

PARAMUS BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

Paramus, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Paramus Board of Education

Paramus, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

**Paramus Board of Education
Business Department**

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INTRODUCTORY SECTION



PARAMUS PUBLIC SCHOOLS
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Phone: 201-261-7800 www.paramus.k12.nj.us Fax: 201-634-9792

Steven J. Cea
Business Administrator/
Board Secretary
scea@paramus.k12.nj.us

December 4, 2015

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Paramus Board of Education for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the Paramus Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Paramus Board of Education has established a comprehensive internal control framework that is designed both to protect the school District's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Paramus Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Paramus Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Paramus Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Paramus Board of Education for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's concluded, based upon the audit, that there was a

reasonable basis for rendering an unmodified opinion that the Paramus Board of Education's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Paramus Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Paramus Board of Education's CAFR.

GAAP 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 it. The Paramus Board of Education's MD&A can be found immediately following the report of the independent auditor's.

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

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, as well as special education for handicapped youngsters. The District's 2014-2015 fiscal year had an enrollment of 3,933 students, which is a reduction of 8 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	3,933	(0.2%)
2013-2014	3,941	(2.3%)
2012-2013	4,034	(1.5%)
2011-2012	4,095	(2.0%)
2010-2011	4,177	(1.6%)
2009-2010	4,245	(4.1%)
2008-2009	4,426	1.5%
2007-2008	4,361	0.1%
2006-2007	4,356	(1.2%)
2005-2006	4,408	0.3%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Paramus is located in west central Bergen County about 18 miles west of New York City. Surrounding towns include Ridgewood, Washington Township, Fair Lawn, Rochelle Park, Maywood, River Edge, Oradell, Emerson and Hackensack. The Borough was incorporated in 1922. The government for the Borough consists of a mayor and six council members elected for overlapping terms.

The Borough of Paramus is primarily suburban residential in character with extensive and expanding industrial, commercial, and retail development. Over 95% of all housing units are single family residences. About 90% are owner occupied; local zoning does not permit apartment development.

Comprising about 10 square miles, the Borough has excellent transportation facilities. The principle route joining Bergen and Passaic Counties to New York City via the George Washington Bridge is NJ Route 4. NJ Route 17 is a major four-lane highway running north-south through Bergen and Hudson Counties, connecting southern New York State with the Lincoln Tunnel to New York City. The limited access Garden State Parkway runs through the Borough into southern New Jersey. Since the completion of Interstate 80, consumers in western New Jersey have access to the Bergen County retail stores. Together with these highways, four bus companies offer transportation to and from the Borough.

Bergen County is one of the largest counties in the State, and the Borough of Paramus has become a major retail trade center. Currently about 46% of the Borough tax revenues are generated by its commercial and industrial complexes which are experiencing continual growth. The population of the Borough has leveled off (2010 U.S. Census 26,832) and the Borough Master Plan indicates that the period of rapidly accelerating demand for municipal service facilities has past.

Paramus is one of the largest shopping areas in the country, generating over \$5 billion in annual retail sales, more than any other ZIP Code in the United States. Approximately 85% of the retail trade comes from people living outside the Borough, primarily customers being drawn from Bergen and Passaic Counties and from New York City and Rockland and Orange Counties in New York State. A secondary purchasing market includes Sullivan and Ulster Counties in New York State and Essex, Morris, Sussex and Union Counties in New Jersey. The Garden State Plaza, the Outlets at Bergen Town Center, the Paramus Fashion Center and Paramus Park are the major shopping complexes located in the Borough. The Borough is also home to Ikea, BJ's Wholesale Club, two Sports Authority's, two Home Depots, two Toys R Us stores, two Barnes & Noble Stores, six multiplex movie theaters, as well as many other retail businesses, all of which are easily accessible.

Industrial development in Paramus has expanded along with commercial development. The Paramus Industrial park contains 232 acres zoned for business and light industry. A second industrial part occupies 115 acres west of NJ 17; a third, 15 acres east of NJ 17.

New housing in the area is largely single family residences in the \$600,000 to \$800,000 range, and older housing continues to show value appreciation.

3. MAJOR INITIATIVES: The Paramus School District has been recognized for educational excellence by several New Jersey Education Commissioners and by the United States Department of Education's Blue Ribbon Panel. Over the past several years, Paramus has been the recipient of eight Best Practice Awards, a Star School Award from the New Jersey Department of Education, a Service Learning Award from the United States Department of Education, and an award for Outstanding Middle School Technology Program in New Jersey. Paramus has been regularly considered a top community for arts education. In addition, Paramus High School has been recognized as a "Model School for the Arts".

Supporting these awards for excellence, the New Jersey State Report Card favorably compares our schools to schools throughout the state, including the following statistics and notations:

- Standardized test scores in all grades are significantly higher than state average.
- Scholastic Assessment Test (SAT) scores are also higher than the state average.
- A significant number of students are involved in many Advanced Placement courses and score at a level meriting potential college credit.
- Our District boasts a 97% high school graduation rate.
- The District offers a wide range of programs that meet the diverse needs of students before, during and after the school day.

Additionally, a vast majority of our students are involved in extra-curricular, athletic, voluntary and community activities. Staff development focuses on the implementation of the common core standards and instructional practices at all levels. We continue to integrate technology into all aspects of the curriculum. Every classroom setting is equipped with at least one computer that is connected to local and wide area networks with the capability of utilizing high-speed voice, video and data communications. The District has implemented a variety of instructional and productivity software packages (Performance Tracker, Edmentum) to improve and assess student outcomes and increase efficiencies. In addition to rolling out Google Apps, and Fitness Gram, the district upgraded and standardized to Office 2010 and windows 7.

The 2014-2015 school year included many new and continuing instructional initiatives highlighted by the implementation new computers and bandwidth to conduct the new PARCC standardized test. This was a major undertaking requiring the coordination of departments throughout the district. Additionally there were various curriculum revisions, and the implementation of a Bring Your Own Device initiative in Paramus High School. The administration fully implemented the required teacher and administrator evaluation systems.

In addition to routine maintenance, the District completed several significant construction projects including replacement of roofs, Board Office HVAC replacement, HS library renovation, solar panels in four schools, field renovation, bathroom renovation, LED lighting retrofit, and parking lot expansion at Ridge Ranch, and HS window replacements. The District received more than \$900,000 in grants toward the funding of these projects through the School Development Authority. Additionally, the District undertook a joint project with the Borough to renovate the East Brook tennis court. To address future infrastructure needs and ensure building systems are well maintained, the Board added to the Capital Reserve account and contributed toward the maintenance reserve account.

During the year the Board successfully completed negotiations with its secretary association, established a high deductible health plan and associated health savings account, initiated a new

elementary lunch program, The district also implemented a web portal to provide employee access to payroll and attendance data.

It is our goal that every student who receives a diploma from Paramus High School will graduate confident in his or her ability to learn and with the knowledge, understanding, skills, and attitudes that will enable each graduate to lead productive and fulfilling lives in a complex and rapidly changing society. Specifically, each graduate will have had appropriate and adequate opportunities to learn and be able to: communicate an idea, opinion or perspective in a variety of ways; solve problems analytically and creatively; contribute as citizens in an ever-shrinking global community with an appreciation for the diversity and interdependence of all people; embrace the concepts of emotional and physical wellness; work independently and cooperatively as a member of a group; and to embrace the ideal of lifelong learning.

Our success is the result of a team effort between the Board of Education, faculty, administration, staff, parents and community. We could not have achieved this high level of results without parent involvement and support.

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

As recipient of federal and state financial assistance, the District also is responsible for ensuring compliance with applicable laws and regulations related to federal and state financial assistance programs, as well as to determine that the District 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amounts as amended for the fiscal year are reflected in the financial section.

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

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

7. 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 is to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey, where the funds are secured in accordance with the Act.

8. 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, fidelity bonds, school board errors and omissions, boiler and machinery, and worker's compensation.

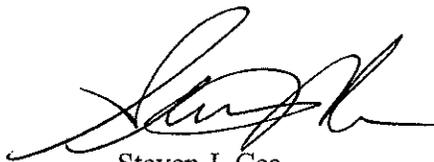
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements and schedules are included in the financial section of the report. The auditor's reports relating specifically to the Single Audit are included in the Single Audit Section of this report.

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

Respectfully submitted,

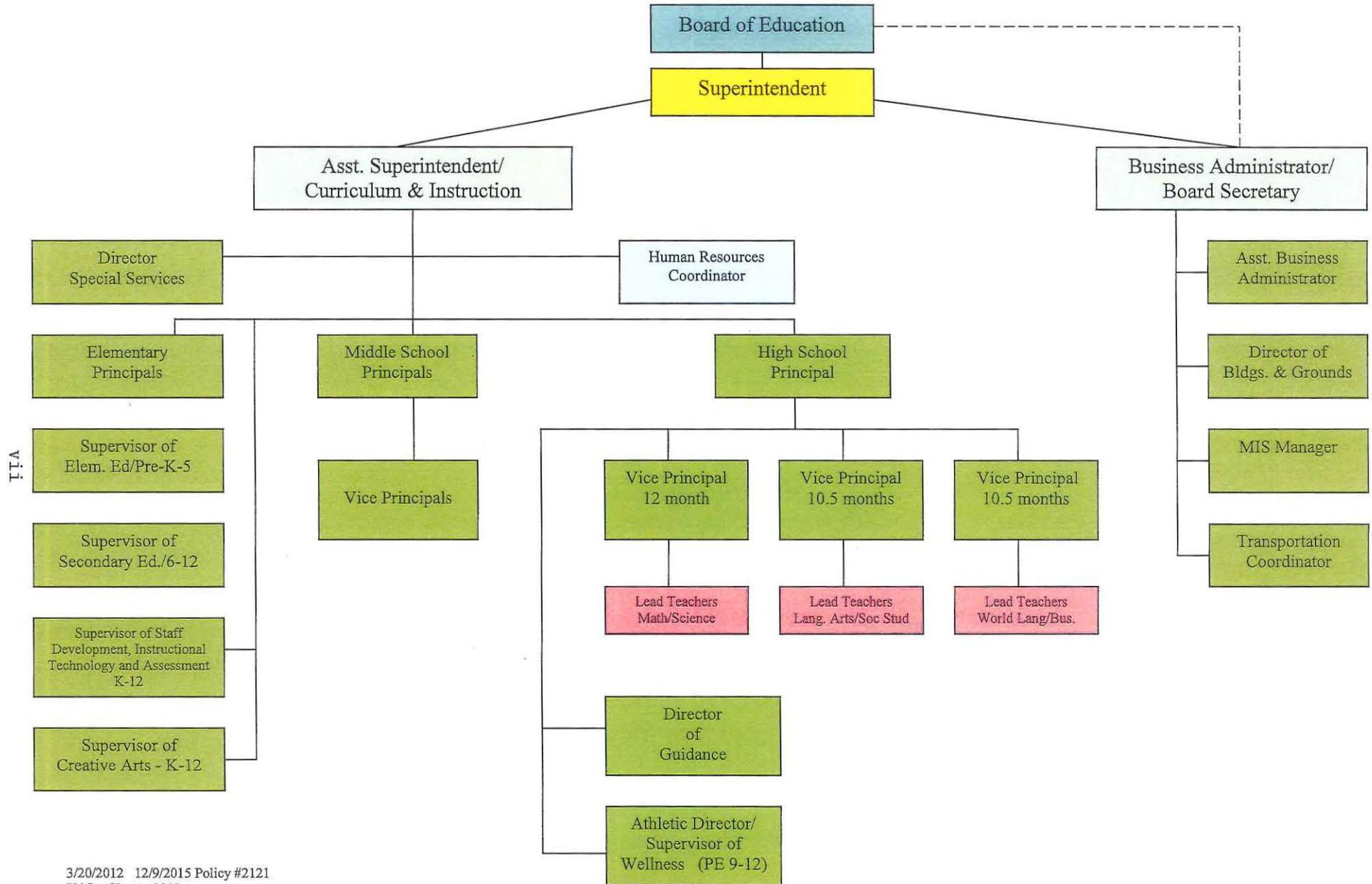


Dr. Michele Robinson
Superintendent of Schools



Steven J. Cea
Business Administrator/Board Secretary

PARAMUS PUBLIC SCHOOLS ORGANIZATION CHART



**PARAMUS BOARD OF EDUCATION
PARAMUS, NEW JERSEY**

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires January,</u>
Sharon Bower, President	2017
William Holzmann, Vice President	2018
Anthony Balestrieri	2017
Joanne Bergmann	2018
Melissa Caminiti	2018
Alison Donoghue	2016
Anthony Feorenzo, Jr.	2016
Bernadette McCausland	2016
Jeffrey Warren	2017

Other Officials

Dr. Michele Robinson, Superintendent of Schools
Sean Adams, Assistant Superintendent
Steven J. Cea, Business Administrator/Board Secretary
Mattea Field, Assistant Business Administrator

**PARAMUS BOARD OF EDUCATION
PARAMUS, NEW JERSEY**

CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2015

Architect

Environetics
180 Sylvan Avenue
Englewood Cliffs, NJ 07632

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208N
Fair Lawn, New Jersey 07410

Attorneys

Board Attorney

Adams, Stern, Gutierrez & Lattiboudere, LLC
1037 Raymond Boulevard, Suite 710
Newark, New Jersey 07102

Labor Negotiating Attorney

SCHENCK, PRICE, SMITH & KING
220 Park Avenue
Florham Park, New Jersey 07932

Bond Counsel

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

Official Depository

Capital One
464 Route 17 N.
Paramus, New Jersey 07652

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
Paramus Board of Education
Paramus, 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 Paramus Board of Education, as of and for the fiscal year ended June 30, 2015 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education as of June 30, 2015, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Paramus Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension 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 Paramus 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Paramus 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.

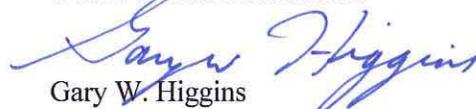
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2015 on our consideration of the Paramus 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 Paramus Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 4, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The discussion and analysis of the Paramus School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,705,817 (net position).
- General revenues accounted for \$78,141,193 or 77 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$22,821,903 or 23 percent of total revenues of \$100,963,096.
- Total net position of governmental activities amounted to \$34,302,828 as of June 30, 2015.
- The District had \$92,396,899 in expenses related to governmental activities; only \$21,606,987 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$78,140,933 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$86,180,406 in revenues and transfers and \$82,261,871 in expenditures and transfers. The General Fund's fund balance increased \$3,918,535 over the fiscal year ended June 30, 2014.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Using the Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Paramus School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2015?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Reporting the District as a Whole (Continued)

- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The District as a Whole

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets, liabilities and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

Table 1 provides a summary of the District's net position as of June 30, 2015 and 2014.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current Assets	\$ 21,308,934	\$ 16,959,573	\$ 252,375	\$ 284,342	\$ 21,561,309	\$ 17,243,915
Capital Assets	<u>55,205,283</u>	<u>54,995,135</u>	<u>172,989</u>	<u>164,909</u>	<u>55,378,272</u>	<u>55,160,044</u>
Total Assets	<u>76,514,217</u>	<u>71,954,708</u>	<u>425,364</u>	<u>449,251</u>	<u>76,939,581</u>	<u>72,403,959</u>
Deferred Amount on Refunding of Debt	1,290,713	1,479,845	-	-	1,290,713	1,479,845
Deferred Amount on Net Pension Liability	<u>1,426,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,426,427</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,717,140</u>	<u>1,479,845</u>	<u>-</u>	<u>-</u>	<u>2,717,140</u>	<u>1,479,845</u>
Long-Term Liabilities	40,434,449	44,793,939			40,434,449	44,793,939
Other Liabilities	<u>3,107,845</u>	<u>1,688,807</u>	<u>21,803</u>	<u>13,288</u>	<u>3,129,648</u>	<u>1,702,095</u>
Total Liabilities	<u>43,542,294</u>	<u>46,482,746</u>	<u>21,803</u>	<u>13,288</u>	<u>43,564,097</u>	<u>46,496,034</u>
Deferred Amount on Net Pension Liability	1,386,235				1,386,235	
USDA Commodities	<u>-</u>	<u>-</u>	<u>572</u>	<u>532</u>	<u>572</u>	<u>532</u>
Total Deferred Inflows of Resources	<u>1,386,235</u>	<u>-</u>	<u>572</u>	<u>532</u>	<u>1,386,807</u>	<u>532</u>
Net Position						
Net Investment in Capital Assets	39,957,382	35,209,488	172,989	164,909	40,130,371	35,374,397
Restricted	14,660,403	12,674,591			14,660,403	12,674,591
Unrestricted	<u>(20,314,957)</u>	<u>(20,932,272)</u>	<u>230,000</u>	<u>270,522</u>	<u>(20,084,957)</u>	<u>(20,661,750)</u>
Total Net Position	<u>\$ 34,302,828</u>	<u>\$ 26,951,807</u>	<u>\$ 402,989</u>	<u>\$ 435,431</u>	<u>\$ 34,705,817</u>	<u>\$ 27,387,238</u>

The District's combined net position was \$34,705,817 and \$27,387,238 (restated) at June 30, 2015 and 2014, respectively. This was an increase of \$7,318,579 or 27 percent from the prior year. This is primarily due to an increase in invested in capital assets as a result of the payment of debt and an increase in restricted assets for future capital projects.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 2 shows changes in net position for fiscal years ended June 30, 2015 and 2014

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Revenues						
Program Revenues						
Charges for Services	\$ 1,335,212	\$ 865,959	\$ 1,069,902	\$ 958,036	\$ 2,405,114	\$ 1,823,995
Operating Grants and Contributions	19,985,595	11,755,186	145,014	140,492	20,130,609	11,895,678
Capital Grants and Contributions	286,180	601,080			286,180	408,915
General Revenues						
Property Taxes	75,015,150	73,626,957			75,015,150	73,626,957
State Aid	309,881	248,324			309,881	248,324
Other	2,815,902	1,751,758	260	1,784	2,816,162	1,753,542
Total Revenues	99,747,920	88,849,264	1,215,176	1,100,312	100,963,096	89,757,411
Expenses						
Instruction						
Regular	35,405,836	30,870,406			35,405,836	30,870,406
Special Education	15,896,202	14,342,356			15,896,202	14,342,356
Other Instruction	2,853,123	2,401,823			2,853,123	2,401,823
School Sponsored Activities and Athletics	1,991,962	1,769,801			1,991,962	1,769,801
Support Services						
Student and Instruction Related Services	12,091,605	10,488,907			12,091,605	10,488,907
General Administration Services	1,055,628	975,612			1,055,628	975,612
School Administration Services	5,947,989	4,977,054			5,947,989	4,977,054
Plant Operations and Maintenance	11,066,092	10,992,476			11,066,092	10,992,476
Pupil Transportation	3,250,926	3,203,080			3,250,926	3,203,080
Central Services	2,071,816	1,893,852			2,071,816	1,893,852
Interest on Debt	765,720	721,476			765,720	721,476
Food Services	-	-	1,247,618	1,090,992	1,247,618	1,090,992
Total Expenses	92,396,899	82,636,843	1,247,618	1,090,992	93,644,517	83,727,835
Change in Net Position	7,351,021	6,212,421	(32,442)	9,320	7,318,579	6,221,741
Net Position, Beginning of Year	26,951,807	43,661,354	435,431	426,111	27,387,238	44,087,465
Prior Period Adjustment	-	(22,921,968)	-	-	-	(22,921,968)
Net Position Beginning of Year, as Adjusted	26,951,807	20,739,386	435,431	426,111	27,387,238	21,165,497
Net Position, End of Year	\$ 34,302,828	\$ 26,951,807	\$ 402,989	\$ 435,431	\$ 34,705,817	\$ 27,387,238

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Governmental Activities

The District's total revenues were \$99,747,920 and \$88,849,264 for the years ended June 30, 2015 and 2014, respectively. Property taxes made up 75 and 83 percent of revenues for governmental activities for the Paramus School District for fiscal years ended June 30, 2015 and 2014. Federal, state and local grants and aid accounted for another 21 and 14 percent of revenues for the years ended June 30, 2015 and 2014, respectively. As a result of the implementation of GASB 68 state aid increased significantly as a result of the accrual of the on-behalf TPAF pension expense.

The total cost of all programs and services was \$92,396,899 and \$82,636,843 for the fiscal years ended June 30, 2015 and 2014, respectively. Instruction comprises 61 and 60 percent of governmental program expenses for fiscal years ended June 30, 2015 and 2014, respectively. Support services expenses make up 38 and 39 percent of governmental expenses for the fiscal years ended June 30, 2015 and 2014, respectively. Interest on debt comprises 1 percent of governmental expenses for fiscal years ended June 30, 2015 and 2014. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Total and Net Cost of Services

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	35,405,836	30,870,406	\$ 26,900,645	\$ 26,622,441
Special Education	15,896,202	14,342,356	8,047,045	8,282,587
Other Instruction	2,853,123	2,401,823	2,381,247	2,221,664
School Sponsored Activities and Athletics	1,991,962	1,769,801	1,431,137	1,531,013
Support Services				
Student and Instruction Related Services	12,091,605	10,488,907	9,701,757	9,330,164
General Administration Services	1,055,628	975,612	990,495	975,612
School Administration Services	5,947,989	4,977,054	4,844,561	4,538,430
Plant Operations and Maintenance	11,066,092	10,992,476	10,719,266	10,331,314
Pupil Transportation	3,250,926	3,203,080	3,004,832	2,966,065
Central Services	2,071,816	1,893,852	2,003,207	1,893,852
Interest on Debt	765,720	721,476	765,720	721,476
	<u>765,720</u>	<u>721,476</u>	<u>765,720</u>	<u>721,476</u>
Total	<u>\$ 92,396,899</u>	<u>\$ 82,636,843</u>	<u>\$ 70,789,912</u>	<u>\$ 69,414,618</u>

The dependence of tax revenues and state subsidies for governmental activities is apparent.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$1,215,176 and \$1,100,312 expenses of \$1,247,618 and \$1,090,992 in fiscal years ended June 30, 2015 and 2014, respectively. Of the revenues, \$1,069,902 and \$958,036 was charges for services paid by patrons for daily food service, \$145,014 and \$140,492 was from State and Federal reimbursements for the fiscal years ended June 30, 2015 and 2014, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$92,765,232 and \$88,849,264 and expenditures were \$89,863,255 and \$86,184,701 for the fiscal years ended June 30, 2015 and 2014, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2015 and 2014.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2015</u>	<u>2014</u>		
Local Sources	\$ 79,257,376	\$ 76,295,441	\$ 2,961,935	4%
State Sources	11,569,634	10,831,079	738,555	7%
Federal Sources	<u>1,938,222</u>	<u>1,722,744</u>	<u>215,478</u>	13%
Total Revenues	<u>\$ 92,765,232</u>	<u>\$ 88,849,264</u>	<u>\$ 3,915,968</u>	4%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2015 and 2014.

	Year Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2015</u>	<u>2014</u>		
Current:				
Instruction	\$ 48,780,156	\$ 47,613,320	\$ 1,166,836	2%
Support Services	33,159,550	32,018,316	1,141,234	4%
Capital Outlay	2,591,737	3,931,168	(1,339,431)	-34%
Debt Service:				
Principal	4,540,180	1,770,051	2,770,129	156%
Interest on Other Charges	<u>791,632</u>	<u>851,846</u>	<u>(60,214)</u>	-7%
Total Expenditures	<u>\$ 89,863,255</u>	<u>\$ 86,184,701</u>	<u>\$ 3,678,554</u>	4%

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2015 and 2014, the District had \$55,378,272 and \$55,160,044 invested in land, construction in progress, buildings, site improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$218,228 from fiscal year 2014 to fiscal year 2015. Table 4 shows capital assets net of depreciation at June 30, 2015 and 2014.

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 400,645	\$ 400,645			\$ 400,645	\$ 400,645
Construction in Progress	78,076	2,381,220			78,076	2,381,220
Buildings and Building Improvements	81,750,003	78,129,672	\$ 145,725	\$ 145,725	81,895,728	78,275,397
Machinery and Equipment	6,840,889	6,181,036	283,552	246,911	7,124,441	6,427,947
Site Improvements	2,059,591	1,444,894	-	-	2,059,591	1,444,894
	91,129,204	88,537,467	429,277	392,636	91,558,481	88,930,103
Less Accumulated Depreciation	35,923,921	33,542,332	256,288	227,727	36,180,209	33,770,059
Total	\$ 55,205,283	\$ 54,995,135	\$ 172,989	\$ 164,909	\$ 55,378,272	\$ 55,160,044

Additional information on Paramus Board of Education's capital assets can be found in Note 4 of this report.

Long-Term Liabilities

At June 30, 2015 and 2014, the District had \$40,434,449 and \$44,793,939 of long-term liabilities, respectively. Of this amount, \$634,746 and \$606,479 is for compensated absences, \$16,538,614 and \$20,855,312 of bonds payable plus unamortized premium for school construction, \$23,261,089 and \$22,921,968 of net pension liability and \$0 and \$410,180 for capital leases for the fiscal years ended June 30, 2015 and 2014, respectively.

Additional information on Paramus Board of Education's long-term liabilities can be found in Note 4 of this report.

***PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015***

For the Future

As with all public school districts in New Jersey, the Paramus School District is facing difficult financial times due to state budget caps, essentially stagnant state aid, lower return on investments, increased costs for energy, health benefits, supplies, equipment and personnel. There are higher expectations for educational needs as well as non-educational needs such as security, infrastructure, and maintenance yet fewer dollars available to meet these expectations. State changes in rules, law and process have made the administration of the District more difficult and restricted the District's ability to acquire the resources to achieve these new or revised standards.

The most difficult matter which lies ahead is the limited financial resources available to the District to meet the needs of the District. The hard cap on tax levy recently imposed by the state has very much had and continues to have a negative effect on our ability to provide the tools needed to provide a superior educational program. Of concern over time is the ability to attract and retain quality staff members due to these issues. Nonetheless, the District is committed to continuing and improving its tradition of fiscal vigilance, planning, budgeting and internal controls to address the dynamic challenges ahead.

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenues it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at Paramus Board of Education, 145 Spring Valley Road, Paramus, NJ 07652.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**PARAMUS BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,127,993	\$ 232,860	\$ 17,360,853
Cash with Fiscal Agents	3,403,825		3,403,825
Receivables, net			
Receivables from Other Governments	769,002	8,622	777,624
Other	8,114		8,114
Inventory		10,893	10,893
Capital Assets			
Not Being Depreciated	478,721		478,721
Being Depreciated, Net	<u>54,726,562</u>	<u>172,989</u>	<u>54,899,551</u>
Total Assets	<u>76,514,217</u>	<u>425,364</u>	<u>76,939,581</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,290,713		1,290,713
Deferred Amount on Net Pension Liability	<u>1,426,427</u>	<u>-</u>	<u>1,426,427</u>
Total Deferred Outflows of Resources	<u>2,717,140</u>	<u>-</u>	<u>2,717,140</u>
LIABILITIES			
Accounts Payable	831,962	21,803	853,765
Payable to State Government	65,278		65,278
Accrued Interest Payable	151,945		151,945
Accrued Liability for Insurance Claims	1,771,381		1,771,381
Other Liabilities	38,502		38,502
Unearned Revenue	248,777		248,777
Noncurrent Liabilities			
Due within one year	2,036,021		2,036,021
Due beyond one year	<u>38,398,428</u>	<u>-</u>	<u>38,398,428</u>
Total Liabilities	<u>43,542,294</u>	<u>21,803</u>	<u>43,564,097</u>
DEFERRED INFLOWS OF RESOURCES			
USDA Commodities		572	572
Deferred Amount on Net Pension Liability	<u>1,386,235</u>	<u>-</u>	<u>1,386,235</u>
Total Deferred Inflows of Resources	<u>1,386,235</u>	<u>572</u>	<u>1,386,807</u>
NET POSITION			
Net Investment in Capital Assets	39,957,382	172,989	40,130,371
Restricted for			
Debt Service	632		632
Capital Projects	13,359,771		13,359,771
Other Purposes	1,300,000		1,300,000
Unrestricted	<u>(20,314,957)</u>	<u>230,000</u>	<u>(20,084,957)</u>
Total Net Position	<u>\$ 34,302,828</u>	<u>\$ 402,989</u>	<u>\$ 34,705,817</u>

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

**PARAMUS BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 35,405,836	\$ 516,473	\$ 7,988,718		\$ (26,900,645)		\$ (26,900,645)
Special Education	15,896,202	818,739	7,030,418		(8,047,045)		(8,047,045)
Other Instruction	2,853,123		471,876		(2,381,247)		(2,381,247)
School Sponsored Activities and Athletics	1,991,962		560,825		(1,431,137)		(1,431,137)
Support Services							
Student and Instruction Related Services	12,091,605		2,389,848		(9,701,757)		(9,701,757)
School Administration Services	5,947,989		1,103,428		(4,844,561)		(4,844,561)
General Administration Services	1,055,628		65,133		(990,495)		(990,495)
Plant Operations and Maintenance	11,066,092		60,646	\$ 286,180	(10,719,266)		(10,719,266)
Pupil Transportation	3,250,926		246,094		(3,004,832)		(3,004,832)
Central Services	2,071,816		68,609		(2,003,207)		(2,003,207)
Interest on Long-Term Debt	765,720	-	-	-	(765,720)	-	(765,720)
Total Governmental Activities	<u>92,396,899</u>	<u>1,335,212</u>	<u>19,985,595</u>	<u>286,180</u>	<u>(70,789,912)</u>	<u>-</u>	<u>(70,789,912)</u>
Business-Type Activities							
Food Service	1,247,618	1,069,902	145,014	-	-	\$ (32,702)	(32,702)
Total Business-Type Activities	<u>1,247,618</u>	<u>1,069,902</u>	<u>145,014</u>	<u>-</u>	<u>-</u>	<u>(32,702)</u>	<u>(32,702)</u>
Total Primary Government	<u>\$ 93,644,517</u>	<u>\$ 2,405,114</u>	<u>\$ 20,130,609</u>	<u>\$ 286,180</u>	<u>(70,789,912)</u>	<u>(32,702)</u>	<u>(70,822,614)</u>

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Continued

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

**PARAMUS BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property Taxes Levied for General Purposes	\$ 72,774,791		\$ 72,774,791
Property Taxes Levied for Debt Service	2,240,359		2,240,359
Federal and State Aid - Unrestricted	71,146		71,146
Debt Service Type II Aid	238,735	-	238,735
Interest Earnings	56,015	\$ 260	56,275
Miscellaneous Income	2,759,887	-	2,759,887
 Total General Revenues	 78,140,933	 260	 78,141,193
 Change in Net Position	 7,351,021	 \$ (32,442)	 7,318,579
 Net Position, Beginning of Year (Restated)	 26,951,807	 435,431	 27,387,238
 Net Position, End of Year	 \$ 34,302,828	 \$ 402,989	 \$ 34,705,817

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

FUND FINANCIAL STATEMENTS

**PARAMUS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<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	\$ 15,916,339	\$ 360,443	\$ 850,579	\$ 632	\$ 17,127,993
Cash with Fiscal Agent	3,403,825				3,403,825
Other Accounts Receivable	8,114				8,114
Due from Other Funds	501,784				501,784
Receivables from Other Governments	240,001	449,845	79,156	-	769,002
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 20,070,063</u>	<u>\$ 810,288</u>	<u>\$ 929,735</u>	<u>\$ 632</u>	<u>\$ 21,810,718</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 734,818	\$ 91,980	\$ 5,164		\$ 831,962
Due to Other Funds		500,000	1,784		501,784
Payable to State Government		65,278			65,278
Other Liabilities		38,502			38,502
Accrued Liability for Insurance Claims	1,771,381				1,771,381
Unearned Revenue	106,377	114,528	27,872	-	248,777
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,612,576</u>	<u>810,288</u>	<u>34,820</u>	<u>-</u>	<u>3,457,684</u>
Fund Balances					
Restricted					
Capital Projects			894,915		894,915
Debt Service				\$ 632	632
Excess Surplus	800,000				800,000
Capital Reserve	12,464,856				12,464,856
Maintenance Reserve	1,300,000				1,300,000
Emergency Reserve	794,000				794,000
Excess Surplus - Designated for Subsequent Year's Expenditures	300,000				300,000
Assigned					
Year End Encumbrances	423,089				423,089
Unassigned	1,375,542	-	-	-	1,375,542
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>17,457,487</u>	<u>-</u>	<u>894,915</u>	<u>632</u>	<u>18,353,034</u>
Total Liabilities and Fund Balances	<u>\$ 20,070,063</u>	<u>\$ 810,288</u>	<u>\$ 929,735</u>	<u>\$ 632</u>	

**PARAMUS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

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 \$91,129,204 and the accumulated depreciation is \$35,923,921.

\$ 55,205,283

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

(151,945)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

1,290,713

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	1,426,427
Deferred Inflows of Resources	(1,386,235)

40,192

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. These items are as follows:

Bonds Payable, net	\$ (16,538,614)	
Net Pension Liability	(23,261,089)	
Compensated Absences Payable	(634,746)	(40,434,449)

Net Position of Governmental Activities

\$ 34,302,828

**PARAMUS BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 72,774,791			\$ 2,240,359	\$ 75,015,150
Tuition	1,335,212				1,335,212
Interest	54,231		\$ 1,784		56,015
Miscellaneous	<u>2,759,887</u>	<u>\$ 91,112</u>	<u>-</u>	<u>-</u>	<u>2,850,999</u>
Total - Local Sources	<u>76,924,121</u>	<u>91,112</u>	<u>1,784</u>	<u>2,240,359</u>	<u>79,257,376</u>
State Sources	9,008,685	2,036,034	286,180	238,735	11,569,634
Federal Sources	<u>18,773</u>	<u>1,919,449</u>	<u>-</u>	<u>-</u>	<u>1,938,222</u>
Total Revenues	<u>85,951,579</u>	<u>4,046,595</u>	<u>287,964</u>	<u>2,479,094</u>	<u>92,765,232</u>
EXPENDITURES					
Current					
Regular Instruction	28,797,675	871,027			29,668,702
Special Education Instruction	12,061,974	2,750,208			14,812,182
Other Instruction	2,603,483				2,603,483
School-Sponsored Activities and Athletics	1,695,789				1,695,789
Support Services					
Student and Instruction Related Services	10,550,389	403,922			10,954,311
School Administration Services	5,284,232				5,284,232
General Administration Services	1,028,507				1,028,507
Plant Operations and Maintenance	10,735,054				10,735,054
Pupil Transportation	3,143,156	12,600			3,155,756
Central Services	2,001,690				2,001,690
Debt Service					
Principal	410,180			4,130,000	4,540,180
Interest and Other Charges	28,401			763,231	791,632
Capital Outlay	<u>1,017,472</u>	<u>8,838</u>	<u>1,565,427</u>	<u>-</u>	<u>2,591,737</u>
Total Expenditures	<u>79,358,002</u>	<u>4,046,595</u>	<u>1,565,427</u>	<u>4,893,231</u>	<u>89,863,255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,593,577</u>	<u>-</u>	<u>(1,277,463)</u>	<u>(2,414,137)</u>	<u>2,901,977</u>
Other Financing Sources (Uses)					
Transfers In	228,827		528,869	2,375,000	3,132,696
Transfers Out	<u>(2,903,869)</u>	<u>-</u>	<u>(228,827)</u>	<u>-</u>	<u>(3,132,696)</u>
Total Other Financing Sources (Uses)	<u>(2,675,042)</u>	<u>-</u>	<u>300,042</u>	<u>2,375,000</u>	<u>-</u>
Net Change in Fund Balances	3,918,535	-	(977,421)	(39,137)	2,901,977
Fund Balance, Beginning of Year	<u>13,538,952</u>	<u>-</u>	<u>1,872,336</u>	<u>39,769</u>	<u>15,451,057</u>
Fund Balance, End of Year	<u>\$ 17,457,487</u>	<u>\$ -</u>	<u>\$ 894,915</u>	<u>\$ 632</u>	<u>\$ 18,353,034</u>

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

**PARAMUS BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 2,901,977

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

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

Capital Outlay	\$ 2,591,737	
Depreciation Expense	<u>(2,381,589)</u>	
		210,148

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments		
Bonds Payable	4,130,000	
Capital Leases Payable	<u>410,180</u>	
		4,540,180

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Note 2)

Change in net position of governmental activities (Exhibit A-2)		<u>\$ 7,351,021</u>
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**PARAMUS BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

**Business- Type
 Activities
 Enterprise Fund
Food Service**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 232,860
Intergovernmental Receivable	
State	377
Federal	8,245
Inventory	<u>10,893</u>
 Total Current Assets	 <u>252,375</u>

Capital Assets

Equipment	429,277
Less: Accumulated Depreciation	<u>(256,288)</u>
 Total Capital Assets, Net of Accumulated Depreciation	 <u>172,989</u>

Total Assets	<u>425,364</u>
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LIABILITIES

Current Liabilities

Accounts Payable	<u>21,803</u>
 Total Current Liabilities	 <u>21,803</u>

DEFERRED INFLOWS OF RESOURCES

U.S.D.A Commodities	<u>572</u>
 Total Deferred Inflows of Resources	 <u>572</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>22,375</u>

NET POSITION

Investment in Capital Assets	172,989
Unrestricted	<u>230,000</u>
 Total Net Position	 <u>\$ 402,989</u>

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

**PARAMUS BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business- Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 1,056,210
Other Sales	<u>13,692</u>
 Total Operating Revenues	 <u>1,069,902</u>
OPERATING EXPENSES	
Cost of Sales	514,247
Salaries and Employee Benefits	493,987
Supplies and Materials	74,005
Management Fee	52,234
Other Purchased Services	26,896
Depreciation	28,561
Purchased Professional and Technical Services	23,693
Purchased Property Services	<u>33,995</u>
 Total Operating Expenses	 <u>1,247,618</u>
 Operating Loss	 <u>(177,716)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	5,663
Federal Sources	
National School Lunch Program	117,026
School Milk Program	22,325
Interest	<u>260</u>
 Total Nonoperating Revenues	 <u>145,274</u>
 Changes in Net Position	 <u>(32,442)</u>
 Total Net Position, Beginning of Year	 <u>435,431</u>
 Total Net Position, End of Year	 <u><u>\$ 402,989</u></u>

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

**PARAMUS BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business- Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 1,069,902
Cash Payments for Employees' Salaries and Benefits	(493,987)
Cash Payments to Suppliers for Goods and Services	<u>(689,431)</u>
Net Cash Used by Operating Activities	<u>(113,516)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>114,994</u>
Net Cash Provided by Noncapital Financing Activities	<u>114,994</u>
Cash Flows from Investing Activities	
Interest on Deposits	<u>260</u>
Net Cash Provided by Investing Activities	<u>260</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(36,641)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(36,641)</u>
Net Decrease in Cash and Cash Equivalents	(34,903)
Cash and Cash Equivalents, Beginning of Year	<u>267,763</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 232,860</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (177,716)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	28,561
Non-Cash Federal Assistance Food Distribution - National School Lunch Programs	30,682
Change in Assets and Liabilities Increase/(Decrease) in Accounts Payable (Increase)/Decrease in Inventory	<u>8,515</u> <u>(3,558)</u>
Total Adjustments	<u>64,200</u>
Net Cash Used by Operating Activities	<u><u>\$ (113,516)</u></u>
Non-Cash Financing Activities National School Lunch (Food Distribution)	<u><u>\$ 30,722</u></u>

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

**PARAMUS BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 326,726	\$ 330,233
Total Assets	<u>326,726</u>	<u>\$ 330,233</u>
LIABILITIES		
Intergovernmental Payable	\$ 38,814	.
Payroll Deductions and Withholdings	-	\$ 20,901
Due to Student Groups	<u>-</u>	<u>309,332</u>
Total Liabilities	<u>38,814</u>	<u>\$ 330,233</u>
NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 287,912</u>	

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

**PARAMUS BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Employee Contributions	\$ 118,534
Total Additions	<u>118,534</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>139,205</u>
Total Deductions	<u>139,205</u>
Change in Net Position	(20,671)
Net Position, Beginning of the Year	<u>308,583</u>
Net Position, End of the Year	<u>\$ 287,912</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Paramus 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 Paramus Board of Education this includes general operations, food service, and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. 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.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 enterprise funds to be major funds.

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 fund which is organized to be self-supporting through user charges:

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

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, 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.

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 may 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 are reported as other financing sources.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, transportation fees, 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.

E. Assets, Liabilities, Deferred Outflows/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.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Asset (Continued)

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, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings and Building Improvements	40
Machinery Equipment and Vehicles	10-20
Office Equipment and Furniture	10-20
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items, which arise only under the accrual basis of accounting that qualify for reporting in this category. The first item that qualifies for reporting in this category is the deferred commodities revenue which is reported in the district-wide and fund statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused federal commodities at year end. The amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

7. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. *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. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *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.

PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

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.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

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.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education (See Note 3).

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

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

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.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 revenues are 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 2013-2014 and 2014-2015 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 food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$(301,284) difference are as follows:

Compensated Absences	\$ (28,267)
Accrued Interest	28,346
Amortization of Deferred Charge on Refunding of Debt	(189,132)
Amortization of Premium	186,698
Net Pension Expense	<u>(298,929)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (301,284)</u>

NOTE 3 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.

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 February 14, 2012, the Mayor and Council of the Borough of Paramus adopted a resolution to move the District’s annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$5,288,146. The increase was funded by a withdrawal of capital reserve to fund the pay down of serial bonds in the debt service fund, 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 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.

B. Capital Reserve

A capital reserve account was established by the District. 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.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 9,862,486
Increased by:		
Interest earnings	\$ 20,000	
Deposits Approved by Board Resolution	5,259,196	
Transfer from Capital Projects Fund	<u>227,043</u>	
Total Increases		5,506,239
Withdrawals:		
Approved in District Budget	\$ 520,000	
Approved by Board Resolution - Capital Projects Fund	8,869	
Approved by Board Resolution - Debt Service Fund	<u>2,375,000</u>	
Total Withdrawals		<u>2,903,869</u>
Balance, June 30, 2015		<u>\$ 12,464,856</u>

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 900,000
Increased by:		
Deposits Approved by Board Resolution	<u>\$ 400,000</u>	
Total Increases		<u>400,000</u>
Balance, June 30, 2015		<u>\$ 1,300,000</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,349,202.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	-
Increased by:	
Deposits Approved by Board Resolution	\$ 794,000
Balance, June 30, 2015	\$ 794,000

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$1,100,000. Of this amount, \$300,000 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$800,000 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 4 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.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2015, the book value of the Board's deposits were \$21,421,637 and bank and brokerage firm balances of the Board's deposits amounted to \$23,395,747. 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:	
Cash and Cash Equivalents	\$ 19,991,922
Uninsured and Collateralized	
Cash with Fiscal Agent/Trustee	<u>3,403,825</u>
	<u>\$ 23,395,747</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, 2015 the Board's bank balance of \$3,403,825 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent not in the Board's name.	<u>\$ 3,403,825</u>

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, 2015, 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.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 8,114				\$ 8,114
Intergovernmental					
Federal	2,490	\$ 447,686		\$ 8,245	458,421
State	172,449	2,159	\$ 79,156	377	254,141
Other	65,062	-	-	-	65,062
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	248,115	449,845	79,156	8,622	785,738
Less: Allowance for Uncollectibles	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 248,115</u>	<u>\$ 449,845</u>	<u>\$ 79,156</u>	<u>\$ 8,622</u>	<u>\$ 785,738</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:

General Fund	
Tuition Charges	\$ 106,377
Special Revenue Fund	
Unencumbered Grant Draw Downs	27,308
Grant Draw Downs Reserved for Encumbrances	87,220
Capital Projects Fund	
Unrealized School Facilities Grants	<hr/> 27,872
	<hr/>
Total Unearned Revenue for Governmental Funds	<u>\$ 248,777</u>

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, July 1, 2014	Increases	Decreases	Transfers	Balance, June 30, 2015
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 400,645				\$ 400,645
Construction in Progress	2,381,220	\$ 78,076	-	\$ (2,381,220)	78,076
Total capital assets, not being depreciated	<u>2,781,865</u>	<u>78,076</u>	<u>-</u>	<u>(2,381,220)</u>	<u>478,721</u>
Capital assets, being depreciated:					
Buildings and Building Improvements	78,129,672	1,249,261		2,371,070	81,750,003
Site Improvements	1,444,894	604,547		10,150	2,059,591
Machinery and Equipment	6,181,036	659,853	\$ -	-	6,840,889
Total capital assets being depreciated	<u>85,755,602</u>	<u>2,513,661</u>	<u>-</u>	<u>2,381,220</u>	<u>90,650,483</u>
Less accumulated depreciation for:					
Buildings and Building Improvements	(27,526,560)	(1,919,267)			(29,445,827)
Site Improvements	(601,090)	(93,995)			(695,085)
Machinery and Equipment	(5,414,682)	(368,327)	-	-	(5,783,009)
Total accumulated depreciation	<u>(33,542,332)</u>	<u>(2,381,589)</u>	<u>-</u>	<u>-</u>	<u>(35,923,921)</u>
Total capital assets, being depreciated, net	<u>52,213,270</u>	<u>132,072</u>	<u>-</u>	<u>2,381,220</u>	<u>54,726,562</u>
Government activities capital assets, net	<u>\$ 54,995,135</u>	<u>\$ 210,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,205,283</u>
	Balance, July 1, 2014	Increases	Decreases	Balance, June 30, 2015	
Business-Type activities:					
Capital assets, being depreciated:					
Buildings and Building Improvements	\$ 145,725			\$ 145,725	
Machinery and Equipment	246,911	\$ 36,641	-	283,552	
Total capital assets being depreciated	<u>392,636</u>	<u>36,641</u>	<u>-</u>	<u>429,277</u>	
Less accumulated depreciation for:					
Buildings and Building Improvements	(25,081)	(3,583)		(28,664)	
Machinery and Equipment	(202,646)	(24,978)	-	(227,624)	
Total accumulated depreciation	<u>(227,727)</u>	<u>(28,561)</u>	<u>-</u>	<u>(256,288)</u>	
Total capital assets, being depreciated, net	<u>164,909</u>	<u>8,080</u>	<u>-</u>	<u>172,989</u>	
Business-type activities capital assets, net	<u>\$ 164,909</u>	<u>\$ 8,080</u>	<u>\$ -</u>	<u>\$ 172,989</u>	

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction	
Regular	\$ 2,038,595
Total Instruction	<u>2,038,595</u>
Support Services	
Student Instruction	55,869
General Administration	592
School Administration	10,098
Operations and Maintenance of Plant	203,876
Student Transportation	<u>72,559</u>
Total Support Services	<u>342,994</u>
Total Government Funds	<u>\$ 2,381,589</u>

Business-Type Activities:

Food Service Fund	\$ 28,561
Total Depreciation Expense-Business-Type Activities	<u>\$ 28,561</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project/Purpose</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
High School Corridor ADA Ramp Project	\$ -	\$ 69,680
High School Media Center and Server Room HVAC Project	-	379,300
Acquisition of 2016 54 Passenger Bus	-	104,295

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,784
General Fund	Special Revenue Fund	<u>500,000</u>
		<u>\$ 501,784</u>

The above balances are the result of revenues earned in one fund which are due to another fund and expenditures paid by one fund on behalf of another fund.

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

Interfund transfers

	<u>Transfer In:</u>			<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Transfer Out:</u>				
General Fund		\$ 528,869	\$ 2,375,000	\$ 2,903,869
Capital Projects Fund	<u>\$ 228,827</u>	<u>-</u>	<u>-</u>	<u>228,827</u>
Total transfers out	<u>\$ 228,827</u>	<u>\$ 528,869</u>	<u>\$ 2,375,000</u>	<u>\$ 3,132,696</u>

The above transfers are the result of capital reserve funds transferred from/to the General Fund to finance projects in the Capital Projects Fund and to pay down serial bonds in the Debt Service Fund. Additionally, interest received in the Capital Fund owed to the General Fund.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. 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, 2015 are comprised of the following issue:

\$16,460,000, 2012 Refunding Bonds, due in annual installments of \$995,000 to \$1,140,000 through April 1, 2029, interest at 3.00% to 5.00%	<u>\$15,190,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2016	\$ 1,010,000	\$ 607,781	\$ 1,617,781
2017	1,000,000	577,481	1,577,481
2018	995,000	537,481	1,532,481
2019	1,090,000	497,681	1,587,681
2020	1,080,000	454,081	1,534,081
2021-2025	5,640,000	1,450,805	7,090,805
2026-2030	<u>4,375,000</u>	<u>350,024</u>	<u>4,725,024</u>
Total	<u>\$ 15,190,000</u>	<u>\$ 4,475,334</u>	<u>\$ 19,665,334</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 346,591,299
Less: Net Debt	<u>15,190,000</u>
Remaining Borrowing Power	<u>\$ 331,401,299</u>

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014	Additions	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds payable	\$ 19,320,000		\$ 4,130,000	\$ 15,190,000	\$ 1,010,000
Add:					
Unamortized Premium	1,535,312	-	186,698	1,348,614	-
	20,855,312	-	4,316,698	16,538,614	1,010,000
Capital Leases Payable	410,180		410,180		
Net Pension Liability	22,921,968	\$ 339,121		23,261,089	962,546
Compensated Absences	606,479	28,267	-	634,746	63,475
Government Activity Long-Term Liabilities	<u>\$ 44,793,939</u>	<u>\$ 367,388</u>	<u>\$ 4,726,878</u>	<u>\$ 40,434,449</u>	<u>\$ 2,036,021</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

The relationship between the Board and the insurance funds 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

The District has established a minimum premium health benefits plan for its employees. Pursuant to the State Department of Education transactions related to the plan are accounted for in the General Fund. Under the plan the District pays the insurance carrier based upon actual claims plus an administration fee. An accrued liability for insurance claims in the amount of \$1,771,381 has been recorded as a liability in the General Fund as of June 30, 2015. This estimate was based upon claim information provided by the District's insurance carrier and would be utilized for run out claims if the plan was discontinued.

Changes in the balances of claims liabilities for the health and prescription benefit plan for the fiscal years ended June 30, 2015 and 2014 are as follows:

Governmental Activities:	Fiscal Year Ended June 30, 2015
Unpaid Claims, Beginning of Year	-
Incurred Claims (including IBNR's)	\$ 9,721,225
Claim Payments	<u>7,949,844</u>
Unpaid Claims, End of Year	<u>\$ 1,771,381</u>
General Fund	
Other Current Liabilities	<u>\$ 1,771,381</u>

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.

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

<u>Year Ended June 30,</u>	<u>Board Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015		\$ 118,534	\$ 139,205	\$ 287,912
2014		118,975	116,571	308,583
2013	\$ 300,000	117,444	161,191	306,179

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.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (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, 2015, 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, 2015, 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. DCRP is a defined contribution pension plan.

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.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds (Continued)

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.

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 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2013 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 of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 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 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

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, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, 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, 2015, 2014 and 2013 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:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2015	\$ 1,024,215	\$ 1,570,724	\$ 55,857
2014	903,686	1,258,179	55,264
2013	940,699	1,876,923	54,212

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,570,724 and \$1,876,923, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,258,179 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,175,291 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$23,261,089 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was .12424 percent, which was an increase of .0043 from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,323,144 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 731,453	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 1,386,235
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>694,974</u>	<u>-</u>
Total	<u>\$ 1,426,427</u>	<u>\$ 1,386,235</u>

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>		
2016	\$	(84,348)
2017		(84,348)
2018		(84,348)
2019		(84,348)
2020		262,211
Thereafter		<u>115,373</u>
	\$	<u>40,192</u>

Actuarial Assumptions

The total PERS pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2011

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,553,412 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$158,957,607. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

PARAMUS BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<u>1% Decrease (3.68%)</u>	<u>Current Discount Rate (4.68%)</u>	<u>1% Increase (5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 199,973,438</u>	<u>\$ 158,957,607</u>	<u>\$ 132,154,175</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides 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.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB 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, 2013, 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.

**PARAMUS BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 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 employer 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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, 2015, 2014 and 2013 were \$2,493,525, \$2,062,940 and \$2,122,326, 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.

NOTE 6 RESTATEMENT

On July 1, 2014, the Paramus Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Paramus Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$22,921,968. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$49,873,775 as originally reported to \$26,951,807 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 72,774,791		\$ 72,774,791	\$ 72,774,791	
Tuition from Individuals	337,250		337,250	440,715	\$ 103,465
Tuition from Other LEAs Within State	262,640		262,640	867,334	604,694
Tuition from Summer School	32,500		32,500	27,163	(5,337)
Interest Earned on Capital Reserve	2,500		2,500	20,000	17,500
Rents and Royalties	65,680		65,680	43,482	(22,198)
Miscellaneous	951,000		951,000	2,716,405	1,765,405
Interest	50,000	-	50,000	34,231	(15,769)
Total Local Sources	74,476,361	-	74,476,361	76,924,121	2,447,760
State Sources					
Categorical Special Education Aid	1,670,173		1,670,173	1,670,173	
Categorical Security Aid	60,533		60,533	60,533	
Categorical Transportation Aid	193,920		193,920	193,920	
NonPublic Transportation Aid				39,214	39,214
Extraordinary Special Ed. Costs Aid				618,600	618,600
PARCC Readiness Aid	38,180		38,180	38,180	
Per Pupil Growth Aid	38,180		38,180	38,180	
Reimbursed TPAF Social Security Contribution (Non Budgeted)				2,175,291	2,175,291
On Behalf TPAF Pension System Contribution- (Non Budgeted)				1,570,724	1,570,724
On Behalf TPAF Pension System Contribution Post Retirement Medical Contribution(Non Budgeted)	-	-	-	2,493,525	2,493,525
Total State Sources	2,000,986	-	2,000,986	8,898,340	6,897,354
Federal Sources					
Medicaid Reimbursement	22,653	-	22,653	18,773	(3,880)
Total Federal Sources	22,653	-	22,653	18,773	(3,880)
Total Revenues	76,500,000	-	76,500,000	85,841,234	9,341,234
EXPENDITURES					
CURRENT EXPENSE					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	261,870		261,870	261,870	
Kindergarten	795,750	\$ (28,983)	766,767	666,405	100,362
Grades 1-5	5,844,243		5,844,243	5,728,043	116,200
Grades 6-8	5,278,191	(100,000)	5,178,191	5,045,479	132,712
Grades 9-12	6,471,254	(170,515)	6,300,739	6,206,755	93,984
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	(2,845)	22,155	11,773	10,382
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	314,165	2,844	317,009	316,358	651
Purchased Professional-Educational Services	6,400	(4,276)	2,124	2,124	
Purchased Technical Services	27,100	4,875	31,975	31,706	269
Other Purchased Services	4,000	-	4,000	1,711	2,289
General Supplies	1,367,798	316,268	1,684,066	1,614,948	69,118
Textbooks	210,394	90,052	300,446	244,929	55,517
Other Objects	2,000	-	2,000	380	1,620
Total Regular Programs	20,608,165	107,420	20,715,585	20,132,481	583,104
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	353,700	81,882	435,582	435,582	
Other Salaries for Instruction	259,646	(14,912)	244,734	244,734	
General Supplies	5,400	(342)	5,058	4,920	138
Textbooks	3,500	(1,000)	2,500	2,470	30
Total Learning and/or Language Disabilities	622,246	65,628	687,874	687,706	168

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENSE					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 108,300	\$ 96,644	\$ 204,944	\$ 204,944	
Other Salaries for Instruction	72,306	32,003	104,309	104,309	
General Supplies	2,500	189	2,689	2,553	\$ 136
Textbooks	1,500	(389)	1,111	1,111	-
Total Behavioral Disabilities	184,606	128,447	313,053	312,917	136
Multiple Disabilities					
Salaries of Teachers	286,710	(33,008)	253,702	253,702	
Other Salaries for Instruction	272,899	3,405	276,304	271,049	5,255
General Supplies	4,000	(167)	3,833	2,354	1,479
Total Multiple Disabilities	563,609	(29,770)	533,839	527,105	6,734
Resource Room/Resource Center					
Salaries of Teachers	3,237,570	28,028	3,265,598	3,260,916	4,682
Other Salaries for Instruction	297,578	12,385	309,963	309,963	
General Supplies	16,150	23,224	39,374	38,127	1,247
Total Resource Room	3,551,298	63,637	3,614,935	3,609,006	5,929
Autism					
Salaries of Teachers	240,100	17,500	257,600	257,600	
Other Salaries for Instruction	674,049	(92,705)	581,344	581,344	
General Supplies	7,525	(316)	7,209	7,059	150
Other Objects	2,500	(59)	2,441	1,282	1,159
Total Autism	924,174	(75,580)	848,594	847,285	1,309
Preschool Disabilities - Part - Time					
Salaries of Teachers	134,625	(134,625)			
Other Salaries for Instruction	236,213	31,098	267,311	267,311	
General Supplies	2,000	(779)	1,221	1,190	31
Total Preschool Disabilities - Part - Time	372,838	(104,306)	268,532	268,501	31
Preschool Disabilities - Full - Time					
Salaries of Teachers	261,600	4,813	266,413	266,413	
Other Salaries for Instruction	32,200	4,010	36,210	36,210	-
Total Preschool Disabilities - Full - Time	293,800	8,823	302,623	302,623	-
Home Instruction					
Salaries of Teachers	40,000	46,122	86,122	86,122	
Purchased Professional-Educational Services	15,000	4,000	19,000	18,748	252
Total Home Instruction	55,000	50,122	105,122	104,870	252
Total Special Education	6,567,571	107,001	6,674,572	6,660,013	14,559
Basic Skills/Remedial					
Salaries of Teachers	151,700	92,950	244,650	244,650	-
Total Basic Skills/Remedial	151,700	92,950	244,650	244,650	-
Bilingual Education					
Salaries of Teachers	489,700	12,491	502,191	502,191	
Other Salaries for Instruction	28,434	(13,856)	14,578	14,578	
General Supplies	3,200	-	3,200	3,099	101
Total Bilingual Education	521,334	(1,365)	519,969	519,868	101

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENSE:					
School Sponsored Co-Curricular Activities					
Salaries	\$ 279,386	\$ (43)	\$ 279,343	\$ 262,096	\$ 17,247
Supplies and Materials	50,650	(6,853)	43,797	40,416	3,381
Other Objects	3,000	2,000	5,000	4,133	867
Total School Sponsored Co-Curricular Activities	333,036	(4,896)	328,140	306,645	21,495
School Sponsored Athletics - Instruction					
Salaries	596,840	509	597,349	576,444	20,905
Purchased Services	93,600	(11,491)	82,109	76,897	5,212
Supplies and Materials	76,500	1,618	78,118	72,313	5,805
Other Objects	48,250	(10,000)	38,250	33,056	5,194
Total School Sponsored Athletics - Instruction	815,190	(19,364)	795,826	758,710	37,116
Other Supplemental/At-Risk Programs - Instruction					
Salaries of Reading Specialists	605,900		605,900	603,711	2,189
General Supplies	2,800	207	3,007	2,783	224
Total Other Supplemental/At-Risk Programs - Instruction	608,700	207	608,907	606,494	2,413
Total - Instruction	29,605,696	281,953	29,887,649	29,228,861	658,788
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	29,705	(10,175)	19,530	17,681	1,849
Tuition to Other LEAs Within the State - Special	217,510	137,755	355,265	345,536	9,729
Tuition to County Voc. School Dist.-Regular	659,916	31,480	691,396	691,396	
Tuition to County Voc. School Dist.-Special	118,404	(24,054)	94,350	72,226	22,124
Tuition to CSSD & Reg. Day Schools	1,140,400		1,140,400	943,484	196,916
Tuition to Private Schools - Disabled W/ State	1,498,082	(131,828)	1,366,254	1,080,717	285,537
Total Undistributed Expenditures - Instruction (Tuition)	3,664,017	3,178	3,667,195	3,151,040	516,155
Attendance and Social Work Services					
Salaries	52,115	-	52,115	46,114	6,001
Total Attendance and Social Work Services	52,115	-	52,115	46,114	6,001
Health Services					
Salaries	740,390	7,250	747,640	667,864	79,776
Purchased Professional and Technical Services	87,000	-	87,000	72,020	14,980
Supplies and Materials	27,180	(1,099)	26,081	25,915	166
Total Health Services	854,570	6,151	860,721	765,799	94,922
Other Supp. Serv. Students - Related Services					
Salaries	1,858,700	14,500	1,873,200	1,745,160	128,040
Purchased Professional/Educational Services	750,000	176,583	926,583	858,916	67,667
Supplies and Materials	7,400	(300)	7,100	6,987	113
Total Other Supp. Serv. Students - Related Services	2,616,100	190,783	2,806,883	2,611,063	195,820
Other Supp. Serv. Students - Extra Services					
Salaries	46,365		46,365	39,071	7,294
Purchased Professional/Educational Services	200,000	140,000	340,000	320,878	19,122
Total Other Supp. Serv. Students - Extra Services	246,365	140,000	386,365	359,949	26,416

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENSE (Continued)					
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	\$ 892,850	\$ 69,359	\$ 962,209	\$ 962,209	
Salaries of Secretarial and Clerical Assistants	263,450	(10,529)	252,921	252,921	
Supplies and Materials	8,870	966	9,836	9,258	\$ 578
Other Objects	16,200	(1,140)	15,060	9,924	5,136
Total Other Support Services - Students - Guidance	1,181,370	58,656	1,240,026	1,234,312	5,714
Other Support Services - Students - Child Study Teams					
Salaries of Other Professional Staff	1,426,126	(58,830)	1,367,296	1,219,641	147,655
Salaries of Secretarial and Clerical Assistants	172,860		172,860	160,175	12,685
Supplies and Materials	12,000	1,261	13,261	13,188	73
Total Other Support Services - Students - Child Study Teams	1,610,986	(57,569)	1,553,417	1,393,004	160,413
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisors of Instruction	300,902	(33,725)	267,177	249,232	17,945
Salaries of Secretarial and Clerical	160,240	33,725	193,965	189,362	4,603
Salaries of Facilitators, Math/Literacy Coaches and Masters	57,140	2,880	60,020	60,020	
Other Purchased Professional and Technical Services	13,540	3,150	16,690	14,396	2,294
Supplies and Materials	12,200	(3,875)	8,325	7,383	942
Other Objects	1,654	1,422	3,076	2,807	269
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	545,676	3,577	549,253	523,200	26,053
Educational Media Services/School Library					
Salaries	646,280	(14,852)	631,428	592,771	38,657
Supplies and Materials	104,280	142,861	247,141	219,478	27,663
Total Educational Media Services/School Library	750,560	128,009	878,569	812,249	66,320
Instructional Staff Training Services					
Salaries of Other Professional Staff	7,500		7,500	2,300	5,200
Purchased Professional- Educational Services	39,860	(5,500)	34,360	22,372	11,988
Other Purchased Services	31,605	3,000	34,605	26,734	7,871
Supplies and Materials	16,900	5,769	22,669	13,246	9,423
Total Instructional Staff Training Services	95,865	3,269	99,134	64,652	34,482
Support Services General Administration					
Salaries	275,238	20,000	295,238	283,710	11,528
Legal Services	76,500	75,584	152,084	77,923	74,161
Audit Fees	43,000	400	43,400	43,342	58
Architectural/Engineering Services	17,000	22,500	39,500	30,185	9,315
Other Purchased Professional Services	27,500	12,000	39,500	36,438	3,062
Communications/Telephone	261,150	(16,385)	244,765	181,785	62,980
BOE Other Purchased Services	10,900		10,900	5,517	5,383
Miscellaneous Purchased Services	149,500		149,500	129,449	20,051
General Supplies	28,300	(7,892)	20,408	20,298	110
Judgements Against the School District	10,000	(1,108)	8,892		8,892
Miscellaneous Expenditures	10,000	773	10,773	10,135	638
BOE Membership Dues and Fees	31,710	-	31,710	30,058	1,652
Total Support Services General Administration	940,798	105,872	1,046,670	848,840	197,830
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,839,785	33,040	1,872,825	1,872,825	
Salaries of Other Professional Staff	832,455	132,358	964,813	964,812	1
Salaries of Secretarial and Clerical Assistants	811,220		811,220	790,585	20,635
Other Purchased Services	10,000	1,642	11,642	11,632	10
Supplies and Materials	47,105	(5,507)	41,598	32,301	9,297
Total Support Services School Administration	3,540,565	161,533	3,702,098	3,672,155	29,943

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 892,372	\$ (5,000)	\$ 887,372	\$ 873,111	\$ 14,261
Purchased Technical Services	28,000	49,858	77,858	12,590	65,268
Misc. Purchased Services	41,710	6,090	47,800	26,347	21,453
Supplies and Materials	20,500	13,000	33,500	32,472	1,028
Miscellaneous Expenditures	5,300	(3,000)	2,300	1,391	909
Total Undistributed Expenditures - Central Services	987,882	60,948	1,048,830	945,911	102,919
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	407,880	35,000	442,880	419,269	23,611
Purchased Professional Services	52,500	(30,000)	22,500	5,640	16,860
Purchased Technical Services	64,800	(30,000)	34,800	29,084	5,716
Total Undistributed Expenditures - Admin. Info. Tech.	525,180	(25,000)	500,180	453,993	46,187
Required Maintenance For School Facilities					
Salaries	674,670		674,670	630,504	44,166
Cleaning, Repair, and Maintenance Services	917,115	206,858	1,123,973	966,992	156,981
General Supplies	330,000	135,465	465,465	377,332	88,133
Total Required Maintenance For School Facilities	1,921,785	342,323	2,264,108	1,974,828	289,280
Custodial Services					
Salaries	3,025,709	(56,746)	2,968,963	2,846,951	122,012
Salaries of Non-Instructional Aides	205,885	49,000	254,885	254,221	664
Purchased Professional and Technical Services	21,600	8,610	30,210	30,210	
Cleaning, Repair, and Maintenance Services	287,520	8,614	296,134	272,555	23,579
Other Purchased Property Services	108,000	16,646	124,646	124,646	
Insurance	236,850	(1,923)	234,927	234,927	
Miscellaneous Purchased Services	4,500		4,500	1,536	2,964
General Supplies	230,000	4,300	234,300	212,524	21,776
Energy (Natural Gas)	984,000	(118,000)	866,000	497,318	368,682
Energy (Electricity)	1,920,500	(404,165)	1,516,335	1,421,607	94,728
Energy (Gasoline)	55,000		55,000	41,678	13,322
Other Objects	2,500	-	2,500	530	1,970
Total Custodial Services	7,082,064	(493,664)	6,588,400	5,938,703	649,697
Care & Upkeep of Grounds					
Salaries	305,130	11,573	316,703	310,671	6,032
Cleaning, Repair, and Maintenance Services	35,000	37,000	72,000	48,009	23,991
General Supplies	59,000	26,726	85,726	82,264	3,462
Total Care & Upkeep of Grounds	399,130	75,299	474,429	440,944	33,485
Security					
Salaries	163,703		163,703	162,549	1,154
Purchased Professional and Technical Services	60,000	96,860	156,860	156,294	566
General Supplies	15,000	70,826	85,826	84,799	1,027
Total Security	238,703	167,686	406,389	403,642	2,747

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENSE (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Non-Instructional Aides)	\$ 40,900	\$ 19,000	\$ 59,900	\$ 59,753	\$ 147
(Between Home and School) - Regular	433,984	4,431	438,415	438,415	
(Between Home and School) - Spec Ed	176,930	(9,195)	167,735	158,808	8,927
(Other than Between Home and School)	120,000	(6,678)	113,322	90,690	22,632
Management Fee - ESC & CTSA Trans Program	21,000	12,059	33,059	21,219	11,840
Other Purchased Professional and Technical Services					
	9,900	6,000	15,900	15,151	749
Cleaning, Repair and Maintenance Services	23,125	5,000	28,125	27,637	488
Lease Purchase Payments - School Buses	104,270	28,000	132,270	132,156	114
Contracted Services - Aid in Lieu of Payments	168,350	(24,700)	143,650	143,650	
Contracted Services (Between Home and School) - Vendors	801,360	(81,355)	720,005	705,006	14,999
Contracted Services (Other Than Between Home and School) - Vendors	20,000		20,000	15,536	4,464
Contracted Services (Between Home and School) - Joint Agreements	11,500	20,000	31,500	10,166	21,334
Contracted Services (Special Ed Students)-Vendors	358,659	(50,384)	308,275	303,411	4,864
Contracted Services (Special Ed Students)-Joint Agreements	25,000	(25,000)			
Contracted Services (Regular Ed Students)-ESCs & CTSA	54,780	-	54,780	40,946	13,834
Contracted Services (Special Ed Students)-ESCs & CTSA	508,247	135,679	643,926	643,926	
Miscellaneous Purchased Services	3,000	1,000	4,000	3,826	174
General Supplies	1,500	206	1,706	1,599	107
Transportation Supplies	131,750	16	131,766	82,636	49,130
Other Objects	1,450	-	1,450	1,375	75
Total Student Transportation Services	3,015,705	34,079	3,049,784	2,895,906	153,878
Unallocated Benefits					
Social Security Contributions	1,191,400		1,191,400	1,060,247	131,153
Other Retirement Contributions - PERS	1,090,000		1,090,000	1,024,215	65,785
Other Retirement Contributions - Regular	57,000		57,000	55,857	1,143
Workers' Compensation	435,600	32,844	468,444	468,273	171
Health Benefits	11,763,000	(472,844)	11,290,156	10,208,961	1,081,195
Tuition Reimbursement	79,000		79,000	73,549	5,451
Other Employee Benefits	834,000	(248,300)	585,700	453,469	132,231
Total Employee Benefits	15,450,000	(688,300)	14,761,700	13,344,571	1,417,129
On Behalf TPAF Pension System Contribution-(Non Budgeted)					
				1,570,724	(1,570,724)
On Behalf TPAF Pension System Contribution Post Retirement Medical Contribution(Non Budgeted)					
				2,493,525	(2,493,525)
Reimbursed TPAF Social Security Contribution (Non Budgeted)					
	-	-	-	2,175,291	(2,175,291)
Total	-	-	-	6,239,540	(6,239,540)
Total Undistributed Expenditures	45,719,436	216,830	45,936,266	48,120,415	(2,184,149)
Total Expenditures - Current Expense	75,325,132	498,783	75,823,915	77,349,276	(1,525,361)

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 6-8		\$ 12,034	12,034	\$ 12,034	
Grades 9-12		150,423	150,423	150,422	\$ 1
Undistributed Expenditures					
Instruction	\$ 41,500	13,165	54,665	15,997	38,668
Central Services	38,000		38,000	3,323	34,677
Admin. Info. Tech.	40,000	122	40,122	40,121	1
Required Maint for School Facilities	100,000	14,971	114,971	106,720	8,251
School Buses - Regular		440,000	440,000	334,315	105,685
School Buses - Special	-	148,793	148,793	148,521	272
Total Equipment	219,500	779,508	999,008	811,453	187,555
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	25,000	24,856	49,856	31,619	18,237
Construction Services	250,000	210,193	460,193	334,838	125,355
Assessment for Debt Service on SDA Funding	51,813	-	51,813	51,813	-
Total Facilities Acquis. and Const. Services	326,813	235,049	561,862	418,270	143,592
Interest Deposit to Capital Reserve	2,500	-	2,500	-	2,500
Total Capital Outlay	548,813	1,014,557	1,563,370	1,229,723	333,647
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	45,000		45,000	36,860	8,140
Other Purchased Services	81,200		81,200	14,045	67,155
General Supplies	3,900	-	3,900	3,093	807
Total Summer School - Instruction	130,100	-	130,100	53,998	76,102
Summer School - Support Services					
Salaries	22,000	-	22,000	19,759	2,241
Total Summer School - Support Services	22,000	-	22,000	19,759	2,241
Total Summer School	152,100	-	152,100	73,757	78,343
Adult Education -Local - Instruction					
Salaries of Teachers	24,213		24,213	23,332	881
Other Salaries for Instruction	401,056	(25,651)	375,405	343,113	32,292
Other Purchased Services	112,300	(1,800)	110,500	94,622	15,878
General Supplies	67,800	1,060	68,860	60,857	8,003
Total Adult Education -Local - Instruction	605,369	(26,391)	578,978	521,924	57,054
Adult Education In-Local - Support Services					
Salaries	84,626	15,590	100,216	100,216	
Other Purchased Services	33,000	36,671	69,671	69,476	195
General Supplies	5,000	(771)	4,229	97	4,132
Total Adult Education-In-Local - Support Services	122,626	51,490	174,116	169,789	4,327
Total Adult Education	727,995	25,099	753,094	691,713	61,381
Total Special Schools	880,095	25,099	905,194	765,470	139,724
Transfer of Funds to Charter Schools	45,960	(9,062)	36,898	13,533	23,365
Total Expenditures	76,800,000	1,529,377	78,329,377	79,358,002	(1,028,625)

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (300,000)	\$ (1,529,377)	\$ (1,829,377)	\$ 6,483,232	\$ 8,312,609
Other Financing Sources/Uses					
Capital Reserve Transfer to Capital Projects	(2,600,000)	-	(2,600,000)	(528,869)	2,071,131
Capital Reserve Transfer to Debt Service	-	(2,375,000)	(2,375,000)	(2,375,000)	-
Operating Transfers In	-	-	-	228,827	228,827
Total Other Financing Sources	(2,600,000)	(2,375,000)	(4,975,000)	(2,675,042)	2,299,958
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	(2,900,000)	(3,904,377)	(6,804,377)	3,808,190	10,612,567
Fund Balances, Beginning of Year	14,404,516	-	14,404,516	14,404,516	-
Fund Balances, End of Year	\$ 11,504,516	\$ (3,904,377)	\$ 7,600,139	\$ 18,212,706	\$ 10,612,567
Reconciliation of Governmental Fund Statements (GAAP):					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 300,000	
Reserve for Excess Surplus				800,000	
Capital Reserve				12,464,856	
Maintenance Reserve				1,300,000	
Emergency Reserve				794,000	
Assigned Fund Balance					
Year End Encumbrances				423,089	
Unassigned Fund Balance				2,130,761	
Total				18,212,706	
Reconciliation to Government Fund Statements(GAAP)					
Less: State Aid Payments not Recognized on GAAP Basis				(755,219)	
Fund Balance per Governmental Funds(GAAP)				\$ 17,457,487	

**PARAMUS BOARD OF EDUCATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

NOT APPLICABLE

**PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Intergovernmental					
State	\$ 1,436,600	\$ 669,247	\$ 2,105,847	\$ 2,015,736	\$ (90,111)
Federal	1,547,490	631,128	2,178,618	1,975,820	(202,798)
Local Sources					
Miscellaneous	37,070	83,394	120,464	91,121	(29,343)
Total Revenues	<u>3,021,160</u>	<u>1,383,769</u>	<u>4,404,929</u>	<u>4,082,677</u>	<u>(322,252)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	191,000	(27,599)	163,401	116,698	46,703
Purchased Prof. and Technical Services	571,690	41,828	613,518	606,366	7,152
Tuition	660,000	57,019	717,019	717,019	-
Other Purchased Services		21,927	21,927	21,834	93
General Supplies	225,870	239,741	465,611	342,935	122,676
Textbooks	177,000	59,213	236,213	230,708	5,505
Total Instruction	<u>1,825,560</u>	<u>392,129</u>	<u>2,217,689</u>	<u>2,035,560</u>	<u>182,129</u>
Support Services					
Salaries of Teachers		1,491	1,491	1,491	-
Personal Services-Employee Benefits		23,532	23,532	23,532	-
Purchased Professional and Technical Services	1,195,600	892,742	2,088,342	1,983,152	105,190
Other Purchased Services		52,182	52,182	26,900	25,282
General Supplies	-	12,855	12,855	3,204	9,651
Total Support Services	<u>1,195,600</u>	<u>982,802</u>	<u>2,178,402</u>	<u>2,038,279</u>	<u>140,123</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	8,838	8,838	8,838	-
Total Facilities Acq. & Construction	<u>-</u>	<u>8,838</u>	<u>8,838</u>	<u>8,838</u>	<u>-</u>
Total Expenditures	<u>3,021,160</u>	<u>1,383,769</u>	<u>4,404,929</u>	<u>4,082,677</u>	<u>322,252</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

The following presents a reconciliation of the General and Special Revenue Fund 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 (Exhibits C-1 and C-2)	\$ 85,841,234	\$ 4,082,677
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2015 Encumbrances		(87,220)
June 30, 2014 Encumbrances		51,138
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2013-2014)	865,564	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2014-2015)	<u>(755,219)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 85,951,579</u>	<u>\$ 4,046,595</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 79,358,002	\$ 4,082,677
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.		
June 30, 2015 Encumbrances		(87,220)
June 30, 2014 Encumbrances	<u>-</u>	<u>51,138</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 79,358,002</u>	<u>\$ 4,046,595</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.12424%	0.11994%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 23,261,089	\$ 22,921,968
District's Covered-Employee Payroll	\$ 7,692,702	\$ 8,238,802
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	302%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,024,215	\$ 903,686
Contributions in Relation to the Contractually Required Contributions	<u>1,024,215</u>	<u>903,686</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 7,692,702	\$ 8,238,802
Contributions as a Percentage of Covered-Employee Payroll	13.31%	10.97%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>158,957,607</u>	<u>146,804,041</u>
Total	<u>\$ 158,957,607</u>	<u>\$ 146,804,041</u>
District's Covered-Employee Payroll	\$ 29,582,096	\$ 28,604,775
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing Services</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Compensatory Education</u>	<u>Nonpublic ESL</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Trans.</u>	<u>Nonpublic Exam. and Class.</u>	<u>Nonpublic Home Instruction</u>	<u>Nonpublic Corrective Speech</u>	<u>Other Local Grants</u>	<u>Total Exhibit E-1A</u>	<u>Total 2014</u>
REVENUES													
Intergovernmental													
State	\$ 230,708	\$ 403,922	\$ 121,537	\$ 333,954	\$ 37,453	\$ 247,494	\$ 12,600	\$ 387,982	\$ 2,159	\$ 237,927			\$ 2,015,736
Federal												\$ 1,975,820	1,975,820
Other	-	-	-	-	-	-	-	-	-	-	\$ 91,121	-	91,121
Total Revenues	\$ 230,708	\$ 403,922	\$ 121,537	\$ 333,954	\$ 37,453	\$ 247,494	\$ 12,600	\$ 387,982	\$ 2,159	237,927	\$ 91,121	\$ 1,975,820	\$ 4,082,677
EXPENDITURES													
Instruction													
Salaries of Teachers												\$ 116,698	\$ 116,698
Purchased Prof. and Tech. Services												606,366	606,366
Tuition												717,019	717,019
Other Purchased Services											\$ 20,859	975	21,834
General Supplies			\$ 112,863								66,435	163,637	342,935
Textbooks	\$ 230,708	-	-	-	-	-	-	-	-	-	-	-	230,708
Total Instruction	230,708	-	112,863	-	-	-	-	-	-	-	87,294	1,604,695	2,035,560
Support Services													
Salaries of Teachers												1,491	1,491
Personal Services Employee-Benefits												23,532	23,532
Purchased Prof. & Tech. Services		\$ 403,922	2,700	\$ 333,954	\$ 37,453	\$ 247,494	\$ 12,600	\$ 387,982	\$ 2,159	\$ 237,927		316,961	1,983,152
Other Purchased Services			636									26,264	26,900
General Supplies	-	-	-	-	-	-	-	-	-	-	327	2,877	3,204
Total Support Services	-	403,922	3,336	333,954	37,453	247,494	12,600	387,982	2,159	237,927	327	371,125	2,038,279
Facilities Acquisition & Construction													
Instructional Equipment	-	-	5,338	-	-	-	-	-	-	-	3,500	-	8,838
Total Facilities Acquisition & Construction	-	-	5,338	-	-	-	-	-	-	-	3,500	-	8,838
Total Expenditures	\$ 230,708	\$ 403,922	\$ 121,537	\$ 333,954	\$ 37,453	\$ 247,494	\$ 12,600	\$ 387,982	\$ 2,159	\$ 237,927	\$ 91,121	\$ 1,975,820	\$ 4,082,677

**PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

REVENUES	NCLB			IDEA Basic	IDEA Preschool	Total Exhibit E-1A
	Title I	Title II Part - A	Title III			
Intergovernmental Federal	\$ 313,801	\$ 122,098	\$ 33,664	\$ 1,465,850	\$ 40,407	\$ 1,975,820
Total Revenues	<u>\$ 313,801</u>	<u>\$ 122,098</u>	<u>\$ 33,664</u>	<u>\$ 1,465,850</u>	<u>\$ 40,407</u>	<u>\$ 1,975,820</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 104,713	\$ 575	\$ 11,410			\$ 116,698
Purchased Prof. & Tech. Services			1,710	\$ 593,896	\$ 10,760	606,366
Other Purchased Services			975			975
Tuition				717,019		717,019
General Supplies	<u>97,012</u>	<u>285</u>	<u>12,149</u>	<u>34,935</u>	<u>19,256</u>	<u>163,637</u>
Total Instruction	<u>201,725</u>	<u>860</u>	<u>26,244</u>	<u>1,345,850</u>	<u>30,016</u>	<u>1,604,695</u>
Support Services						
Salaries of Teachers	1,491					1,491
Personal Services-Employee Benefits	23,532					23,532
General Supplies		2,877				2,877
Purchased Prof. & Tech. Services	87,053	92,097	7,420	120,000	10,391	316,961
Other Purchased Services	<u>-</u>	<u>26,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,264</u>
Total Support Services	<u>112,076</u>	<u>121,238</u>	<u>7,420</u>	<u>120,000</u>	<u>10,391</u>	<u>371,125</u>
Total Expenditures	<u>\$ 313,801</u>	<u>\$ 122,098</u>	<u>\$ 33,664</u>	<u>\$ 1,465,850</u>	<u>\$ 40,407</u>	<u>\$ 1,975,820</u>

**PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS**

NOT APPLICABLE

CAPITAL PROJECTS FUND

PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Year	Project	Appropriation	Appropriation		Expenditures to Date		Balance, June 30, 2015
			Modifications	Modified Appropriation	Prior Year	Current Year	
2012	HVAC Unit Retrofit	\$ 44,000	\$ (39,423)	\$ 4,577	\$ 4,577		
2012	High School Public Address System Upgrades	271,750	(138,257)	133,493	133,493		
2013	High School A/C Replacement Units	377,814	(98,976)	278,838	278,838		
2014	Memorial Bathroom Replacement	17,250	140,540	157,790	146,299	\$	11,491
2014	West Brook Roof Replacement	22,250	354,679	376,929	376,929		
2014	Community School HVAC	39,250	410,200	449,450	406,051		43,399
2014	High School Roof Replacement	23,250	458,222	481,472	456,645		24,827
2014	High School Window Replacement	15,250	336,467	351,717	193,444	\$ 149,550	8,723
2015	Ridge Ranch Bathroom Renovations	271,616	(17,586)	254,030	16,241	228,642	9,147
2015	East Brook Roof Replacement (SGI)		143,785	143,785	130,912	12,873	-
2015	HS Courtyard Window Replacement	172,212	28,288	200,500	118,750	72,757	8,993
2015	Memorial Roof Replacement		313,100	313,100	306,900	5,981	219
2015	East Brook Roof Replacement (Sec A-G)	1,835,640	(448,140)	1,387,500	1,027,832	354,668	5,000
2015	HS/Board Office HVAC Replacement Controls	662,550	(455,800)	206,750	160,068	46,682	-
2016	High School Interior Handicapped Ramp	239,200	(138,497)	100,703		9,103	91,600
2016	Community School Bathroom Renovations		307,000	307,000		17,606	289,394
2016	Life Skills Classroom Renovations		80,065	80,065		9,011	71,054
2016	HS Girls Locker Room Bathroom Renovations		430,000	430,000		26,507	403,493
2016	Memorial Bathroom Renovations (Upper Wing)		288,000	288,000		15,849	272,151
2015	High School Roof Replacement (200-300 Wing)		744,863	744,863		415,125	329,738
2016	High School Library Renovations	-	580,373	580,373	-	201,073	379,300
		<u>\$ 3,992,032</u>	<u>\$ 3,278,903</u>	<u>\$ 7,270,935</u>	<u>\$ 3,756,979</u>	<u>\$ 1,565,427</u>	<u>\$ 1,948,529</u>

Analysis of Appropriation Modifications

Prior Balance	\$ 2,213,025
Add: Net Transfers from Capital Reserve:	528,869
Unfunded Authorizations	1,025,742
Less: Cancellation of Grant Receivables	(261,690)
Transfer to Capital Reserve	(227,043)
	<u>\$ 3,278,903</u>

Reconciliation to GAAP Basis:

Fund Balance, June 30, 2015 - Budgetary Basis	\$ 1,948,529
Less: Unearned Revenue - SDA Grants	(27,872)
Unfunded Authorizations	(1,025,742)
Fund Balance, June 30, 2015 - GAAP Basis	<u>\$ 894,915</u>

SCHEDULE F-2

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources	
Transfer from Capital Reserve	\$ 1,439,090
Interest	1,784
	1,440,874
 Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	101,619
Construction Services	1,463,808
Cancellation of Grant Receivable - Budgetary Basis	261,690
Transfers of Capital Reserve to Other Projects	910,221
Transfers to Capital Reserve	228,827
	2,966,165
Total Expenditures and Other Financing Uses	2,966,165
Excess (Deficit) of Revenues Over Expenditures	(1,525,291)
Fund Balance, July 1, 2014	2,448,078
Fund Balance, June 30, 2015	\$ 922,787
 <u>Reconciliation to GAAP Basis:</u>	
Fund Balance, June 30, 2015 - Budgetary Basis	\$ 922,787
Less: Unearned Revenue - SDA Grants	(27,872)
Fund Balance, June 30, 2015 - GAAP Basis	\$ 894,915

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WESTBROOK HVAC UNIT RETROFIT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 44,000		\$ 44,000	\$ 4,577
Transfer from Ridge Ranch HVAC Unit-Gym	3,450		3,450	
Transfer from Ridge Ranch Boiler Replacement	15,000		15,000	
Transfer from Field Track Resurfacing	30,136		30,136	
Transfer from HS Public Address System Upgrade	137,977		137,977	
Transfer from Roof Replacements	<u>777</u>	<u>-</u>	<u>777</u>	<u>-</u>
 Total Revenues and Other Financing Sources	 <u>231,340</u>	 <u>-</u>	 <u>231,340</u>	 <u>4,577</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	4,577		4,577	4,577
Transfer to Capital Reserve	<u>-</u>	<u>\$ 226,763</u>	<u>226,763</u>	<u>-</u>
 Total Expenditures and Other Financing Sources	 <u>4,577</u>	 <u>226,763</u>	 <u>231,340</u>	 <u>4,577</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 226,763</u>	 <u>\$ (226,763)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 44,000
Authorized Cost Adjustments	\$ (39,423)
Revised Authorized Cost	\$ 4,577

Percentage Increase Over Original

Authorized Cost	-89.60%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2012
Revised Target Completion Date	June 30, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL PUBLIC ADDRESS SYSTEM UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 271,750	-	\$ 271,750	\$ 133,493
Total Revenues and Other Financing Sources	<u>271,750</u>	<u>-</u>	<u>271,750</u>	<u>133,493</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	20,065		20,065	18,750
Construction Services	113,428		113,428	114,743
Transfer to Capital Reserve		\$ 280	280	
Transfer to West Brook HVAC Unit Retrofit	<u>137,977</u>	<u>-</u>	<u>137,977</u>	<u>-</u>
Total Expenditures and Other Financing Sources	<u>271,470</u>	<u>280</u>	<u>271,750</u>	<u>133,493</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 280</u>	<u>\$ (280)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 271,750
Authorized Cost Adjustments	\$ (138,257)
Revised Authorized Cost	\$ 133,493
Percentage Increase Over Original Authorized Cost	-50.88%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2012
Revised Target Completion Date	August 31, 2012

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF A/C REPLACEMENT UNITS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 287,057	-	\$ 287,057	\$ 278,838
Total Revenues and Other Financing Sources	<u>287,057</u>	<u>-</u>	<u>287,057</u>	<u>278,838</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	24,743		24,743	24,743
Construction Services	254,095		254,095	254,095
Transfer to Other Projects	-	\$ 8,219	8,219	-
Total Expenditures and Other Financing Sources	<u>278,838</u>	<u>8,219</u>	<u>287,057</u>	<u>278,838</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 8,219</u>	<u>\$ (8,219)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 377,814
Authorized Cost Adjustments	\$ (98,976)
Revised Authorized Cost	\$ 278,838

Percentage Increase Over Original

Authorized Cost	-26.20%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2012
Revised Target Completion Date	September 1, 2012

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL BATHROOM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 161,440	-	\$ 161,440	\$ 157,790
 Total Revenues and Other Financing Sources	 161,440	 -	 161,440	 157,790
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	19,049		19,049	33,440
Construction Services	127,250		127,250	124,350
Transfers to Other Projects	-	\$ 3,650	3,650	-
 Total Expenditures and Other Financing Sources	 146,299	 3,650	 149,949	 157,790
 Excess (Deficit) of Revenue Over Expenditures	 \$ 15,141	 \$ (3,650)	 \$ 11,491	 \$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 165,000			
Authorized Cost Adjustments	\$ (7,210)			
Revised Authorized Cost	\$ 157,790			
 Percentage Increase Over Original Authorized Cost	 -4.37%			
Percentage Completion	95.03%			
Original Target Completion Date	September 9, 2013			
Revised Target Completion Date	September 30, 2013			

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST BROOK ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 399,642	-	\$ 399,642	\$ 376,929
Total Revenues and Other Financing Sources	<u>399,642</u>	<u>-</u>	<u>399,642</u>	<u>376,929</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	23,535		23,535	23,535
Construction Services	353,394		353,394	353,394
Transfers to Other Projects	-	\$ 22,713	22,713	-
Total Expenditures and Other Financing Sources	<u>376,929</u>	<u>22,713</u>	<u>399,642</u>	<u>376,929</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 22,713</u>	<u>\$ (22,713)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 425,000			
Authorized Cost Adjustments	\$ (48,071)			
Revised Authorized Cost	\$ 376,929			
Percentage Increase Over Original				
Authorized Cost	-11.31%			
Percentage Completion	100.00%			
Original Target Completion Date	September 9, 2013			
Revised Target Completion Date	October 10, 2013			

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
COMMUNITY SCHOOL HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 453,500	-	\$ 453,500	\$ 449,450
Total Revenues and Other Financing Sources	<u>453,500</u>	<u>-</u>	<u>453,500</u>	<u>449,450</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	40,851		40,851	80,200
Construction Services	365,200		365,200	369,250
Transfers to Other Projects	-	\$ 4,050	4,050	-
Total Expenditures and Other Financing Sources	<u>406,051</u>	<u>4,050</u>	<u>410,101</u>	<u>449,450</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 47,449</u>	<u>\$ (4,050)</u>	<u>\$ 43,399</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 790,000
Authorized Cost Adjustments	\$ (340,550)
Revised Authorized Cost	\$ 449,450

Percentage Increase Over Original

Authorized Cost	-43.11%
Percentage Completion	91.25%
Original Target Completion Date	September 9, 2013
Revised Target Completion Date	September 9, 2013

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 481,752	-	\$ 481,752	\$ 481,472
Total Revenues and Other Financing Sources	<u>481,752</u>	<u>-</u>	<u>481,752</u>	<u>481,472</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	24,925		24,925	49,472
Construction Services	431,720		431,720	432,000
Transfers to Other Projects	-	\$ 280	280	-
Total Expenditures and Other Financing Sources	<u>456,645</u>	<u>280</u>	<u>456,925</u>	<u>481,472</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 25,107</u>	<u>\$ (280)</u>	<u>\$ 24,827</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 495,000
Authorized Cost Adjustments	\$ (13,528)
Revised Authorized Cost	\$ 481,472

Percentage Increase Over Original

Authorized Cost	-2.73%
Percentage Completion	94.90%
Original Target Completion Date	September 9, 2013
Revised Target Completion Date	September 9, 2013

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOW REPLACEMENT (600-700 WINGS)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 316,373		\$ 316,373	\$ 248,397
SDA Grant	103,320	-	103,320	103,320
	<u>419,693</u>	<u>-</u>	<u>419,693</u>	<u>351,717</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	24,344	\$ 3,307	27,651	27,651
Construction Services	169,100	146,243	315,343	324,066
Transfers to Other Projects	-	67,976	67,976	-
	<u>193,444</u>	<u>217,526</u>	<u>410,970</u>	<u>351,717</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 226,249</u>	<u>\$ (217,526)</u>	<u>\$ 8,723</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3930-050-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 300,000
Authorized Cost Adjustments	\$ 51,717
Revised Authorized Cost	\$ 351,717
Percentage Increase Over Original Authorized Cost	17.24%
Percentage Completion	100.00%
Original Target Completion Date	September 9, 2013
Revised Target Completion Date	July 31, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RIDGE RANCH BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 173,216		\$ 173,216	\$ 157,224
SDA Grant	98,400	-	98,400	96,806
	<u>271,616</u>	<u>-</u>	<u>271,616</u>	<u>254,030</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	16,241	\$ 1,382	17,623	26,770
Construction Services		227,260	227,260	227,260
Cancelled SDA Grant		1,594	1,594	
Transfers to Other Projects	-	15,992	15,992	-
	<u>16,241</u>	<u>246,228</u>	<u>262,469</u>	<u>254,030</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 255,375</u>	<u>\$ (246,228)</u>	<u>\$ 9,147</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3930-110-14-1006-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 156,000
Authorized Cost Adjustments	\$ 98,030
Revised Authorized Cost	\$ 254,030
Percentage Increase Over Original Authorized Cost	62.84%
Percentage Completion	100.00%
Original Target Completion Date	August 31, 2014
Revised Target Completion Date	September 30, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
EAST BROOK ROOF REPLACEMENT (SGI)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 143,742	\$ 43	\$ 143,785	\$ 143,785
 Total Revenues and Other Financing Sources	 <u>143,742</u>	 <u>43</u>	 <u>143,785</u>	 <u>143,785</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	64,312	12,873	77,185	77,185
Construction Services	<u>66,600</u>	<u>-</u>	<u>66,600</u>	<u>66,600</u>
 Total Expenditures and Other Financing Sources	 <u>130,912</u>	 <u>12,873</u>	 <u>143,785</u>	 <u>143,785</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 12,830</u>	 <u>\$ (12,830)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 143,742
Authorized Cost Adjustments	\$ 43
Revised Authorized Cost	\$ 143,785

Percentage Increase Over Original Authorized Cost	0.03%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2013
Revised Target Completion Date	September 1, 2013

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL COURTYARD WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 120,900	\$ 28,288	\$ 149,188	\$ 149,188
SDA Grant	51,312	-	51,312	51,312
	<u>172,212</u>	<u>28,288</u>	<u>200,500</u>	<u>200,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	31,253
Construction Services	118,750	72,757	191,507	169,247
	<u>118,750</u>	<u>72,757</u>	<u>191,507</u>	<u>200,500</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 53,462</u>	<u>\$ (44,469)</u>	<u>\$ 8,993</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3930-050-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 110,400
Authorized Cost Adjustments	\$ 90,100
Revised Authorized Cost	\$ 200,500

Percentage Increase Over Original

Authorized Cost	81.61%
Percentage Completion	95.51%
Original Target Completion Date	September 1, 2013
Revised Target Completion Date	September 1, 2013

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 311,900	\$ 6,200	\$ 318,100	\$ 313,100
 Total Revenues and Other Financing Sources	 <u>311,900</u>	 <u>6,200</u>	 <u>318,100</u>	 <u>313,100</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		5,981	5,981	6,200
Construction Services	306,900		306,900	306,900
Transfers to Other Projects	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
 Total Expenditures and Other Financing Sources	 <u>306,900</u>	 <u>10,981</u>	 <u>317,881</u>	 <u>313,100</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 5,000</u>	 <u>\$ (4,781)</u>	 <u>\$ 219</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 311,900
Authorized Cost Adjustments	\$ 1,200
Revised Authorized Cost	\$ 313,100

Percentage Increase Over Original

Authorized Cost	0.38%
Percentage Completion	100.00%
Original Target Completion Date	February 1, 2014
Revised Target Completion Date	February 1, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
EAST BROOK ROOF REPLACEMENT (SEC A-G)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,110,000		\$ 1,110,000	\$ 847,426
SDA Grant	<u>725,640</u>	<u>-</u>	<u>725,640</u>	<u>540,074</u>
 Total Revenues and Other Financing Sources	 <u>1,835,640</u>	 <u>-</u>	 <u>1,835,640</u>	 <u>1,387,500</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	279,540
Construction Services	1,027,832	\$ 354,668	1,382,500	1,107,960
Cancelled SDA Grant		185,566	185,566	
Transfers to Other Projects	<u>-</u>	<u>262,574</u>	<u>262,574</u>	<u>-</u>
 Total Expenditures and Other Financing Sources	 <u>1,027,832</u>	 <u>802,808</u>	 <u>1,830,640</u>	 <u>1,387,500</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 807,808</u>	 <u>\$ (802,808)</u>	 <u>\$ 5,000</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3930-065-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,110,000
Authorized Cost Adjustments	\$ 277,500
Revised Authorized Cost	\$ 1,387,500
 Percentage Increase Over Original	
Authorized Cost	25.00%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	October 3, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL & BOARD OFFICE HVAC REPLACEMENT CONTROLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 513,600		\$ 513,600	\$ 111,002
SDA Grant	148,950	-	148,950	95,748
	<u>662,550</u>	<u>-</u>	<u>662,550</u>	<u>206,750</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	160,068	\$ 46,682	206,750	206,750
Cancelled SDA Grant		53,202	53,202	
Transfers to Other Projects	-	402,598	402,598	-
	<u>160,068</u>	<u>502,482</u>	<u>662,550</u>	<u>206,750</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 502,482</u>	<u>\$ (502,482)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3930-050-14-1007-G04
Grant Date	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 662,550
Authorized Cost Adjustments	\$ (455,800)
Revised Authorized Cost	\$ 206,750
Percentage Increase Over Original	
Authorized Cost	-68.79%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	October 6, 2014

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL INTERIOR HANDICAPPED RAMP
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 190,000		\$ 190,000	\$ 72,831
SDA Grant	49,200	-	49,200	27,872
	<u>239,200</u>	<u>-</u>	<u>239,200</u>	<u>100,703</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 9,103	9,103	9,103
Construction Services			-	91,600
Cancelled SDA Grant		21,328	21,328	
Transfers to Other Projects	-	117,169	117,169	-
	<u>-</u>	<u>147,600</u>	<u>147,600</u>	<u>100,703</u>
Total Expenditures and Other Financing Sources				
	<u>-</u>	<u>147,600</u>	<u>147,600</u>	<u>100,703</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 239,200</u>	<u>\$ (147,600)</u>	<u>\$ 91,600</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3930-50-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 239,200
Authorized Cost Adjustments	\$ (138,497)
Revised Authorized Cost	\$ 100,703
Percentage Increase Over Original Authorized Cost	-57.90%
Percentage Completion	100.00%
Original Target Completion Date	April 30, 2015
Revised Target Completion Date	April 30, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
COMMUNITY SCHOOL BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 20,246	\$ 20,246	\$ 307,000
Total Revenues and Other Financing Sources	-	20,246	20,246	307,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		17,606	17,606	32,000
Construction Services	-	-	-	275,000
Total Expenditures and Other Financing Sources	-	17,606	17,606	307,000
Excess (Deficit) of Revenue Over Expenditures	\$ -	\$ 2,640	\$ 2,640	\$ -

Additional Project Information:

Project Number	3930-050-15-3000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 307,000
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 307,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	5.73%
Original Target Completion Date	September 1, 2015
Revised Target Completion Date	September 1, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LIFE SKILLS CLASSROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 10,181	\$ 10,181	\$ 80,065
 Total Revenues and Other Financing Sources	 -	 10,181	 10,181	 80,065
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		9,011	9,011	9,011
Construction Services	-	-	-	71,054
 Total Expenditures and Other Financing Sources	 -	 9,011	 9,011	 80,065
 Excess (Deficit) of Revenue Over Expenditures	 \$ -	 \$ 1,170	 \$ 1,170	 \$ -

Additional Project Information:

Project Number	3930-050-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 80,065
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 80,065
 Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	11.25%
Original Target Completion Date	September 1, 2015
Revised Target Completion Date	September 7, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL GIRLS LOCKER ROOM BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 30,347	\$ 30,347	\$ 430,000
Total Revenues and Other Financing Sources	-	30,347	30,347	430,000
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		26,507	26,507	45,000
Construction Services	-	-	-	385,000
Total Expenditures and Other Financing Sources	-	26,507	26,507	430,000
Excess (Deficit) of Revenue Over Expenditures	\$ -	\$ 3,840	\$ 3,840	\$ -

Additional Project Information:

Project Number	3930-050-15-2000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 430,000
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 430,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	6.16%
Original Target Completion Date	October 1, 2015
Revised Target Completion Date	October 16, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL BATHROOM RENOVATIONS (UPPER WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 18,549	\$ 18,549	\$ 288,000
 Total Revenues and Other Financing Sources	 -	 18,549	 18,549	 288,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 15,849	15,849	30,000
Construction Services	-	-	-	258,000
 Total Expenditures and Other Financing Sources	 -	 15,849	 15,849	 288,000
 Excess (Deficit) of Revenue Over Expenditures	 -	 \$ 2,700	 \$ 2,700	 \$ -

Additional Project Information:

Project Number	3930-080-15-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 288,000
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 288,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	5.50%
Original Target Completion Date	September 1, 2015
Revised Target Completion Date	September 25, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT (200-300 WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 744,863	\$ 744,863	\$ 744,863
Total Revenues and Other Financing Sources	-	744,863	744,863	744,863
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	-	415,125	415,125	744,863
Total Expenditures and Other Financing Sources	-	415,125	415,125	744,863
Excess (Deficit) of Revenue Over Expenditures	\$ -	\$ 329,738	\$ 329,738	\$ -

Additional Project Information:

Project Number	3930-065-14-1004
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 744,863
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 744,863

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	May 31, 2015
Revised Target Completion Date	May 31, 2015

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL LIBRARY RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 580,373	\$ 580,373	\$ 580,373
 Total Revenues and Other Financing Sources	 -	 580,373	 580,373	 580,373
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	50,000
Construction Services	-	201,073	201,073	530,373
 Total Expenditures and Other Financing Sources	 -	 201,073	 201,073	 580,373
 Excess (Deficit) of Revenue Over Expenditures	 \$ -	 \$ 379,300	 \$ 379,300	 \$ -

Additional Project Information:

Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 580,373
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 580,373
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	34.65%
Original Target Completion Date	September 30, 2015
Revised Target Completion Date	October 30, 2015

ENTERPRISE FUNDS

EXHIBIT G-1

**PARAMUS BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**PARAMUS BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 309,332	\$ 20,901	\$ 330,233
Total Assets	<u>\$ 309,332</u>	<u>\$ 20,901</u>	<u>\$ 330,233</u>
LIABILITIES			
Payroll Deductions and Withholdings Due to Student Groups	<u>\$ 309,332</u>	\$ 20,901 -	\$ 20,901 <u>309,332</u>
Total Liabilities	<u>\$ 309,332</u>	<u>\$ 20,901</u>	<u>\$ 330,233</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**PARAMUS BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
ELEMENTARY & MIDDLE SCHOOL				
Eastbrook	\$ 41,141	\$ 36,081	\$ 35,316	\$ 41,906
Westbrook	41,893	43,435	41,645	43,683
Elementary	39,021	31,612	29,134	41,499
HIGH SCHOOLS				
High School Activity	181,296	479,828	478,880	182,244
High School Athletic	<u>3</u>	<u>82,526</u>	<u>82,529</u>	<u>-</u>
 Total	 <u>\$ 303,354</u>	 <u>\$ 673,482</u>	 <u>\$ 667,504</u>	 <u>\$ 309,332</u>

**PARAMUS BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
ASSETS				
Cash and Cash Equivalents	\$ 8,648	\$ 76,897,960	\$ 76,885,707	\$ 20,901
Total Assets	<u>\$ 8,648</u>	<u>\$ 76,897,960</u>	<u>\$ 76,885,707</u>	<u>\$ 20,901</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 7,783	\$ 49,667,506	\$ 49,654,388	\$ 20,901
Due to Other Funds	865		865	
Accrued Salaries and Wages	<u>-</u>	<u>27,230,454</u>	<u>27,230,454</u>	<u>-</u>
Total Liabilities	<u>\$ 8,648</u>	<u>\$ 76,897,960</u>	<u>\$ 76,885,707</u>	<u>\$ 20,901</u>

LONG-TERM DEBT

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<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, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	5/1/2005	\$ 7,955,000				\$ 3,155,000		\$ 3,155,000	
Refunding Bonds	2/14/2013	16,460,000	4/1/2016	\$ 1,010,000	3.00%				
			4/1/2017	1,000,000	4.00%				
			4/1/2018	995,000	4.00%				
			4/1/2019	1,090,000	4.00%				
			4/1/2020	1,080,000	5.00%				
			4/1/2021	1,105,000	5.00%				
			4/1/2022	1,130,000	5.00%				
			4/1/2023	1,135,000	5.00%				
			4/1/2024	1,140,000	4.00%				
			4/1/2025	1,130,000	4.00%				
			4/1/2026	1,120,000	2.75%				
			4/1/2027	1,100,000	4.00%				
			4/1/2028	1,090,000	3.00%				
			4/1/2029	1,065,000	3.125%				
						<u>16,165,000</u>	<u>-</u>	<u>975,000</u>	<u>\$ 15,190,000</u>
						<u>\$ 19,320,000</u>	<u>\$ -</u>	<u>\$ 4,130,000</u>	<u>\$ 15,190,000</u>

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
2011 Ten - School Buses	3.88%	759,771	\$ 410,180	-	\$ 410,180	-
			<u>\$ 410,180</u>	<u>\$ -</u>	<u>\$ 410,180</u>	<u>\$ -</u>

**PARAMUS BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2015				Variance Favorable (Unfavorable)
	Original Budget	Adjustments	Modified Budget	Actual	
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,240,359		\$ 2,240,359	\$ 2,240,359	
Intergovernmental					
Debt Service Aid Type II	<u>238,735</u>	<u>-</u>	<u>238,735</u>	<u>238,735</u>	<u>-</u>
Total Revenues	<u>2,479,094</u>	<u>-</u>	<u>2,479,094</u>	<u>2,479,094</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	763,840		763,840	763,231	\$ 609
Redemption of Principal	<u>1,755,000</u>	<u>\$ 2,375,000</u>	<u>4,130,000</u>	<u>4,130,000</u>	<u>-</u>
Total Expenditures	<u>2,518,840</u>	<u>2,375,000</u>	<u>4,893,840</u>	<u>4,893,231</u>	<u>609</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(39,746)</u>	<u>(2,375,000)</u>	<u>(2,414,746)</u>	<u>(2,414,137)</u>	<u>609</u>
Other Financing Sources (Uses)					
Operating Transfers In-General Fund	<u>-</u>	<u>2,375,000</u>	<u>2,375,000</u>	<u>2,375,000</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>2,375,000</u>	<u>2,375,000</u>	<u>2,375,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures and Other Financing Sources	<u>(39,746)</u>	<u>-</u>	<u>(39,746)</u>	<u>(39,137)</u>	<u>609</u>
Fund Balance, Beginning of Year	<u>39,769</u>	<u>-</u>	<u>39,769</u>	<u>39,769</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 632</u>	<u>\$ 609</u>
Recapitulation of Fund Balance:					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures			\$ 609		
Available for Future Debt Service Expenditures			<u>23</u>		
			<u>\$ 632</u>		

STATISTICAL SECTION

This part of the Paramus 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.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						(Restated)			(Restated)	
Governmental activities										
Net Investment in Capital Assets	\$ 12,630,899	\$ 16,014,888	\$ 22,554,914	\$ 24,274,128	\$ 25,187,220	\$ 27,826,536	\$ 29,450,260	\$ 31,802,380	\$ 35,209,488	\$ 39,957,382
Restricted	97,487	5,856,154	455,979	2,258,123	3,720,473	5,130,462	7,447,327	9,371,004	12,674,591	14,660,403
Unrestricted	714,849	(3,749,575)	1,367,352	2,183,662	1,498,811	1,466,597	2,080,303	2,487,970	(20,932,272)	(20,314,957)
Total governmental activities net position	\$ 13,443,235	\$ 18,121,467	\$ 24,378,245	\$ 28,715,913	\$ 30,406,504	\$ 34,423,595	\$ 38,977,890	\$ 43,661,354	\$ 26,951,807	\$ 34,302,828
Business-type activities										
Net Investment in Capital Assets	\$ 80,474	\$ 74,761	\$ 206,230	\$ 193,417	\$ 180,679	\$ 169,887	\$ 160,104	\$ 167,670	\$ 164,909	\$ 172,989
Restricted										
Unrestricted	165,072	196,379	70,427	94,890	124,890	183,061	220,440	258,441	270,522	230,000
Total business-type activities net position	\$ 245,546	\$ 271,140	\$ 276,657	\$ 288,307	\$ 305,569	\$ 352,948	\$ 380,544	\$ 426,111	\$ 435,431	\$ 402,989
District-wide										
Net Investment in Capital Assets	\$ 12,711,373	\$ 16,089,649	\$ 22,761,144	\$ 24,467,545	25,367,899	27,996,423	29,610,364	31,970,050	\$ 35,374,397	\$ 40,130,371
Restricted	97,487	5,856,154	455,979	2,258,123	3,720,473	5,130,462	7,447,327	9,371,004	12,674,591	14,660,403
Unrestricted	879,921	(3,553,196)	1,437,779	2,278,552	1,623,701	1,649,658	2,300,743	2,746,411	(20,661,750)	(20,084,957)
Total district net position	\$ 13,688,781	\$ 18,392,607	\$ 24,654,902	\$ 29,004,220	\$ 30,712,073	\$ 34,776,543	\$ 39,358,434	\$ 44,087,465	\$ 27,387,238	\$ 34,705,817

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 27,978,574	\$ 30,816,193	\$ 31,310,405	\$ 29,293,503	\$ 30,961,268	\$ 30,444,916	\$ 30,489,032	\$ 31,674,424	\$ 30,870,406	\$ 35,405,836
Special education	8,806,699	10,482,650	10,895,845	11,516,883	13,159,168	12,504,000	12,847,226	13,941,263	14,342,356	15,896,202
Community services	18,978	12,900	15,451	17,021	16,134	16,208	-	-	-	-
Other instruction	1,858,686	1,788,835	1,848,426	1,667,956	1,491,638	1,275,720	1,977,422	2,235,557	2,401,823	2,853,123
School Sponsored Activities and Athletics	1,264,768	1,339,423	1,405,460	1,366,944	1,436,961	1,358,950	1,571,726	1,671,482	1,769,801	1,991,962
Support Services:										
Student and instruction related services	9,467,649	10,424,642	10,404,679	9,663,427	8,702,798	8,481,946	9,469,204	10,236,801	10,488,907	12,091,605
School Administration services	3,849,826	3,964,334	4,153,026	4,084,367	4,867,499	4,640,667	4,858,674	4,835,004	4,977,054	5,947,989
General administration services	1,096,309	1,206,406	1,423,957	1,186,849	1,243,442	1,270,638	1,053,352	961,047	975,612	1,055,628
Plant operations and maintenance	8,650,321	9,799,100	9,936,619	9,372,675	10,655,154	10,284,822	10,646,753	10,819,771	10,992,476	11,066,092
Pupil transportation	3,156,209	3,576,557	3,485,174	3,508,598	3,327,788	3,208,504	3,272,653	3,193,615	3,203,080	3,250,926
Central services	1,764,534	1,719,412	1,900,573	2,584,293	2,393,804	2,110,412	2,081,627	2,058,385	1,893,852	2,071,816
Interest on long-term debt	1,454,816	1,511,477	1,444,206	1,351,094	1,262,633	1,178,779	979,384	852,919	721,476	765,720
Total governmental activities expenses	69,367,569	76,641,929	78,225,821	75,613,610	79,518,287	76,775,562	79,247,053	82,480,268	82,636,843	92,396,899
Business-type activities:										
Food service	913,324	967,804	990,885	982,326	1,025,171	978,676	1,043,141	1,028,038	1,090,992	1,247,618
Total business-type activities expense	913,324	967,804	990,885	982,326	1,025,171	978,676	1,043,141	1,028,038	1,090,992	1,247,618
Total district expenses	\$ 70,280,893	\$ 77,609,733	\$ 79,216,706	\$ 76,595,936	\$ 80,543,458	\$ 77,754,238	\$ 80,290,194	\$ 83,508,306	\$ 83,727,835	\$ 93,644,517
Program Revenues										
Governmental activities:										
Charges for services:										
Regular Instruction						\$ 345,756	\$ 358,171	\$ 362,514	\$ 529,896	\$ 516,473
Special education	\$ 220,665	\$ 153,841	\$ 267,891	\$ 250,252	\$ 332,987	186,480	324,305	344,032	336,063	818,739
Transportation						19,135			-	-
Operating grants and contributions	10,147,406	12,927,734	12,892,233	10,235,531	10,927,088	8,497,955	9,990,465	11,991,443	11,755,186	19,985,595
Capital grants and contributions	3,682,785	4,615,771	4,072,955	618,048				408,915	601,080	286,180
Total governmental activities program revenues	14,050,856	17,697,346	17,233,079	11,103,831	11,260,075	9,030,191	10,652,941	13,126,039	13,222,225	21,606,987
Business-type activities:										
Food service										
Charges for services	\$ 847,649	\$ 891,001	\$ 882,988	\$ 872,584	\$ 898,306	\$ 885,767	\$ 919,503	\$ 933,070	\$ 958,036	\$ 1,069,902
Operating grants and contributions	95,696	90,815	103,607	120,225	144,127	140,278	151,234	139,002	140,492	145,014
Total business type activities program revenues	943,345	981,816	986,595	992,809	1,042,433	1,026,045	1,070,737	1,072,072	1,098,528	1,214,916
Total district program revenues	\$ 14,994,201	\$ 18,679,162	\$ 18,219,674	\$ 12,096,640	\$ 12,302,508	\$ 10,056,236	\$ 11,723,678	\$ 14,198,111	\$ 14,320,753	\$ 22,821,903
Net (Expense)/Revenue										
Governmental activities	\$ (55,316,713)	\$ (58,944,583)	\$ (60,992,742)	\$ (64,509,779)	\$ (68,258,212)	\$ (67,745,371)	\$ (68,594,112)	\$ (69,354,229)	\$ (69,414,618)	\$ (70,789,912)
Business-type activities	30,021	14,012	(4,290)	10,483	17,262	47,369	27,596	44,034	7,536	(32,702)
Total district-wide net expense	\$ (55,286,692)	\$ (58,930,571)	\$ (60,997,032)	\$ (64,499,296)	\$ (68,240,950)	\$ (67,698,002)	\$ (68,566,516)	\$ (69,310,195)	\$ (69,407,082)	\$ (70,822,614)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes	\$ 54,958,278	\$ 57,512,840	\$ 59,813,354	\$ 62,402,870	\$ 64,898,985	\$ 67,494,944	\$ 68,651,094	\$ 69,958,474	\$ 71,357,641	\$ 72,774,791
Property taxes levied for debt service	2,570,413	3,331,654	3,678,959	2,584,677	2,819,899	2,910,323	2,608,906	2,124,307	2,269,316	2,240,359
Unrestricted grants and contributions	577,309	581,312	679,694	94,224			123,479	-	-	71,146
Restricted state aid										
Debt service Type II aid	306,389	230,235	724,707	707,226	619,471	511,348	397,827	394,963	248,324	238,735
Investment earnings	944,662	745,175	66,625	447,739	66,625	263	29,900	72,212	75,013	56,015
Miscellaneous income	1,269,597	1,221,599	1,855,150	2,938,900	1,504,709	1,170,718	1,337,201	1,487,737	1,676,745	2,759,887
Other items	(182,886)	-	49,917	52,925	105,476					
Total governmental activities	60,443,762	63,622,815	67,249,520	68,847,447	69,948,803	72,087,963	73,148,407	74,037,693	75,627,039	78,140,933
Business-type activities:										
Investment earnings	6,781	11,582	9,807	1,167	10	10	-	1,533	1,784	260
Total business-type activities	6,781	11,582	9,807	1,167	10	10	-	1,533	1,784	260
Total district-wide	\$ 60,450,543	\$ 63,634,397	\$ 67,259,327	\$ 68,848,614	\$ 69,948,813	\$ 72,087,973	\$ 73,148,407	\$ 74,039,226	\$ 75,628,823	\$ 78,141,193
Change in Net Assets										
Governmental activities	\$ 5,127,049	\$ 4,678,232	\$ 6,256,578	\$ 4,337,668	\$ 1,690,591	\$ 4,342,592	\$ 4,554,295	\$ 4,683,464	\$ 6,212,421	\$ 7,351,021
Business-type activities	36,802	25,594	5,517	11,650	17,272	47,379	27,596	45,567	9,420	(32,442)
Total district	\$ 5,163,851	\$ 4,703,826	\$ 6,262,295	\$ 4,349,318	\$ 1,707,863	\$ 4,389,971	\$ 4,581,891	\$ 4,729,031	\$ 6,221,741	\$ 7,318,579

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,817,343	\$ 1,254,859	\$ 959,181	\$ 3,855,794	\$ 5,204,812					
Unreserved	1,308,085	1,544,680	1,602,565	1,566,664	1,048,677					
Restricted						\$ 5,830,339	\$ 8,437,790	\$ 10,342,765	\$ 11,362,486	\$ 15,658,856
Assigned						338,200	205,305	752,553	764,796	423,089
Unassigned						1,398,254	1,350,633	1,352,937	1,411,670	1,375,542
Total general fund	<u>\$ 3,125,428</u>	<u>\$ 2,799,539</u>	<u>\$ 2,561,746</u>	<u>\$ 5,422,458</u>	<u>\$ 6,253,489</u>	<u>\$ 7,566,793</u>	<u>\$ 9,993,728</u>	<u>\$ 12,448,255</u>	<u>\$ 13,538,952</u>	<u>\$ 17,457,487</u>
All Other Governmental Funds										
Reserved	\$ 26,032,080	\$ 13,011,928	\$ 2,491,925	\$ 696,120	\$ 227,668					
Unreserved	(10,264,514)	(3,987,986)	(1,607,872)	(1,669,006)	(1,418,193)					
Restricted						\$ (403,730)	\$ 319,537	\$ 338,239	\$ 1,912,105	\$ 895,547
Total all other governmental funds	<u>\$ 15,767,566</u>	<u>\$ 9,023,942</u>	<u>\$ 884,053</u>	<u>\$ (972,886)</u>	<u>\$ (1,190,525)</u>	<u>\$ (403,730)</u>	<u>\$ 319,537</u>	<u>\$ 338,239</u>	<u>\$ 1,912,105</u>	<u>\$ 895,547</u>

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

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 57,528,691	\$ 60,844,494	\$ 63,492,313	\$ 64,987,547	\$ 67,718,884	\$ 70,405,267	\$ 71,260,000	\$ 72,082,781	\$ 73,626,957	\$ 75,015,150
Tuition charges	220,665	153,841	267,891	250,252	332,987	532,236	662,476	706,546	865,959	1,335,212
Transportation Fees from Other LEAs								19,135	-	-
Interest earnings	944,662	745,175	447,739	66,625	263	630	29,900	72,212	75,013	56,015
Miscellaneous	1,321,532	1,257,465	1,919,646	2,994,251	1,565,510	1,269,384	1,409,877	1,564,184	1,727,512	2,850,999
State sources	13,363,444	16,455,173	16,481,341	10,112,058	9,034,170	6,350,337	8,276,469	10,868,673	10,831,079	11,569,634
Federal sources	1,256,939	1,864,013	1,823,752	1,487,620	2,451,588	2,560,300	2,162,626	1,850,201	1,722,744	1,938,222
Total revenue	74,635,933	81,320,161	84,452,682	79,898,353	81,103,402	81,118,154	83,801,348	87,163,732	88,849,264	92,765,232
Expenditures										
Instruction										
Regular Instruction	27,701,853	29,277,807	30,197,941	27,788,868	29,325,548	28,858,613	28,910,884	29,937,817	29,069,631	29,668,702
Special education instruction	8,776,504	10,487,230	10,875,886	11,542,002	13,149,343	12,505,227	12,847,226	13,955,301	14,372,065	14,812,182
Other instruction	1,859,927	1,790,163	1,843,084	1,673,677	1,489,949	1,275,898	1,998,943	2,235,557	2,401,823	2,603,483
School sponsored activities and athletics	1,210,764	1,340,366	1,401,660	1,371,469	1,435,348	1,359,151	1,576,358	1,671,482	1,769,801	1,695,789
Community services	19,001	12,910	15,405	17,077	16,116		-	-	-	-
Support Services:										
Student and inst. related services	9,474,087	10,401,935	10,335,629	9,648,061	8,624,440	8,418,190	9,411,413	10,164,191	10,417,119	10,954,311
General administration	1,043,823	1,189,589	1,414,045	1,167,280	1,226,520	1,258,429	1,035,224	985,899	963,246	1,028,507
School administration services	3,738,803	3,982,416	4,185,785	4,053,653	4,830,253	4,642,844	4,788,494	4,833,814	4,945,173	5,284,232
Plant operations and maintenance	8,594,163	9,222,133	9,826,305	9,240,737	10,488,342	10,109,803	10,443,307	10,612,696	10,800,079	10,735,054
Pupil transportation	2,971,763	3,455,032	3,363,649	3,387,072	3,212,718	3,019,662	3,062,989	2,983,951	2,993,422	3,155,756
Central services	1,686,158	1,726,852	1,919,372	2,581,645	2,392,080	2,121,600	2,070,166	2,070,404	1,899,277	2,001,690
Capital outlay	11,544,206	14,943,704	13,877,006	3,064,375	1,910,475	2,295,213	1,737,207	2,615,869	3,931,168	2,591,737
Debt service:										
Principal	1,263,187	1,729,290	2,193,047	2,093,984	1,911,107	1,976,762	1,870,904	1,701,874	1,770,051	4,540,180
Advance Refunding Escrow							1,801,947			
Bond Issuance Costs							174,059			
Interest and other charges	1,412,636	1,472,247	1,411,467	1,317,605	1,237,542	1,160,453	806,471	921,648	851,846	791,632
Total expenditures	81,296,875	91,031,674	92,860,281	78,947,505	81,249,781	79,018,055	82,535,592	84,690,303	86,184,701	89,863,255
Excess (Deficiency) of revenues over (under) expenditures	(6,660,942)	(9,711,513)	(8,427,599)	950,848	(146,379)	2,100,099	1,265,756	2,473,229	2,664,563	2,901,977
Other Financing sources (uses)										
Proceeds from borrowing		2,642,000								
Capital Leases	664,179				759,771					
Original issue premium	30,231		49,917	52,925			1,908,006			
Accrued interest on bonds issued										
Refund of Escrow for Refunding Bonds	11,340									
Refunding bonds issued							16,460,000			
Payment to refunded bond escrow agent							(16,392,000)			
Transfers in	1,292,904	999,252	796,170	481,360	396,732	2,455,460	1,761,046	1,930,368	4,257,176	3,132,696
Transfers out	(1,292,904)	(999,252)	(796,170)	(481,360)	(396,732)	(2,455,460)	(1,761,046)	(1,930,368)	(4,257,176)	(3,132,696)
Total other financing sources (uses)	705,750	2,642,000	49,917	52,925	759,771	-	1,976,006	-	-	-
Net change in fund balances	\$ (5,955,192)	\$ (7,069,513)	\$ (8,377,682)	\$ 1,003,773	\$ 613,392	\$ 2,100,099	\$ 3,241,762	\$ 2,473,229	\$ 2,664,563	\$ 2,901,977
Debt service as a percentage of noncapital expenditures	3.84%	4.21%	4.56%	4.50%	3.97%	4.09%	3.31%	3.20%	3.19%	6.11%

* Noncapital expenditures are total expenditures less capital outlay.

**PARAMUS BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS ENDED JUNE 30**

	<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>	<u>2015</u>
Tuition	\$ 220,665	\$ 153,841	\$ 267,891	\$ 250,252	\$ 332,987	\$ 532,236	\$ 662,476	\$ 706,546	\$ 865,959	\$ 1,335,212
Transportation Fees								19,135		
Interest Income	219,619	253,784	206,396	34,790	131	386	27,774	69,701	72,837	54,231
Bldg. Rental	200,326	243,834	185,109	189,112	167,501	142,167	124,737	134,703	81,853	43,482
E-Rate					65,759	57,028				
Refunds Prior Year				161,263	215,373	64,320				1,637,975
Prior Year Outstanding Checks					52,858	15,743				
Miscellaneous	240,863	260,372	49,343				267,458	340,081	573,571	125,355
Special Schools Fees	786,837	717,393	886,859	888,525	886,515	879,125	838,837	1,012,705	1,021,321	953,075
Cancellation of Prior Year Accounts Payable			33,839				103,570	248		
Insurance Claims Refund					87,502					
Insurance Premium Refund					21,881					
Health Claim Reimbursements	-	-	700,000	1,700,000	-	-	-	-	-	-
	<u>\$ 1,668,310</u>	<u>\$ 1,629,224</u>	<u>\$ 2,329,437</u>	<u>\$ 3,223,942</u>	<u>\$ 1,830,507</u>	<u>\$ 1,691,005</u>	<u>\$ 2,024,852</u>	<u>\$ 2,283,119</u>	<u>\$ 2,615,541</u>	<u>\$ 4,149,330</u>

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 156,618,700	\$ 3,613,699,400	\$ 1,479,800	\$ 22,400	\$ 2,936,662,500	\$ 112,419,000	\$ 17,025,400	\$ 6,837,927,200	\$ 4,776,586	\$ 6,842,703,786	\$ 8,308,287,397	\$ 0.870
2007	155,672,300	3,673,674,200	1,479,800	22,400	2,950,830,100	89,876,200	17,025,400	6,888,580,400	5,090,171	6,893,670,571	8,981,328,259	0.900
2008 (1)	154,005,400	4,052,386,800	1,479,800	22,400	3,625,769,000	125,476,500	18,642,800	7,977,782,700	6,821,663	7,984,604,363	9,374,550,417	0.805
2009	150,553,900	4,085,384,000	1,479,800	22,400	3,628,077,100	123,055,000	18,642,800	8,007,215,000	6,375,948	8,013,590,948	9,287,253,375	0.828
2010	144,177,500	4,348,882,600	1,502,200		3,378,135,900	116,580,000	18,642,800	8,007,921,000	7,054,399	8,014,975,399	9,232,778,941	0.862
2011	144,326,700	4,142,885,600	1,479,800	22,400	3,567,285,600	115,428,700	18,642,800	7,990,071,600	6,411,753	7,976,041,303	8,672,226,280	0.888
2012	144,326,700	4,146,398,000	1,479,800	22,400	3,567,000,300	115,428,700	18,642,800	7,993,298,700	6,411,753	7,999,710,453	8,558,395,272	0.896
2013	143,045,700	4,154,425,400	1,479,800	22,400	3,462,384,900	113,136,400	18,642,800	7,893,137,400	6,222,785	7,899,360,185	8,545,391,805	0.922
2014	142,215,000	4,171,077,547	1,479,800	22,400	3,542,561,600	111,783,600	18,642,800	7,987,782,747	4,987,188	7,992,769,935	8,834,630,995	0.930
2015	137,950,900	4,203,955,147	1,479,800	22,400	3,532,924,100	109,198,200	16,964,600	8,002,495,147	5,235,279	8,007,730,426	8,758,087,401	0.944

Source: County Abstract of Ratables

^a Tax rates are per \$100

(1) The Borough underwent a revaluation of real property which became effective January 1, 2008.

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

<u>Year Ended December 31,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2006	\$ 1.550	\$ 0.870	\$ 0.460	\$ 0.220
2007	1.610	0.900	0.490	0.220
2008 (1)	1.482	0.805	0.467	0.210
2009	1.545	0.828	0.494	0.223
2010	1.637	0.862	0.548	0.227
2011	1.665	0.888	0.551	0.226
2012	1.677	0.896	0.548	0.233
2013	1.726	0.922	0.555	0.249
2014	1.719	0.930	0.535	0.254
2015	1.734	0.944	0.530	0.260

(1) The Borough underwent a revaluation of property which became effective January 1, 2008.

Source: Tax Duplicates, Borough of Paramus

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Westland GSP L.P.	\$ 739,346,900	9.23%	Not Available	
Vornado, Bergen Mall LLC	247,730,300	3.09%		
ALX of Paramus LLC	143,601,800	1.79%		
Westland GSP L.P.	97,069,400	1.21%		
Paramus Park				
Westland GSP L.P.				
Vornado, Bergen Mall LLC				
Paramus Park	91,024,000	1.14%		
Faber Bros Inc NJ	70,000,000	0.87%		
Paramus Park C/O Macy's	49,362,500	0.62%		
William Farber (Trustees/Etal)	48,956,500	0.61%		
Mack Paramus Affiliates				
Mack F Properties				
Country Club Office Plaza	48,765,000	0.61%		
Nth 285-289W LLC				
Paramus Road IV, LLC				
Mack Paramus Affiliates	46,351,800	0.58%		
	<u>\$ 1,582,208,200</u>	<u>19.76%</u>	<u>\$ -</u>	<u>0.00%</u>
Country Club Office Plaza				

Source: Municipal Tax Assessor

N/A Not Available

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 57,528,691	\$ 57,528,691	100.00%	N/A
2007	60,844,494	60,844,494	100.00%	N/A
2008	63,492,313	63,492,313	100.00%	N/A
2009	64,987,547	64,987,547	100.00%	N/A
2010	67,718,884	67,718,884	100.00%	N/A
2011	70,405,267	70,405,267	100.00%	N/A
2012	71,260,000	71,260,000	100.00%	N/A
2013	72,082,781	72,082,781	100.00%	N/A
2014	73,626,957	73,626,957	100.00%	N/A
2015	75,015,150	75,015,150	100.00%	N/A

N/A = Not Applicable

**PARAMUS 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>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Temporary Notes</u>			
2006	\$ 31,167,000		\$ 560,974	\$ 2,649,480	\$ 34,377,454	\$ 26,125	\$ 1,316
2007	32,159,000		481,684	3,482,620	36,123,304	26,012	1,389
2008	30,049,000		398,637	16,804,809	47,252,446	26,010	1,817
2009	28,042,000		311,653	12,217,110	40,570,763	26,015	1,560
2010	26,222,000		759,771	11,820,510	38,802,281	26,137	1,485
2011	24,347,000		658,009	11,423,910	36,428,919	26,373	1,381
2012	22,625,000		577,105	9,736,000	32,938,105	26,525	1,242
2013	21,005,000		495,231		21,500,231	26,618	808
2014	19,320,000		410,180		19,730,180	26,725	738
2015	15,190,000				15,190,000	26,832	566

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2006	\$ 31,167,000		\$ 31,167,000	0.46%	\$ 1,193
2007	32,159,000		32,159,000	0.47%	1,236
2008	30,049,000		30,049,000	0.38%	1,155
2009	28,042,000		28,042,000	0.35%	1,078
2010	26,222,000		26,222,000	0.33%	1,003
2011	24,347,000		24,347,000	0.31%	923
2012	22,625,000		22,625,000	0.28%	853
2013	21,005,000		21,005,000	0.27%	789
2014	19,320,000		19,320,000	0.24%	723
2015	15,190,000		15,190,000	0.19%	566

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**PARAMUS BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT:			
Borough of Paramus (1)	\$ 41,883,120	\$ 9,481,267	\$ 32,401,853
Paramus School District	<u>19,320,000</u>	<u>19,320,000</u>	<u>-</u>
	<u>\$ 61,203,120</u>	<u>\$ 28,801,267</u>	<u>32,401,853</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County:			
County of Bergen(A)			50,809,533
Bergen County Utilities Authority - Water Pollution Control (B)			<u>9,552,832</u>
			<u>60,362,365</u>
Total Direct and Overlapping Outstanding Debt			<u>\$ 92,764,218</u>

SOURCE:

(1) Borough of Paramus 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to Borough of Paramus by dividing the municipality's 2014 equalized value by the total 2014 equalized value for the County of Bergen.

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

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

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2014 8,671,062,470
	2013 8,648,118,111
	2012 8,675,166,811
	<u>\$ 25,994,347,392</u>
Average equalized valuation of taxable property	\$ 8,664,782,464
Debt limit (4 % of average equalization value)	346,591,299 ^a
Total Net Debt Applicable to Limit	<u>15,190,000</u>
Legal debt margin	<u>\$ 331,401,299</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 288,708,351	\$ 322,686,600	\$ 349,495,131	\$ 362,202,482	\$ 367,696,850	\$ 359,887,470	\$ 350,541,846	\$ 343,226,211	\$ 343,601,966	\$ 346,591,299
Total net debt applicable to limit	<u>34,426,069</u>	<u>34,251,811</u>	<u>31,636,901</u>	<u>29,233,301</u>	<u>27,016,701</u>	<u>24,745,101</u>	<u>22,626,501</u>	<u>21,005,000</u>	<u>19,320,000</u>	<u>15,190,000</u>
Legal debt margin	<u>\$ 254,282,282</u>	<u>\$ 288,434,789</u>	<u>\$ 317,858,230</u>	<u>\$ 332,969,181</u>	<u>\$ 340,680,149</u>	<u>\$ 335,142,369</u>	<u>\$ 327,915,345</u>	<u>\$ 322,221,211</u>	<u>\$ 324,281,966</u>	<u>\$ 331,401,299</u>
Total net debt applicable to the limit as a percentage of debt limit	11.92%	10.61%	9.05%	8.07%	7.35%	6.88%	6.45%	6.12%	5.62%	4.38%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT J-14

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	26,125	\$ 63,103	3.40%
2007	26,012	67,544	3.50%
2008	26,010	67,331	4.00%
2009	26,015	63,874	7.40%
2010	26,137	63,885	7.80%
2011	26,373	67,248	8.50%
2012	26,525	69,281	7.50%
2013	26,618	69,495	6.50%
2014	26,725	N/A	5.40%
2015	26,832	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

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

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

PARAMUS BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction					
Regular	304	258	262	259	245
Special education	124	168	186	191	195
Support Services:					
Student & instruction related services	83	89	88	91	89
General administration	3	2	2	2	2
School administrative services	31	36	37	41	39
Other administrative services	4	-	-	-	-
Central services	16	15	15	15	15
Administrative Information Technology	6	6	6	6	7
Plant operations and maintenance	121	120	109	105	105
Pupil transportation	24	23	20	21	20
Other support services					
Special Schools	3	51	48	33	36
Total	<u>719</u>	<u>768</u>	<u>773</u>	<u>764</u>	<u>753</u>

Source: District Personnel Records

Note:

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

PARAMUS 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	Middle School					
2006	4,408	\$ 67,498,489	\$ 15,313	6.05%	425	1:11.07	1:11.58	1:11.28	4,296	4,183	0.42%	97.37%
2007	4,356	72,886,433	16,732	9.27%	419	1:10.06	1:10.46	1:11.42	4,326	4,215	0.70%	97.43%
2008	4,361	75,318,538	17,271	3.22%	422	1:10.47	1:09.38	1:09.32	4,361	4,239	0.81%	97.20%
2009	4,426	72,471,541	16,374	-5.19%	410	1:09.05	1:11.22	1:11.16	4,247	4,127	-2.61%	97.17%
2010	4,245	76,190,657	17,948	9.61%	419	1:10.32	1:09.80	1:09.47	4,243	4,087	-0.09%	96.32%
2011	4,177	73,585,627	17,617	-1.85%	391	1:09.84	1:09.62	1:08.56	4,156	3,940	-2.05%	94.80%
2012	4,095	76,145,004	18,595	5.55%	382	1:09.76	1:08.94	1:08.98	4,073	3,938	-2.00%	96.69%
2013	4,034	79,451,112	19,695	5.92%	385	1:33.39	01:27.0	1:25.40	4,031	3,884	-1.03%	96.35%
2014	3,941	79,631,636	20,206	2.59%	387	1:09.98	1:09.72	1:10.85	3,940	3,798	-2.26%	96.40%
2015	3,933	81,939,706	20,834	3.11%	398	1:10.40	1:09.66	1:10.41	3,934	3,787	-0.15%	96.26%

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.

**PARAMUS BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Elementary										
Memorial										
Square Feet	48,600	48,600	48,600	49,250	49,250	49,250	49,250	49,250	49,250	49,250
Capacity (students)	365	365	365	365	365	365	365	365	365	365
Enrollment	303	333	336	336	334	344	318	317	319	340
Midland										
Square Feet	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Capacity (students)	321	321	321	321	321	321	321	321	321	321
Enrollment ^a	286	280	271	271	244	261	231	231	237	236
Stony Lane										
Square Feet	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	239	246	247	247	219	218	201	201	206	196
Ridge Ranch										
Square Feet	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	372	390	380	380	382	365	347	350	315	297
Parkway										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	390	361	351	351	274	245	273	255	251	267
Middle School										
East Brook										
Square Feet	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	632	610	634	634	649	641	627	629	608	652
West Brook										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	704	708	718	718	738	704	671	674	627	624
High School										
Square Feet	273,500	273,500	273,500	297,950	297,950	297,950	297,950	297,950	297,950	297,950
Capacity (students)	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944
Enrollment	1,384	1,428	1,427	1,427	1,332	1,318	1,288	1,288	1,272	1,322

Number of Schools at June 30, 2015

Elementary = 5

Middle School = 2

Senior High School = 1

Source: District Records

PARAMUS 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

School Facilities	Project Nos.	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Memorial School	N/A	\$ 112,052	\$ 42,240	\$ 46,510	\$ 31,592	\$ 53,384	\$ 55,074	\$ 85,422	\$ 112,602	\$ 121,064	\$ 117,535
Midland School	N/A	77,127	22,591	27,772	22,768	42,354	43,695	77,537	37,519	40,339	39,163
Parkway School	N/A	142,156	75,933	68,243	36,463	39,284	40,528	98,642	25,832	27,773	26,963
Ridge Ranch School	N/A	113,830	33,269	25,680	43,033	59,486	61,370	67,525	82,690	88,904	86,313
Stony Lane School	N/A	73,123	23,933	27,896	33,195	48,106	49,629	53,207	33,753	36,289	35,231
Paramus High School	N/A	751,186	1,418,111	1,055,632	1,030,870	1,240,865	1,280,155	827,419	1,344,475	1,445,512	1,403,379
East Brook Middle School	N/A	188,858	85,938	107,389	89,619	94,357	97,345	179,886	92,996	99,985	97,071
West Brook Middle School	N/A	304,800	205,204	218,248	141,018	147,418	152,086	346,612	162,072	174,252	169,173
Total School Facilities		<u>\$ 1,763,132</u>	<u>\$ 1,907,219</u>	<u>\$ 1,577,370</u>	<u>\$ 1,428,558</u>	<u>\$ 1,725,254</u>	<u>\$ 1,779,882</u>	<u>\$ 1,736,250</u>	<u>\$ 1,891,939</u>	<u>\$ 2,034,118</u>	<u>\$ 1,974,828</u>

Source: District Records

**PARAMUS BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Building & Contents	\$ 95,128,109	\$ 5,000
General Liability (Aggregate)	2,000,000	
Environmental Impairment Liability	1,000,000	15,000
Business Automobile Liability	1,000,000	
Excess Liability (Each Occurrence and Aggregate)	10,000,000	
Educator's Legal Liability	1,000,000	
Umbrella Excess (Each Occurrence and Aggregate)	50,000,000	
Cyber Liability	2,000,000	
Public Official Bonds - The Hartford Insurance Group		
Steven Cea	250,000	
Deborah Carpino	375,000	

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

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

**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
Paramus Board of Education
Paramus, 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 Paramus Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Paramus Board of Education's basic financial statements and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Paramus 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 Paramus Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Paramus 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.

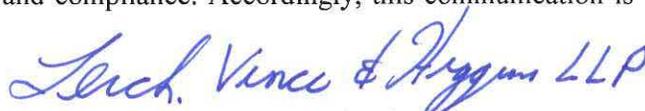
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Paramus 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 no instances of noncompliance or other matters that are 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.

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 Paramus 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 Paramus Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 4, 2015



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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
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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

**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 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Paramus 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 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Paramus Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The Paramus 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 Paramus 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 15-08, 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 Paramus 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 Paramus Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Paramus 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, 2015.

Report on Internal Control Over Compliance

Management of the Paramus 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 Paramus 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 15-08, 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 Paramus 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. 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 15-08

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 Paramus Board of Education, as of and for the fiscal year ended June 30, 2015 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 December 4, 2015, 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 15-08 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
Certified Public Accountants
Public School Accountants



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 4, 2015

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period	June 30, 2014				June 30, 2015				MEMO GAAP Receivable			
					Accounts Receivable	Unearned Revenue	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments		Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education Passed-through State Department of Education General Fund Medicaid Reimbursement	93.778.1	N/A	\$ 18,773	7/1/14-6/30/15	-	-	-	-	\$ 16,283	\$ 18,773	-	-	\$ (2,490)	-	-	\$ (2,490)
Total General Fund					-	-	-	-	16,283	18,773	-	-	(2,490)	-	-	(2,490)
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund No Child Left Behind																
Title I	84.010A	NCLB393015	279,548	7/1/14-6/30/15			\$ (73,662)	\$ 73,662	108,191	313,801	\$ 43,854		(201,163)	\$ 39,409		(161,756)
Title I c/o	84.010A	NCLB393014	224,800	7/1/13-6/30/14	\$ (16,646)	\$ 86,324	73,662	(73,662)			(57,016)	\$ (12,862)				
Title II Part A	84.367A	NCLB393015	109,405	7/1/14-6/30/15			(87,298)	87,298	50,918	122,098			(145,785)	74,605		(71,180)
Title II Part A c/o	84.367A	NCLB393014	107,963	7/1/13-6/30/14	(88,987)	54,793	87,298	(87,298)	15,296		(13,607)	32,505				
Title III	84.365A	NCLB393015	38,363	7/1/14-6/30/15			(9,328)	9,328	21,252	28,773			(26,439)	18,918		(7,521)
Title III c/o	84.365A	NCLB393014	38,886	7/1/13-6/30/14	(8,407)	17,098	9,328	(9,328)	2,074		(2,995)	(7,770)				
Title III - Immigrant	84.365A	NCLB393015	37,550	7/1/14-6/30/15			(3,615)	3,615	3,670	4,891			(37,495)	36,274		(1,221)
Title III - Immigrant c/o	84.365A	NCLB393014	26,223	7/1/13-6/30/14	(26,223)	3,615	3,615	(3,615)	22,608							
I.D.E.A. Part B																
Basic Regular	84.027	FT393015	1,416,009	7/1/14-6/30/15			(49,906)	49,906	1,285,332	1,465,850			(180,583)	65		(180,518)
Basic Regular, Carryover	84.027	FT393014	1,320,963	7/1/13-6/30/14	(441,868)	45,536	49,906	(49,906)	407,821		(15,859)	4,370				
Preschool	84.173	PS393015	31,164	7/1/14-6/30/15			(16,411)	16,411	14,917	40,407			(32,658)	7,168		(25,490)
Preschool, Carryover	84.173	PS393014	30,973	7/1/13-6/30/14	(12,214)	16,411	16,411	(16,411)	4,925	-	(9,122)	-		-		-
Total Special Revenue Fund					(594,345)	223,977	-	-	1,937,004	1,975,820	(54,745)	16,243	(624,125)	\$ 176,439	-	(447,686)
U.S. Department of Education Passed-through State Department of Education Enterprise Fund																
National School Lunch Program	10.555	N/A														
Non-Cash Assistance (Food Distribution)			30,722	7/1/14-6/30/15					30,722	30,150				572		
Non-Cash Assistance (Food Distribution)			29,451	7/1/13-6/30/14		532				532						
Cash Assistance			86,344	7/1/14-6/30/15					80,437	86,344			(5,907)			(5,907)
Cash Assistance			84,931	7/1/13-6/30/14	(6,448)				6,448							
Special Milk Program	10.556	N/A	22,325	7/1/14-6/30/15					19,987	22,325			(2,338)			(2,338)
Special Milk Program	10.556	N/A	20,286	7/1/13-6/30/14	(2,072)				2,072							
Total Enterprise Fund					(8,520)	532	-	-	139,666	139,351	-	-	(8,245)	572	-	(8,245)
Total Federal Financial Awards					\$ (602,865)	\$ 224,509	\$ -	\$ -	\$ 2,092,953	\$ 2,133,944	\$ (54,745)	\$ 16,243	\$ (634,860)	\$ 177,011	\$ -	\$ (458,421)

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

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grant/Program Title	Project Number	Amount	Period	Balance July 1, 2014	Carryover Amount	Cash Received	Cash Expenditures	Adjustments	Refund of Prior Balance	Deferred Revenue June 30, 2015	(Accounts Receivable) June 30, 2015	Due to Grantor June 30, 2015	Memo		
													GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund															
Special Education Categorical Aid	15-495-034-5120-089	\$ 1,670,173	7/1/14-6/30/15			\$ 1,556,141	\$ 1,670,173				\$ (114,032)		\$	\$ 1,670,173	
Special Education Categorical Aid	14-495-034-5120-089	1,670,173	7/1/13-6/30/14	(117,135)		117,135	60,533				(4,133)			60,533	
Security Aid	15-495-034-5120-084	60,533	7/1/14-6/30/15	(4,246)		56,400	60,533								
Security Aid	14-495-034-5120-084	60,533	7/1/13-6/30/14			4,246									
Transportation Aid	15-495-034-5120-014	193,920	7/1/13-6/30/15	(13,600)		180,680	193,920				(13,240)			193,920	
Transportation Aid	14-495-034-5120-014	193,920	7/1/13-6/30/14			13,600									
PARCC Readiness	15-495-034-5120-098	38,180	7/1/14-6/30/15			35,573	38,180				(2,607)			38,180	
PARCC Readiness	14-495-034-5120-098	38,180	7/1/14-6/30/14			35,573	38,180				(2,607)			38,180	
Per Pupil Growth Aid	15-495-034-5120-097	39,214	7/1/14-6/30/15			33,998	39,214				(5,214)		\$ (39,214)	39,214	
NonPublic Transportation Aid	N/A														
NonPublic Transportation Aid	N/A	33,998	7/1/13-6/30/14	(33,998)											
Extraordinary Special Ed. Costs Aid	15-100-034-5120-473	618,600	7/1/14-6/30/15			730,383	618,600				(618,600)			618,600	
Extraordinary Special Ed. Costs Aid	14-100-034-5120-473	730,383	7/1/13-6/30/14	(730,383)											
On-Behalf TPAF Pension and Annuity Aid-															
Normal Cost & Accrued Liability	15-495-034-5094-006	1,463,302	7/1/14-6/30/15			1,463,302	1,463,302							1,463,302	
Normal Cost & Accrued Liability	14-495-034-5094-007	108,422	7/1/14-6/30/15			108,422	108,422							108,422	
Post Retirement Medical Contributions	15-495-034-5094-001	2,493,525	7/1/14-6/30/15			2,493,525	2,493,525							2,493,525	
TPAF Social Security Contributions	15-495-034-5094-003	2,175,291	7/1/14-6/30/15			2,070,402	2,175,291				(104,889)		(104,889)	2,175,291	
TPAF Social Security Contributions	14-495-034-5094-002	2,186,105	7/1/13-6/30/14	(109,137)		109,137									
Total General Fund				(1,008,699)		9,007,717	8,898,340				(899,322)		(144,103)	8,898,340	
Special Revenue Fund															
NJ Nonpublic Aid															
Textbook	15-100-034-5120-064	235,818	7/1/14-6/30/15			235,818	230,708					\$ 5,110		230,708	
Textbook	14-100-034-5120-064	207,772	7/1/13-6/30/14	106			106								
Nursing	15-100-034-5120-070	408,580	7/1/14-6/30/15			405,580	403,922					1,658		403,922	
Technology	15-100-034-5120-373	126,656	7/1/14-6/30/15			126,656	121,537					5,119		121,537	
Technology	14-100-034-5120-373	78,760	7/1/13-6/30/14	4,196			4,196								
Auxiliary															
Compensatory Education	15-100-034-5120-067	341,747	7/1/14-6/30/15			341,747	333,954					7,793		333,954	
Compensatory Education	14-100-034-5120-067	338,454	7/1/13-6/30/14	2,391			2,391								
ESL	15-100-034-5120-067	46,589	7/1/14-6/30/15			46,589	37,453					9,136		37,453	
ESL	14-100-034-5120-067	55,342	7/1/13-6/30/14	7,158			7,158								
Home Instruction	15-100-034-5120-067	2,159	7/1/14-6/30/15			2,159	2,159				(2,159)			2,159	
Home Instruction	14-100-034-5120-067	6,398	7/1/13-6/30/14	(6,398)											
Transportation	15-100-034-5120-068	12,600	7/1/14-6/30/15			12,600	12,600							12,600	
Handicapped															
Supplementary Instruction	15-100-034-5120-066	254,714	7/1/14-6/30/15			254,714	247,494					7,220		247,494	
Examination and Classification	15-100-034-5120-066	406,887	7/1/14-6/30/15			406,887	387,982					18,905		387,982	
Corrective Speech	15-100-034-5120-066	248,264	7/1/14-6/30/15			248,264	237,927					10,337		237,927	
Corrective Speech	14-100-034-5120-066	246,078	7/1/13-6/30/14	21,249			21,249								
Total Special Revenue Fund				28,702		2,085,253	2,015,736				(2,159)		(2,159)	2,015,736	

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2014	Carryover Amount	Cash Received	Cash Expenditures	Adjustments	Refund of Prior Balance	Deferred Revenue June 30, 2015	(Accounts Receivable)	Due to Grantor June 30, 2015	Memo			
													GAAP Receivable	Cumulative Total Expenditures		
State Department of Education														*	*	
State Department of Education														*	*	
Schools Development Authority														*	*	
<u>Capital Projects Fund</u>														*	*	
HS Window Replacement(600-700 Wings)	3930-050-14-1002-G04	\$ 103,320	7/1/14-6/30/15	\$ (71,924)		\$ 103,320	\$ 31,396								\$	31,396
Ridge Ranch Bathroom Renovations	3930-110-14-1006-G04	98,490	7/1/14-6/30/15	(6,496)		96,806	90,310									90,310
HS Courtyard Window Replacement	3930-050-14-1001-G04	51,312	7/1/14-6/30/15	(47,500)		51,312	3,812									3,812
East Brook Roof Replacement (Sec A-G)	3930-065-14-1004-G04	725,640	7/1/14-6/30/15	(411,153)		540,074	128,941									128,941
HS & Board Office HVAC Controls	3930-050-14-1007-G04	148,950	7/1/14-6/30/15	(64,027)		44,464	31,721			\$ (51,284)				\$	(51,284)	51,721
HS Interior Handicapped Ramp	3930-050-14-1003-G04	49,200	7/1/14-6/30/15	-		-	-			(27,872)					(27,872)	-
Total Capital Projects Fund				(601,080)	-	835,976	286,180	-	-	27,872	(79,156)	-	-		(79,156)	286,180
<u>Debt Service Fund</u>														*	*	
Debt Service State Support	15-495-034-5120-075	238,735	7/1/14-6/30/15	-	-	238,735	238,735	-	-	-	-	-	-	-	-	238,735
Total Debt Service Fund				-	-	238,735	238,735	-	-	-	-	-	-	-	-	238,735
State Department of Agriculture														*	*	
<u>Enterprise Fund</u>														*	*	
State School Lunch Program	15-100-010-3350-023	5,663	7/1/14-6/30/15			3,286	5,663				(377)				(377)	5,663
State School Lunch Program	14-100-010-3350-023	6,087	7/1/13-6/30/14	(764)	-	764	-				-				-	-
Total Enterprise Fund				(764)	-	6,050	5,663	-	-	-	(377)	-	-		(377)	5,663
Total				\$ (1,581,841)	\$ -	\$ 12,173,731	\$ 11,444,654	\$ -	\$ 35,100	\$ 27,872	\$ (981,014)	\$ 65,278	\$ -	\$ (225,795)	\$ 11,444,654	
Less On-Behalf TPAF Pension and Annuity Aid														*	*	
Normal Cost & Accrued Liability	15-495-034-5094-006	1,465,302	7/1/14-6/30/15			1,465,302	1,465,302									1,465,302
NCGI	15-495-034-5094-007	105,422	7/1/14-6/30/15			105,422	105,422									105,422
Post Retirement Medical Contributions	15-495-034-5094-001	2,493,525	7/1/14-6/30/15			2,493,525	2,493,525									2,493,525
Total for State Financial Assistance Determination				\$ (1,581,841)	\$ -	\$ 8,109,482	\$ 7,380,405	\$ -	\$ 35,100	\$ 27,872	\$ (981,014)	\$ 65,278	\$ -	\$ (225,795)	\$ 7,380,405	

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**PARAMUS BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Paramus 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 basis 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 15-08, "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 \$110,345 for the general fund and a decrease of \$36,082 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	\$ 18,773	\$ 9,008,685	\$ 9,027,458
Special Revenue Fund	1,919,449	2,036,034	3,955,483
Capital Projects Fund		286,180	286,180
Debt Service Fund		238,735	238,735
Food Service Fund	<u>139,351</u>	<u>5,663</u>	<u>145,014</u>
Total Awards Financial Assistance	<u>\$ 2,077,573</u>	<u>\$ 11,575,297</u>	<u>\$ 13,652,870</u>

**PARAMUS BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 \$2,175,291 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,570,724 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,493,525 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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.

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: 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? _____ yes X none reported

Noncompliance material to the basic financial statements noted? _____ yes X 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>84.027</u>	<u>IDEA - Basic</u>
<u>84.173</u>	<u>IDEA - Preschool</u>
<u>84.010A</u>	<u>NCLB - Title I</u>
_____	_____

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

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

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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)? _____ 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 N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>15-100-034-5120-070</u>	<u>Nonpublic Nursing</u>
<u>15-100-034-5120-473</u>	<u>Extraordinary Special Education Aid</u>
<u>15-100-034-5120-066</u>	<u>Nonpublic Handicapped Aid</u>
<u>15-495-034-5120-075</u>	<u>Debt Service Aid</u>

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

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

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

THERE ARE NONE

PARAMUS BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 15-08.

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**PARAMUS BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

STATUS OF PRIOR YEAR FINDINGS

THERE WERE NONE.