

ELMWOOD PARK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Elmwood Park, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Elmwood Park Board of Education

Elmwood Park, New Jersey

For The Fiscal Year Ended June 30, 2014

Prepared by

Business Office

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INTRODUCTORY SECTION



ELMWOOD PARK PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

RICHARD D. TOMKO, Ph.D.
SUPERINTENDENT OF SCHOOLS

60 EAST 53RD STREET
ELMWOOD PARK, NEW JERSEY 07407

(201) 796-8700 EXT. 3979
FAX (201) 794-4677

WAYNE DEMIKOFF
INTERIM BUSINESS ADMINISTRATOR/
BOARD SECRETARY

September 30, 2014

Members of the Board of Education
Elmwood Park Public Schools
60 East 53rd Street
Elmwood Park, NJ 07407

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Elmwood Park Board of Education (the Board) for the fiscal year ended June 30, 2014 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 position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the narrative. The District's MD&A can be found immediately following the "Independent Auditor's Report."

The comprehensive annual financial report (CAFR) is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

Every district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

"WE ARE CRUSADERS FOR OUR KIDS!"

1. REPORTING ENTITY AND ITS SERVICES

Our District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed FY 2013/2014 with an average daily enrollment of 2,527. The following Average Daily Enrollment figures, reported in the School Summary Register, detail the changes in student enrollment over the last eight (8) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013/14	2,527	-0.41%
2012/13	2,537	2.24%
2011/12	2,482	3.31%
2010/11	2,402	3.94%
2009/10	2,311	0.57%
2008/09	2,298	3.89%
2007/08	2,212	3.75%
2006/07	2,132	-4.22%

2. ECONOMIC CONDITION AND OUTLOOK

The Borough of Elmwood Park is almost fully developed with only a nominal amount of land that remains vacant. Most land use changes reflect the results of redevelopment. This has resulted in a static tax base, and this appears to be the picture for the immediate future as well.

The District's General Fund was in a deficit position at the end of the 2010-2011 and 2011-2012 school years. The District obtained a state aid advance loan in 2012-2013 in the amount of \$2,214,497, which must be repaid over the next ten years. This loan is reflected as budgetary revenue pursuant to N.J.S.A. 18A:7A-56, and is not recognized on the GAAP basis as revenue but rather a fund liability. The District was able to increase its budgetary fund balance in 2013/2014 by \$1,630,861 due to the realization of budget revenue and reducing costs during the fiscal year. The District was also able to transfer \$2,100,000 to its capital reserve to be available to finance needed capital improvements in the future.

3. MAJOR INITIATIVES

Our District continues to meet its educational challenges through a series of ambitious curriculum initiatives based on the Long Range Curriculum Plan, which must be completed to maintain educational integrity. Curriculum advances and enhancements include the areas of English Language Arts, mathematics, Foreign Language, 21st Century Skills, technology, social studies, and science.

In order to maintain dialogue with the staff, in-service training in the curriculum areas are offered to committee members. The district also continues to offer technology training during the school day, as well as after-school hours and summer recess. The Quality School Assurance Continuum addresses this area.

In addition to technology, in-service training has focused on reading, language and mathematics instruction to address the NJASK 3-8 and PARCC requirements and the iReady program. District in-

service has focused on a diversified curriculum meeting the needs of each child as well as establishing Professional Learning Communities for our teachers throughout the district.

4. INTERNAL ACCOUNTING CONTROLS

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

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 municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for FY 2013/2014 is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS

Our District accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements."

7. DEBT ADMINISTRATION

On June 30, 2014, the District had \$24,482,000 outstanding in General Obligation Bonds. The proceeds of these bonds were used to provide funds for major capital improvements to the District's buildings and grounds.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

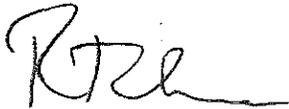
Independent Audit. State statute requires an annual audit by an independent certified public accountant or registered municipal accountant. The Board's Finance Committee selected the accounting firm of Lerch Vinci & Higgins, LLP, CPA's. In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04.

The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

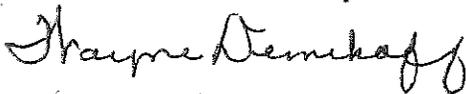
11. ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Elmwood Park Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District, as well as contributing their full support to the development and maintenance of our financial operations. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff and other members in central office.

Respectfully submitted,



Richard D. Tomko, Ph.D.
Superintendent of Schools
Elmwood Park Public Schools



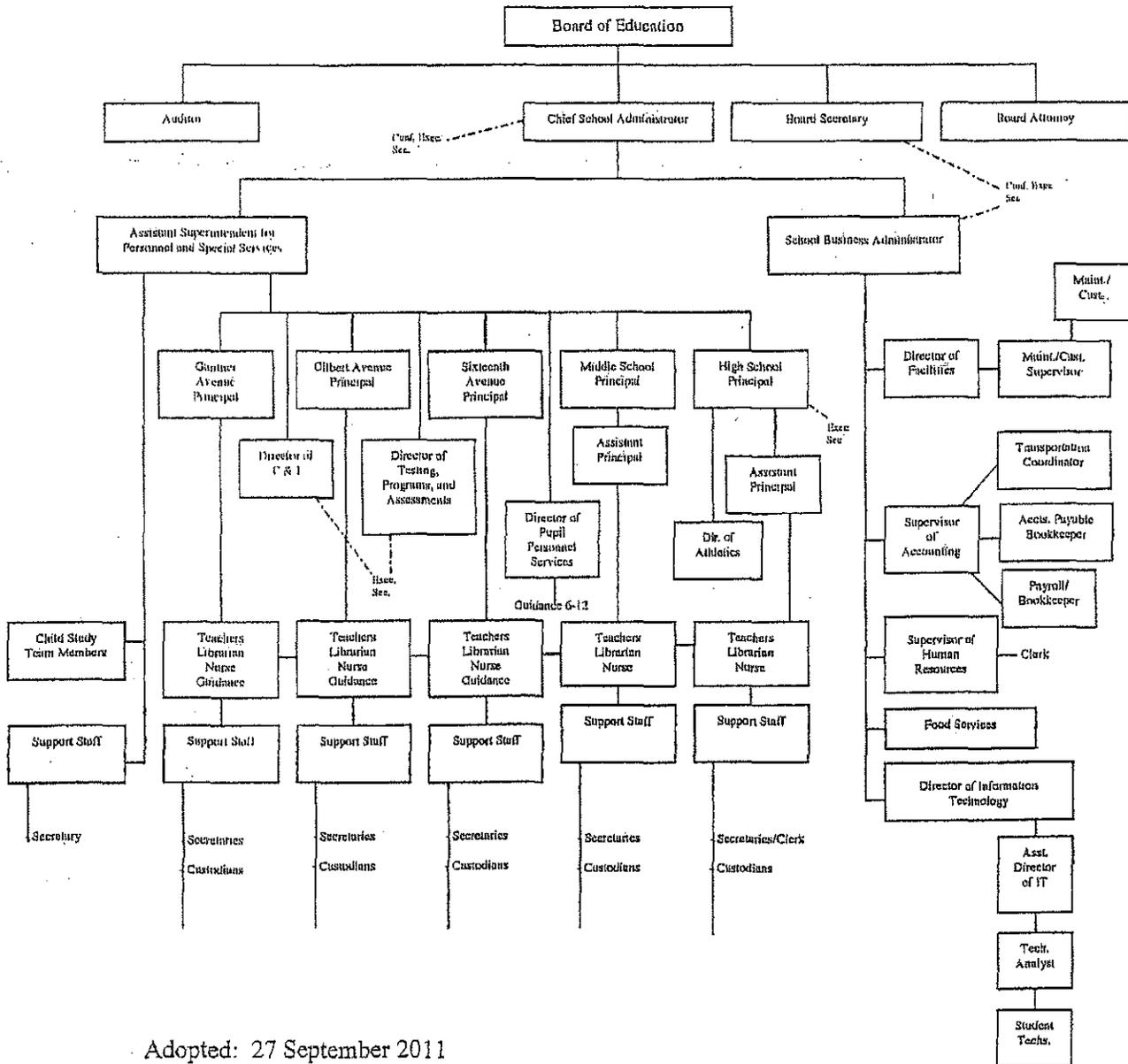
Wayne Demikoff
Interim Business Administrator/Board Secretary
Elmwood Park Public Schools

POLICY

ELMWOOD PARK BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110. ORGANIZATIONAL CHART



Adopted: 27 September 2011



ELMWOOD PARK SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2013

Members of the Board of Education

Term Expires December 31

Louise Geradi, President	2016
Keith Cannizzo, Vice President	2016
Douglas DeMatteo	2014
Jeanne Freitag	2015
Daniel Golabek	2016
Arlene Perna-Rudmann	2014
Kathleen Policano	2014
Peter Scolaro	2015
Stephen Zaccone	2015

Other Officials

Richard Tomko, Ph., D., Superintendent

Wayne Demikoff, Interim Board Secretary/Business Administrator

Schwartz Simon Edelstein Celso, Esqs., Board Attorney

Joanne Wilson, Treasurer of School Monies

Thomas Egan, State Monitor

ELMWOOD PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2014

ARCHITECT

DiCara Rubino
30 Galesi Drive
Wayne, New Jersey 07470

AUDIT FIRM

Lerch, Vinci & Higgins LLP
17-17 Route 208
Fair Lawn, NJ 07410

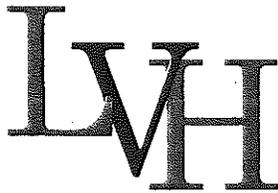
ATTORNEY

Schwartz Simon Edelstein Celso
100 South Jefferson Road
Whippany, New Jersey 07981

OFFICIAL DEPOSITORY

Valley National Bank
80 Broadway
Elmwood Park, New Jersey 07407

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elmwood Park Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Elmwood Park Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

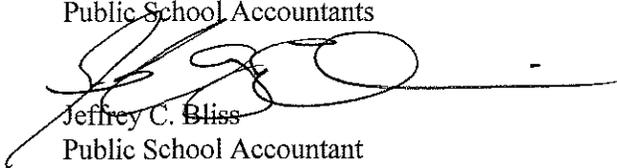
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2014 on our consideration of the Elmwood Park 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Elmwood Park Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
September 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2014

As management of the Elmwood Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Elmwood Park Board of Education for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-2014 fiscal year include the following:

- The assets of the Elmwood Park Board of Education exceeded its liabilities and deferred inflows at the close of the fiscal year by \$13,926,707. (Net Position)
- The District's total net position increased by \$1,976,183 or 17%.
- Overall District revenues were \$41,101,211. General revenues accounted for \$33,128,666 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,972,545 or 19% of total revenues.
- The school district had \$38,075,841 in expenses for governmental activities; only \$6,704,257 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$33,128,523 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund deficit of \$318,686. Of this amount, \$2,350,001 is restricted for capital projects, \$94,570 is restricted for required maintenance of District facilities, \$776 is restricted for state aid loan repayments and \$34,400 is assigned for year end encumbrances and the remaining amount is the unassigned fund deficit of \$2,798,433.
- The General Fund fund balance at June 30, 2014 was \$447,227, an increase of \$2,013,085 compared to the ending fund deficit at June 30, 2013 of \$1,565,858.
- The General Fund unassigned budgetary fund balance at June 30, 2014 was \$582,650, which represents an decrease of \$384,331 when compared to the ending unassigned budgetary fund balance at June 30, 2013 of \$966,981.
- The District's total outstanding long-term debt decreased by \$1,014,962 during the current fiscal year.

ELMWOOD PARK BOARD OF EDUCATION

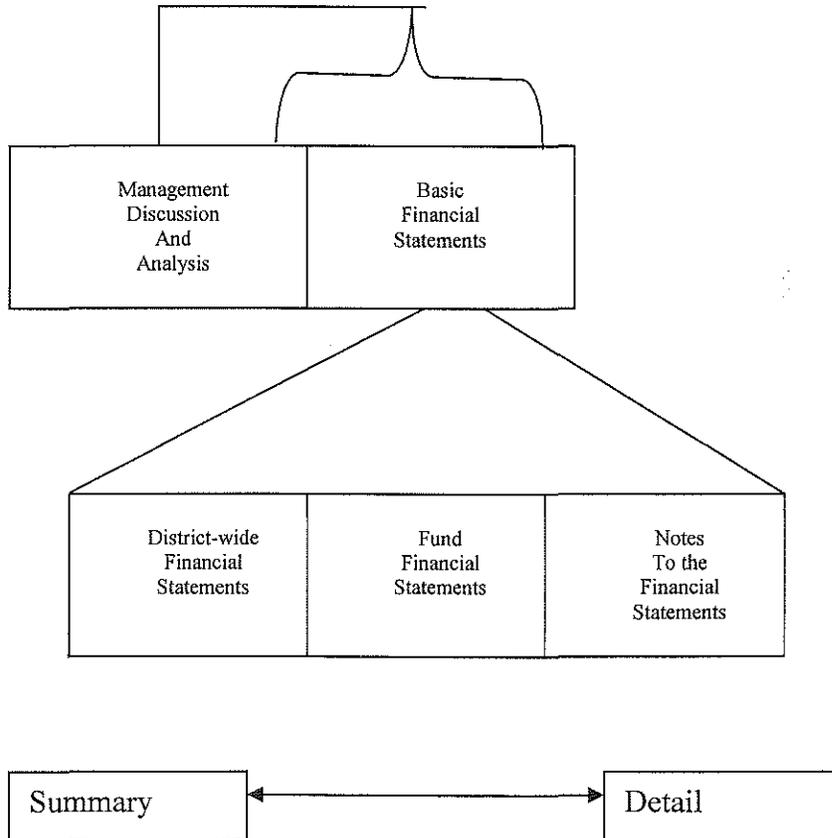
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



ELMWOOD PARK BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2014

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district(except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as student activities and payroll activities
Required financial Statements	Statement of net position Statement of activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows	Statement of Fiduciary Net Position. Statement of Change In Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset, liability and deferred inflows/outflows information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and Long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how it has changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or *position*.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2014

- Over time, increases or decreases in the District's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) program, child care program, community school and summer programs are included under this category.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has five enterprise funds, for its food service (cafeteria) program, child care program, community school, summer camp program and summer session program.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Fund Financial Statements (Continued)

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets and other resources that belong to others. The District is responsible for ensuring that the assets and other resources reported in these funds are used only for their intended purposes and by those to whom they belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these resources to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$13,926,707 and \$11,950,524 on June 30, 2014 and 2013, respectively as follows:

Net Position
As of June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$ 2,990,557	\$ 1,687,750	\$ 578,820	\$ 325,362	\$ 3,569,377	\$ 2,013,112
Capital Assets	40,075,859	40,597,994	17,135	27,671	40,092,994	40,625,665
Total Assets	43,066,416	42,285,744	595,955	353,033	43,662,371	42,638,777
Liabilities						
Long-Term Liabilities	25,873,277	26,888,239	-	-	25,873,277	26,888,239
Other Liabilities	3,752,275	3,713,580	103,412	79,287	3,855,687	3,792,867
Total Liabilities	29,625,552	30,601,819	103,412	79,287	29,728,964	30,681,106
Deferred Inflows of Resources	-	-	6,700	7,147	6,700	7,147
Net Position						
Net Investment in Capital Assets	15,208,895	14,516,671	17,135	27,671	15,226,030	14,544,342
Restricted	2,445,347	250,777			2,445,347	250,777
Unrestricted	(4,213,378)	(3,083,523)	468,708	238,928	(3,744,670)	(2,844,595)
Total Net Position	\$ 13,440,864	\$ 11,683,925	\$ 485,843	\$ 266,599	\$ 13,926,707	\$ 11,950,524

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

The District's total net position of \$13,926,707 at June 30, 2014 represents a \$1,976,183 or 17%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2014 and 2013.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 260,002	\$ 164,664	\$ 765,914	\$ 904,108	\$ 1,025,916	\$ 1,068,772
Operating Grants and Contributions	6,437,292	5,703,017	502,374	504,652	6,939,666	6,207,669
Capital Grants and Contributions	6,963	12,679			6,963	12,679
General Revenues						-
Property Taxes, Levied	31,702,768	30,904,711			31,702,768	30,904,711
Federal and State Aid - Unrestricted	1,176,221	723,691			1,176,221	723,691
Miscellaneous Income	249,534	102,510	143	279	249,677	102,789
Total Revenues	39,832,780	37,611,272	1,268,431	1,409,039	41,101,211	39,020,311
Expenses						
Instruction						
Regular	12,396,434	11,906,542			12,396,434	11,906,542
Special	8,781,930	9,041,608			8,781,930	9,041,608
Other Instruction	387,071	243,800			387,071	243,800
School Sponsored Activities and Athletics	541,451	565,044			541,451	565,044
Support Services						
Student and Instruction Related Services	4,658,155	5,134,658			4,658,155	5,134,658
General Administrative Services	1,409,617	1,119,619			1,409,617	1,119,619
School Administrative Services	2,484,316	2,382,539			2,484,316	2,382,539
Central Administrative Services	1,205,590	1,183,844			1,205,590	1,183,844
Plant Operations and Maintenance	3,554,579	2,884,042			3,554,579	2,884,042
Pupil Transportation	1,583,747	1,726,171			1,583,747	1,726,171
Interest on Long-Term Debt	1,072,951	1,113,954			1,072,951	1,113,954
Food Services			887,284	933,142	887,284	933,142
Before / After CARE Program			137,066	143,731	137,066	143,731
Other Programs	-	-	24,837	138,823	24,837	138,823
Total Expenses	38,075,841	37,301,821	1,049,187	1,215,696	39,125,028	38,517,517
Increase in Net Position	1,756,939	309,451	219,244	193,343	1,976,183	502,794
Net Position, Beginning of Year	11,683,925	11,374,474	266,599	73,256	11,950,524	11,447,730
Net Position, End of Year	\$ 13,440,864	\$ 11,683,925	\$ 485,843	\$ 266,599	\$ 13,926,707	\$ 11,950,524

ELMWOOD PARK BOARD OF EDUCATION

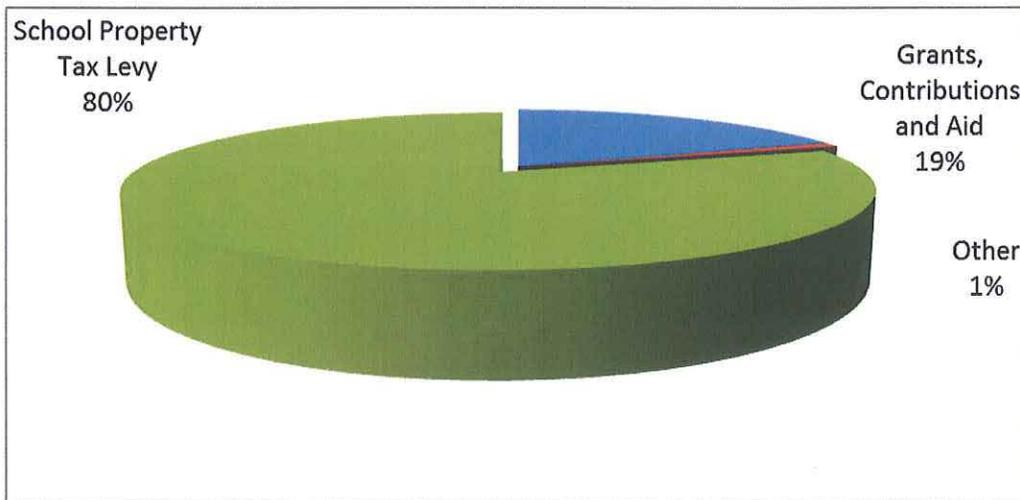
Management's Discussion and Analysis Fiscal Year Ended June 30, 2014

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$39,832,780 for the fiscal year ended June 30, 2014, property taxes of \$31,702,768 represented 80% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$7,620,476 and represented 19% of revenues. In addition, charges for services from tuition and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

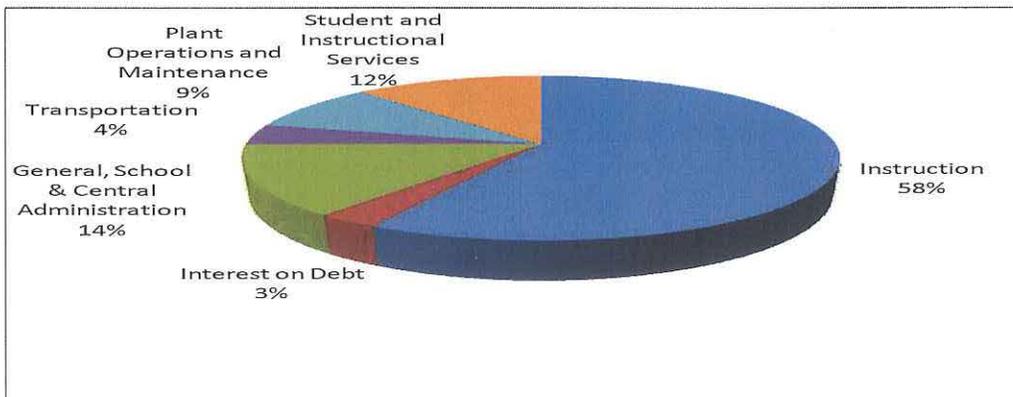
The total cost of all governmental activities programs and services was \$38,075,841 for the fiscal year ended June 30, 2014. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$22,106,886 (58%) of total expenses. Support services costs were \$14,896,004 (39%) of total expenses and interest on debt totaled \$1,072,951, (3%) of total expenses.

For fiscal year 2014, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$1,756,939 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2014**



**Expenses by Use – Governmental Activities
For Fiscal Year 2014**



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Net Cost of Governmental Activities. The District's total cost of services was \$38,075,841. After applying program revenues, derived from operating and capital grants and contributions of \$6,444,255, and charges for services of \$260,002, the net cost of services of the District is \$31,371,584 for the fiscal year ended June 30, 2014.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Instruction:				
Regular	\$ 12,396,434	\$ 11,906,542	\$ 10,280,380	\$ 9,883,474
Special Education	8,781,930	9,041,608	5,567,124	6,554,589
Other Instruction	387,071	243,800	332,336	207,521
School Sponsored Activities and Athletics	541,451	565,044	541,451	565,044
Support Services:				
Student & Instruction Related Services	4,658,155	5,134,658	3,929,338	4,401,030
General Administrative Services	1,409,617	1,119,619	1,374,617	1,079,212
School Administrative Services	2,484,316	2,382,539	2,266,824	2,134,696
Central Administrative Services	1,205,590	1,183,844	1,205,590	1,153,913
Plant Operations and Maintenance	3,554,579	2,884,042	3,379,405	2,751,295
Pupil Transportation	1,583,747	1,726,171	1,421,568	1,576,733
Interest on Long Term Debt	<u>1,072,951</u>	<u>1,113,954</u>	<u>1,072,951</u>	<u>1,113,954</u>
Total	<u>\$ 38,075,841</u>	<u>\$ 37,301,821</u>	<u>\$ 31,371,584</u>	<u>\$ 31,421,461</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,268,431 for the fiscal year ended June 30, 2014. Charges for services of \$765,914 accounted for 60% of total revenues and operating grants and contributions of \$502,374 accounted for 40% of total revenues.

Total cost of all business-type activities programs and services was \$1,049,187 for the fiscal year ended June 30, 2014. Food service expenses of \$887,284 represented 85% of total expense and the before/after CARE program expenses of \$137,066 represented 13% of total expenses.

For fiscal year 2014, total business-type activities revenues exceeded expenses, increasing net position by \$219,244 or 82% over the previous year.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund deficit of \$318,686 at June 30, 2014, an increase of \$1,247,172 from last year's fund deficit of \$1,568,858. This change was mainly attributable to local revenues which exceeded budget estimates as well as operating expenditures which were less than budgeted amounts for the 2013/2014 school year. The District restricted fund balances increased \$2,194,520 while the unassigned fund balances of the governmental funds decreased \$768,020 at June 30, 2014.

Revenues for the District's governmental funds were \$39,832,780, while total expenditures were \$38,831,062 for the fiscal year ended June 30, 2014. Total financing sources of the District's governmental funds were \$245,454 for the fiscal year ended June 30, 2014.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades K through 12 including pupil transportation, extra-curricular activities and plant operation and maintenance costs.

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 29,579,684	\$ 28,789,793	\$ 789,891	3%
Tuition and Fees	260,002	164,664	95,338	58%
Miscellaneous	249,534	102,510	147,024	143%
State Sources	5,866,418	5,043,609	822,809	16%
Federal Sources	<u>8,963</u>	<u>24,205</u>	<u>(15,242)</u>	-63%
Total General Fund Revenues	<u>\$ 35,964,601</u>	<u>\$ 34,124,781</u>	<u>\$ 1,839,820</u>	5%

For fiscal year 2014, total General Fund revenues increased \$1,839,820 or 5% from the previous year. Property taxes increased \$789,891 or 3% to support increases in operating costs. As indicated, State aid increased \$822,809 or 16% mainly due to under adequacy aid which was a new state aid program initiated in the current fiscal year.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 20,237,867	\$ 19,907,933	\$ 329,934	2%
Support Services	13,713,807	13,387,364	326,443	2%
Debt Service	230,589	154,694	75,895	100%
Capital Outlay	<u>14,707</u>	<u>195,082</u>	<u>(180,375)</u>	-92%
Total Expenditures	<u>\$ 34,196,970</u>	<u>\$ 33,645,073</u>	<u>\$ 551,897</u>	2%

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

GENERAL FUND (Continued)

For fiscal year 2014, total General Fund expenditures increased \$551,897 or 2% from the previous year. Contractual salary increases and energy costs were the major factors for this increase in the current fiscal year.

In fiscal year 2014 General Fund revenues and other financing sources exceeded expenditures by \$2,013,085. Therefore, the total fund deficit of \$1,565,858 at June 30, 2013 was eliminated and the District ended with a fund balance of \$447,227 at June 30, 2014. However, after deducting restricted and assigned fund balances, the unassigned fund deficit increased slightly from \$2,030,413 at June 30, 2013 to \$2,032,520 at June 30, 2014. In addition, the District transferred \$2,100,000 to its capital reserve and \$94,570 to its maintenance reserve at the end of June 2014.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2014, the District had \$40,075,859 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$17,135, for business type activity. The following is a comparison of the June 30, 2014 and 2013 balances:

Capital Assets at June 30, 2014 and 2013

(Net of Accumulated Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Construction in Progress	765,913				765,913	
Land Improvements	11,741	12,359			11,741	12,359
Buildings and Improvements	39,131,143	40,288,644			39,131,143	40,288,644
Furniture, Equipment and Vehicles	155,272	285,201	\$ 17,135	\$ 27,671	172,407	312,872
Total Capital Assets, Net	\$ 40,075,859	\$ 40,597,994	\$ 17,135	\$ 27,671	\$ 40,092,994	\$ 40,625,665

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2014 the District had \$25,873,277 of total outstanding debt. Of this amount, \$24,482,000 is for serial bonds, \$384,964 is for capital leases \$196,031 is for lease-purchase agreements and \$810,282 is for compensated absences. For fiscal year 2013/2014 total outstanding long-term debt decreased by \$1,014,962. The following is a comparison of the June 30, 2014 and 2013 balances:

**Outstanding Long-Term Debt
as of June 30, 2014 and 2013**

	Governmental Activities	
	2014	2013
Serial Bonds	\$ 24,482,000	\$ 25,532,000
Capital Leases	384,964	549,323
Lease-Purchase Agreements	196,031	
Compensated Absences	810,282	806,916
	\$ 25,873,277	\$ 26,888,239

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2014

LONG TERM LIABILITIES (Continued)

On January 28, 2014 the voters through a special election approved the issuance of \$9,992,250 of bonds to fund various renovations and upgrades of the Districts' schools. As of June 30, 2014 said bonds were not issued by the District.

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts.

For fiscal year 2014 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$1,630,861. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$384,331, from an unassigned fund balance of \$966,981 at June 30, 2013 to \$582,650 at June 30, 2014. In addition, the District increased its capital reserve \$2,100,000 from \$250,001 at June 30, 2013 to \$2,350,001 at June 30, 2014. The District established a maintenance reserve during the fiscal year and transferred \$94,570 into the reserve at year end.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2014-2015 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2014-2015. Budgeted expenditures in the General Fund increased approximately 6% to \$34,910,239 for fiscal year 2014-2015. Increases in contractual salary requirement and related employee benefits as well as capital outlay projects were the main factors for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Elmwood Park Board of Education, 60 East 53rd Street, Elmwood Park, NJ 07407.

DISTRICT-WIDE FINANCIAL STATEMENTS

ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,832,699	\$ 535,088	\$ 2,367,787
Receivables, Net	1,139,545	44,451	1,183,996
Internal Balances	18,313	(18,313)	-
Inventory		17,594	17,594
Capital Assets, Not Being Depreciated	777,703	-	777,703
Capital Assets, Being Depreciated, Net	<u>39,298,156</u>	<u>17,135</u>	<u>39,315,291</u>
Total Assets	<u>43,066,416</u>	<u>595,955</u>	<u>43,662,371</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,049,283	81,060	1,130,343
Payable to Other Governments	238,156		238,156
Accrued Interest Payable	443,032		443,032
State Aid Advance Loan Payable	1,984,497		1,984,497
Unearned Revenue	37,307	22,352	59,659
Noncurrent Liabilities			
Due Within One Year	1,394,409		1,394,409
Due Beyond One Year	<u>24,478,868</u>	<u>-</u>	<u>24,478,868</u>
Total Liabilities	<u>29,625,552</u>	<u>103,412</u>	<u>29,728,964</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>-</u>	<u>6,700</u>	<u>6,700</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>6,700</u>	<u>6,700</u>
Total Liabilities and Deferred Inflows of Resources	<u>29,625,552</u>	<u>110,112</u>	<u>29,735,664</u>
NET POSITION			
Net Investment in Capital Assets	15,208,895	17,135	15,226,030
Restricted for:			
Capital Projects	2,350,001		2,350,001
Other	95,346		95,346
Unrestricted	<u>(4,213,378)</u>	<u>468,708</u>	<u>(3,744,670)</u>
Total Net Position	<u>\$ 13,440,864</u>	<u>\$ 485,843</u>	<u>\$ 13,926,707</u>

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

ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 12,396,434	\$ 148,940	\$ 1,967,114		\$ (10,280,380)		\$ (10,280,380)
Special Education	8,781,930	111,062	3,103,744		(5,567,124)		(5,567,124)
Other Instruction	387,071		47,772	\$ 6,963	(332,336)		(332,336)
School Sponsored Activities and Athletics	541,451				(541,451)		(541,451)
Support Services:							
Student & Instruction Related Services	4,658,155		728,817		(3,929,338)		(3,929,338)
General Administrative Services	1,409,617		35,000		(1,374,617)		(1,374,617)
School Administrative Services	2,484,316		217,492		(2,266,824)		(2,266,824)
Central Administrative Services	1,205,590		-		(1,205,590)		(1,205,590)
Plant Operations and Maintenance	3,554,579		175,174		(3,379,405)		(3,379,405)
Pupil Transportation	1,583,747		162,179		(1,421,568)		(1,421,568)
Interest on Long Term Debt	1,072,951	-	-	-	(1,072,951)	-	(1,072,951)
Total Governmental Activities	38,075,841	260,002	6,437,292	6,963	(31,371,584)	-	(31,371,584)
Business-Type Activities:							
Food Service	887,284	471,320	502,374			\$ 86,410	86,410
Before / After CARE Program	137,066	272,047				134,981	134,981
Summer Session Program	24,837	22,547	-	-	-	(2,290)	(2,290)
Total Business-Type Activities	1,049,187	765,914	502,374	-	-	219,101	219,101
Total Primary Government	\$ 39,125,028	\$ 1,025,916	\$ 6,939,666	\$ 6,963	(31,371,584)	219,101	(31,152,483)

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

(Continued)

**ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 29,579,684		\$ 29,579,684
Levied for Debt Service	2,123,084		2,123,084
State Aid - Unrestricted	1,176,221		1,176,221
Interest Earnings	16,581	\$ 143	16,724
Miscellaneous Income	232,953	-	232,953
 Total General Revenues	 33,128,523	 143	 33,128,666
 Change in Net Position	 1,756,939	 219,244	 1,976,183
Net Position, Beginning of Year (Restated)	11,683,925	266,599	11,950,524
 Net Position, End of Year	 \$ 13,440,864	 \$ 485,843	 \$ 13,926,707

FUND FINANCIAL STATEMENTS

ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,832,699				\$ 1,832,699
Receivables From Other Governments	126,519	\$ 888,830			1,015,349
Other Accounts Receivable, Net	5,588				5,588
Due from Other Funds	<u>725,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,562</u>
Total Assets	<u>\$ 2,690,368</u>	<u>\$ 888,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,579,198</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 143,661	\$ 50,385	\$ 765,913		\$ 959,959
Accrued Salaries and Wages	14,656				14,656
Compensated Absences Payable	74,668				74,668
Payable to Federal Government		167,338			167,338
Payable to State Government		45,159			45,159
Payable to Other Governments	25,659				25,659
Due to Other Funds		588,641			588,641
State Aid Advance Loan Payable	1,984,497				1,984,497
Unearned Revenue	<u>-</u>	<u>37,307</u>	<u>-</u>	<u>-</u>	<u>37,307</u>
Total Liabilities	<u>2,243,141</u>	<u>888,830</u>	<u>765,913</u>	<u>-</u>	<u>3,897,884</u>
Fund Balances (Deficits):					
Restricted					
Capital Reserve	2,350,001				2,350,001
Maintenance Reserve	94,570				94,570
State Aid Advance Loan Repayment	776				776
Assigned					
Year End Encumbrances	34,400				34,400
Unassigned	<u>(2,032,520)</u>	<u>-</u>	<u>(765,913)</u>	<u>-</u>	<u>(2,798,433)</u>
Total Fund Balances (Deficits)	<u>447,227</u>	<u>-</u>	<u>(765,913)</u>	<u>-</u>	<u>(318,686)</u>
Total Liabilities and Fund Balances	<u>\$ 2,690,368</u>	<u>\$ 888,830</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$52,125,079 and the accumulated depreciation is \$12,049,220.

40,075,859

The District has financed capital assets through the issuance of serial bonds, long-term lease obligations, and notes. The interest accrual at year end is:

(443,032)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds

General Obligation Bonds	\$ 24,482,000
Capital Leases Payable	384,964
Lease - Purchase Agreements	196,031
Compensated Absences	<u>810,282</u>

(25,873,277)

Net Assets of Governmental Activities

\$ 13,440,864

The Notes to the Financial Statements are an Integral Part of this Statement

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 29,579,684			\$ 2,123,084	\$ 31,702,768
Tuition	260,002				260,002
Miscellaneous	249,534	\$ 13,149	-	-	262,683
Total - Local Sources	30,089,220	13,149	-	2,123,084	32,225,453
State Sources	5,866,418	250,871			6,117,289
Federal Sources	8,963	1,481,075	-	-	1,490,038
Total Revenues	<u>35,964,601</u>	<u>1,745,095</u>	<u>-</u>	<u>2,123,084</u>	<u>39,832,780</u>
EXPENDITURES					
Instruction					
Regular	11,335,336	690,014			12,025,350
Special Education	7,974,009	560,751			8,534,760
Other Instruction	387,071	-			387,071
School Sponsored Activities and Athletics	541,451				541,451
Support Services					
Student and Instruction Related Services	3,975,875	465,867			4,441,742
General Administrative Services	1,334,462				1,334,462
School Administrative Services	2,394,816				2,394,816
Central Administrative Services	1,146,524				1,146,524
Plant Operations and Maintenance	3,310,981				3,310,981
Pupil Transportation	1,551,149	21,500			1,572,649
Debt Service					
Principal	213,782			1,050,000	1,263,782
Interest	16,807			1,073,084	1,089,891
Capital Outlay	14,707	6,963	\$ 765,913	-	787,583
Total Expenditures	<u>34,196,970</u>	<u>1,745,095</u>	<u>765,913</u>	<u>2,123,084</u>	<u>38,831,062</u>
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	<u>1,767,631</u>	<u>-</u>	<u>(765,913)</u>	<u>-</u>	<u>1,001,718</u>
OTHER FINANCING SOURCES					
Lease Purchase Proceeds	245,454	-	-	-	245,454
Total Other Financing Sources	<u>245,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,454</u>
Net Change in Fund Balances	2,013,085	-	(765,913)	-	1,247,172
Fund Balance (Deficit), Beginning of Year	<u>(1,565,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,565,858)</u>
Fund Balance (Deficit), End of Year	<u>\$ 447,227</u>	<u>\$ -</u>	<u>\$ (765,913)</u>	<u>\$ -</u>	<u>\$ (318,686)</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
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, 2014**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,247,172

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

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

Capital Outlays	\$ 787,583	
Depreciation Expense	<u>(1,243,274)</u>	(455,691)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(66,444)
------------------------------------	--	----------

The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement activities.

Lease Purchase Proceeds		(245,454)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bond Principal	1,050,000	
Capital Lease Principal	164,359	
Lease Purchase Principal	<u>49,423</u>	1,263,782

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 paid. The accrued interest in an increase to the reconciliation. (+)

16,940

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

Increase in Compensated Absences		<u>(3,366)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 1,756,939

**ELMWOOD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2014**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before / After CARE Program</u>	<u>Non-Major Enterprise Funds</u>	
ASSETS				
Cash and Cash Equivalents	\$ 227,218	\$ 280,470	\$ 27,400	\$ 535,088
Intergovernmental Receivable	30,117			30,117
Other Accounts Receivable, Net	6,267	8,067		14,334
Inventories	17,594	-	-	17,594
Total Current Assets	<u>281,196</u>	<u>288,537</u>	<u>27,400</u>	<u>597,133</u>
Capital Assets				
Equipment	231,155			231,155
Accumulated Depreciation	(214,020)	-	-	(214,020)
Total Capital Assets, Net	<u>17,135</u>	<u>-</u>	<u>-</u>	<u>17,135</u>
Total Assets	<u>298,331</u>	<u>288,537</u>	<u>27,400</u>	<u>614,268</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	81,060	-		81,060
Due to Other Funds	15,659		2,654	18,313
Unearned Revenue	6,060	-	16,292	22,352
Total Current Liabilities	<u>102,779</u>	<u>-</u>	<u>18,946</u>	<u>121,725</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Commodities Revenue	6,700	-	-	6,700
Total Liabilities and Deferred Inflow of Resources	<u>109,479</u>	<u>-</u>	<u>18,946</u>	<u>128,425</u>
NET POSITION				
Net Investment in Capital Assets	17,135			17,135
Unrestricted	171,717	288,537	8,454	468,708
Total Net Position	<u>\$ 188,852</u>	<u>\$ 288,537</u>	<u>\$ 8,454</u>	<u>\$ 485,843</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before / After CARE Program</u>	<u>Non-Major Enterprise Funds</u>	
OPERATING REVENUES				
Local Sources				
Daily Sales	\$ 448,788			\$ 448,788
Special Events	22,532			22,532
Program Fees	-	\$ 272,047	\$ 22,547	294,594
	<u>471,320</u>	<u>272,047</u>	<u>22,547</u>	<u>765,914</u>
Total Operating Revenues				
OPERATING EXPENSES				
Salaries and Benefits	358,789	114,617	24,837	498,243
Cost of Sales	403,512			403,512
Repairs & Maintenance	22,976			22,976
Supplies and Materials	39,324	22,449	-	61,773
Other Purchased Services	12,325		-	12,325
Management Fee	30,236			30,236
Miscellaneous Expense	6,531	-		6,531
Depreciation	13,591	-	-	13,591
	<u>887,284</u>	<u>137,066</u>	<u>24,837</u>	<u>1,049,187</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(415,964)</u>	<u>134,981</u>	<u>(2,290)</u>	<u>(283,273)</u>
Nonoperating Revenues				
State Sources				
State School Lunch Program	10,925			10,925
Federal Sources				
School Breakfast Program	43,160			43,160
National School Lunch Program	448,289			448,289
Interest Earnings	70	65	8	143
	<u>502,444</u>	<u>65</u>	<u>8</u>	<u>502,517</u>
Total Nonoperating Revenues				
Changes in Net Position	86,480	135,046	(2,282)	219,244
Total Net Position, Beginning of Year (Restated)	<u>102,372</u>	<u>153,491</u>	<u>10,736</u>	<u>266,599</u>
Total Net Position, End of Year	<u>\$ 188,852</u>	<u>\$ 288,537</u>	<u>\$ 8,454</u>	<u>\$ 485,843</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service	Before / After CARE Program	Non-Major Enterprise Funds	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 469,690	\$ 279,306	\$ 17,457	\$ 766,453
Cash Payments for Employees Salaries and Benefits	(358,789)	(114,617)	(24,837)	(498,243)
Cash Payments to Suppliers for Goods and Services	(457,867)	(22,488)	-	(480,355)
Net Cash Provided by (Used for) Operating Activities	(346,966)	142,201	(7,380)	(212,145)
Cash Flows from Noncapital Financing Activities				
Cash Received from Other Funds	15,659	-	2,654	18,313
Cash Received from State and Federal Subsidy Reimbursements	544,930	-	-	544,930
Net Cash Provided by Noncapital Financing Activities	560,589	-	2,654	563,243
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(3,055)	-	-	(3,055)
Net Cash (Used By) Capital and Related Financing Activities	(3,055)	-	-	(3,055)
Cash Flows from Investing Activities				
Interest Earnings Received	70	65	8	143
Net Cash Provided by Investing Activities	70	65	8	143
Net Increase (Decrease) in Cash and Cash Equivalents	210,638	142,266	(4,718)	348,186
Cash and Cash Equivalents, Beginning of Year	16,580	138,204	32,118	186,902
Cash and Cash Equivalents, End of Year	\$ 227,218	\$ 280,470	\$ 27,400	\$ 535,088
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (415,964)	\$ 134,981	\$ (2,290)	(283,273)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	13,591			13,591
Non-Cash Federal Assistance-Food Distribution Program	24,084			24,084
Change in Assets, Liabilities and Deferred Inflows				
(Increase)/Decrease in Accounts Receivable	(1,986)	7,514	-	5,528
(Increase)/Decrease in Inventory	4,247		-	4,247
Increase/(Decrease) in Accounts Payable	29,153	(39)	-	29,114
Increase/(Decrease) in Unearned Revenue	356	(255)	(5,090)	(4,989)
Increase/(Decrease) in Deferred Commodities Revenue	(447)	-	-	(447)
Total Adjustments	68,998	7,220	(5,090)	71,128
Net Cash Provided by (Used For) Operating Activities	\$ (346,966)	\$ 142,201	\$ (7,380)	\$ (212,145)
Non-Cash Investing, Capital and Financing Activities:				
Value Received - Food Distribution Program	\$ 23,637			

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

ELMWOOD PARK BOARD OF EDUCATION
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 AS OF JUNE 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>706,183</u>
Total Assets	\$ <u>706,183</u>
LIABILITIES	
Due to Student Groups	\$ 93,160
Payroll Deductions and Withholdings	417
Summer Savings Deposits	481,323
Flexible Spending Deposits	12,675
Due to Other Funds	<u>118,608</u>
Total Liabilities	\$ <u>706,183</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOT APPLICABLE

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

NOTES TO THE FINANCIAL STATEMENTS

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2014, the District adopted the following GASB statement:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 68, *Accounting and financial Reporting for Pensions*, will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB 69, *Government Combinations and Disposals of Government Operations* will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The District does not expect this statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and the food service and the before/after care enterprise funds to be major funds.

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

The *before/after CARE fund* accounts for the activities of the District's Children's Alternative Resources in Education "CARE" childcare program which provides before and after school childcare activities throughout the year.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *community school program fund* accounts for the activities of the District's community outreach program which provides sports and cultural arts programs to community members.

The *summer camp program fund* accounts for activities of the District's summer enrichment program which provides activities and field trips for participants during the summer recess.

The *summer session program fund* accounts for activities of the District's middle school summer school program which provides classroom instruction during the summer recess.

Additionally, the government reports the following fund type:

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. *Capital Assets*

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

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	15-50
Machinery and Equipment	5-10

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

5. *Deferred Inflows of Resources*

In additions to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. *Compensated Absences*

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

7. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

8. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

State Aid Advance Loan Repayment – This restriction was created in accordance with N.J.S.A. 18A:7A-56(c) to represent the amount of the District's unassigned general fund balance in excess of 1.5% of general fund expenditures which will be the additional amount applied to the loan repayment.

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

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2012-2013 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 24, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2013/2014. Also, during 2013/2014 the Board increased the original budget by \$1,075,539. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>General Fund</u>			
Multiple Disabilities			
Other Salaries for Instruction	\$ 29,856	\$ 30,871	\$1,015
Support Services School Administration			
Salaries of Principals/Asst. Principals Prog. Dir.	1,203,506	1,203,830	324
Central Services			
Salaries	517,443	518,271	828
Required Maintenance for School Facilities			
Salaries	253,187	253,354	167
Custodial Services			
Energy (Electricity)	390,000	399,513	9,513
Student Transportation Services			
Salaries for Pupil Transportation (Other Than Between Home & School)	15,000	15,415	415

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,032,520 in the General Fund as of June 30, 2014 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2013/2014 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

In addition to the delayed State aid payments, N.J.S.A. 18A:7A-56 provides that a District which receives an advance State aid payment in the form of a loan must record the payment as revenue for budget purposes in the school year in which the advance State aid payment is provided. During the 2012/2013 school year, the District was approved for and received an advance State aid payment in the amount of \$2,214,497 for the purpose of eliminating the unassigned budgetary fund deficit of the General Fund at June 30, 2012. Since the District is obligated to repay the advanced State aid payment amount back to the State within ten (10) years, it constitutes a liability in the form of a loan under generally accepted accounting principles and, therefore, the District cannot recognize such payment as revenue on the GAAP (fund) financial statements.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity (Continued)

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$2,032,520 in the General Fund is less than the total of both the delayed state aid payment of \$630,673 and the State aid advance loan balance outstanding at June 30, 2014 of \$1,984,497.

The District has an unassigned fund deficit of \$765,913 in the Capital Projects Fund as of June 30, 2014. This deficit is the result of the District incurring expenditures for certain capital projects prior to permanent financing being obtained by the District. As the District permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

The Summer Session Enterprise Fund has a cumulative deficit in net position of \$1,939 as of June 30, 2014. The District intends to provide for this deficit in the 2014/2015 fiscal year through a transfer from the District's other non-major enterprise fund's net position.

D. Capital Reserve

A capital reserve account was established by the District on September 16, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the fiscal year ended June 30, 2014 is as follows:

Balance, July 1, 2013	\$ 250,001
Increased by:	
Deposits Approved by Board Resolution	<u>2,100,000</u>
Balance, June 30, 2014	<u>\$ 2,350,001</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2014, the book value of the Board's deposits were \$3,073,970 and bank and brokerage firm balances of the Board's deposits amounted to \$5,434,036. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>5,434,036</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2014 none of the Board's bank balance were exposed to custodial credit risk.

Investments

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

As of June 30, 2014, the Board had no outstanding investments.

Interest Rate Risk – The Board 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.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2014 for the district's individual major funds, nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Before/After CARE Program</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 16,668				\$ 16,668
State	109,851			\$ 689	110,540
Federal	-	\$ 888,830		29,428	918,258
Accounts	<u>12,033</u>	<u>-</u>	<u>\$ 66,537</u>	<u>6,267</u>	<u>84,837</u>
Gross Receivables	138,552	888,830	66,537	36,384	1,130,303
Less: Allowance for Uncollectibles	<u>(6,445)</u>	<u>-</u>	<u>(58,470)</u>	<u>-</u>	<u>(64,915)</u>
Net Total Receivables	<u>\$ 132,107</u>	<u>\$ 888,830</u>	<u>\$ 8,067</u>	<u>\$ 36,384</u>	<u>\$ 1,065,388</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 37,307</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Balance, July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2014</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790	-	-	\$ 11,790
Construction in Progress	<u>-</u>	<u>\$ 765,913</u>	<u>-</u>	<u>765,913</u>
Total Capital Assets, Not Being Depreciated	<u>11,790</u>	<u>765,913</u>	<u>-</u>	<u>777,703</u>
Capital Assets, Being Depreciated:				
Land Improvements	92,963			92,963
Building and Building Improvements	49,782,634			49,782,634
Machinery and Equipment	<u>1,516,553</u>	<u>21,670</u>	<u>\$ (66,444)</u>	<u>1,471,779</u>
Total Capital Assets Being Depreciated	<u>51,392,150</u>	<u>21,670</u>	<u>(66,444)</u>	<u>51,347,376</u>
Less Accumulated Depreciation for:				
Land Improvements	(80,604)	(618)		(81,222)
Buildings and Improvements	(9,493,990)	(1,157,501)		(10,651,491)
Machinery and Equipment	<u>(1,231,352)</u>	<u>(85,155)</u>	<u>-</u>	<u>(1,316,507)</u>
Total Accumulated Depreciation	<u>(10,805,946)</u>	<u>(1,243,274)</u>	<u>-</u>	<u>(12,049,220)</u>
Total Capital Assets, Being Depreciated, Net	<u>40,586,204</u>	<u>(1,221,604)</u>	<u>(66,444)</u>	<u>39,298,156</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,597,994</u>	<u>\$ (455,691)</u>	<u>\$ (66,444)</u>	<u>\$ 40,075,859</u>

ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2013 (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2014
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 228,100	\$ 3,055	-	\$ 231,155
Total Capital Assets Being Depreciated	<u>228,100</u>	<u>3,055</u>	<u>-</u>	<u>231,155</u>
Less Accumulated Depreciation for:				
Equipment	(200,429)	(13,591)	-	(214,020)
Total Accumulated Depreciation	<u>(200,429)</u>	<u>(13,591)</u>	<u>-</u>	<u>(214,020)</u>
Total Capital Assets, Being Depreciated, Net	<u>27,671</u>	<u>(10,536)</u>	<u>-</u>	<u>17,135</u>
Business-Type Activities Capital Assets, Net	<u>\$ 27,671</u>	<u>\$ (10,536)</u>	<u>\$ -</u>	<u>\$ 17,135</u>

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

Governmental Activities:

Instruction	
Regular	\$ 427,288
Special	222,899
Total Instruction	<u>650,187</u>
Support Services	
Student and Instruction Related	199,804
General Administration	57,525
School Administration	85,775
Central Services	61,654
Operations and Maintenance of Plant	177,231
Student Transportation	11,098
Total Support Services	<u>593,087</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,243,274</u>

Business-Type Activities:

Food Service Fund	\$ 13,591
Total Depreciation Expense - Business-Type Activities	<u>\$ 13,591</u>

ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction Commitments

The District has the following active construction projects as of June 30, 2014:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Partial Roof Replacement at Various Schools	\$ 672,470	\$ 341,530

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 588,641
General Fund	Food Service Fund	15,659
General Fund	Summer Session Fund	2,654
General Fund	Payroll Agency Fund	<u>118,608</u>
Total		<u>\$ 725,562</u>

The above balances are the result of amounts received in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

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

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2014 were \$100,954. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2015	\$ 100,954
2016	100,954
2017	100,954
2018	<u>84,128</u>
Total Minimum Lease Payments	<u>\$ 386,990</u>

ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases and Lease-Purchase Agreements

The District is leasing computer equipment totaling \$790,547 under capital leases. The capital leases are for terms of 5 years. In addition, the District is leasing IPADS (supplies) totaling \$245,454 under a lease purchase agreement for a term of 4 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Machinery and Equipment	\$ <u>790,547</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>	<u>Lease Purchase Agreement</u>	<u>Total</u>
2015	\$ 174,524	\$ 53,384	\$ 227,908
2016	168,739	52,252	220,991
2017	57,653	51,121	108,774
2018	-	49,989	49,989
Total Minimum Lease Payments	400,916	206,746	607,662
Less: Amount Representing Interest	<u>(15,952)</u>	<u>(10,715)</u>	<u>(26,667)</u>
Present Value of Minimum Lease Payments	<u>\$ 384,964</u>	<u>\$ 196,031</u>	<u>\$ 580,995</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2014 are comprised of the following issues:

\$31,482,000, 2004 Bonds, due in annual installments of \$1,100,000 to \$2,132,000 through August 1, 2029, interest at 4.125% to 4.500%	<u>\$24,482,000</u>
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ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2015	\$ 1,100,000	\$ 1,028,740	\$ 2,128,740
2016	1,150,000	982,334	2,132,334
2017	1,200,000	933,865	2,133,865
2018	1,250,000	883,334	2,133,334
2019	1,300,000	830,740	2,130,740
2020-2024	7,450,000	3,272,200	10,722,200
2025-2029	8,900,000	1,511,118	10,411,118
2030-2034	2,132,000	47,970	2,179,970
	<u>\$ 24,482,000</u>	<u>\$ 9,490,301</u>	<u>\$ 33,972,301</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2014 was as follows:

4% of Equalized Valuation Basis (Municipal)		\$ 86,218,443
Less: Net Debt Issued	\$ 24,482,000	
Debt Authorized But Not Issued	<u>9,992,250</u>	
		<u>34,474,250</u>
Remaining Borrowing Power		<u>\$ 51,744,193</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Balance, July 1, 2013	Additions	Reductions	Balance, June 30, 2014	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 25,532,000		\$ 1,050,000	\$ 24,482,000	\$ 1,100,000
Capital Lease Payable	549,323		164,359	384,964	164,359
Lease-Purchase Agreements	-	\$ 245,454	49,423	196,031	48,768
Compensated Absences Payable	<u>806,916</u>	<u>142,480</u>	<u>139,114</u>	<u>810,282</u>	<u>81,282</u>
Governmental activity					
Long-term liabilities	<u>\$ 26,888,239</u>	<u>\$ 387,934</u>	<u>\$ 1,402,896</u>	<u>\$ 25,873,277</u>	<u>\$ 1,394,409</u>

For the governmental activities, the liabilities for compensated absences, capital leases and lease purchase agreements are generally liquidated by the general fund.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. State Aid Advance Loan Payable

The Board has entered into a loan agreement with the State of New Jersey in the amount to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund at June 30, 2012. The advance State aid payment is being repaid annually by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the repayment is ten (10) years beginning in the 2013/2014 school year at a minimum amount of \$230,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2013/2014 school year. The Board's State aid advance loan activity for the fiscal year ended June 30, 2014 is as follows:

<u>General Fund</u>	Balance, July 1, 2013	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2014
State Aid Advance Loan	\$ 2,214,497	\$ -	\$ 230,000	\$ 1,984,497

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey School Board Association Insurance Group. The Group is a risk sharing public entity pool, established for the purpose of insuring against property, liability, student accident and surety bond claims.

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

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

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

B. Contingent Liabilities

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

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2014, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

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

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

Basis of Accounting

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

Significant Legislation

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

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

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 76.1 percent and \$12.8 billion.

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

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

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems from 7.95 percent to 7.90 percent and (b) projected salary increases of 4.22 percent for the PERS and 3.51 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.6% for PERS, 6.6% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2014, 2013 and 2012 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2014	\$ 255,860	\$ 505,724	\$ 15,036
2013	369,482	811,728	10,822
2012	362,170	769,725	

During fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$505,724 for normal cost pension and NCGI premium. For fiscal years 2012/2013 and 2011/2012, the state contributed \$811,728 and \$769,725, respectively for normal cost pension, accrued liability and the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$869,340 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

In the July 1, 2012, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134, retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2014, 2013 and 2012 were \$829,196, \$917,859 and \$769,725, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 OTHER INFORMATION (Continued)

F. Subsequent Events

On July 9, 2014 the District issued through the Bergen County Improvement Authority \$30,565,000 of County of Bergen Guaranteed School District Revenue Bonds, having an interest rate of 1.00% to 5.00%. \$9,290,000 of the bonds issued were to fund the various renovations and upgrades of the schools approved by the voters through a special school district election on January 28, 2014. The remaining \$21,275,000 of the bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2004 school district bonds. The total bond principal defeased was \$23,382,000. These bonds dated July 9, 2014 will mature over 20 years with the first maturity due August 1, 2015.

NOTE 5 RESTATEMENT

In the previously issued financial statements for the year ended June 30, 2013, the Elmwood Park Board of Education did not accurately reflect certain business-type activities capital assets related to its Food Service Enterprise Fund. The District has determined that the effect of recording the amounts related to its business-type activities capital assets as of June 30, 2013 is as follows:

Statement of Net Position - June 30, 2013

	<u>Business-Type Activities</u>		
	<u>As Originally Reported</u>	<u>As Adjusted</u>	<u>Effect of Change</u>
ASSETS			
Capital Assets, Being Depreciated			
Equipment	\$ 333,401	\$ 228,100	\$ (105,301)
Total Capital Assets, Being Depreciated	333,401	228,100	(105,301)
Less Accumulated Depreciation for			
Equipment	(182,664)	(200,429)	(17,765)
Total Accumulated Depreciation	(182,664)	(200,429)	(17,765)
Total Capital Assets, Being Depreciated, Net	150,737	27,671	(123,066)
Total Assets	476,099	(123,066)	353,033
NET POSITION			
Net Investment in Capital Assets	150,737	27,671	(123,066)
Total Net Position	389,665	266,599	(123,066)

BUDGETARY COMPARISON SCHEDULES

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,579,684		\$ 29,579,684	\$ 29,579,684	
Tuition from Other LEA's / Other Governments				260,002	\$ 260,002
Unrestricted Miscellaneous	50,000	-	50,000	249,534	199,534
Total Local Revenues	<u>29,629,684</u>	<u>-</u>	<u>29,629,684</u>	<u>30,089,220</u>	<u>459,536</u>
State Sources					
Special Education Aid	1,525,984		1,525,984	1,525,984	-
Equalization Aid	687,826		687,826	687,826	-
Security Aid	174,935		174,935	174,935	-
Transportation Aid	118,200		118,200	118,200	-
Under Adequacy Aid	500,000		500,000	500,000	-
Extraordinary Special Education Costs Aid	399,998		399,998	481,362	81,364
Nonpublic School Transportation Costs				21,627	21,627
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				464,706	464,706
Pension - NCGI Premium				41,018	41,018
Post Retirement Medical Benefit Contribution				829,196	829,196
Reimbursed Social Security Contribution	-	-	-	869,340	869,340
Total State Revenues	<u>3,406,943</u>	<u>-</u>	<u>3,406,943</u>	<u>5,714,194</u>	<u>2,307,251</u>
Federal Sources					
Special Education Medicaid Initiative Reimbursement	43,911	-	43,911	8,963	(34,948)
Total Federal Revenues	<u>43,911</u>	<u>-</u>	<u>43,911</u>	<u>8,963</u>	<u>(34,948)</u>
Total Revenues	<u>33,080,538</u>	<u>-</u>	<u>33,080,538</u>	<u>35,812,377</u>	<u>2,731,839</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	608,028	\$ (36,000)	572,028	555,228	16,800
Grades 1-5	2,571,506	31,500	2,603,006	2,578,639	24,367
Grades 6-8	1,382,918	(23,000)	1,359,918	1,338,035	21,883
Grades 9-12	2,375,971	(9,500)	2,366,471	2,332,977	33,494
Regular Programs - Home Instruction					
Salaries of Teachers	13,690	-	13,690	9,701	3,989
Purchased Professional-Educational Services	15,680	-	15,680	-	15,680
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	27,556	47,000	74,556	73,988	568
Purchased Professional-Educational Services	6,085	493	6,578	6,537	41
Purchased Technical Services	52,925	24,644	77,569	73,191	4,378
Other Purchased Services	324,926	(16,300)	308,626	300,236	8,390
General Supplies	138,640	(4,054)	134,586	114,435	20,151
General Supplies acquired through Lease Purchase (Non-Budget)				245,454	(245,454)
Textbooks	78,236	(37,001)	41,235	23,470	17,765
Total Regular Programs	<u>7,596,161</u>	<u>(22,218)</u>	<u>7,573,943</u>	<u>7,651,891</u>	<u>(77,948)</u>

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 204,940	-	\$ 204,940	\$ 204,153	\$ 787
Other Salaries for Instruction	55,112	\$ 5,000	60,112	58,375	1,737
Total Learning / Language Disabilities	<u>260,052</u>	<u>5,000</u>	<u>265,052</u>	<u>262,528</u>	<u>2,524</u>
Behavioral Disabilities					
Salaries of Teachers	181,237	4,000	185,237	183,840	1,397
Other Salaries for Instruction	27,556	-	27,556	26,422	1,134
General Supplies	1,100	-	1,100	255	845
Total Behavioral Disabilities	<u>209,893</u>	<u>4,000</u>	<u>213,893</u>	<u>210,517</u>	<u>3,376</u>
Multiple Disabilities					
Salaries of Teachers	46,500	(13,800)	32,700	31,654	1,046
Other Salaries for Instruction	26,056	3,800	29,856	30,871	(1,015)
Total Multiple Disabilities	<u>72,556</u>	<u>(10,000)</u>	<u>62,556</u>	<u>62,525</u>	<u>31</u>
Resource Room / Resource Center					
Salaries of Teachers	1,245,975	(99,500)	1,146,475	1,129,645	16,830
Other Salaries for Instruction	96,318	(2,000)	94,318	82,588	11,730
Total Resource Room / Resource Center	<u>1,342,293</u>	<u>(101,500)</u>	<u>1,240,793</u>	<u>1,212,233</u>	<u>28,560</u>
Autism					
Salaries of Teachers	159,680	41,000	200,680	200,582	98
Other Salaries for Instruction	55,112	-	55,112	44,053	11,059
General Supplies	1,574	(1,571)	3	-	3
Total Autism	<u>216,366</u>	<u>39,429</u>	<u>255,795</u>	<u>244,635</u>	<u>11,160</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	291,660	(57,370)	234,290	232,005	2,285
Other Salaries for Instruction	82,498	(3,500)	78,998	74,352	4,646
Total Preschool Disabilities - Full - Time	<u>374,158</u>	<u>(60,870)</u>	<u>313,288</u>	<u>306,357</u>	<u>6,931</u>
Home Instruction					
Salaries of Teachers	6,500	38,000	44,500	32,589	11,911
Purchased Professional and Educational Services	287	-	287	-	287
Total Home Instruction	<u>6,787</u>	<u>38,000</u>	<u>44,787</u>	<u>32,589</u>	<u>12,198</u>
Total Special Education	<u>2,482,105</u>	<u>(85,941)</u>	<u>2,396,164</u>	<u>2,331,384</u>	<u>64,780</u>

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	-	\$ 132,870	\$ 132,870	\$ 123,133	\$ 9,737
Total Basic Skills/Remedial	-	132,870	132,870	123,133	9,737
Bilingual Education					
Salaries of Teachers	\$ 155,100	(2,400)	152,700	141,288	11,412
General Supplies	-	2,400	2,400	2,334	66
Total Bilingual Education	155,100	-	155,100	143,622	11,478
School Sponsored Co-Curricular Activities					
Salaries	66,320	17,929	84,249	79,426	4,823
Supplies and Materials	13,294	(3,400)	9,894	5,099	4,795
Total School Sponsored Co-Curricular Activities	79,614	14,529	94,143	84,525	9,618
School Sponsored Athletics - Instruction					
Salaries	239,184	7,644	246,828	231,489	15,339
Purchased Services	66,680	1,325	68,005	54,372	13,633
Supplies and Materials	35,515	(2,723)	32,792	25,131	7,661
Other Objects	10,950	4,536	15,486	12,318	3,168
Total School Sponsored Athletics - Instruction	352,329	10,782	363,111	323,310	39,801
Total - Instruction	10,665,309	50,022	10,715,331	10,657,865	57,466
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	248,778	20,000	268,778	253,379	15,399
Tuition to County Vocational School District-Reg.	479,090	(37,040)	442,050	380,360	61,690
Tuition to County Vocational School/Dist.-Spec.	516,800	10,000	526,800	518,100	8,700
Tuition to County Special Services School Districts & Regional Day Schools	1,122,461	(102,000)	1,020,461	1,019,522	939
Tuition to Private Schools - Disabled Within State	2,854,772	7,167	2,861,939	2,798,921	63,018
Tuition - State Facilities	57,511	-	57,511	57,511	-
Total Undistributed - Instruction (Tuition)	5,279,412	(101,873)	5,177,539	5,027,793	149,746
Attendance and Social Work Services					
Salaries	132,461	(5,500)	126,961	122,252	4,709
Supplies and Materials	89	1,065	1,154	1,018	136
Total Attendance and Social Work Services	132,550	(4,435)	128,115	123,270	4,845

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 300,375	\$ 4,500	\$ 304,875	\$ 298,713	\$ 6,162
Purchased Professional and Technical Services	22,340	-	22,340	20,330	2,010
Supplies and Materials	3,490	1,685	5,175	4,174	1,001
Total Health Services	<u>326,205</u>	<u>6,185</u>	<u>332,390</u>	<u>323,217</u>	<u>9,173</u>
Speech, OT, PT and Related Services					
Salaries	261,216	-	261,216	242,337	18,879
Purchased Professional - Educational Services	462,263	90,000	552,263	523,440	28,823
Total Speech, OT, PT and Related Services	<u>723,479</u>	<u>90,000</u>	<u>813,479</u>	<u>765,777</u>	<u>47,702</u>
Other Support Services-Students-Extra Services					
Salaries	414,750	(32,900)	381,850	355,822	26,028
Purchased Professional-Educational Services	431,732	(60,000)	371,732	353,877	17,855
Supplies and Materials	805	-	805	140	665
Total Other Support Services-Extra	<u>847,287</u>	<u>(92,900)</u>	<u>754,387</u>	<u>709,839</u>	<u>44,548</u>
Guidance					
Salaries of Other Professional Staff	378,475	(3,250)	375,225	371,152	4,073
Salaries of Secretarial and Clerical Assistants	34,114	650	34,764	34,751	13
Other Purchased Services	8,240	660	8,900	8,900	-
Supplies and Materials	801	200	1,001	563	438
Total Guidance	<u>421,630</u>	<u>(1,740)</u>	<u>419,890</u>	<u>415,366</u>	<u>4,524</u>
Child Study Team					
Salaries of Other Professional Staff	524,531	(52,700)	471,831	430,186	41,645
Salaries of Secretarial and Clerical Assistants	38,423	2,700	41,123	41,048	75
Purchased Professional - Educational Services	30,728	1,600	32,328	20,200	12,128
Other Purchased Professional and Technical Services	126,379	(1,000)	125,379	24,480	100,899
Other Purchased Services	7,990	1,910	9,900	9,017	883
Residential Costs	255,562	(90,000)	165,562	-	165,562
Supplies and Materials	3,142	-	3,142	2,730	412
Total Child Study Team	<u>986,755</u>	<u>(137,490)</u>	<u>849,265</u>	<u>527,661</u>	<u>321,604</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	56,466	-	56,466	56,465	1
Salaries of Secretarial and Clerical Assistants	24,159	500	24,659	24,196	463
Other Salaries	-	4,000	4,000	3,287	713
Other Purchased Professional and Technical Services	490	-	490	-	490
Other Purchased Services	7,990	910	8,900	8,900	-
Supplies and Materials	540	(284)	256	148	108
Total Improvement of Instruction Services	<u>89,645</u>	<u>5,126</u>	<u>94,771</u>	<u>92,996</u>	<u>1,775</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 52,396	\$ (49,000)	\$ 3,396	\$ 127	\$ 3,269
Other Purchased Services	7,990	910	8,900	8,900	-
Supplies and Materials	6,728	(123)	6,605	5,571	1,034
	<u>67,114</u>	<u>(48,213)</u>	<u>18,901</u>	<u>14,598</u>	<u>4,303</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	56,466	-	56,466	56,466	-
Salaries of Secretarial and Clerical Assistants	24,159	500	24,659	24,196	463
	<u>80,625</u>	<u>500</u>	<u>81,125</u>	<u>80,662</u>	<u>463</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	266,493	612	267,105	267,093	12
Salaries of State Fiscal Monitor	178,560	(43,900)	134,660	127,224	7,436
Legal Services	116,330	-	116,330	70,143	46,187
Audit Fees	36,000	57,600	93,600	64,760	28,840
Architectural/Engineering Services	15,000	143,300	158,300	157,825	475
Other Purchased Professional Services	18,675	15,654	34,329	28,300	6,029
Communications/Telephone	95,580	100	95,680	93,576	2,104
BOE Other Purchased Services	-	1,796	1,796	1,402	394
Miscellaneous Purchased Services	135,570	14,380	149,950	146,591	3,359
General Supplies	8,756	(1,072)	7,684	6,935	749
Judgments Against the District	220,000	10,000	230,000	230,000	-
Miscellaneous Expenditures	1,044	7,122	8,166	7,734	432
BOE Membership Dues and Fees	20,721	(905)	19,816	18,169	1,647
	<u>1,112,729</u>	<u>204,687</u>	<u>1,317,416</u>	<u>1,219,752</u>	<u>97,664</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,186,476	17,030	1,203,506	1,203,830	(324)
Salaries of Secretarial and Clerical Assistants	346,008	40,380	386,388	385,808	580
Other Purchased Services	52,665	(8,165)	44,500	44,500	-
Supplies and Materials	43,875	4,902	48,777	47,114	1,663
Other Objects	1,214	(1,114)	100	-	100
	<u>1,630,238</u>	<u>53,033</u>	<u>1,683,271</u>	<u>1,681,252</u>	<u>2,019</u>
Total Support Services School Administration					
Central Services					
Salaries	520,743	(3,300)	517,443	518,271	(828)
Purchased Professional Services	26,929	4,964	31,893	31,734	159
Purchased Technical Services	10,329	5,725	16,054	16,036	18
Miscellaneous Purchased Services	7,946	7,788	15,734	15,699	35
Supplies and Materials	10,350	(75)	10,275	9,038	1,237
Interest on Lease Purchase Agreements	14,544	2,263	16,807	16,807	-
Other Objects	-	616	616	616	-
	<u>590,841</u>	<u>17,981</u>	<u>608,822</u>	<u>608,201</u>	<u>621</u>
Total Central Services					

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Administration Information Technology					
Salaries	\$ 134,151	\$ 35,975	\$ 170,126	\$ 156,376	\$ 13,750
Purchased Technical Services	74,773	-	74,773	70,358	4,415
Other Purchased Services	35,165	(9,535)	25,630	25,039	591
Supplies and Materials	20,606	(5,250)	15,356	12,700	2,656
Other Objects	728	-	728	728	-
Total Administration Information Technology	<u>265,423</u>	<u>21,190</u>	<u>286,613</u>	<u>265,201</u>	<u>21,412</u>
Required Maintenance for School Facilities					
Salaries	255,587	(2,400)	253,187	253,354	(167)
Cleaning, Repair & Maintenance Services	242,441	229,722	472,163	449,182	22,981
General Supplies	58,626	18,501	77,127	45,101	32,026
Total Required Maintenance for School Facilities	<u>556,654</u>	<u>245,823</u>	<u>802,477</u>	<u>747,637</u>	<u>54,840</u>
Custodial Services					
Salaries	926,876	109,900	1,036,776	1,030,386	6,390
Salaries of Non-Instructional Aides	58,500	(41,500)	17,000	15,169	1,831
Cleaning, Repair and Maintenance Services	103,627	(28,530)	75,097	60,928	14,169
Other Purchased Property Services	28,149	(8,303)	19,846	19,762	84
Insurance	127,096	(1,721)	125,375	125,374	1
General Supplies	29,729	58,075	87,804	65,172	22,632
Energy (Natural Gas)	612,444	(388,400)	224,044	184,227	39,817
Energy (Electricity)	-	390,000	390,000	399,513	(9,513)
Total Custodial Services	<u>1,886,421</u>	<u>89,521</u>	<u>1,975,942</u>	<u>1,900,531</u>	<u>75,411</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services		820	820	820	-
Cleaning, Repair and Maintenance Services	43,207	19,000	62,207	41,834	20,373
General Supplies	15,267	6,900	22,167	13,997	8,170
Total Care and Upkeep of Grounds	<u>58,474</u>	<u>26,720</u>	<u>85,194</u>	<u>56,651</u>	<u>28,543</u>
Security					
Salaries	33,728	-	33,728	33,542	186
Total Security	<u>33,728</u>	<u>-</u>	<u>33,728</u>	<u>33,542</u>	<u>186</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	13,035	-	13,035	12,213	822
Salaries for Pupil Transportation (Between Home and School) - Special	13,035	-	13,035	12,213	822
Salaries for Pupil Transportation (Other Than Between Home & School)	16,000	(1,000)	15,000	15,415	(415)
Cleaning, Repair and Maintenance Services	2,500	735	3,235	2,745	490
Contracted Services - Aid-in-Lieu-Nonpublic Schools	100,535	(5,350)	95,185	95,185	-
Contracted Services (Other Than Between Home and School) - Vendors	36,468	815	37,283	28,977	8,306
Contracted Services (Regular) - ESC's & CTSA's	237,657	30,319	267,976	267,426	550
Contracted Services (Spec Ed) - ESC's & CTSA's	1,218,613	(91,684)	1,126,929	1,090,953	35,976
Miscellaneous Purchased Services - Transportation	8,067	833	8,900	8,900	-
Total Student Transportation Services	<u>1,645,910</u>	<u>(65,332)</u>	<u>1,580,578</u>	<u>1,534,027</u>	<u>46,551</u>

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 363,890	\$ 37	\$ 363,927	\$ 356,195	\$ 7,732
Other Retirement Contributions - PERS	416,495	(157,591)	258,904	255,860	3,044
Other Retirement Contributions - Regular	21,600	600	22,200	15,036	7,164
Unemployment Compensation	64,270	3,030	67,300	64,737	2,563
Workmen's Compensation	225,341	6,730	232,071	232,071	-
Health Benefits	4,042,825	(96,598)	3,946,227	3,944,407	1,820
Tuition Reimbursement	60,000	(13,030)	46,970	45,672	1,298
Other Employee Benefits	206,000	(4,912)	201,088	126,708	74,380
Total Unallocated Benefits	5,400,421	(261,734)	5,138,687	5,040,686	98,001
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		464,706	(464,706)
Pension -NCGI Premium				41,018	(41,018)
Post Retirement Medical Benefit Contribution				829,196	(829,196)
Reimbursed Social Security Contribution	-	-	-	869,340	(869,340)
Total On-Behalf Contributions	-	-	-	2,204,260	(2,204,260)
Total Undistributed Expenditures	22,135,541	47,049	22,182,590	23,372,919	(1,190,329)
Total Expenditures - Current Expenditures	32,800,850	97,071	32,897,921	34,030,784	(1,132,863)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - School Administration		9,503	9,503	9,503	
Undistributed Expenditures - Admin Info Technology	-	5,204	5,204	5,204	-
Total Equipment	-	14,707	14,707	14,707	-
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	170,358	-	170,358	170,358	-
Total Facilities Acquisition and Construction Services	170,358	-	170,358	170,358	-
Total Capital Outlay	170,358	14,707	185,065	185,065	-
Transfer of Funds to Charter Schools	109,330	102,000	211,330	211,121	209
Total Expenditures	33,080,538	213,778	33,294,316	34,426,970	(1,132,654)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(213,778)	(213,778)	1,385,407	1,599,185
Other Financing Sources/(Uses)					
Lease Purchase Proceeds(Non-Budgeted)	-	-	-	245,454	245,454
Total Other Financing Sources/(Uses)	-	-	-	245,454	245,454

ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	(213,778)	(213,778)	\$ 1,630,861	\$ 1,844,639
Fund Balances Beginning of Year	\$ 1,431,536	-	\$ 1,431,536	1,431,536	-
Fund Balances, End of Year	\$ 1,431,536	\$ (213,778)	\$ 1,217,758	\$ 3,062,397	\$ 1,844,639
Recapitulation					
Restricted					
Capital Reserve				\$ 2,350,001	
Maintenance Reserve				94,570	
State Aid Loan Repayment				776	
Assigned					
Year End Encumbrances				34,400	
Unassigned					
				<u>582,650</u>	
Fund Balance Per State Budgetary Basis of Accounting				3,062,397	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(630,673)	
Less State Aid Advance Loan Outstanding				<u>(1,984,497)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 447,227</u>	

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 228,639	\$ 60,182	\$ 288,821	\$ 244,285	\$ (44,536)
Federal	883,865	764,644	1,648,509	1,478,211	(170,298)
Local Sources					
Miscellaneous	5,067	36,935	42,002	4,694	(37,308)
Total Revenues	<u>1,117,571</u>	<u>861,761</u>	<u>1,979,332</u>	<u>1,727,190</u>	<u>(252,142)</u>
EXPENDITURES					
Instruction					
Salaries	243,914	33,186	277,100	253,160	23,940
Purchased Professional / Educational Services		50,000	50,000	-	50,000
Other Purchased Services	370,525	190,226	560,751	560,751	-
General Supplies	139,449	353,286	492,735	416,333	76,402
Textbooks	12,153	24	12,177	10,845	1,332
Other Objects	-	500	500	500	-
Total Instruction	<u>766,041</u>	<u>627,222</u>	<u>1,393,263</u>	<u>1,241,589</u>	<u>151,674</u>
Support Services					
Salaries		1,089	1,089	1,089	-
Purchased Professional / Educational Service	308,015	9,053	317,068	273,678	43,390
Purchased Professional / Technical Services		18,618	18,618	16,500	2,118
Other Purchased Services	43,515	58,442	101,957	76,803	25,154
Supplies and Materials	-	62,964	62,964	53,234	9,730
Total Support Services	<u>351,530</u>	<u>150,166</u>	<u>501,696</u>	<u>421,304</u>	<u>80,392</u>
Transportation					
Contracted Services	-	21,500	21,500	21,500	-
Unallocated Employee Benefits	-	55,910	55,910	35,834	20,076
Capital Outlay					
Non-Instructional Equipment	-	6,963	6,963	6,963	-
Total Capital Outlay	<u>-</u>	<u>6,963</u>	<u>6,963</u>	<u>6,963</u>	<u>-</u>
Total Expenditures	<u>1,117,571</u>	<u>861,761</u>	<u>1,979,332</u>	<u>1,727,190</u>	<u>252,142</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 35,812,377	\$ 1,727,190
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2013-2014)	(630,673)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2012-2013)	782,897	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2014		-
Encumbrances , June 30, 2013, net of cancellations	-	17,905
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 35,964,601	\$ 1,745,095
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 34,426,970	\$ 1,727,190
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2014		-
Encumbrances , June 30, 2013, net of cancellations	-	17,905
State Aid advance loan repayment recognized as expenditures for budgetary purposes, not recognized for GAAP statements	(230,000)	-
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 34,196,970	\$ 1,745,095

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	NCLB <u>Title I</u>	NCLB <u>Title II A</u>	NCLB <u>Title III</u>	IDEA <u>Basic</u>	IDEA <u>Preschool</u>	Race to the <u>Top</u>	Local <u>Grants</u>	Nonpublic <u>Technology</u>	(Exhibit <u>E-1a</u>)	Total <u>2014</u>
REVENUES										
Intergovernmental										
State								\$ 4,072	\$ 240,213	\$ 244,285
Federal	\$ 699,145	\$ 80,789	\$ 47,521	\$ 605,375	\$ 21,186	\$ 24,195				1,478,211
Other Sources	-	-	-	-	-	-	\$ 4,694	-	-	4,694
Total Revenues	\$ 699,145	\$ 80,789	\$ 47,521	\$ 605,375	\$ 21,186	\$ 24,195	\$ 4,694	\$ 4,072	\$ 240,213	\$ 1,727,190
EXPENDITURES										
Instruction										
Salaries	\$ 253,160									\$ 253,160
Other Purchased Services - Tuition				\$ 539,565	\$ 21,186					560,751
General Supplies	409,062						\$ 3,199	\$ 4,072		416,333
Textbooks	-	-	-	-	-	-	-	-	\$ 10,845	10,845
Other Objects	-	-	-	-	-	-	500	-	-	500
Total Instruction	662,222	-	-	539,565	21,186	-	3,699	4,072	10,845	1,241,589
Support Services										
Salaries	1,089									1,089
Personnel Services - Employee Benefits	35,834									35,834
Purchased Professional / Educational Services	-	-		65,810					207,868	273,678
Purchased Professional / Technical Services						\$ 16,500				16,500
Other Purchased Services		\$ 76,803								76,803
Transportation - Contracted Services									21,500	21,500
Supplies and Materials	-	3,986	\$ 40,558	-	-	7,695	995	-	-	53,234
Total Support Services	36,923	80,789	40,558	65,810	-	24,195	995	-	229,368	478,638
Capital Outlay										
Non-Instructional Equipment	-	-	6,963	-	-	-	-	-	-	6,963
Total Capital Outlay	-	-	6,963	-	-	-	-	-	-	6,963
Total Expenditures	\$ 699,145	\$ 80,789	\$ 47,521	\$ 605,375	\$ 21,186	\$ 24,195	\$ 4,694	\$ 4,072	\$ 240,213	\$ 1,727,190

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Chapter 192 Services				Chapter 193 Services			Nonpublic Textbooks	Nonpublic Nursing	Total Exhibit E-1a
	Compensatory Services	ESL	Transportation	Home Instruction	Examination & Classification	Corrective Speech	Supplemental Instruction			
REVENUES										
Intergovernmental										
State	\$ 99,979	\$ 14,228	\$ 21,500	\$ -	\$ 21,817	\$ 37,185	\$ 18,040	\$ 10,845	\$ 16,619	\$ 240,213
Federal										
Other Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 99,979	\$ 14,228	\$ 21,500	\$ -	\$ 21,817	\$ 37,185	\$ 18,040	\$ 10,845	\$ 16,619	\$ 240,213
EXPENDITURES										
Instruction										
Salaries										
Other Purchased Services										
General Supplies										
Textbooks								\$ 10,845		\$ 10,845
Other Objects										
Total Instruction	-	-	-	-	-	-	-	10,845	-	10,845
Support Services										
Salaries										
Personnel Services - Employee Benefits										
Purchased Professional / Educational Services	\$ 99,979	\$ 14,228		\$ -	\$ 21,817	\$ 37,185	\$ 18,040		\$ 16,619	207,868
Purchased Professional / Technical Services										
Other Purchased Services										
Transportation - Contracted Services			\$ 21,500							21,500
Supplies and Materials										
Total Support Services	99,979	14,228	21,500	-	21,817	37,185	18,040	-	16,619	229,368
Total Expenditures	\$ 99,979	\$ 14,228	\$ 21,500	\$ -	\$ 21,817	\$ 37,185	\$ 18,040	\$ 10,845	\$ 16,619	\$ 240,213

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

CAPITAL PROJECTS FUND

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2014</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2014 Referendum Projects- Various Improvements to Memorial MS/HS, Gantner Ave School, Gilbert Avenue School, and Sixteenth Avenue School	\$ 9,992,250	\$ -	\$ 765,913	\$ 9,226,337
	\$ 9,992,250	\$ -	\$ 765,913	\$ 9,226,337
<u>Recapitulation to GAAP</u>				
Project Balance, June 30, 2014				\$ 9,226,337
Less Unfunded Authorizations:				
Bonds Authorized But Not Issued				(9,992,250)
Fund Balance (Deficit), June 30, 2014 - GAAP Basis				\$ (765,913)
 <u>Recapitulation of Fund Balance (Deficit)</u>				
Unassigned Capital Projects Fund				
Year End Encumbrances				\$ 870,544
Unfunded Capital Projects				(1,636,457)
Total Fund Balance (Deficit) - Unassigned - Capital Projects Fund				\$ (765,913)

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Expenditures and Other Financing Uses

Expenditures:

Architectural / Engineering Services	\$ 93,443
Construction Services	<u>672,470</u>

Total Expenditures and Other Financing Uses	<u>765,913</u>
---	----------------

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(765,913)
---	-----------

Fund Balance (Deficit), Beginning of Year	<u>-</u>
---	----------

Fund Balance (Deficit), End of Year	<u>\$ (765,913)</u>
-------------------------------------	---------------------

Reconciliation to GAAP

Fund Balance (Deficit), June 30, 2014 - Budgetary Basis	<u>\$ (765,913)</u>
---	---------------------

Fund Balance (Deficit), June 30, 2014 - GAAP Basis	<u>\$ (765,913)</u>
--	---------------------

ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
2014 REFERNDUM PROJECTS-VARIOUS IMPROVEMENTS TO MEMORIAL MS/HS,
GANTNER AVENUE SCHOOL, GILBERT AVENUE SCHOOL AND SIXTEENTH AVENUE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 9,992,250
Total Revenues and Other Financing Sources	-	-	-	9,992,250
Expenditures and Other Financing Uses				
Architectural / Engineering Services	-	\$ 93,443	\$ 93,443	\$ 764,260
Construction Services	-	672,470	672,470	9,185,110
Total Expenditures and Other Financing Uses	-	765,913	765,913	9,992,250
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (765,913)	\$ (765,913)	\$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Referendum Authorization Date	1/28/2014
Bonds Authorized	\$ 9,992,250
Bonds Issued	-
Original Authorized Cost	9,992,250
Additional Authorized Cost	-
Revised Authorized Cost	\$ 9,992,250

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	7.67%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2016

PROPRIETARY FUNDS

ELMWOOD PARK BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 740	\$ 9,653	\$ 17,007	\$ 27,400
Total Assets	<u>740</u>	<u>9,653</u>	<u>17,007</u>	<u>27,400</u>
LIABILITIES				
Current Liabilities				
Due to Other Funds	-		2,654	2,654
Unearned Revenue	<u>-</u>	<u>-</u>	<u>16,292</u>	<u>16,292</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,946</u>	<u>18,946</u>
NET POSITION				
Unrestricted (Deficit)	<u>740</u>	<u>9,653</u>	<u>(1,939)</u>	<u>8,454</u>
Total Net Position	<u>\$ 740</u>	<u>\$ 9,653</u>	<u>\$ (1,939)</u>	<u>\$ 8,454</u>

**ELMWOOD PARK BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	\$ -	\$ -	\$ 22,547	\$ 22,547
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>22,547</u>	<u>22,547</u>
OPERATING EXPENSES				
Salaries and Wages	<u>-</u>	<u>-</u>	<u>24,837</u>	<u>24,837</u>
Total Operating Expenses	<u>-</u>	<u>-</u>	<u>24,837</u>	<u>24,837</u>
Operating Income (Loss)	-	-	(2,290)	(2,290)
NONOPERATING REVENUES				
Interest Earnings	<u>1</u>	<u>4</u>	<u>3</u>	<u>8</u>
Change in Net Position	1	4	(2,287)	(2,282)
Total Net Position, Beginning of Year	<u>739</u>	<u>9,649</u>	<u>348</u>	<u>10,736</u>
Total Net Position, End of Year	<u>\$ 740</u>	<u>\$ 9,653</u>	<u>\$ (1,939)</u>	<u>\$ 8,454</u>

**ELMWOOD PARK BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
Cash Flows from Operating Activities				
Cash Received from Customers	\$ -	\$ -	\$ 17,457	\$ 17,457
Cash Payments for Employees Salaries & Benefits	-	-	(24,837)	(24,837)
Net Cash (Used for) Operating Activities	-	-	(7,380)	(7,380)
Cash Flows from Noncapital Financing Activities				
Cash Received from Other Funds	-	-	2,654	2,654
Net Cash Provided by Noncapital Financing Activities	-	-	2,654	2,654
Cash Flows from Investing Activities				
Interest Earnings Received	1	4	3	8
Net Cash Provided by Investing Activities	1	4	3	8
Net Increase/(Decrease) in Cash and Cash Equivalents	1	4	(4,723)	(4,718)
Cash and Cash Equivalents, Beginning of Year	739	9,649	21,730	32,118
Cash and Cash Equivalents, End of Year	<u>\$ 740</u>	<u>\$ 9,653</u>	<u>\$ 17,007</u>	<u>\$ 27,400</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities				
Operating (Loss)	\$ -	\$ -	\$ (2,290)	(2,290)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities				
Change in Assets and Liabilities:				
Increase/(Decrease) in Unearned Revenue	-	-	(5,090)	(5,090)
Total Adjustments	-	-	(5,090)	(5,090)
Net Cash (Used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,380)</u>	<u>\$ (7,380)</u>

FIDUCIARY FUNDS

AGENCY FUNDS

ELMWOOD PARK BOARD OF EDUCATION
 AGENCY FUNDS
 COMBINING STATEMENT OF AGENCY FUND NET POSITION
 AS OF JUNE 30, 2014

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 93,160	\$ 613,023	\$ 706,183
Total Assets	<u>\$ 93,160</u>	<u>\$ 613,023</u>	<u>\$ 706,183</u>
LIABILITIES			
Due to Student Groups	\$ 93,160		\$ 93,160
Payroll Deductions and Withholdings		\$ 417	417
Summer Savings Deposits		481,323	481,323
Flexible Spending Deposits		12,675	12,675
Due to Other Funds	<u>-</u>	<u>118,608</u>	<u>118,608</u>
Total Liabilities	<u>\$ 93,160</u>	<u>\$ 613,023</u>	<u>\$ 706,183</u>

ELMWOOD PARK BOARD OF EDUCATION
 FIDUCIARY FUNDS
 NONEXPENDABLE TRUST FUND
 COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

EXHIBIT H-3

AGENCY FUNDS
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance, July 1, <u>2013</u>	Transfers To (From)	Cash Receipts	Cash Disbursements	Balance, June 30, <u>2014</u>
Elementary Schools:					
Gantner Avenue	\$ 8,714	-	\$ 6,200	\$ 11,623	\$ 3,291
Gilbert Avenue	1,003	-	8,769	8,517	1,255
Sixteenth Avenue	392	-	12,689	10,955	2,126
	<u>10,109</u>	<u>-</u>	<u>27,658</u>	<u>31,095</u>	<u>6,672</u>
Junior High School:					
Memorial Middle School	22,268	\$ (4,789)	67,124	65,398	19,205
Senior High School:					
Memorial High School	46,157	4,789	146,756	135,672	62,030
Athletic Activities	6,860	-	34,860	36,467	5,253
	<u>53,017</u>	<u>4,789</u>	<u>181,616</u>	<u>172,139</u>	<u>67,283</u>
	<u>\$ 85,394</u>	<u>\$ -</u>	<u>\$ 276,398</u>	<u>\$ 268,632</u>	<u>\$ 93,160</u>

ELMWOOD PARK BOARD OF EDUCATION
 AGENCY FUNDS
 PAYROLL AGENCY FUND
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance,</u> <u>July 1,</u> <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30,</u> <u>2014</u>
ASSETS				
Cash	\$ 597,779	\$ 18,360,767	\$ 18,345,523	\$ 613,023
Total Assets	<u>\$ 597,779</u>	<u>\$ 18,360,767</u>	<u>\$ 18,345,523</u>	<u>\$ 613,023</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 178,830	\$ 7,966,066	\$ 8,144,479	\$ 417
Accrued Salaries and Wages	-	9,771,799	9,771,799	-
Summer Savings Deposits	405,651	492,728	417,056	481,323
Flexible Spending Deposits	-	24,864	12,189	12,675
Due to Other Funds	<u>13,298</u>	<u>105,310</u>	<u>-</u>	<u>118,608</u>
Total Liabilities	<u>\$ 597,779</u>	<u>\$ 18,360,767</u>	<u>\$ 18,345,523</u>	<u>\$ 613,023</u>

LONG-TERM DEBT

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
School Bonds	10/15/2004	\$ 31,482,000	8/1/2014	1,100,000	4.125 %				
			8/1/2015	1,150,000	4.125				
			8/1/2016	1,200,000	4.125				
			8/1/2017	1,250,000	4.125				
			8/1/2018	1,300,000	1.125				
			8/1/2019	1,350,000	4.125				
			8/1/2020	1,450,000	4.125				
			8/1/2021	1,500,000	4.125				
			8/1/2022	1,550,000	4.250				
			8/1/2023	1,600,000	4.250				
			8/1/2024	1,650,000	4.375				
			8/1/2025	1,700,000	4.400				
			8/1/2026	1,750,000	4.500				
			8/1/2027	1,850,000	4.500				
			8/1/2028	1,950,000	4.500				
			8/1/2029	2,132,000	4.500				
						\$ 25,532,000	-	\$ 1,050,000	\$ 24,482,000
						\$ 25,532,000	\$ -	\$ 1,050,000	\$ 24,482,000

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES AND LEASE - PURCHASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
<u>Capital Leases</u>						
Computer Equipment	\$ 540,558	2.75%	\$ 324,334		\$ 108,112	\$ 216,222
Computer Equipment	\$ 249,989	2.49%	<u>224,989</u>	<u>-</u>	<u>56,247</u>	<u>168,742</u>
			549,323	-	164,359	384,964
<u>Lease - Purchase Agreements</u>						
Computer Supplies (IPADS)	\$ 245,454	2.99%	<u>-</u>	<u>\$ 245,454</u>	<u>49,423</u>	<u>196,031</u>
			<u>\$ 549,323</u>	<u>\$ 245,454</u>	<u>\$ 213,782</u>	<u>\$ 580,995</u>

**ELMWOOD PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,123,084	-	\$ 2,123,084	\$ 2,123,084	-
Total Revenues	<u>2,123,084</u>	<u>-</u>	<u>2,123,084</u>	<u>2,123,084</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,050,000		1,050,000	1,050,000	-
Interest	<u>1,073,084</u>	<u>-</u>	<u>1,073,084</u>	<u>1,073,084</u>	<u>-</u>
Total Expenditures	<u>2,123,084</u>	<u>-</u>	<u>2,123,084</u>	<u>2,123,084</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

ELMWOOD PARK BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2005	2006	2007	2008	Fiscal Year Ended June 30,		2011	2012	2013	2014
					2009	2010				
Governmental activities										
Net Investment in Capital Assets	\$ 306,741	\$ 282,287	\$ 15,045,243	\$ 16,111,490	\$ 15,744,171	\$ 15,496,530	\$ 15,110,080	\$ 15,092,220	\$ 14,516,671	\$ 15,208,895
Restricted	13,691,399	23,881,069	28,923	1	1,213	1,215	451	447	250,777	2,445,347
Unrestricted	3,811	(9,460,120)	(359,438)	(1,273,477)	(1,271,168)	(1,556,592)	(1,670,542)	(3,718,193)	(3,083,523)	(4,213,378)
Total governmental activities net position	<u>\$ 14,001,951</u>	<u>\$ 14,703,236</u>	<u>\$ 14,714,728</u>	<u>\$ 14,838,014</u>	<u>\$ 14,474,216</u>	<u>\$ 13,941,153</u>	<u>\$ 13,439,989</u>	<u>\$ 11,374,474</u>	<u>\$ 11,683,925</u>	<u>\$ 13,440,864</u>
Business-type activities										
Net Investment in Capital Assets	\$ 26,593	\$ 21,720	\$ 16,511	\$ 235,693	\$ 213,981	\$ 193,635	\$ 173,825	\$ 170,511	\$ 27,671	\$ 17,135
Restricted										
Unrestricted	163,971	217,385	265,944	61,639	113,778	133,908	203,323	25,811	238,928	468,708
Total business-type activities net position	<u>\$ 190,564</u>	<u>\$ 239,105</u>	<u>\$ 282,455</u>	<u>\$ 297,332</u>	<u>\$ 327,759</u>	<u>\$ 327,543</u>	<u>\$ 377,148</u>	<u>\$ 196,322</u>	<u>\$ 266,599</u>	<u>\$ 485,843</u>
District-wide										
Net Investment in Capital Assets	\$ 333,334	\$ 304,007	\$ 15,061,754	\$ 16,347,183	\$ 15,958,152	\$ 15,690,165	\$ 15,283,905	\$ 15,262,731	\$ 14,544,342	\$ 15,226,030
Restricted	13,691,399	23,881,069	28,923	1	1,213	1,215	451	447	250,777	2,445,347
Unrestricted	167,782	(9,242,735)	(93,494)	(1,211,838)	(1,157,390)	(1,422,684)	(1,467,219)	(3,692,382)	(2,844,595)	(3,744,670)
Total district net position	<u>\$ 14,192,515</u>	<u>\$ 14,942,341</u>	<u>\$ 14,997,183</u>	<u>\$ 15,135,346</u>	<u>\$ 14,801,975</u>	<u>\$ 14,268,696</u>	<u>\$ 13,817,137</u>	<u>\$ 11,570,796</u>	<u>\$ 11,950,524</u>	<u>\$ 13,926,707</u>

ELMWOOD PARK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 8,494,227	\$ 8,475,723	\$ 8,791,600	\$ 9,676,914	\$ 9,906,168	\$ 10,605,630	\$ 10,180,397	\$ 9,953,651	\$ 11,906,542	\$ 12,396,434
Special Education	1,491,869	1,453,409	1,481,307	1,669,072	1,967,996	2,446,906	2,579,766	2,608,782	9,041,608	8,781,930
Other Instruction	156,040	157,058	197,320	185,120	191,243	232,329	282,831	482,506	243,800	387,071
School Sponsored	496,405	500,180	501,845	532,383	540,908	631,532	685,764	666,997	565,044	541,451
Community Services	5,944	2,469			1,165	308				
Support Services:										
Tuition	3,604,468	3,994,685	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404		
Student & instruction Related Services	3,422,487	3,624,642	3,814,286	3,965,471	4,238,705	4,515,442	4,536,180	4,548,825	5,134,658	4,658,155
General Administrative Services	882,755	796,692	830,081	862,801	919,151	929,528	944,202	920,605	1,119,619	1,409,617
School Administrative Services	1,410,231	# 1,465,431	1,472,905	1,547,126	1,681,513	1,762,373	2,163,535	1,699,593	2,382,539	2,484,316
Central Services and Admin. Info. Technolog	652,743	689,203	774,438	1,041,321	973,597	782,050	880,579	711,822	1,183,844	1,205,590
Plant Operations and Maintenance	2,276,861	2,737,707	2,933,948	3,142,158	3,182,293	3,333,374	3,152,087	3,587,272	2,884,042	3,554,579
Pupil Transportation	1,481,993	1,929,782	2,173,118	2,186,617	2,556,248	2,385,961	1,945,611	1,983,856	1,726,171	1,583,747
Business and Other Support Services										
Unallocated Benefits	1,780,684	1,793,806	2,574,892	2,633,142	1,495,579	1,672,360	1,526,137	2,676,385		
Special Schools										
Charter Schools		16,056	2,852	6,267	22,842	13,057	94,588	149,739		
Interest on Long-Term Debt	933,249	1,336,693	1,310,636	1,280,803	1,248,970	1,215,136	1,178,271	1,139,256	1,113,954	1,072,951
Capital Outlay - Non-Depreciable	110,444	120,096		227,712	174,850	368,627	138,430	629,529		
Unallocated Depreciation	54,103	41,180	49,567	80,973	1,188,500	1,172,745	1,181,371	1,179,784		
Total Governmental Activities Expenses	27,254,503	29,134,812	31,423,111	33,196,579	34,562,310	36,328,416	35,940,271	38,160,006	37,301,821	38,075,841
Business-Type Activities:										
Food service	574,131	571,672	595,076	739,078	946,234	1,082,787	1,122,264	1,006,654	933,142	887,284
Before/After Care Program							40,775	329,677	143,731	137,066
Non Major Business-Type Programs									138,823	24,837
Total Business-Type Activities Expense	574,131	571,672	595,076	739,078	946,234	1,082,787	1,163,039	1,336,331	1,215,696	1,049,187
Total District Expenses	\$ 27,828,634	\$ 29,706,484	\$ 32,018,187	\$ 33,935,657	\$ 35,508,544	\$ 37,411,203	\$ 37,103,310	\$ 39,496,337	\$ 38,517,517	\$ 39,125,028
Program Revenues										
Governmental Activities:										
Charges for Services									164,664	260,002
Operating Grants and Contributions	1,213,856	1,428,213	1,340,785	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	5,703,017	6,437,292
Capital Grants and Contributions									12,679	6,963
Total Governmental Activities Program Revenues	1,213,856	1,428,213	1,340,785	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	5,880,360	6,704,257

**ELMWOOD PARK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type Activities:										
Charges for Services										
Food Service	\$ 420,771	\$ 404,925	\$ 377,816	\$ 436,801	\$ 615,782	\$ 623,669	\$ 675,100	\$ 609,506	\$ 465,300	\$ 471,320
Before/After CARE Program							66,714	153,421	290,311	272,047
Non Major Business-Type Programs								165,009	148,497	22,547
Operating Grants and Contributions	185,442	215,288	260,610	317,153	360,880	458,894	470,631	508,293	504,652	502,374
Total Business Type Activities Program Revenues	<u>606,213</u>	<u>620,213</u>	<u>638,426</u>	<u>753,954</u>	<u>976,662</u>	<u>1,082,563</u>	<u>1,212,445</u>	<u>1,436,229</u>	<u>1,408,760</u>	<u>1,268,288</u>
Total District Program Revenues	<u>\$ 1,820,069</u>	<u>\$ 2,048,426</u>	<u>\$ 1,979,211</u>	<u>\$ 2,049,992</u>	<u>\$ 2,309,579</u>	<u>\$ 2,873,896</u>	<u>\$ 2,624,537</u>	<u>\$ 2,922,125</u>	<u>\$ 7,289,120</u>	<u>\$ 7,972,545</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (26,040,647)	\$ (27,706,599)	\$ (30,082,326)	\$ (31,900,541)	\$ (33,229,393)	\$ (34,537,083)	\$ (34,528,179)	\$ (36,674,110)	\$ (31,421,461)	\$ (31,371,584)
Business-Type Activities	32,082	48,541	43,350	14,876	30,428	(224)	49,406	99,898	193,064	219,101
Total District-Wide Net Expense	<u>\$ (26,008,565)</u>	<u>\$ (27,658,058)</u>	<u>\$ (30,038,976)</u>	<u>\$ (31,885,665)</u>	<u>\$ (33,198,965)</u>	<u>\$ (34,537,307)</u>	<u>\$ (34,478,773)</u>	<u>\$ (36,574,212)</u>	<u>\$ (31,228,397)</u>	<u>\$ (31,152,483)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 21,227,696	\$ 21,660,863	\$ 23,573,986	\$ 24,403,769	25,780,937	26,423,176	27,480,103	\$ 27,480,103	\$ 28,789,793	\$ 29,579,684
Taxes Levied for Debt Service		1,716,487	1,462,374	2,043,302	2,062,302	2,079,305	2,093,740	2,105,580	2,114,918	2,123,084
State Facilities Grant	12,768,613									
Unrestricted Federal and State Aid	3,822,966	4,087,714	4,709,567	5,211,022	4,887,394	5,332,263	4,254,542	4,640,263	723,691	1,176,221
Federal and State Aid - Capital Outlay										
Tuition Received						78,240	34,269	66,508		
Cancellation Accounts Receivable/Payable							(764)			
Investment earnings	651,429	936,194	290,268	254,989	64,889	2,899	4,676	3,219	7,306	16,581
Miscellaneous Income	38,240	6,628	57,623	110,745	70,074	88,135	160,449	31,850	95,204	232,953
Transfers	-	-	-	-	-	-	-	281,073		
Total Governmental Activities	<u>38,508,944</u>	<u>28,407,886</u>	<u>30,093,818</u>	<u>32,023,827</u>	<u>32,865,596</u>	<u>34,004,018</u>	<u>34,027,015</u>	<u>34,608,596</u>	<u>31,730,912</u>	<u>33,128,523</u>
Business-Type Activities:										
Investment Earnings						6	201	348	279	143
Miscellaneous										
Transfers	-	-	-	-	-	-	-	(281,073)		
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>201</u>	<u>(280,725)</u>	<u>279</u>	<u>143</u>
Total District-Wide	<u>\$ 38,508,944</u>	<u>\$ 28,407,886</u>	<u>\$ 30,093,818</u>	<u>\$ 32,023,827</u>	<u>\$ 32,865,596</u>	<u>\$ 34,004,024</u>	<u>\$ 34,027,216</u>	<u>\$ 34,327,871</u>	<u>\$ 31,731,191</u>	<u>\$ 33,128,666</u>
Change in Net Position										
Governmental Activities	\$ 12,468,297	\$ 701,287	\$ 11,492	\$ 123,286	\$ (363,797)	\$ (533,065)	\$ (501,164)	\$ (2,065,514)	\$ 309,451	\$ 1,756,939
Business-Type Activities	32,082	48,541	43,350	14,876	30,428	(218)	49,607	(180,827)	193,343	219,244
Total District	<u>\$ 12,500,379</u>	<u>\$ 749,828</u>	<u>\$ 54,842</u>	<u>\$ 138,162</u>	<u>\$ (333,369)</u>	<u>\$ (533,283)</u>	<u>\$ (451,557)</u>	<u>\$ (2,246,341)</u>	<u>\$ 502,794</u>	<u>\$ 1,976,183</u>

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

	2005	2006	2007	2008	Fiscal Year Ended June 30,		2011	2012	2013	2014
					2009	2010				
General Fund										
Reserved	\$ 349,575	\$ 714,443	\$ 1	\$ 1	\$ 1	\$ 1				
Unreserved	1,737,189	1,641,016	884,626	80,084	99,399	(184,980)				
Restricted							\$ 1	\$ 1	\$ 250,777	\$ 2,445,347
Committed									171,441	
Assigned									42,337	34,400
Unassigned	-	-	-	-	-	-	(704,548)	(2,295,555)	(2,030,413)	(2,032,520)
Total General Fund	\$ 2,086,764	\$ 2,355,459	\$ 884,627	\$ 80,085	\$ 99,400	\$ (184,979)	\$ (704,547)	\$ (2,295,554)	\$ (1,565,858)	\$ 447,227
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	\$ (4,987)	\$ (4,987)	\$ (4,987)	\$ (3,274)						
Capital Projects Fund	41,610,449	22,606,696	28,921		\$ 1,212	\$ 1,212				
Debt Service	573,212	559,929	1			3				
Restricted for:										
Debt Service							\$ 450	\$ 446		
Unassigned	-	-	-	-	-	-	-	# -		(765,913)
Total all other governmental funds	\$ 42,178,674	\$ 23,161,638	\$ 23,935	\$ (3,274)	\$ 1,212	\$ 1,215	\$ 450	\$ 446	\$ -	\$ (765,913)

08

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

ELMWOOD PARK BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax Levy	\$ 21,227,696	\$ 23,377,350	\$ 25,036,360	\$ 26,447,071	\$ 27,843,239	\$ 28,502,481	\$ 29,573,843	\$ 29,585,683	\$ 30,904,711	\$ 31,702,768
Tuition								50,831	162,103	260,002
Transportation Fees									2,561	-
E-Rate						78,240	34,269	15,677		
Interest Earnings	651,459	936,194	290,268	254,989	64,889	2,899	4,676	3,219		
Miscellaneous	38,740	69,764	58,065	120,305	73,939	92,691	162,267	55,111	125,564	262,683
State Sources	16,984,272	4,458,450	5,126,723	5,628,413	5,223,223	5,440,939	4,401,048	4,892,190	5,242,835	6,117,289
Federal Sources	820,663	994,340	923,186	869,087	993,224	1,678,101	1,263,766	1,210,708	1,173,498	1,490,038
Total revenue	39,722,830	29,836,098	31,434,602	33,319,865	34,198,514	35,795,351	35,439,869	35,813,419	37,611,272	39,832,780
Expenditures										
Instruction										
Regular Instruction	7,147,357	7,109,419	7,376,607	8,129,925	8,420,729	8,883,555	8,337,606	8,213,620	11,377,399	12,025,350
Special Education Instruction	1,185,082	1,156,008	1,175,954	1,339,158	1,589,747	1,936,935	2,005,274	2,261,707	8,698,198	8,534,760
Other Instruction	124,490	125,460	156,705	148,238	154,102	183,655	219,475	374,630	232,598	387,071
School Sponsored/Other Instructional	417,050	417,105	415,415	445,087	453,796	525,437	564,179	547,661	539,793	541,451
Community Service Programs	4,706	1,959			1,165	308				
Support Services:										
Instruction - Tuition	3,604,468	3,994,685	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404		
Student & Inst. Related Services	2,991,614	3,204,880	3,339,794	3,450,879	3,672,990	3,856,949	3,780,524	3,836,671	4,928,362	4,441,742
General Administration	814,991	716,132	747,987	762,510	836,309	837,952	852,507	844,668	1,074,436	1,334,462
School Administration	1,206,181	1,244,895	1,194,070	1,256,752	1,359,026	1,386,686	1,678,728	1,339,609	2,271,932	2,394,816
Central Administrative Services	556,395	580,910	661,644	933,911	873,885	653,867	720,638	534,170	1,109,333	1,146,524
Operations and Maintenance	2,000,868	2,441,060	2,611,127	2,792,628	2,824,951	2,938,699	2,737,355	3,186,256	2,756,848	3,310,981
Student Transportation	1,481,993	1,605,560	1,821,578	1,805,549	2,172,430	1,950,843	1,484,400	1,965,964	1,665,612	1,572,649
Business and Other Support Services										
Employee Benefits	4,774,256	5,216,827	6,052,178	6,503,776	5,413,181	6,285,671	6,781,472	6,854,988		
Special Schools										
Transfer to Charter Schools		16,056	2,852	6,267	22,842	13,057	94,588	149,739		
Capital Outlay	1,352,122	19,140,575	23,950,607	624,932	253,127	449,155	138,430	789,390	207,441	787,583
Debt Service										
Principal			700,000	750,000	800,000	850,000	900,000	950,000	1,142,748	1,263,782
Interest and Other Charges		1,729,769	1,322,303	1,293,303	1,262,303	1,229,303	1,193,740	1,155,584	1,127,311	1,089,891
Total Governmental Fund Expenditures	27,661,573	48,701,300	56,043,137	34,401,614	34,383,165	36,243,130	35,959,438	38,226,061	37,132,011	38,831,062
Excess (Deficiency) of revenues over (under) expenditures	12,061,257	(18,865,202)	(24,608,535)	(1,081,749)	(184,651)	(447,779)	(519,569)	(2,412,642)	479,261	1,001,718

ELMWOOD PARK BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers in	\$ 559,929	\$ 817,115	\$ 1,402,669	\$ 389,127	\$ 20,766	10	\$ 448	\$ 281,073	\$ 1	\$ -
Transfers out	(559,929)	(817,115)	(1,402,669)	(389,127)	(20,766)	(10)	(448)		(1)	-
Proceeds from the Sale of Bonds	31,482,000									
Cancellation of Accounts Receivable							(10,240)			
Cancellation of Accounts Payable							9,476			
Capital Leases/Lease Purchase Proceeds	110,444	116,862		250,000	208,452	\$ 163,404		540,558	\$ 249,989	\$ 245,454
Total other financing sources (uses)	<u>31,592,444</u>	<u>116,862</u>	<u>-</u>	<u>250,000</u>	<u>208,452</u>	<u>163,404</u>	<u>(764)</u>	<u>821,631</u>	<u>249,989</u>	<u>245,454</u>
Net change in fund balances	<u>\$ 43,653,701</u>	<u>\$ (18,748,340)</u>	<u>\$ (24,608,535)</u>	<u>\$ (831,749)</u>	<u>\$ 23,801</u>	<u>\$ (284,375)</u>	<u>\$ (520,333)</u>	<u>\$ (1,591,011)</u>	<u>\$ 729,250</u>	<u>\$ 1,247,172</u>
 Debt service as a percentage of noncapital expenditures	 0.00%	 5.85%	 6.30%	 6.05%	 6.04%	 5.81%	 5.85%	 5.62%	 6.15%	 6.19%

* Noncapital expenditures are total expenditures less capital outlay.

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Transfer from Payroll Trust and Agency</u>	<u>E-Rate</u>	<u>Other Misc.</u>	<u>Rebates/ Refunds</u>	<u>Total</u>
2005			\$ 91,500			\$ 37,793	\$ 447	\$ 129,740
2006			119,079			6,628		125,707
2007			193,292			19,753	37,870	250,915
2008			85,549			18,258	59,557	163,364
2009			10,023			2,746	56,094	68,863
2010			2,888		\$ 78,240	68,845	19,291	169,264
2011			4,676		34,269	160,449		199,394
2012	\$ 50,831		3,219		15,677	31,850		101,577
2013	162,103	2,561	5,997		65,981	9,915	\$ 20,617	267,174
2014	260,002	-	16,581	\$ 60,367	69,544	101,374	\$ 1,668	509,536

ELMWOOD PARK BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2005	\$ 29,615,900	\$ 1,524,319,000	\$ 2,065,400	\$ 294,413,900	\$ 124,847,100	\$ 67,596,700	\$ 2,042,858,000	\$ 2,082,201	\$ 2,044,940,201	\$ 1,948,721,561	\$ 1.100
2006	27,799,800	1,526,131,100		294,076,100	124,489,800	67,128,700	2,039,625,500	1,954,197	2,041,579,697	2,282,969,417	1.176
2007	23,822,600	1,534,921,200		297,067,700	123,075,400	68,441,500	2,047,328,400	1,954,197	2,049,282,597	2,469,216,942	1.256
2008	26,194,300	1,553,311,900		290,844,300	116,621,500	63,267,700	2,050,239,700	1,674,243	2,051,913,943	2,587,919,237	1.354
2009	20,420,400	1,574,061,200		288,186,500	119,348,700	63,267,700	2,065,284,500	1,674,243	2,066,958,743	2,607,177,526	1.334
2010	19,156,000	1,580,256,800		287,015,300	119,348,700	63,267,700	2,069,044,500	2,042,994	2,071,087,494	2,513,582,993	1.402
2011	18,924,000	1,583,522,000		278,337,200	112,838,500	63,267,700	2,056,889,400	1,734,845	2,058,624,245	2,374,358,577	1.437
2012	16,880,100	1,583,487,400		274,953,900	112,063,500	60,905,700	2,048,290,600	1,786,220	2,050,076,820	2,295,775,313	1.500
2013	14,564,100	1,589,876,300		267,590,000	116,242,400	60,905,700	2,049,178,500	96	2,049,178,596	2,162,263,204	1.530
2014	14,055,500	1,584,939,900		264,753,100	115,007,700	72,861,200	2,051,617,400	100	2,051,617,500	2,058,172,110	1.585

Source: County Abstract of Ratables

^a Tax rates are per \$100

ELMWOOD PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Elmwood Park Local School District	Municipality of Elmwood Park	County of Bergen	
2005	1.100	0.579	0.191	1.870
2006	1.176	0.626	0.208	2.010
2007	1.256	0.678	0.216	2.150
2008	1.352	0.718	0.232	2.302
2009	1.334	0.758	0.243	2.335
2010	1.402	0.799	0.239	2.440
2011	1.437	0.819	0.236	2.492
2012	1.500	0.845	0.246	2.591
2013	1.530	0.864	0.242	2.636
2014	1.585	0.880	0.234	2.699

Source: County Abstract of Ratables

**ELMWOOD PARK BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
LAST YEAR AND SEVEN YEARS AGO
(Unaudited)**

Taxpayer	2014		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Elmwood V. Assoc. L.P.			\$ 9,107,900	0.44%
East Coast Elmwood Village LLC	\$ 32,706,300	1.59%		
RD Elmwood Associates, L.P.	23,373,500	1.14%	14,450,900	0.71%
LKD Association LLC	22,500,600	1.10%		
Elmwood Terrance Inc	13,600,000	0.66%	-	0.00%
Marcal Paper Mills	13,000,000	0.63%	14,669,500	0.72%
669 River Drive Center Assoc.			9,574,000	0.47%
35 Market Street, L.P.	11,700,000	0.57%	\$ 11,700,000	0.57%
Lacram Land LLC			-	0.00%
Hartz Mtn. Ind. Inc.			9,676,500	0.47%
R.D. Elmwood Assoc. L.P.			-	0.00%
LKD-1, LLC	-	0.00%	11,496,700	0.56%
LKD-3, LLC	-	0.00%	11,003,900	0.54%
PRC-1, LLC	-	0.00%	8,745,500	0.43%
Lacram Land LLC			-	0.00%
Alfred Sanzari Enterprises	13,418,900	0.65%		
Bankers Financial Corp	12,268,600	0.60%	9,467,000	0.46%
SG National, LLC	9,676,500	0.47%		
GRE River Dr. LLC	9,000,000	0.44%		
	<u>\$ 161,244,400</u>	<u>7.86%</u>	<u>\$ 109,891,900</u>	<u>5.37%</u>

Source: Municipal Tax Assessor

GASB requires that the current year and information from nine years ago be presented. The information was only available beginning in 2007. This information from 2007 will be presented until information from the current year and nine years ago is available.

ELMWOOD PARK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 21,227,696	\$ 21,227,696	100.00%	
2006	23,377,350	23,377,350	100.00%	
2007	25,036,360	25,036,360	100.00%	
2008	26,447,071	26,447,071	100.00%	
2009	27,843,239	27,843,239	100.00%	
2010	28,502,481	28,502,481	100.00%	
2011	29,573,843	29,573,843	100.00%	
2012	29,585,683	29,585,683	100.00%	
2013	30,904,711	30,904,711	100.00%	
2014	31,702,768	31,702,768	100.00%	

**ELMWOOD PARK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Loans Payable</u>	<u>Capital Leases/Lease- Purchase</u>			
2005	\$ 31,482,000		\$ 189,731	\$ 31,671,731	18,742	1,690
2006	31,482,000		157,215	31,639,215	18,592	1,702
2007	30,782,000		69,915	30,851,915	18,409	1,676
2008	30,032,000		210,421	30,242,421	18,569	1,629
2009	29,232,000		260,779	29,492,779	18,556	1,589
2010	28,382,000		226,130	28,608,130	18,645	1,534
2011	27,482,000		78,280	27,560,280	19,428	1,419
2012	26,532,000		442,082	26,974,082	19,531	1,381
2013	25,532,000	2,214,497	549,323	28,295,820	19,890	1,423
2014	24,482,000	1,984,497	580,995	27,047,492	20,094	1,346

Source: District records

ELMWOOD PARK BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 31,482,000	-	\$ 31,482,000	2.75%	\$ 1,680
2006	31,482,000	-	31,482,000	1.54%	1,693
2007	30,782,000	-	30,782,000	1.51%	1,672
2008	30,032,000	-	30,032,000	1.47%	1,617
2009	29,232,000	-	29,232,000	1.42%	1,575
2010	28,382,000	-	28,382,000	1.37%	1,522
2011	27,482,000	-	27,482,000	1.33%	1,474
2012	26,532,000	-	26,532,000	1.29%	1,423
2013	25,532,000	-	25,532,000	1.25%	1,284
2014	24,482,000	-	24,482,000	1.19%	1,218

Source: District records

**ELMWOOD PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 24,482,000
Borough of Elmwood Park	<u>20,276,681</u>
Total Direct Debt	<u>44,758,681</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	11,130,856
Passaic Valley Sewerage Commission (B)	<u>5,258,979</u>
Total Overlapping Debt	<u>16,389,835</u>
Total Direct and Overlapping Debt	<u>\$ 61,148,516</u>

Source:

(1) Borough's 2013 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2013 equalized value by the total 2013 equalized value for Bergen County.

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

ELMWOOD PARK BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2013	\$ 2,038,983,582
	2012	2,143,235,953
	2011	<u>2,284,163,687</u>
		<u>\$ 6,466,383,222</u>
	Average equalized valuation of taxable property	<u>\$ 2,155,461,074</u>
	Debt limit (4 % of average equalization value)	86,218,443
	Total Net Debt Applicable to Limit	<u>34,474,250</u>
	Legal debt margin	<u>\$ 51,744,193</u>

Fiscal Year Ending June 30,

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 68,079,338	\$ 78,293,837	\$ 88,267,542	\$ 96,763,421	\$ 100,769,518	\$ 101,430,998	\$ 98,851,575	\$ 95,146,742	\$ 90,574,712	\$ 86,218,443
Total net debt applicable to limit	<u>31,482,161</u>	<u>31,482,161</u>	<u>30,782,161</u>	<u>30,032,000</u>	<u>29,232,000</u>	<u>28,382,000</u>	<u>27,482,000</u>	<u>23,532,000</u>	<u>25,532,000</u>	<u>34,474,250</u>
Legal debt margin	<u>\$ 36,597,177</u>	<u>\$ 46,811,676</u>	<u>\$ 57,485,381</u>	<u>\$ 66,731,421</u>	<u>\$ 71,537,518</u>	<u>\$ 73,048,998</u>	<u>\$ 71,369,575</u>	<u>\$ 71,614,742</u>	<u>\$ 65,042,712</u>	<u>\$ 51,744,193</u>
Total net debt applicable to the limit as a percentage of debt limit	46.24%	40.21%	34.87%	31.04%	29.01%	27.98%	27.80%	24.73%	28.19%	39.98%

Source: Annual Debt Statements

**ELMWOOD PARK BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	18,742	\$ 57,745	4.60%
2006	18,592	63,166	4.90%
2007	18,409	67,606	4.40%
2008	18,569	67,375	5.70%
2009	18,556	63,862	10.10%
2010	18,645	63,950	8.10%
2011	19,428	67,240	10.20%
2012	19,531	69,919	10.40%
2013	19,890	Not Available	6.40%
2014	20,094	Not Available	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

ELMWOOD PARK BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

ELMWOOD PARK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	135.0	135.0	187.0	135.0	151.0	164.0	177.0	123.0	123.0	129.0
Special Education	45.0	46.0	47.0	29.0	38.0	40.0	40.0	44.0	54.0	65.0
Other Instruction	2.0							6.0	6.0	3.5
Support Services:										
Tuition										
Student & instruction related services				48.0	46.0	55.0	55.0	59.5	50.5	53.0
General administrative Services	5.0	1.0	1.0	7.0	7.0	7.0	7.0	1.0	1.0	4.0
School Administrative Services	9.0	11.0	11.0	26.0	26.0	26.0	27.0	20.5	20.5	20.0
Business Administrative Services	7.0	8.5	8.5	8.5	8.5	8.5	9.5	9.5	9.5	13.0
Plant Operations and Maintenance	22.0	21.5	24.5	26.5	26.5	24.5	27.0	43.0	50.0	23.5
Pupil transportation	5.0	3.0	3.0	3.0	3.0	3.0	1.0	1.0	1.0	0.7
Total	<u>230.0</u>	<u>226.0</u>	<u>282.0</u>	<u>283.0</u>	<u>306.0</u>	<u>328.0</u>	<u>343.5</u>	<u>307.5</u>	<u>315.5</u>	<u>311.7</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior High School	High School				
2005	2,110	\$ 26,309,451	\$ 12,469	6.03%	232	1:19	1:18	1:14	2,110.0	1,994.0	1.10%	94.50%
2006	2,120	27,830,956	13,128	5.28%	236	1:19	1:18	1:14	2,226.0	2,109.0	5.50%	94.74%
2007	2,132	30,070,230	14,104	7.44%	282	1:19	1:18	1:14	2,132.0	2,025.0	-4.22%	94.98%
2008	2,212	31,733,380	14,346	1.71%	283	1:21	1:18	1:14	2,212.0	2,102.0	3.75%	95.03%
2009	2,308	32,067,735	13,894	-3.15%	306	1:16	1:18	1:14	2,298.0	2,181.0	3.89%	94.91%
2010	2,326	33,714,674	14,495	4.32%	328	1:16	1:18	1:16	2,311.0	2,201.0	0.57%	95.24%
2011	2,473	33,727,268	13,638	-5.91%	307	1:16	1:18	1:16	2,402.0	2,281.0	3.94%	94.96%
2012	2,502	35,331,087	14,121	3.54%	307	1:16	1:18	1:16	2,481.5	2,367.6	3.31%	95.41%
2013	2,544	34,654,511	13,622	-3.53%	316	1:16	1:18	1:16	2,537.0	2,415.0	2.24%	95.19%
2014	2,519	35,689,806	14,168	4.01%	312	1:21	1:18	1:18	2,526.7	2,409.8	0.00%	95.37%

Sources: District records

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

ELMWOOD PARK BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
Ganter Elementary School										
Square Feet	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
Enrollment	245	313	313	313	313	313	313	313	393	375
Gilbert Elementary School										
Square Feet	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767
Enrollment	350	338	338	338	338	338	338	338	404	409
16th Avenue School										
Square Feet	53,525	53,525	63,525	63,525	63,525	63,525	63,525	63,525	63,525	53,525
Enrollment	270	302	302	302	302	302	302	302	474	462
High School/Middle School										
Square Feet	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822
Enrollment	1,268	1,245	1,194	1,194	1,194	1,194	1,194	1,194	1,273	1,273

Number of Schools at June 30, 2014

Elementary =	3
High/Middle School =	1
	4

Source: District Records

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
School Facilities										
Memorial/Middle/High School	\$ 358,299	\$ 442,163	\$ 387,963	\$ 302,715	\$ 331,086	\$ 402,690	\$ 390,385	\$ 254,008	\$ 182,018	\$ 412,841
Gantner Avenue Elementary School	63,230	78,029	71,852	47,230	69,503	152,108	110,108	133,309	95,527	76,460
Gilbert Avenue Elementary School	80,793	99,703	121,848	52,098	92,768	163,660	107,292	113,709	81,482	129,661
Sixteenth Avenue Elementary School	83,135	102,593	120,921	70,948	52,121	157,723	126,686	121,008	86,712	128,675
Other Facilities	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 585,457</u>	<u>\$ 722,488</u>	<u>\$ 702,584</u>	<u>\$ 472,991</u>	<u>\$ 545,478</u>	<u>\$ 876,181</u>	<u>\$ 734,471</u>	<u>\$ 622,034</u>	<u>\$ 445,739</u>	<u>\$ 747,637</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2014
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -(1)		
Building and Contents (All Locations)	\$ 71,475,598	\$ 5,000
Boiler and Machinery	Included	1,000
EDP Equipment	1,750,000	1,000
Automobile Liability Coverage	16,000,000	1,000
Comprehensive General Liability	16,000,000	
Workers Compensation and Employer's Liability	2,000,000	
Public Employee Dishonest with Faithful Performance	50,000	500
Surety Bonds (2)		
Board Secretary/Business Administrator	250,000	
Treasurer of School Monies	250,000	

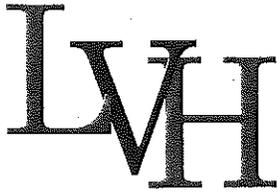
(1) New Jersey School Boards Association Insurance Group

(2) Hartford Fire Insurance Company

Source: District records

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Elmwood Park Board of Education's basic financial statements and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elmwood Park Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Elmwood Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elmwood Park Board of Education's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control, described in the schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elmwood Park Board of Education's financial statements are free from 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2014-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Elmwood Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated September 30, 2014.

Elmwood Park Board of Education's Response to Finding

The Elmwood Park Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Elmwood Park Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

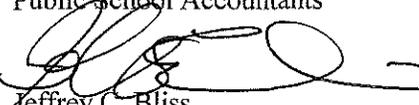
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elmwood Park Board of Education's internal control or on compliance. This report is an integral part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

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

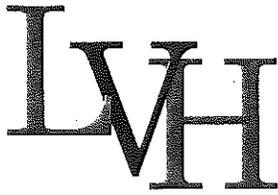
Public School Accountants


Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
September 30, 2014



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Elmwood Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Elmwood Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2014. The Elmwood Park 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Elmwood Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Elmwood Park 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Elmwood Park Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Elmwood Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which are described in the accompanying schedule of findings and questioned costs as items 2014-002, 2014-003 and 2014-004. Our opinion on each major federal and state program is not modified with respect to these matters.

The Elmwood Park Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Elmwood Park Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Elmwood Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Elmwood Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Elmwood Park 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. 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-004 that we consider to be a significant deficiency.

The Elmwood Park Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned cost. The Elmwood Park Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

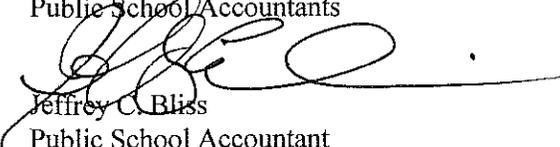
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated September 30, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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


Jeffrey C. Bliss

Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
September 30, 2014

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2013			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2014			Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																	
Passed-through State Department of Education																	
Enterprise Fund																	
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	\$ 43,161					\$ 40,396	\$ 43,160			\$ (2,764)			\$ (2,764)	
School Breakfast Program	10.553	N/A	7/1/12-6/30/13	50,545	(10,141)				10,141								
National School Lunch Program																	
Cash Assistance	10.555	N/A	7/1/13-6/30/14	424,204	-				397,541	424,205			(26,664)			(26,664)	
Cash Assistance	10.555	N/A	7/1/12-6/30/13	426,647	(83,550)				83,550								
Non-Cash Assistance (Food Distribution)	10.550	N/A	7/1/13-6/30/14	23,637	-				23,637	16,937			\$ 6,700				
Non-Cash Assistance (Food Distribution)	10.550	N/A	7/1/12-6/30/13	18,567	-	7,147			-	7,147							
Total Enterprise Fund					(93,691)	7,147			555,265	491,449			(29,428)	6,700		(29,428)	
U.S. Department of Health and Human Services																	
General Fund																	
Medical Assistance Program	93.778	N/A	7/1/13-6/30/14	8,963	-	-	-	-	8,963	8,963	-	-	-	-	-	-	
Total General Fund									8,963	8,963							
Special Revenue Fund																	
NCLB																	
Title I	84.010A	NCLB031345-14	7/1/13-6/30/14	676,372			\$ 146,919	\$ (146,919)	365,803	680,897			(457,488)	142,394		(315,094)	
Title I	84.010A	NCLB031345-13	9/1/12-8/31/13	470,208	(498,488)	165,167		(146,919)	351,569	18,248							
Title I	84.010A	NCLB031345-12	9/1/11-8/31/12	483,029			\$ 103,463		-	-				103,463			
Title I - ARRA	84.389	ARRA031345-10	9/1/09-8/31/11	115,629					-	-				32,429			
Title I, SIA- ARRA	84.3888	ARRA1345-10	7/1/09-8/31/11	7,503			7,503		-	-				7,503			
Title II, Part A	84.281A	NCLB031345-14	7/1/13-6/30/14	57,807			55,645	(55,645)	40,369	80,789			(73,083)	32,663		(40,420)	
Title II, Part A	84.281A	NCLB031345-13	9/1/12-8/31/13	58,028	(127,759)	91,832		(55,645)	35,127	-	800			-			
Title II, Part A	84.281A	NCLB031345-12	9/1/11-8/31/12	69,739	(8,768)				-	-			(8,768)	-		(8,768)	
Title III	84.365A	NLB031345-14	7/1/13-6/30/14	30,131			28,207	(28,207)	12,477	40,111			(43,861)	18,227		(27,634)	
Title III	84.365A	NLB031345-13	9/1/12-8/31/13	28,207	(44,135)	43,469		(28,207)	8,076	7,410				-			
Title III	84.365A	NCLB031345-12	9/1/11-8/31/12	21,714			391		-	-				391			
I.D.E.A. Part B, Basic Regular	84.027A	IDEA-1345-14	7/1/13-6/30/14	605,570					153,842	605,375			(451,728)	195		(451,533)	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA-1345-13	9/1/12-8/31/13	599,550	(468,908)	-			468,908	-				-			
I.D.E.A. Part B, Basic Regular - ARRA	84.391	ARRA1345-10	7/1/09-9/30/11	614,585			23,552		-	-				23,552			
I.D.E.A. Part B, Preschool	84.173A	IDEA-1345-14	7/1/13-6/30/14	21,545					-	21,186			(21,545)	359		(21,186)	
Race to the Top		N/A	9/1/11-11/30/13	38,468	(38,468)	26,313			12,155	24,195			(26,313)	2,118		(24,195)	
Total Special Revenue Fund					(1,186,526)	326,781	167,338		1,448,326	1,478,211	800		(1,084,786)	195,956	167,338	(888,830)	
Total Federal Awards					\$ (1,280,217)	\$ 333,928	\$ 167,338	\$ -	\$ -	\$ 2,012,554	\$ 1,978,623	\$ 800	\$ -	\$ (1,114,214)	\$ 202,656	\$ 167,338	\$ (918,258)

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

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2013	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2014			Memo	
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
Current Expense:													
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 687,826		\$ 653,672	\$ 687,826				\$ (34,154)			\$ 687,826
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	743,218	(47,377)	47,377								-
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	500,000		475,172	500,000				(24,828)			500,000
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	1,525,984		1,450,211	1,525,984				(75,773)			1,525,984
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	1,518,263	(96,783)	96,783					-			-
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	174,935		166,248	174,935				(8,687)			174,935
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	140,026	(8,926)	8,926					-			-
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	118,200		112,331	118,200				(5,869)			118,200
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	105,438	(6,721)	6,721					-			-
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	481,362			481,362				(481,362)			481,362
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	623,090	(623,090)	623,090					-			-
Nonpublic Transportation Aid	N/A	7/1/13-6/30/14	21,627			21,627				(21,627)		\$ (21,627)	21,627
Nonpublic Transportation Aid	N/A	7/1/12-6/30/13	30,521	(30,521)	30,521					-			-
On Behalf Payments										-			-
TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	869,340		826,727	869,340				(42,613)		(42,613)	869,340
TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	877,776	(41,969)	41,969					-			-
TPAF Pension and OPEB										-			-
Pension - NCGI Premium	14-495-034-5095-007	7/1/13-6/30/14	41,018		41,018	41,018				-			41,018
Pension Benefit Contribution	14-495-034-5095-006	7/1/13-6/30/14	467,706		464,706	464,706				-			464,706
Post Retirement Medical Benefit Contribution	14-495-034-5095-001	7/1/13-6/30/14	829,196		829,196	829,196				-			829,196
Total General Fund				(855,387)	5,874,668	5,714,194	-	-	(694,913)	-	-	(64,240)	5,714,194
Special Revenue:													
New Jersey Nonpublic Aid:													
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	12,177		12,177	10,845						\$ 1,332	10,845
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	12,153	473	-	-	\$ 271	\$ 473				271	-
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	17,138		17,138	16,619						519	16,619
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	16,770	143	-	-		143				-	-
Nonpublic Technology	14-100-034-5120-373	7/1/13-6/30/14	4,440		4,440	4,072						368	4,072
Nonpublic Technology	13-100-034-5120-373	7/1/12-6/30/13	4,485	33	-	-	352	33				352	-
Auxiliary Services:													
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	125,829		125,829	99,979						25,850	99,979
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	87,371	1,430	-	-		1,430				-	-
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	20,077		20,077	14,228						5,849	14,228
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	33,620	8,270	-	-		8,270				-	-
Transportation	14-100-034-5120-068	7/1/13-6/30/14	21,500		21,500	21,500							21,500
Home Instruction	13-100-034-5120-067	7/1/12-6/30/13	5,029	(5,029)	5,029								-
Handicapped Services:													
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	29,778		29,778	21,817						7,961	21,817
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	26,755	11,622	-	-		11,622				-	-
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	39,842		39,842	37,185						2,657	37,185
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	21,092		-	-						-	-
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	18,040		18,040	18,040							18,040
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	18,317	5,343	-	-		5,343				-	-
Total Special Revenue Fund				22,285	293,850	244,285	623	27,314	-	-	45,159	-	244,285

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2013	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2014			Memo		
									(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Agriculture														
Food Service:														
National School Lunch Program (State Share)														
	14-100-010-3350-023	7/1/13-6/30/14	\$ 10,925		\$ 10,236	\$ 10,925								
	13-100-010-3350-023	7/1/12-6/30/13	12,584	\$ (3,066)	3,066	-	-	-		\$ (689)	-	-	\$ (689)	\$ 10,925
Total Food Service Fund				(3,066)	13,302	10,925	-	-		(689)	-	-	(689)	10,925
Total State Financial Assistance				(836,168)	6,181,820	5,969,404	\$ 623	\$ 27,314		(695,602)	\$ -	\$ 45,159	(64,929)	5,969,404
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
On-Behalf TPAF Pension System Contributions-NCGI														
	14-100-034-5095-007	7/1/13-6/30/14	41,018	-	(41,018)	(41,018)	-	-		-	-	-	-	(41,018)
On-Behalf TPAF Pension System Contributions- Normal														
	14-100-034-5095-006	7/1/13-6/30/14	467,706		(464,706)	(464,706)								(464,706)
On-Behalf TPAF Post-Retirement Medical Contribution														
	14-100-034-5095-001	7/1/13-6/30/14	829,196	-	(829,196)	(829,196)	-	-		-	-	-	-	(829,196)
Total State Financial Assistance Subject to Single Audit				\$ (836,168)	\$ 4,846,900	\$ 4,634,484	\$ 623	\$ 27,314		\$ (695,602)	\$ -	\$ 45,159	\$ (64,929)	\$ 4,634,484
See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance														

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$152,224 for the general fund and an increase of \$17,905 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 8,963	\$ 5,866,418	\$ 5,875,381
Special Revenue Fund	1,481,075	250,871	1,731,946
Food Service Fund	491,449	10,925	502,374
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 1,981,487</u>	<u>\$ 6,128,214</u>	<u>\$ 8,109,701</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$869,340 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2014. The amount reported as TPAF Pension System Contributions in the amount of \$505,724 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$829,196 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014.

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

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

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

(2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

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 federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I</u>
<u>84.027A</u>	<u>IDEA Part B Basic</u>
<u>84.173A</u>	<u>IDEA Part B Preschool</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>

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

Auditee qualified as low-risk auditee? yes X no

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified?

_____ yes X no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

 X yes _____ none reported

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

 Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04?

 X yes _____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-089	Special Education Aid
495-034-5120-086	Security Aid
100-034-5120-476	Extraordinary Aid
495-034-5095-002	TPAF Social Security Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

_____ yes X no

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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*.

Finding 2014-001

We noted certain liabilities and encumbrances which were unrecorded by the District at June 30, 2014. We also noted certain purchase orders at year end which were classified as accounts payable but were determined to be reserve for encumbrances. Additionally an accounts payable recorded by the District was materially overstated at June 30, 2014.

Criteria or specific requirement:

State Department of Education's GAAP Technical Systems Manual.

Condition:

Certain liabilities and encumbrances were determined to either not have been recorded, or recorded for the incorrect amount and certain purchase orders were not properly classified at June 30, 2014.

Context

- Liabilities and encumbrances for retiree compensated absence payouts, tuition reimbursements, energy costs, accrued salaries and wages, TPAF FICA and pension reimbursement and referendum contract awards were not recorded at June 30, 2014.

Total unrecorded payables was \$951,071

Total unrecorded reserve for encumbrances was \$870,544

- Two (2) purchase orders classified as accounts payable, totaling \$34,400 were determined to be reserved for encumbrances as of June 30, 2014.
- The payable recorded for the liability to the Food Service Management Company was overstated by \$49,421.

Effect

Financial statements do not properly reflect liabilities, expenditures and fund balance at year end. In addition, six (6) budget account lines were over-expended at June 30, 2014 as a result of adjusting the financial statements for unrecorded liabilities.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and enhanced to ensure liabilities and encumbrances are properly recorded and accurately reflected as accounts payable or reserve for encumbrances at year end.

Management's Response

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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

CURRENT YEAR STATE AWARDS (Continued)

Finding 2014-002:

Our audit of the travel expense reimbursements revealed the following:

- Post travel reports were not on file in all instances as required.
- In some instances, seminar or conferences were approved after the event occurred.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Under Adequacy Aid	495-034-5120-096

Criteria or Specific Requirement:

State Grant Compliance Supplement – State Aid - Public

Condition:

Certain travel expense reimbursements were made that were not in accordance with the Board approved travel policy.

Questioned Costs:

Unknown.

Context:

Of the four (4) travel expense reimbursements we tested we noted two (2) instances where post travel reports were not submitted, and three (3) instances for travel events that were not approved prior to the event.

Effect:

Travel expense reimbursements were made that were not in compliance with the District travel policy and the State Aid Public Grant Compliance Requirements.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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

CURRENT YEAR STATE AWARDS (Continued)

Finding 2014-002: (Continued)

Recommendation:

Internal control be reviewed and revised to ensure District travel expense reporting procedures are in compliance with the Board approved policy.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

CURRENT YEAR STATE AWARDS

Finding 2014-003:

A review of Students' Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive related service included in their IEP. A minimum of one intensive related service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid application.

State Program Information:

Extraordinary Special Education Aid	100-034-5120-473
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Criteria or Specific Requirement:

State Grant Compliance Supplement

Condition:

Certain students included on the Extraordinary Aid application did not receive intensive related services nor did their IEP's indicate they were required to receive such services.

Questioned Costs:

Unknown.

Context:

Four (4) students tested out of thirty (30) sampled did not have an intensive related service included in their IEP. The Extraordinary Aid application listed thirty six (36) eligible students.

Cause

Certain students included on the extraordinary aid application either did not have an intensive related service in their respective IEP or received extended school year services that did not have the minimum school year requirement of 210 days, thus not eligible for extraordinary aid.

Effect:

Certain students included on the Extraordinary Aid application may not have met eligibility requirements of the program.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

CURRENT YEAR STATE AWARDS

Finding 2014-003 (Continued)

Recommendation:

Internal control procedures be reviewed and revised to ensure student IEP's specifically identify intensive related services are required to be provided to the respective classified student reported on the application for State Extraordinary Aid.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

CURRENT YEAR STATE AWARDS (Continued)

Finding 2014-004

Our audit of purchases revealed the following:

- We noted a State contract awarded under a national cooperative agreement in which we were unable to determine if the items and per unit prices of the items purchased were in accordance with the approved State contract award.
- Vendor political contribution disclosure forms and business registration certificates were not on file in all instances, where required.

State program information:

Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089
Under Adequacy Aid	495-034-5120-096

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid – Public
NJSA 18A:18A – Public School Contracts Law

Condition:

Documentation to verify state contract purchases was not available on file in the District. The District did not obtain and have on file political contribution disclosure forms and business registration certificates from vendors as required.

Questioned Costs:

None.

ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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

CURRENT YEAR STATE AWARDS (Continued)

Finding 2014-004 (Continued)

Context:

We noted one (1) State contract award for the lease-purchase of computer supplies (iPads) for \$245,454 which could not be verified to the approved contract pricing list. We noted certain vendors did not have Political Contribution Disclosure Statements and/or Business Registration Certificates on file who were required to file such documents.

Effect:

Noncompliance with requirements of the Public School Contracts Law.

Recommendation:

Internal control procedures be reviewed and revised to ensure State contract awarded purchases are verified to approved products and prices awarded under the respective State contract. In addition, political contribution disclosure forms and business registration certificates be obtained from vendors as required.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

Finding 2013-001

Condition:

The bill lists of the various Enterprise Funds were not submitted to the Board for their approval to pay.

Current Status

Corrective action has been taken.

Finding 2013-002

Condition:

Individuals ineligible to receive District health benefit insurance were not removed from coverage in a timely manner. In addition, certain individuals who were required to reimburse the District for their coverage were not billed by the District.

Current Status

Partial corrective action was taken. See Auditor's Management Report.

Finding 2013-003

Condition:

Salaries of certain individuals charged to the Title 1 grant program were not approved by the Board.

Current Status

Corrective action has been taken.

Finding 2013-004

Condition:

Cumulative transfers from advertised appropriation accounts identified as Instruction exceeded ten percent (10%) and cumulative transfers to the advertised appropriation accounts identified as Administration exceeded ten percent (10%) made prior to the appointment of the State monitor that were not approved by the Executive County Superintendent.

Current Status

Corrective action has been taken.

**ELMWOOD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

Finding 2013-005

Condition:

Certain travel expense reimbursements were made that were not in accordance with the Board approved travel policy.

Current Status

See finding 2014-002

Finding 2013-006

Condition:

Certain students included on the Extraordinary Aid application did not receive intensive related services nor did the IEP's indicate they were required to receive such services.

Current Status

See finding 2014-003.

Finding 2013-007

Condition:

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

Current Status

Corrective action has been taken.