31/10

Criteria or specific requirement:

Uniform Minimum Chart of Accounts for New Jersey Public Schools, EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems.

Condition:

The district consistently charged IDEA and ARRA-IDEA non-salary expenditures ti incorrect general ledger accounts. Of the 27 IDEA and ARRA-IDEA expenditures tested by monitors, 24 were charged to an incorrect object code and seven were charged to an incorrect function code.

Questioned Costs:

Not available from state.

Context:

Possibly all grants.

Effect:

Not classifying expenditures correctly per grant award notices.

Cause:

Not following Uniform Minimum Chart of Accounts.

Recommendation:

All district expenditures should be recorded in the proper general ledger account with the Uniform Minimum Chart of Accounts.

Management Response:

The business office makes every effort to correctly code all expenses as per the Uniform Chart of Accounts.

BOROUGH OF WANAQUE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)

Finding 10-14

Information on the federal Program:

Pertains to all Grants and on State Aid.

Criteria or specific requirement:

EDGAR, PART 80 - *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 20, Standards for financial management systems. N.J.A.C. 6A:23A-6.6 Standard operating procedures for business functions.

Condition:

The district does not have a purchasing manual that details procedures for the procurement of goods and services.

Questioned Costs:

N/A

Context:

District-wide purchases

Effect:

Not complying with State and Federal procurement regulations.

Cause:

Not following grant requirements above.

Recommendation:

The district should prepare and adopt a detailed purchasing manual to ensure compliance with current state and federal procurement regulations.

Management Response:

A purchasing manual will be prepared for the district.

BOROUGH OF WANAQUE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section identifies the status of prior year audit 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-233 (section .315{a}{b}) and New Jersey OMB's Circular 04-04.

Status of Prior Year Findings

There were no prior year audit findings for the fiscal year ended June 30, 2009 that we are required to report on.