

**SECAUCUS BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

**Secaucus, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Secaucus Board of Education**

**Secaucus, New Jersey**

**For The Fiscal Year Ended June 30, 2015**

**Prepared by**

**Secaucus Board of Education  
Business Department**

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## **INTRODUCTORY SECTION**

# Public School District Secaucus

20 Centre Avenue • Secaucus, New Jersey • 07094

*Growing Global Learners*

*through Positive Culture*

*and Academic Challenges*

November 16, 2015

Honorable President and Members of the  
Secaucus Board of Education  
20 Centre Avenue  
Secaucus, New Jersey 07094

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 State 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 Secaucus Board of Education for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the Secaucus 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 Secaucus 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 Secaucus Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Secaucus 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 Secaucus 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 Secaucus 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 concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Secaucus 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 Secaucus 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

control 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 Secaucus 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 MD&A and should be read in conjunction with it. The Secaucus Board of Education's MD&A can be found immediately following the report of the independent auditors.

1).REPORTING ENTITY AND ITS SERVICES: Secaucus Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB). All funds of the District are included in this report. The Secaucus 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 PK through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 2185 students. The following details the changes in the student enrollment of the District over the last ten (10) years.

Fiscal Year	Student Count	Percent Change
2014-2015	2185	0.1%
2013-2014	2183	(.1)
2012-2013	2185	1.8
2011-2012	2146	(2.3)
2010-2011	2196	2.5
2009-2010	2143	1.1
2008-2009	2120	2.2
2007-2008	2074	3.9
2006-2007	1996	3.7
2005-2006	1925	1.3

2). ECONOMIC CONDITION AND OUTLOOK: The Town of Secaucus continues significant increase in residential construction. This is due to the continuation of the housing units at Exchange Place; which is adjacent to the New Jersey Turnpike interchange 15X; and the Frank Lautenburg Rail Transfer Facility in Secaucus. Completion of affordable housing townhouses located on County Avenue consisting of 8 units of two and/or three bedroom units and a minimum of 6-12 students are expected. The additional ratables will continue to stabilize the tax rate. Currently, there is additional construction of additional 10-20 town houses at Tenth Street and Meadowlands Parkway. This in turn will provide revenues which will enable the Town of Secaucus to continue providing services that were the basis for Secaucus being considered a very good place to live in New Jersey. For all these reasons, Secaucus will continue to prosper economically and its residents will continue to enjoy a high quality of life.

3).MAJOR INITIATIVES: The Secaucus Board of Education continued its emphasis on the improvement of instruction, Common Core Curriculum Content Standards through the implementation of web-based on-going performance-based assessments and standards-based programs, in-service training/professional development, and facility improvements and expansion. Specific actions completed in the school year include:

- Expansion/renovations of Middle/High School began in June 2015 (referendum of Dec. 2012)
- Continued to support class size which is conducive to learning

The following information provided is reflective of the continuing improvement of the educational program provided by the Secaucus Board of Education:

- 94% of Secaucus High School Graduates went onto further their education
- 77% went onto 4 year college
- 17% went onto 2 year college
- Business & Trade Schools 3%
- Choosing employment 1%

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances are year-end are either canceled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

7). DEBT ADMINISTRATION: As of June 30, 2015 the District's outstanding debt issues included \$31,810,000 of general obligation and refunding bonds.

8). CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the

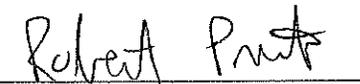
provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

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

10). OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch Vinci & Higgins, LLP was selected by the Secaucus Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirement of the Single Audit Act with OMB Circular A-133 and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



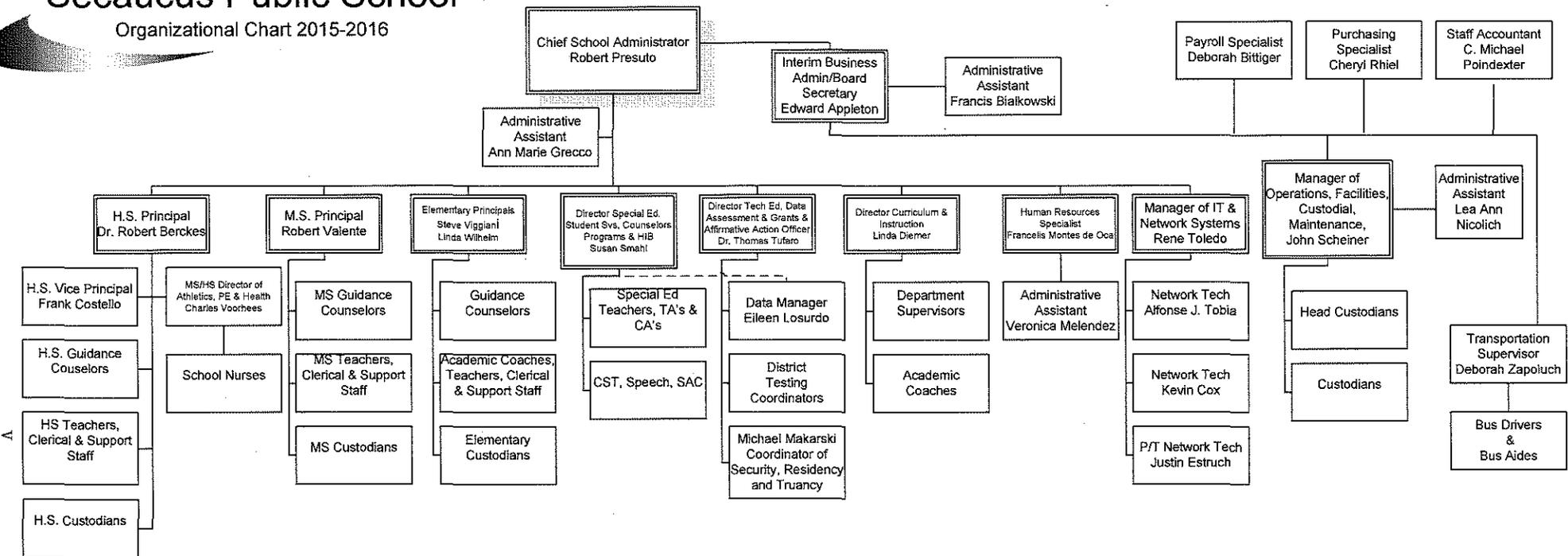
Robert Presuto,  
Superintendent



Edward J. Appleton  
Interim Business Administrator/Board Secretary

# Secaucus Public School

Organizational Chart 2015-2016



**Roster of Officials**  
**Secaucus Board of Education**  
**June 30, 2015**

	<u>Term Expires</u>
John Gerbasio, President	2016
Joseph Lewis, Vice President	2017
Robert Anderson	2015
Lance Bartletta	2017
Kelli D'Addetta	2015
Norma Hanley	2015
John McStowe	2016
Kathy O'Connell	2016
Ruby Pantoliano	2017

# SECAUCUS BOARD OF EDUCATION

## CONSULTANTS AND ADVISORS

### Audit Firm

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

### Attorneys

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21-00 Route 208 South  
Fair Lawn, NJ 07410

Wilentz Goldman & Spitzer  
90 Woodbridge Center Drive Suite 900 Box 10  
Woodbridge, New Jersey 07095-0958

### Official Depository

TD Bank  
1262 Paterson Plank Road  
Secaucus, NJ 0709

### Consultant

DiCara/Rubino Architects  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

**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  
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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  
Secaucus Board of Education  
Secaucus, 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 Secaucus 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 Secaucus 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 Secaucus 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 Secaucus 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 Secaucus 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.

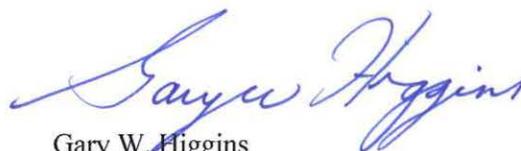
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2015 on our consideration of the Secaucus 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 Secaucus 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  
November 16, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The discussion and analysis of the Secaucus Board of Education'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 \$10,023,985 (net position).
- General revenues accounted for \$34,743,698 in revenue or 79 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,483,853 or 21 percent of total revenues.
- Total net position of governmental activities amounted to \$9,316,675 as of June 30, 2015.
- The District had \$41,591,027 in expenses related to governmental activities; only \$8,432,954 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$34,743,698 were adequate to provide for these programs.
- Among governmental funds, the General fund had \$36,995,322 in revenues and \$36,404,995 in expenditures. The General Fund's fund balance increased \$590,329 from the fiscal year ended June 30, 2014.

**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 Secaucus Board of Education 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 Secaucus Board of Education, the General Fund is by far the most significant fund.

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

**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 and liabilities 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 those assets. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, 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.
- 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 reports 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 Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of 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.

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

**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 District-wide and fund financial statements.

**The District as a Whole**

The *Statement of Net position* provides the perspectives of the District as a whole, showing assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 A-1**  
**Statement of Net Position**  
**As of June 30, 2015 and 2014**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>		(Restated)				(Restated)
Current Assets	\$ 29,017,325	\$ 5,548,120	\$ 743,439	\$ 632,917	\$ 29,760,764	\$ 6,181,037
Capital Assets	27,160,107	24,806,185	28,276	28,954	27,188,383	24,835,139
<b>Total Assets</b>	<u>56,177,432</u>	<u>30,354,305</u>	<u>771,715</u>	<u>661,871</u>	<u>56,949,147</u>	<u>31,016,176</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	316,260	-	-	-	316,260	-
<b>Total Deferred Outflows of Resources</b>	<u>316,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,260</u>	<u>-</u>
<b>Liabilities</b>						
Other Liabilities	2,500,373	929,399	63,585	67,279	2,563,958	996,678
Long-Term Liabilities	44,057,709	21,693,856	-	-	44,057,709	21,693,856
<b>Total Liabilities</b>	<u>46,558,082</u>	<u>22,623,255</u>	<u>63,585</u>	<u>67,279</u>	<u>46,621,667</u>	<u>22,690,534</u>
<b>Deferred Inflows of Resources</b>						
USDA Commodities			820		820	-
Deferred Amount on Net Pension Liability	618,935	-	-	-	618,935	-
<b>Total Deferred Inflows of Resources</b>	<u>618,935</u>	<u>-</u>	<u>820</u>	<u>-</u>	<u>619,755</u>	<u>-</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	18,324,882	14,720,735	28,276	28,954	18,353,158	14,749,689
Restricted	881,285	3,882,864			881,285	3,882,864
Unrestricted	(9,889,492)	(10,872,549)	679,034	565,638	(9,210,458)	(10,306,911)
<b>Total Net Position</b>	<u>\$ 9,316,675</u>	<u>\$ 7,731,050</u>	<u>\$ 707,310</u>	<u>\$ 594,592</u>	<u>\$ 10,023,985</u>	<u>\$ 8,325,642</u>

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

The District's combined net position were \$10,023,985 and \$8,325,642 (restated) on June 30, 2015 and 2014, respectively. This was an increase of \$1,698,343 or 20 percent from the fiscal year ended June 30, 2014.

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

**Table A-2**  
**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2015 and 2014**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 37,050		\$ 646,804	\$ 621,045	\$ 683,854	\$ 621,045
Grants and Contributions	8,395,904	\$ 3,913,673	404,095	356,729	8,799,999	4,270,402
<b>General Revenues</b>						
Property Taxes	34,626,077	34,742,154			34,626,077	34,742,154
State Aid	39,072				39,072	-
Other	78,549	637,242	-	-	78,549	637,242
<b>Total Revenues</b>	<u>43,176,652</u>	<u>39,293,069</u>	<u>1,050,899</u>	<u>977,774</u>	<u>44,227,551</u>	<u>40,270,843</u>
<b>Program Expenses</b>						
Instruction	25,016,947	21,793,849			25,016,947	21,793,849
<b>Support Services</b>						
Student and Instruction Related	4,394,143	4,017,038			4,394,143	4,017,038
General Administration	1,005,038	1,966,545			1,005,038	1,966,545
School Administration	2,429,217	1,250,439			2,429,217	1,250,439
Central Services	1,221,673	159,454			1,221,673	159,454
Administration of IT		442,727				442,727
Operations and Maintenance of Facilities	4,802,450	4,072,940			4,802,450	4,072,940
Pupil Transportation	1,756,128	1,364,581			1,756,128	1,364,581
Business and Other Support Services		575,731			-	575,731
Transfer to Charter School		53,088			-	53,088
Interest on Debt	965,431				965,431	-
Food Service	-	-	938,181	1,712,055	938,181	1,712,055
<b>Total Expenses</b>	<u>41,591,027</u>	<u>35,696,392</u>	<u>938,181</u>	<u>1,712,055</u>	<u>42,529,208</u>	<u>37,408,447</u>
<b>Change in Net Position Before Transfers</b>	1,585,625	3,596,677	112,718	(734,281)	1,698,343	2,862,396
<b>Transfers</b>	-	(884,624)	-	842,785	-	(41,839)
<b>Change in Net Position</b>	1,585,625	2,712,053	112,718	108,504	1,698,343	2,820,557
<b>Net Position, Beginning of Year</b>	<u>7,731,050</u>	<u>15,906,054</u>	<u>594,592</u>	<u>486,088</u>	<u>8,325,642</u>	<u>16,392,142</u>
<b>Prior Period Adjustment</b>	-	(10,887,057)	-	-	-	(10,887,057)
<b>Net Position, Beginning of Year as Adjusted</b>	<u>7,731,050</u>	<u>5,018,997</u>	<u>594,592</u>	<u>486,088</u>	<u>8,325,642</u>	<u>5,505,085</u>
<b>Net Position, End of Year</b>	<u>\$ 9,316,675</u>	<u>\$ 7,731,050</u>	<u>\$ 707,310</u>	<u>\$ 594,592</u>	<u>\$ 10,023,985</u>	<u>\$ 8,325,642</u>

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

**Governmental Activities**

The District's total governmental activities revenues were \$43,176,652 and \$39,293,069 for the years ended June 30, 2015 and 2014, respectively. Property taxes made up 80 and 88 percent of revenues for governmental activities for the Secaucus Board of Education for fiscal years 2015 and 2014, respectively. Federal, state and local grants accounted for another 20 and 10 percent of revenue for the fiscal years ended June 30, 2015 and 2014, respectively.

The total cost of all programs and services was \$41,591,027 and \$35,696,392 for the fiscal years ended June 30, 2015 and 2014, respectively. Instruction comprises 60 and 61 percent of governmental program expenses for the years ended June 30, 2015 and 2014, respectively. Support services expenses make up 38 and 39 percent of governmental expenses for the years ended June 30, 2015 and 2014, respectively. 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 A-3**  
**Total and Net Cost of Services**  
**for the Fiscal Years Ended June 30, 2015 and 2014**

	<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	25,016,947	\$ 21,793,849	18,155,179	\$ 18,151,594
Support Services				
Student and Instruction Related	4,394,143	4,017,038	3,557,548	3,919,453
General Administration, School Admin., Central Services	4,655,928	4,394,896	4,091,377	4,221,063
Operation and Maintenance of Facilities	4,802,450	4,072,940	4,744,065	4,072,940
Pupil Transportation	1,756,128	1,364,581	1,644,473	1,364,581
Transfer to Charter School		53,088		53,088
Interest on Debt	965,431	-	965,431	-
<b>Total</b>	<u>\$ 41,591,027</u>	<u>\$ 35,696,392</u>	<u>\$ 33,158,073</u>	<u>\$ 31,782,719</u>

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues and operating transfers of \$1,050,899 and \$1,820,759 and expenses of \$938,181 and \$1,712,055 in fiscal years ended June 30, 2015 and 2014, respectively. Of the revenues, \$646,804 and \$621,045 was charges for services paid by patrons for daily food service; \$404,095 and \$356,729 was from State and Federal reimbursements for the years ended June 30, 2015 and 2014, respectively. The District transferred \$-0- and \$842,785 from the General Fund to subsidize the Food Service Fund during the years ended June 30, 2015 and 2014, respectively. Beginning in the fiscal year ended June 30, 2015, the Food Service Fund will no longer carryout certain General Fund activities and therefore will no longer receive a subsidy from the General Fund.

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

**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 \$39,823,460 and \$39,293,069 and expenditures were \$42,030,780 and \$38,278,827 for the fiscal years ended June 30, 2015 and 2014, respectively. The net change in the fund balance for the year was an increase of \$25,192,680.

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.

<u>Revenue</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2015</u>	<u>2014</u>		
Local Sources	\$ 34,838,845	\$ 34,226,009	\$ 612,836	1.79%
State Sources	4,088,104	4,268,224	(180,120)	-4.22%
Federal Sources	896,511	798,836	97,675	12.23%
Total Governmental Fund Revenues	<u>\$ 39,823,460</u>	<u>\$ 39,293,069</u>	<u>\$ 530,391</u>	<u>1.35%</u>

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

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2015</u>	<u>2014</u>		
Current Expense				
Instruction	\$ 22,223,826	\$ 15,419,453	\$ 6,804,373	44.13%
Support Services	13,905,548	20,407,010	(6,501,462)	-31.86%
Capital Outlay	3,290,438	1,175,538	2,114,900	179.91%
Debt Service				
Principal	1,936,598	1,115,000	821,598	73.69%
Interest	674,370	161,826	512,544	316.73%
Total Expenditures	<u>\$ 42,030,780</u>	<u>\$ 38,278,827</u>	<u>\$ 3,751,953</u>	<u>9.80%</u>

**SECAUCUS 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 \$27,160,107 and \$24,806,185 invested in land, buildings, furniture and equipment and vehicles for governmental activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities increased \$2,353,922 from the fiscal year ended June 30, 2014 to fiscal year ended June 30, 2015. Table A-4 shows capital assets and the related depreciation for governmental activities at June 30, 2015 and 2014.

**Table A-4**  
**Capital Assets**  
**as of June 30, 2015 and 2014**

	<u>Total</u>	
	<u>2015</u>	<u>2014</u>
		(Restated)
Land	\$ 533,623	\$ 533,623
Improvements Other Than Buildings	914,302	914,302
Construction in Progress	3,894,401	1,007,483
Buildings	37,209,338	37,187,963
Machinery and Equipment	<u>3,964,542</u>	<u>3,676,377</u>
	46,516,206	43,319,748
Less Accumulated Depreciation	<u>19,356,099</u>	<u>18,513,563</u>
<b>Total Net Position</b>	<u>\$ 27,160,107</u>	<u>\$ 24,806,185</u>

Additional information about the District's capital assets can be found in Note 3 of this report.

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

**Long-Term Liabilities**

At June 30, 2015 and 2014, the District had \$44,057,709 and \$18,707,587 of long-term liabilities. Of this amount, \$1,341,226 and \$1,205,127 is for compensated absences; and \$31,810,000 and \$5,577,119 of bonds payable, including unamortized premium, for school construction, \$688,492 and \$1,453,838 for capital leases payable; \$160,545 and \$181,797 for deferred pension obligations, and \$10,057,446 and \$10,289,706 for net pension liability, respectively.

Additional information about the District's Long-Term Debt can be found in Note 4 of this report.

**For the Future**

Secaucus Board of Education demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2014-2015 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

**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 money it receives. If you have questions about this report or need additional information, contact Edward Appleton, Interim Business Administrator/Board Secretary at Secaucus Board of Education, 20 Centre Avenue, Secaucus, New Jersey 07094.

**BASIC FINANCIAL STATEMENTS**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,659,225	\$ 577,697	\$ 29,236,922
Receivables, Net	372,074	66,880	438,954
Inventory		5,885	5,885
Due from Other Funds	7,910		7,910
Internal Balances	(92,977)	92,977	-
Restricted Assets:			
Cash and Cash Equivalents	71,093		71,093
Capital Assets Not Being Depreciated	4,428,024		4,428,024
Capital Assets, Being Depreciated, net	22,732,083	28,276	22,760,359
Total Assets	56,177,432	771,715	56,949,147
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	316,260	-	316,260
Total Deferred Outflows of Resources	316,260	-	316,260
Total Assets and Deferred Outflows of Resources	56,493,692	771,715	57,265,407
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,015,606	63,585	2,079,191
Payable to Other Governments	43,415		43,415
Accrued Interest Payable	395,768		395,768
Unearned Revenue	45,584		45,584
Noncurrent Liabilities			
Due Within One Year	3,367,355		3,367,355
Due Beyond One Year	40,690,354	-	40,690,354
Total Liabilities	46,558,082	63,585	46,621,667
<b>DEFERRED INFLOWS OF RESOURCES</b>			
USDA Commodities		820	820
Deferred Amount on Net Pension Liability	618,935	-	618,935
Total Deferred Inflows of Resources	618,935	820	619,755
Total Liabilities and Deferred Inflows of Resources	47,177,017	64,405	47,241,422
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,324,882	28,276	18,353,158
Restricted for			
Capital Projects	750,000		750,000
Debt Service	131,285		131,285
Unrestricted	(9,889,492)	679,034	(9,210,458)
Total Net Position	\$ 9,316,675	\$ 707,310	\$ 10,023,985

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

**SECAUCUS 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>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Governmental Activities</b>						
Instruction						
Regular	\$ 17,891,698	\$ 3,200	\$ 4,452,133	\$ (13,436,365)		\$ (13,436,365)
Special Education	5,299,019		2,024,028	(3,274,991)		(3,274,991)
Other Instruction	438,715		85,923	(352,792)		(352,792)
School Sponsored Activities and Athletics	1,345,392		296,484	(1,048,908)		(1,048,908)
Community Services	42,123			(42,123)		(42,123)
Support Services						
Student and Instruction Related Services	4,394,143		836,595	(3,557,548)		(3,557,548)
School Administration Services	2,429,217		424,897	(2,004,320)		(2,004,320)
General Administration Services	1,005,038		60,677	(944,361)		(944,361)
Plant Operations and Maintenance	4,802,450		58,385	(4,744,065)		(4,744,065)
Pupil Transportation	1,756,128	\$ 33,850	77,805	(1,644,473)		(1,644,473)
Central Services	1,221,673		78,977	(1,142,696)		(1,142,696)
Interest on Long Term Debt	965,431	-	-	(965,431)	-	(965,431)
Total Governmental Activities	<u>41,591,027</u>	<u>37,050</u>	<u>8,395,904</u>	<u>(33,158,073)</u>	<u>-</u>	<u>(33,158,073)</u>
<b>Business-Type Activities</b>						
Food Service	938,181	646,804	404,095	-	\$ 112,718	112,718
Total Business-Type Activities	<u>938,181</u>	<u>646,804</u>	<u>404,095</u>	<u>-</u>	<u>112,718</u>	<u>112,718</u>
Total Primary Government	<u>\$ 42,529,208</u>	<u>\$ 683,854</u>	<u>\$ 8,799,999</u>	<u>\$ (33,158,073)</u>	<u>\$ 112,718</u>	<u>\$ (33,045,355)</u>

Continued

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

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues			
Property Taxes Levied for General Purposes	\$ 32,748,152		\$ 32,748,152
Property Taxes Levied for Debt Service	1,877,925		1,877,925
State Aid-Unrestricted	39,072		39,072
Interest Earnings	41,595		41,595
Miscellaneous Income	36,954	-	36,954
 Total General Revenues and Transfers	 34,743,698	 -	 34,743,698
 Change in Net Position	 1,585,625	 112,718	 1,698,343
Net Position, Beginning of Year (Restated)	7,731,050	594,592	8,325,642
Net Position, End of Year	\$ 9,316,675	\$ 707,310	\$ 10,023,985

**FUND FINANCIAL STATEMENTS**

**SECAUCUS 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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,498,700		\$ 25,029,240	\$ 131,285	\$ 28,659,225
Tax Levy Receivable	2				2
Due from Other Funds	122,706		2,463		125,169
Receivables from Other Governments	13,357	\$ 358,715			372,072
Restricted Assets:					
Cash and Cash Equivalents	-	-	71,093	-	71,093
<b>Total Assets</b>	<u>\$ 3,634,765</u>	<u>\$ 358,715</u>	<u>\$ 25,102,796</u>	<u>\$ 131,285</u>	<u>\$ 29,227,561</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 421,157	\$ 154,920	\$ 1,439,529		\$ 2,015,606
Due to Other Funds	95,440	114,796			210,236
Payable to Federal Government		43,415			43,415
Unearned Revenue	-	45,584	-	-	45,584
<b>Total Liabilities</b>	<u>516,597</u>	<u>358,715</u>	<u>1,439,529</u>	<u>-</u>	<u>2,314,841</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Projects			23,663,267		23,663,267
Debt Service				\$ 131,285	131,285
Excess Surplus	384,374				384,374
Excess Surplus-Designated for Subsequent Year's Expenditures	413,767				413,767
Capital Reserve	750,000				750,000
<b>Committed</b>					
Year End Encumbrances	302,900				302,900
<b>Assigned</b>					
Year End Encumbrances	686,107				686,107
Designated for Subsequent Year's Expenditures	94,362				94,362
ARRA/SEMI - Designated for Subsequent Year's Expenditures 2016-17	15,659				15,659
Unassigned	470,999	-	-	-	470,999
<b>Total Fund Balances</b>	<u>3,118,168</u>	<u>-</u>	<u>23,663,267</u>	<u>131,285</u>	<u>26,912,720</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,634,765</u>	<u>\$ 358,715</u>	<u>\$ 25,102,796</u>	<u>\$ 131,285</u>	
Amounts reported for <i>governmental activities</i> 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 \$46,516,206 and the accumulated depreciation is \$19,356,099.					
					27,160,107
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:					
					(395,768)
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	\$ 316,260		
		Deferred Inflows of Resources	(618,935)		
					(302,675)
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	(31,810,000)		
		Capital Leases Payable	(688,492)		
		Deferred Pension Obligation	(160,545)		
		Net Pension Liability	(10,057,446)		
		Compensated Absences Payable	(1,341,226)		
					(44,057,709)
<b>Net position of governmental activities</b>					<u>\$ 9,316,675</u>

**SECAUCUS 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>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 32,748,152			\$ 1,877,925	\$ 34,626,077
Other Local Governmental Units- Restricted	3,200				3,200
Other Restricted Miscellaneous Revenues	33,850				33,850
Unrestricted Miscellaneous Revenues	<u>78,547</u>	\$ 97,169	\$ 2	-	<u>175,718</u>
Total - Local Sources	32,863,749	97,169	2	1,877,925	34,838,845
State Sources	4,085,081	3,023			4,088,104
Federal Sources	<u>46,492</u>	<u>850,019</u>	-	-	<u>896,511</u>
Total Revenues	<u>36,995,322</u>	<u>950,211</u>	<u>2</u>	<u>1,877,925</u>	<u>39,823,460</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	15,466,152	243,357			15,709,509
Special Education Instruction	4,435,066	454,332			4,889,398
Other Instruction	393,617				393,617
School Sponsored Activities and Athletics	1,189,777				1,189,777
Community Services	41,525				41,525
Support Services					
Student and Instruction Related Services	3,870,730	115,353			3,986,083
School Administration Services	2,194,588				2,194,588
General Administration Services	967,838		750		968,588
Plant Operations and Maintenance	3,970,609				3,970,609
Pupil Transportation	1,620,705				1,620,705
Central Services	1,164,975				1,164,975
Debt Service					
Principal	786,598			1,150,000	1,936,598
Interest and Other Charges	36,464			637,906	674,370
Capital Outlay	<u>266,351</u>	<u>137,169</u>	<u>2,886,918</u>	-	<u>3,290,438</u>
Total Expenditures	<u>36,404,995</u>	<u>950,211</u>	<u>2,887,668</u>	<u>1,787,906</u>	<u>42,030,780</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>590,327</u>	-	<u>(2,887,666)</u>	<u>90,019</u>	<u>(2,207,320)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Serial Bond Proceeds			27,400,000		27,400,000
Transfers In	2				2
Transfers Out	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>
Total Other Financing Sources and Uses	<u>2</u>	<u>-</u>	<u>27,399,998</u>	<u>-</u>	<u>27,400,000</u>
Net Change in Fund Balances	590,329	-	24,512,332	90,019	25,192,680
Fund Balance (Deficit), Beginning of Year (Restated)	<u>2,527,839</u>	<u>-</u>	<u>(849,065)</u>	<u>41,266</u>	<u>1,720,040</u>
Fund Balance, End of Year	<u>\$ 3,118,168</u>	<u>\$ -</u>	<u>\$ 23,663,267</u>	<u>\$ 131,285</u>	<u>\$ 26,912,720</u>

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

**SECAUCUS 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) \$ 25,192,680

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 expense exceeds depreciation in the current period.

Capital Outlay	\$ 3,290,438
Depreciation Expense	<u>(908,322)</u>

2,382,116

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

Loss on Disposal of Capital Assets

(28,194)

Repayment of Bond and lease purchase principal and deferred pension obligation is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Bond Principal	1,150,000
Deferred Pension Obligation	21,252
Capital Lease Principal	<u>765,346</u>

1,936,598

Proceeds from debt issues are a financing sources in the governmental funds. They are not Revenue in the Statement of Activities; issuing debt increases long term liabilities in the Statement of Net Position.

School Bond Proceeds

(27,400,000)

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Original Issue Premium	17,119
Deferred Amount on Refunding	<u>(13,731)</u>

3,388

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

Increase in accrued interest

(294,449)

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

Increase in Pension Expense	(70,415)
Increase in Compensated Absences	<u>(136,099)</u>

(206,514)

Change in net position of governmental activities(Exhibit A-2)

\$ 1,585,625

**SECAUCUS BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

	<b>Business-Type Activities</b> <b><u>Enterprise Fund</u></b> <b><u>Food Service</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 577,697
Intergovernmental Receivable	
State	1,541
Federal	65,339
Inventory	5,885
Due from Other Funds	<u>92,977</u>
Total Current Assets	<u>743,439</u>
Capital Assets	
Machinery and Equipment	250,834
Less: Accumulated Depreciation	<u>(222,558)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>28,276</u>
Total Assets	<u>771,715</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	<u>63,585</u>
Total Current Liabilities	<u>63,585</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
U.S.D.A Commodities	<u>820</u>
Total Deferred Inflows of Resources	<u>820</u>
Total Liabilities and Deferred Inflows of Resources	<u>64,405</u>
<b>NET POSITION</b>	
Investment in Capital Assets, Net of Related Debt	28,276
Unrestricted	<u>679,034</u>
Total Net Position	<u>\$ 707,310</u>

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

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

	<b>Business-Type Activities</b> <b><u>Enterprise Fund</u></b> <b><u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 646,804
Total Operating Revenues	<u>646,804</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	528,657
Salaries and Employee Benefits	246,776
Other Purchased Professional Services	34,601
Management Fee	75,000
General Supplies	32,639
Miscellaneous Expenditures	4,776
Depreciation Expense	<u>15,732</u>
Total Operating Expenses	<u>938,181</u>
Operating Loss	<u>(291,377)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
School Lunch Program	8,456
Federal Sources	
National School Lunch Program	317,001
National School Breakfast Program	<u>78,638</u>
Total Nonoperating Revenues	<u>404,095</u>
Net Income	<u>112,718</u>
Change in Net Position	112,718
Total Net Position, Beginning of Year	<u>594,592</u>
Total Net Position, End of Year	<u>\$ 707,310</u>

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

	<b>Business-Type Activities</b>
	<b><u>Enterprise Fund</u></b>
	<b><u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 646,804
Cash Payments to Employees' Salaries and Benefits	(246,776)
Cash Payments to Suppliers for Goods and Services	<u>(641,574)</u>
Net Cash Used by Operating Activities	<u>(241,546)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from State and Federal Subsidy Reimbursements	<u>370,461</u>
Net Cash Provided by Noncapital Financing Activities	<u>370,461</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition of Capital Assets	<u>(15,054)</u>
Net Cash Used by Noncapital Financing Activities	<u>(15,054)</u>
Net Increase in Cash and Cash Equivalents	113,861
Cash and Cash Equivalents, Beginning of Year	<u>463,836</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 577,697</u></u>
<b>Reconciliation of Operating Loss to Net Cash</b>	
<b>Used by Operating Activities</b>	
Operating Loss	<u>\$ (291,377)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	15,732
Non-Cash Federal Assistance - Food Distribution - National	
School Lunch Program	35,659
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	2,134
Increase/(Decrease) in Accounts Payable	<u>(3,694)</u>
Total Adjustments	<u>49,831</u>
Net Cash Used by Operating Activities	<u><u>\$ (241,546)</u></u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution Program)	<u><u>\$ 36,479</u></u>

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

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

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,292	\$ 507	\$ 1,069,115
Due from Other Funds	<u>9,296</u>	<u>-</u>	<u>-</u>
Total Assets	<u>27,588</u>	<u>507</u>	<u>\$ 1,069,115</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 893,717
Accrued Salaries and Wages			17,749
Due to Other Funds			17,206
Due to Student Groups	<u>-</u>	<u>-</u>	<u>140,443</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 1,069,115</u>
<b>NET POSITION</b>			
Reserved for Scholarships		<u>\$ 507</u>	
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 27,588</u>		

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

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions		
Other		\$ 1,605
Employee Contributions	\$ 56,642	-
	<u>56,642</u>	<u>1,605</u>
Total Additions		
<b>DEDUCTIONS</b>		
Scholarships Awarded		2,000
Unemployment Claims and Contributions	38,091	-
	<u>38,091</u>	<u>2,000</u>
Total Deductions		
Change in Net Position	18,551	(395)
Net Position, Beginning of the Year (Restated)	<u>9,037</u>	<u>902</u>
Net Position, End of the Year	<u>\$ 27,588</u>	<u>\$ 507</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**SECAUCUS 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 Secaucus 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 Secaucus 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 as required:

- 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.

**SECAUCUS 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.

SECAUCUS 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.

SECAUCUS 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)

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

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

Additionally, the government reports the following fund type:

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

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.

**SECAUCUS 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)**

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.

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

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

**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.

**SECAUCUS 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. *Restricted Assets***

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by state or county regulations for capital projects and Lease-Purchase Agreements for capital projects and principal and interest.

**5. *Capital Assets***

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

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

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

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

**6. *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 period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item which arises only under the accrual basis of accounting that qualify for reporting in this category. The one 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.

SECAUCUS 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. *Deferred Outflows/Inflows of Resources (Continued)*

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 District has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. The one 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. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. *Compensated Absences*

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

8. *Pensions*

In the district-wide financial statements, 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.

SECAUCUS 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. *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. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. *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.

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.

SECAUCUS 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)

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

Governmental Fund Statements (Continued)

*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 2.)

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

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

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

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

*ARRA/SEMI – Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

*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.

**SECAUCUS 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 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. 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.

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 22, 2015, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$1,436,219. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments 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.

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

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

**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.

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

Balance, July 1, 2014		\$ 500,001
Increased by		
Deposits Approved by Board Resolution	<u>\$ 552,899</u>	
Total Increases		<u>552,899</u>
Withdrawals		
Approved by Board Resolution	<u>302,900</u>	
Total Withdrawals		<u>302,900</u>
Balance, June 30, 2015		<u>\$ 750,000</u>

The 2015/16 budget includes a transfer of \$250,000 from the capital reserve for the local share of certain capital projects.

**C. Transfers to Capital Outlay**

During the 2014/2015 school year, the district transferred \$302,900 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2015 is \$798,141. Of this amount, \$413,767 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$384,374 will be appropriated in the 2016/2017 original budget certified for taxes.

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$30,395,929 and bank and brokerage firm balances of the Board's deposits amounted to \$31,011,361. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 31,011,361</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 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.

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

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

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

**NOTE 3 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>Food Service</u>	<u>Total</u>
Receivables:				
Property Taxes	\$ 2			\$ 2
Intergovernmental-				
Federal		\$ 358,715	\$ 65,339	424,054
State	<u>13,357</u>	<u>-</u>	<u>1,541</u>	<u>14,898</u>
Gross Receivables	13,359	358,715	66,880	438,954
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 13,359</u>	<u>\$ 358,715</u>	<u>\$ 66,880</u>	<u>\$ 438,954</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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 584
Grant Draw Downs Reserved for Encumbrances	<u>45,000</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 45,584</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2014 (Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 533,623			\$ 533,623
Construction in Progress	1,007,483	\$ 2,886,918	-	3,894,401
Total Capital Assets, Not Being Depreciated	<u>1,541,106</u>	<u>2,886,918</u>	<u>-</u>	<u>4,428,024</u>
Capital Assets, Being Depreciated:				
Buildings	37,187,963	21,375		37,209,338
Improvements Other Than Buildings	914,302			914,302
Machinery and Equipment	3,676,377	382,145	\$ (93,980)	3,964,542
Total Capital Assets Being Depreciated	<u>41,778,642</u>	<u>403,520</u>	<u>(93,980)</u>	<u>42,088,182</u>
Less Accumulated Depreciation for:				
Buildings	(14,691,438)	(773,409)		(15,464,847)
Improvements Other Than Buildings	(852,233)	(4,090)		(856,323)
Machinery and Equipment	(2,969,892)	(130,823)	65,786	(3,034,929)
Total Accumulated Depreciation	<u>(18,513,563)</u>	<u>(908,322)</u>	<u>65,786</u>	<u>(19,356,099)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,265,079</u>	<u>(504,802)</u>	<u>(28,194)</u>	<u>22,732,083</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,806,185</u>	<u>\$ 2,382,116</u>	<u>\$ (28,194)</u>	<u>\$ 27,160,107</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 235,780	\$ 15,054	-	\$ 250,834
Total Capital Assets Being Depreciated	<u>235,780</u>	<u>15,054</u>	<u>-</u>	<u>250,834</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(206,826)	(15,732)	-	(222,558)
Total Accumulated Depreciation	<u>(206,826)</u>	<u>(15,732)</u>	<u>-</u>	<u>(222,558)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,954</u>	<u>(678)</u>	<u>-</u>	<u>28,276</u>
Business-Type Activities Capital Assets, Net	<u>\$ 28,954</u>	<u>\$ (678)</u>	<u>\$ -</u>	<u>\$ 28,276</u>

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

**NOTE 3 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		\$ 8,109
		<u>8,109</u>
Total Instruction		<u>8,109</u>
Support Services		
Support Services-Students		2,264
School Administration		4,630
Operations and Maintenance of Plant		796,290
Student Transportation		90,175
Business and Other Support Services		<u>6,854</u>
Total Support Services		<u>900,213</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 908,322</u>
<b>Business-Type Activities:</b>		
Food Service Fund		<u>\$ 15,732</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 15,732</u>

**Construction Commitments**

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Additions and Renovations to the Secaucus High School and Middle School	\$ 830,577	\$ 21,064,298
Boiler Replacement at Huber Street School	-0-	<u>256,400</u>
Total		<u>\$ 21,320,698</u>

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

**NOTE 3 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	Special Revenue Fund	\$ 114,796
General Fund	Agency Fund	7,910
Capital Projects Fund	General Fund	2,463
Food Service Fund	General Fund	92,977
Unemployment Compensation Trust	Agency Fund	<u>9,296</u>
 Total		 <u>\$ 227,442</u>

The above balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**Interfund transfers**

	<u>Transfer In:</u>	
	<u>General</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	<u>\$ 2</u>	<u>\$ 2</u>
Total transfers out	<u>\$ 2</u>	<u>\$ 2</u>

The above transfers are the result of interest earned in the Capital Projects Fund that is due to the General Fund.

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

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

**F. Leases**

**Capital Leases**

The District is leasing various equipment totaling \$2,420,000 under capital leases. The leases are for terms of 4 to 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2016	\$ 535,195
2017	<u>171,167</u>
Total minimum lease payments	706,362
Less: amount representing interest	<u>(17,870)</u>
Present value of minimum lease payments	<u>\$ 688,492</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$2,910,000, 2009 Refunding Bonds, due in annual installments of \$270,000 to \$280,000 through July 15, 2020, interest at 3.25% to 4.00%	\$1,650,000
\$4,550,000, 2011 Refunding Bonds, due in annual installments of \$895,000 to \$945,000 through July 15, 2017, interest at 1.60% to 2.23%	2,760,0000
\$27,400,000, 2014 School Bonds, due in annual installments of \$1,055,000 to \$1,870,000 through August 15, 2034, interest at 2.00% to 4.00%	<u>27,400,000</u>
Total	<u>\$31,810,000</u>

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

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

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

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2016	2,225,000	965,957	3,190,957
2017	2,280,000	917,088	3,197,088
2018	2,315,000	859,631	3,174,631
2019	1,395,000	804,775	2,199,775
2020	1,415,000	759,875	2,174,875
2021-2025	6,395,000	3,187,699	9,582,699
2026-2030	7,140,000	2,184,286	9,324,286
2031-2035	8,645,000	858,295	9,503,295
	<u>\$ 31,810,000</u>	<u>\$ 10,537,606</u>	<u>\$ 42,347,606</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)	\$ 186,236,835
Less: Net Debt	<u>31,810,000</u>
Remaining Borrowing Power	<u>\$ 154,426,835</u>

**H. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2009/2010 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$139,317 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.90% effective July 1, 2013 and 8.25% prior to July 1, 2013) at June 30, 2015 is \$160,545.

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

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

**H. Other Long-Term Liabilities (Continued)**

**Changes in Long-Term Liabilities**

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

	<u>Balance, July 1, 2014 (Restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2015</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 5,560,000	\$ 27,400,000	\$ 1,150,000	\$ 31,810,000	\$ 2,225,000
Add: Premium	<u>17,119</u>	<u>-</u>	<u>17,119</u>	<u>-</u>	<u>-</u>
Total Bonds Payable	5,577,119	27,400,000	1,167,119	31,810,000	2,225,000
Net Pension Liability	10,289,706		232,260	10,057,446	467,021
Capital Leases	1,453,838		765,346	688,492	519,828
Compensated Absences	1,205,127	136,099		1,341,226	134,123
Deferred Pension Obligation	<u>181,797</u>	<u>-</u>	<u>21,252</u>	<u>160,545</u>	<u>21,383</u>
Governmental Activity Long-Term Liabilities	<u>\$ 18,707,587</u>	<u>\$ 27,536,099</u>	<u>\$ 2,185,977</u>	<u>\$ 44,057,709</u>	<u>\$ 3,367,355</u>

For the governmental activities, the liabilities for compensated absences, deferred pension obligations are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The District is a member of the School Alliance Insurance Fund (SAIF). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks of loss.

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

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 56,642	\$ 38,091	\$ 27,588
2014	52,831	91,423	9,037
2013	113,978	112,444	47,629

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**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.

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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Other Pension Funds (Continued)**

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

**Basis of Accounting**

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

**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/treasury/doinvest](http://www.state.nj/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.

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

**NOTE 4 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:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 464,094	\$ 775,885	\$ 18,176
2014	426,440	607,374	15,282
2013	429,503	977,630	

For fiscal years 2014/2015 and 2012/2013, the state contributed \$775,885 and \$977,630, 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 \$607,374 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.

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

**NOTE 4 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 \$1,102,197 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 \$10,057,446 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 .05372 percent, which was a decrease of .00012 percent 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 \$534,509 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 316,260	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 599,369
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	19,566
Total	<u>\$ 316,260</u>	<u>\$ 618,935</u>

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

**NOTE 4 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**

**Public Employees Retirement System (PERS)**

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 June 30,	<u>Total</u>
2016	\$ (95,303)
2017	(95,303)
2018	(95,303)
2019	(95,303)
2020	54,539
Thereafter	<u>23,998</u>
	<u>\$ (302,675)</u>

***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:

<b><u>PERS</u></b>	
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	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.

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

**NOTE 4 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%

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

NOTE 4 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)

*Discount Rate (Continued)*

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

PERS

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 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 District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 12,652,569</u>	<u>\$ 10,057,446</u>	<u>\$ 7,878,199</u>

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

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

**NOTE 4 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 \$4,129,077 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 \$76,735,244. 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.

**TPAF**

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 were Based	

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

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

**NOTE 4 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%

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

NOTE 4 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:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 92,292,547	\$ 76,735,244	\$ 63,796,147

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.

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

NOTE 4 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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](http://www.state.nj.us/treasury/pensions).

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

**NOTE 4 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.

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

**NOTE 4 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 \$1,231,719, \$998,865 and \$1,105,454, 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 5 RESTATEMENT**

On July 1, 2014, the Secaucus Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Secaucus 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 \$10,289,706. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 by \$10,289,706 for the effects of the change in accounting principle.

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

**NOTE 5 RESTATEMENT (Continued)**

Additionally, the net position as of July 1, 2014 of the Governmental Activities has been adjusted to reflect certain transactions that were not properly recorded on the Governmental Activities financial statements. The effect of this restatement and the implementation of GASB 68 is to decrease Governmental Activities total net position by \$10,887,057 from the amounts reported in the previously issued financial statements for the year ended June 30, 2014.

**Statement of Net Position As of June 30, 2014**

<b><u>Governmental Activities</u></b>	<b>As Originally <u>Reported</u></b>	<b>As Adjusted</b>	<b>Effect of <u>Change</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,206,643	\$ 4,277,736	\$ 71,093
Capital Assets, Not Being Depreciated	1,709,161	1,541,106	(168,055)
Capital Assets, Being Depreciated	23,611,652	23,265,079	(346,573)
Total Capital Assets, Net	25,320,813	24,806,185	(514,628)
 Total Assets	 30,797,840	 30,354,305	 (443,535)
<b>LIABILITIES</b>			
Accrued Interest Payable	-	101,319	101,319
Noncurrent Liabilities	11,351,653	21,693,856	10,342,203
 Total Liabilities	 12,179,733	 22,623,255	 10,443,522
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,174,287	14,720,735	(453,552)
Restricted	3,882,864	3,882,864	-
Unrestricted	(439,044)	(10,872,549)	(10,433,505)
 Total Net Position	 18,618,107	 7,731,050	 (10,887,057)

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

**NOTE 5 RESTATEMENT (Continued)**

In addition, the previously issued financial statements for the fiscal year ended June 30, 2014 did not properly report the transactions relating to a lease purchase agreement and issuance of the bond anticipation note on the Governmental Fund financial statements. The effect of this restatement is to decrease the total Governmental Funds and the Capital Projects Fund fund balance by \$2,928,907 from the amounts reported in the previously issued financial statements for the year ended June 30, 2014.

**Balance Sheet - As of June 30, 2014**

<b><u>Governmental Funds - Capital Projects Fund</u></b>	<b><u>As Originally Reported</u></b>	<b><u>As Adjusted</u></b>	<b><u>Effect of Change</u></b>
<b>ASSETS</b>			
Restricted Assets			
Cash and Cash Equivalents	\$ -	\$ 71,093	\$ 71,093
Total Assets		71,093	71,093
<b>LIABILITIES</b>			
Bond Anticipation Note Payable	-	3,000,000	3,000,000
Total Liabilities	158,058	3,158,058	3,000,000
<b>FUND BALANCES</b>			
Restricted for Capital Projects	2,079,842	(849,065)	(2,928,907)
Total Fund Balances	2,079,842	(849,065)	(2,928,907)

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECAUCUS 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**

	Budgeted		Actual	Variance	
	Original Budget	Adjustments		Final Budget	Final To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 32,748,152		\$ 32,748,152	\$ 32,748,152	
Tuition from Individuals	5,500		5,500	3,200	\$ (2,300)
Other Restricted Miscellaneous Revenues	53,000		53,000	33,850	(19,150)
Unrestricted Miscellaneous Revenue	72,500		72,500	78,547	6,047
<b>State Sources</b>					
Extraordinary Aid	125,000		125,000	176,243	51,243
Non Public Transportation Reimbursements				13,357	13,357
Categorical Special Education Aid	792,919		792,919	792,919	
Categorical Security Aid	63,867		63,867	63,867	
Categorical Transportation Aid	70,500		70,500	70,500	
PARCC Readiness Aid	21,370		21,370	21,370	
Per Pupil Growth Aid	21,370		21,370	21,370	
On-behalf TPAF Non-Contributory Insurance Contribution (Nonbudgeted)				52,075	52,075
On-behalf TPAF Normal Cost and Accrued Liability Contribution (Nonbudgeted)				723,810	723,810
On-Behalf TPAF Post Retirement Medical Benefit Contribution (Nonbudgeted)				1,231,719	1,231,719
Reimbursed TPAF Soc. Sec. Contr. (Nonbudgeted)				1,102,197	1,102,197
<b>Federal Sources</b>					
ARRA - Medical Assistance Program (SEMI)				15,659	15,659
Medical Assistance Program (SEMI)	22,355	-	22,355	30,833	8,478
<b>Total Revenues</b>	<u>33,996,533</u>	<u>-</u>	<u>33,996,533</u>	<u>37,179,668</u>	<u>3,183,135</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers</b>					
Preschool	220,559	\$ (1,900)	218,659	218,616	43
Kindergarten	596,985	(194,650)	402,335	395,698	6,637
Grades 1-5	4,136,985	(106,424)	4,030,561	4,028,183	2,378
Grades 6-8	2,400,498	(114,378)	2,286,120	2,272,603	13,517
Grades 9-12	3,444,785	19,122	3,463,907	3,463,814	93
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers		6,500	6,500	4,174	2,326
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	265,463	107,580	373,043	372,886	157
Purchased Professional/Educational Services	8,400	6,563	14,963	9,974	4,989
Other Purchased Services	808,425	25,207	833,632	831,871	1,761
General Supplies	331,161	(2,715)	328,446	266,881	61,565
Textbooks	118,941	(9,176)	109,765	26,519	83,246
Other Objects	1,505	-	1,505	404	1,101
<b>Total Regular Programs</b>	<u>12,333,707</u>	<u>(264,271)</u>	<u>12,069,436</u>	<u>11,891,623</u>	<u>177,813</u>
<b>Special Education</b>					
<b>Cognitive - Mild</b>					
Salaries of Teachers	21,220	(20,000)	1,220	518	702
<b>Total Cognitive - Mild</b>	<u>21,220</u>	<u>(20,000)</u>	<u>1,220</u>	<u>518</u>	<u>702</u>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 255,264	\$ 71,000	\$ 326,264	\$ 326,021	\$ 243
Other Salaries for Instruction	194,306	29,589	223,895	223,855	40
General Supplies	10,393	(864)	9,529	7,970	1,559
<b>Total Learning and/or Language Disabilities</b>	<b>459,963</b>	<b>99,725</b>	<b>559,688</b>	<b>557,846</b>	<b>1,842</b>
Multiple Disabilities					
Salaries of Teachers	161,533	99,521	261,054	259,665	1,389
Purchased Professional/Educational Services	4,000	(433)	3,567		3,567
Other Purchased Services		1,000	1,000	216	784
General Supplies	6,841	3,652	10,493	6,484	4,009
<b>Total Multiple Disabilities</b>	<b>172,374</b>	<b>103,740</b>	<b>276,114</b>	<b>266,365</b>	<b>9,749</b>
Resource Room/Resource Center					
Salaries of Teachers	1,153,444	62,054	1,215,498	1,215,088	410
Other Salaries for Instruction	384,579	109,494	494,073	493,916	157
Other Purchased Services		245	245	245	
General Supplies	10,387	(611)	9,776	7,026	2,750
Textbooks	572	-	572	297	275
<b>Total Resource Room/Resource Center</b>	<b>1,548,982</b>	<b>171,182</b>	<b>1,720,164</b>	<b>1,716,572</b>	<b>3,592</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	374	(374)	-	-	-
<b>Total Preschool Disabilities - Part Time</b>	<b>374</b>	<b>(374)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Preschool Disabilities - Full Time					
Salaries of Teachers	122,865	(1,000)	121,865	119,176	2,689
Other Salaries for Instruction	100,325	17,785	118,110	118,110	
General Supplies	600	-	600	199	401
<b>Total Preschool Disabilities - Full Time</b>	<b>223,790</b>	<b>16,785</b>	<b>240,575</b>	<b>237,485</b>	<b>3,090</b>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Home Instruction:					
Salaries of Teachers	\$ 40,879	\$ (12,000)	\$ 28,879	\$ 17,925	\$ 10,954
Purchased Professional Educational Services	1,000	-	1,000	-	1,000
Total Home Instruction	41,879	(12,000)	29,879	17,925	11,954
Total Special Education	2,468,582	359,058	2,827,640	2,796,711	30,929
Basic Skills/Remedial					
Salaries of Teachers	132,307	-	132,307	131,347	960
General Supplies	3,480	-	3,480	1,025	2,455
Total Basic Skills/Remedial	135,787	-	135,787	132,372	3,415
Bilingual Education					
Salaries of Teachers	63,055	30,440	93,495	91,684	1,811
General Supplies	1,574	-	1,574	1,025	549
Total Bilingual Education	64,629	30,440	95,069	92,709	2,360
School Sponsored Co-Curricular Activities					
Salaries	225,359	11,873	237,232	237,225	7
Purchased Services	800	-	800	313	487
Supplies and Materials	20,171	(4,873)	15,298	11,620	3,678
Other Objects	1,142	-	1,142	75	1,067
Total School Sponsored Co-Curricular Activities	247,472	7,000	254,472	249,233	5,239
School Sponsored Athletics					
Salaries	389,267	67,000	456,267	454,181	2,086
Purchased Services	89,000	(9,616)	79,384	78,250	1,134
Supplies and Materials	78,700	2,811	81,511	81,490	21
Other Objects	12,367	9,876	22,243	21,325	918
Total School Sponsored Athletics	569,334	70,071	639,405	635,246	4,159
Other Instructional Programs					
Salaries	63,743	14,474	78,217	78,180	37
Supplies and Materials	2,000	250	2,250	1,879	371
Total Other Instructional Programs	65,743	14,724	80,467	80,059	408

SECAUCUS 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

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Community Services Programs/Operations					
Salaries	\$ 105,582	\$ (10,500)	\$ 95,082	\$ 29,695	\$ 65,387
Total Community Services Programs/Operations	105,582	(10,500)	95,082	29,695	65,387
Total - Instruction	15,990,836	206,522	16,197,358	15,907,648	289,710
Undistributed Expenditures					
Instruction					
Tuition to CSSD & Reg Day Schools					
Tuition to Private Schools for the Disabled Within the State	314,200	218,942	533,142	532,382	760
Tuition - State Facilities	31,365	(31,000)	365	-	365
Total Undistributed Expenditures - Instruction	345,565	190,285	535,850	534,725	1,125
Health Services					
Salaries of Social Services Coordinators	255,604	(9,660)	245,944	245,360	584
Purchased Professional Educational Services	46,364	(12,000)	34,364	33,259	1,105
Supplies and Materials	17,871	(4,200)	13,671	12,361	1,310
Total Health Services	319,839	(25,860)	293,979	290,980	2,999
Speech, OT, PT & Related Services					
Salaries	150,965	35,598	186,563	185,664	899
Purchased Professional Educational Services	82,399	55,398	137,797	137,223	574
Supplies and Materials	2,600	(594)	2,006	1,895	111
Total Speech, OT, PT & Related Services	235,964	90,402	326,366	324,782	1,584
Other Support Services - Students - Extra Services					
Salaries	113,727	46,089	159,816	159,749	67
Purchased Professional Educational Services	23,000	70,084	93,084	84,988	8,096
Other Objects	-	500	500	375	125
Total Other Support Services - Students - Extra Serv.	136,727	116,673	253,400	245,112	8,288

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Prof. Staff	\$ 515,845	\$ 18,000	\$ 533,845	\$ 532,574	\$ 1,271
Salaries of Secretarial and Clerical Assistants	150,185	(9,000)	141,185	140,102	1,083
Purchased Professional Educational Services	10,496	(6,000)	4,496	1,791	2,705
Other Purchased Prof. & Technical Services	10,862	(3,700)	7,162	2,334	4,828
Supplies and Materials	23,466	(3,160)	20,306	15,836	4,470
Other Objects	120	365	485	160	325
<b>Total Guidance</b>	<b>710,974</b>	<b>(3,495)</b>	<b>707,479</b>	<b>692,797</b>	<b>14,682</b>
Child Study Teams					
Salaries of Other Professional Staff	712,337	(30,597)	681,740	681,305	435
Salaries of Secretarial and Clerical Assistants	187,052	(20,000)	167,052	164,029	3,023
Purchased Professional - Educational Services	2,000	790	2,790	2,690	100
Other Purchased Prof. & Technical Services	8,000	(883)	7,117	6,145	972
Other Purchased Services	8,440	3,143	11,583	9,957	1,626
Miscellaneous Purchased Services		1,014	1,014	618	396
Supplies and Materials	8,545	(1,951)	6,594	6,011	583
Other Objects	3,382	(60)	3,322	350	2,972
<b>Total Child Study Teams</b>	<b>929,756</b>	<b>(48,544)</b>	<b>881,212</b>	<b>871,105</b>	<b>10,107</b>
Improvement of Instructional Services					
Salaries of Other Professional Staff	93,375	38,346	131,721	127,880	3,841
Salaries of Secretarial and Clerical Assistants	27,160	66	27,226	27,226	-
Purchased Professional-Educational Services	500	-	500	-	500
Other Purchased Services	990	-	990	-	990
<b>Total Improvement of Instructional Services</b>	<b>122,025</b>	<b>38,412</b>	<b>160,437</b>	<b>155,106</b>	<b>5,331</b>
Educational Media Services/School Library					
Salaries	371,617	(119,329)	252,288	251,186	1,102
Other Purchased Services	3,826	2,400	6,226	3,900	2,326
Supplies and Materials	40,537	(11,232)	29,305	25,940	3,365
<b>Total Educational Media Services/School Library</b>	<b>415,980</b>	<b>(128,161)</b>	<b>287,819</b>	<b>281,026</b>	<b>6,793</b>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 13,392		\$ 13,392	\$ 840	\$ 12,552
Purchased Professional Educational Services	33,815	\$ 190	34,005	9,179	24,826
Other Purchased Services	3,000	795	3,795	777	3,018
Supplies and Materials	2,250	500	2,750	-	2,750
<b>Total Instructional Staff Training Services</b>	<b>52,457</b>	<b>1,485</b>	<b>53,942</b>	<b>10,796</b>	<b>43,146</b>
Support Services General Administration					
Salaries	384,589	2,000	386,589	386,242	347
Legal Services	100,000	(3,004)	96,996	90,101	6,895
Audit Fees	35,000	26,500	61,500	30,000	31,500
Architectural/Engineering Services	32,600	(25,820)	6,780	2,891	3,889
Other Purchased Professional Services	55,216	(40,294)	14,922	14,042	880
Communications/Telephone	104,267	14,000	118,267	108,218	10,049
BOE Other Purchased Services	5,000	(1,400)	3,600	2,589	1,011
Miscellaneous Purchased Services	70,631	5,592	76,223	75,504	719
General Supplies	40,829	(32,832)	7,997	4,511	3,486
Miscellaneous Expenditures	33,458	484	33,942	27,470	6,472
BOE Membership Due and Fees	17,000	-	17,000	16,789	211
<b>Total Support Services General Administration</b>	<b>878,590</b>	<b>(54,774)</b>	<b>823,816</b>	<b>758,357</b>	<b>65,459</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	682,524	(20,000)	662,524	660,839	1,685
Salaries of Other Professional Staff	444,508	(1,757)	442,751	442,066	685
Salaries of Secretarial and Clerical Assistants	346,771	2,287	349,058	347,042	2,016
Other Purchased Services	31,828	80,688	112,516	109,138	3,378
Supplies and Materials	92,404	(36,402)	56,002	49,033	6,969
Other Objects	5,678	9,636	15,314	10,685	4,629
<b>Total Support Services School Administration</b>	<b>1,603,713</b>	<b>34,452</b>	<b>1,638,165</b>	<b>1,618,803</b>	<b>19,362</b>
Central Services					
Salaries	439,776	(25,279)	414,497	414,253	244
Miscellaneous Purchased Services	27,220	47,355	74,575	73,768	807
Supplies and Materials	37,880	(13,161)	24,719	23,203	1,516
Interest on Bond Anticipation Notes	17,000	-	17,000	17,000	-
Miscellaneous Expenditures	1,200	-	1,200	1,146	54
<b>Total Central Services</b>	<b>523,076</b>	<b>8,915</b>	<b>531,991</b>	<b>529,370</b>	<b>2,621</b>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 198,630	\$ 9,507	\$ 208,137	\$ 207,779	\$ 358
Other Purchased Services	125,000	25,495	150,495	150,216	279
Supplies and Materials	35,700	(3,553)	32,147	30,145	2,002
<b>Total Admin. Info. Technology</b>	<b>359,330</b>	<b>31,449</b>	<b>390,779</b>	<b>388,140</b>	<b>2,639</b>
Required Maintenance for School Facilities					
Salaries	132,537	5,660	138,197	138,196	1
Cleaning, Repairs & Maintenance Service	291,728	330,249	621,977	296,178	325,799
General Supplies	58,854	17,343	76,197	68,462	7,735
Other Objects	-	500	500	404	96
<b>Total Required Maintenance for School Facilities</b>	<b>483,119</b>	<b>353,752</b>	<b>836,871</b>	<b>503,240</b>	<b>333,631</b>
Custodial Services					
Salaries	1,610,476	(137,415)	1,473,061	1,470,496	2,565
Purchased Professional Technical Services	7,803	39,551	47,354	23,354	24,000
Cleaning, Repairs & Maintenance Service	29,500	2,300	31,800	31,728	72
Rental of Land & Buildings Other Than Leases	2	-	2	-	2
Other Purchased Property Services	48,276	(4,793)	43,483	42,890	593
Insurance	154,316	(5,001)	149,315	149,287	28
Miscellaneous Purchased Services	2,509	(1,700)	809	548	261
General Supplies	63,800	4,605	68,405	67,931	474
Energy (Natural Gas)	134,936	(4,230)	130,706	128,068	2,638
Energy (Electricity)	576,956	130,314	707,270	679,265	28,005
Other Objects	5,399	500	5,899	5,478	421
<b>Total Custodial Services</b>	<b>2,633,973</b>	<b>24,131</b>	<b>2,658,104</b>	<b>2,599,045</b>	<b>59,059</b>
Care and Upkeep of Grounds					
Salaries	178,500	(20,700)	157,800	157,780	20
<b>Total Care and Upkeep of Grounds</b>	<b>178,500</b>	<b>(20,700)</b>	<b>157,800</b>	<b>157,780</b>	<b>20</b>
Security					
Purchased Professional Technical Services	-	4,303	4,303	4,303	-
General Supplies	-	2,500	2,500	2,500	-
<b>Total Care and Upkeep of Grounds</b>	<b>-</b>	<b>6,803</b>	<b>6,803</b>	<b>6,803</b>	<b>-</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	182,784	96,999	279,783	279,007	776
Salaries for Pupil Transportation (Between Home and School) - Regular	245,437	(57,665)	187,772	187,338	434
Salaries for Pupil Transportation (Between Home and School) - Special Ed	294,619	30,265	324,884	324,517	367
Salaries for Pupil Transportation (Other than Between Home and School) -	73,035	(15,100)	57,935	56,538	1,397
Cleaning, Repair and Maintenance Svcs.	106,356	55,117	161,473	154,270	7,203
Contracted Services (Between Home and School) - Vendors	111,542	2,250	113,792	110,826	2,966
Contracted Services (Spec Ed)-ESC & CTSA	9,276	(3,500)	5,776	5,454	322
General Supplies	200	2,000	2,200	1,414	786
Transportation Supplies	117,406	12,006	129,412	114,206	15,206
Other Objects	44,896	(11,874)	33,022	31,365	1,657
<b>Total Student Transportation Services</b>	<b>1,185,551</b>	<b>110,498</b>	<b>1,296,049</b>	<b>1,264,935</b>	<b>31,114</b>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services-Employee Benefits					
Social Security	\$ 67,511	\$ 48,362	\$ 115,873	\$ 18,176	\$ 97,697
Total Student Transportation Services-Employee Benefits	<u>67,511</u>	<u>48,362</u>	<u>115,873</u>	<u>18,176</u>	<u>97,697</u>
Unallocated Benefits-Employee Benefits					
Social Security Contributions	540,000	-	540,000	481,616	58,384
Other Retirement Contributions - PERS	495,000	(30,906)	464,094	464,094	-
Unemployment Compensation		50,000	50,000	24,516	25,484
Worker's Compensation	376,447	-	376,447	369,857	6,590
Health Benefits	5,298,166	(829,671)	4,468,495	4,141,809	326,686
Other Employee Benefits	<u>176,153</u>	<u>92,166</u>	<u>268,319</u>	<u>221,300</u>	<u>47,019</u>
Total Regular Programs-Instr.- Employee Benefits	<u>6,885,766</u>	<u>(718,411)</u>	<u>6,167,355</u>	<u>5,703,192</u>	<u>464,163</u>
On-behalf TPAF Non-Contributory Insurance					
Contribution (Nonbudgeted)				52,075	(52,075)
On-behalf TPAF Normal Cost and Accrued Liability					
Contribution (Nonbudgeted)				723,810	(723,810)
On-Behalf TPAF Post Retirement Medical					
Benefit Contribution (Nonbudgeted)				1,231,719	(1,231,719)
Reimbursed TPAF Soc. Sec. Contr. (Nonbudgeted)	-	-	-	1,102,197	(1,102,197)
Total Undistributed Expenditures	<u>18,068,416</u>	<u>55,674</u>	<u>18,124,090</u>	<u>20,064,071</u>	<u>(1,216,171)</u>
Total Expenditures - Current Expenditures	<u>34,059,252</u>	<u>262,196</u>	<u>34,321,448</u>	<u>35,971,719</u>	<u>(926,461)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Instruction		4,200	4,200	4,200	
Guidance		2,450	2,450	2,450	
Educational Media Services/Library		2,450	2,450	2,450	
Admin Info Technology		2,849	2,849	2,500	349
Operation & Maintenance of Plant Services		21,375	21,375	21,375	
Undis. Expe. -Required Maintenance for School Facilities	40,000	56,623	96,623	79,039	17,584
School Buses - Regular		154,337	154,337	154,337	
School Buses - Special	-	<u>148,353</u>	<u>148,353</u>	-	<u>148,353</u>
Total Equipment	<u>40,000</u>	<u>392,637</u>	<u>432,637</u>	<u>266,351</u>	<u>166,286</u>

**SECAUCUS 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**

	Budgeted			Actual	Variance
	Original Budget	Adjustments	Final Budget		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		\$ 46,500	\$ 46,500		\$ 46,500
Construction Services		256,400	256,400		256,400
Assessment for Debt Service on SDA	\$ 55,872	-	55,872	\$ 55,872	-
Total Facilities Acquisition and Constr. Services	55,872	302,900	358,772	55,872	302,900
Total Capital Outlay	95,872	695,537	791,409	322,223	469,186
Transfer to Charter School	75,578	35,475	111,053	111,053	-
Total Expenditures	34,230,702	993,208	35,223,910	36,404,995	(457,275)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(234,169)	(993,208)	(1,227,377)	774,673	2,002,050
Other Financing Sources(Uses)					
Transfer In-Capital Projects Fund	-	-	-	2	(2)
Total Other Financing Sources (Uses)	-	-	-	2	(2)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(234,169)	(993,208)	(1,227,377)	774,675	2,002,052
Fund Balances, Beginning of Year	2,602,998	-	2,602,998	2,602,998	-
Fund Balances, End of Year	\$ 2,368,829	\$ (993,208)	\$ 1,375,621	\$ 3,377,673	\$ 2,002,052

**Recapitulation**

## Restricted:

Capital Reserve	\$ 750,000
Excess Surplus	384,374
Excess Surplus - Designated for Subsequent Year's Expenditures	413,767

## Committed

Year End Encumbrances	302,900
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## Assigned:

Year End Encumbrances	686,107
ARRA/SEMI Unreserved - Designated for Subsequent Year's Expenditures - 2016/17	15,659
Designated for Subsequent Year's Expenditures	94,362
Unassigned	730,504

Total Fund Balance 3,377,673

**Reconciliation to Governmental Funds Statements (GAAP)**

Less : Less State Aid Payments not Recognized on  
GAAP Basis (259,505)

Fund Balance per Governmental Fund \$ 3,118,168

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 3,043	\$ 3,043	\$ 3,023	\$ (20)
Federal	\$ 671,034	342,799	1,013,833	895,019	(118,814)
Local Sources					
Miscellaneous	-	97,169	97,169	97,169	-
Total Revenues	<u>671,034</u>	<u>443,011</u>	<u>1,114,045</u>	<u>995,211</u>	<u>(118,834)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	274,410	(138,600)	135,810	132,591	3,219
Purchased Professional Educational Services		13,429	13,429	2,691	10,738
Other Purchased Services	330,532	161,030	491,562	454,332	37,230
General Supplies	-	112,852	112,852	105,052	7,800
Total Instruction	<u>604,942</u>	<u>148,711</u>	<u>753,653</u>	<u>694,666</u>	<u>58,987</u>
Support Services					
Salaries of Teachers		22,700	22,700	9,607	13,093
Salaries of Other Professional Staff		14,217	14,217	13,247	970
Purchased Professional Educational Services	66,092	(24,299)	41,793	11,409	30,384
Other Purchased Professional Services		8,176	8,176	536	7,640
Employee Benefits		33,011	33,011	30,893	2,118
General Supplies	-	58,326	58,326	52,684	5,642
Total Support Services	<u>66,092</u>	<u>112,131</u>	<u>178,223</u>	<u>118,376</u>	<u>59,847</u>
Facilities Acquisition and Construction Svs					
Instructional Equipment		182,169	182,169	182,169	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>182,169</u>	<u>182,169</u>	<u>182,169</u>	<u>-</u>
Total Expenditures	<u>671,034</u>	<u>443,011</u>	<u>1,114,045</u>	<u>995,211</u>	<u>118,834</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 37,179,668	\$ 995,211
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		(45,000)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2014-2015)	75,159	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015-2016)	<u>(259,505)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.(Exhibit B-2)	<u>\$ 36,995,322</u>	<u>\$ 950,211</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 36,404,995	\$ 995,211
Differences - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
June 30, 2015 Encumbrances	<u>-</u>	<u>(45,000)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,404,995</u>	<u>\$ 950,211</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SECAUCUS 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)	0.05372%	0.05384%
District's Proportionate Share of the Net Pension Liability (Asset)	10,057,446	10,289,706
District's Covered-Employee Payroll	3,670,569	3,617,264
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	274%	284%
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.

**SECAUCUS 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	\$ 464,094	\$ 426,440
Contributions in Relation to the Contractually Required Contributions	<u>464,094</u>	<u>426,440</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	3,670,569	3,617,264
Contributions as a Percentage of Covered-Employee Payroll	12.64%	11.79%

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.

**SECAUCUS 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)	0.00%	0.00%
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>76,735,244</u>	<u>76,465,713</u>
Total	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
District's Covered-Employee Payroll	-	-
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.

**SECAUCUS 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.

**SPECIAL REVENUE FUND**

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

	NCLB			Race to The Top	EPA Grant	Total Page 2	Grand Totals
	Title I	Title IIA	Title III Immigrant				
<b>REVENUES</b>							
Intergovernmental							
Federal	\$ 288,165	\$ 56,672	\$ 9,498	\$ 1,352	\$ 85,000	\$ 454,332	\$ 895,019
State						3,023	3,023
Other	-	-	-	-	-	97,169	97,169
Total Revenues	<u>\$ 288,165</u>	<u>\$ 56,672</u>	<u>\$ 9,498</u>	<u>\$ 1,352</u>	<u>\$ 85,000</u>	<u>\$ 554,524</u>	<u>\$ 995,211</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 132,591						\$ 132,591
Purchased Professional Educational Services	2,691						2,691
Other Purchased Services						\$ 454,332	454,332
General Supplies	98,174	-	\$ 6,878	-	-	-	105,052
Total Instruction	<u>233,456</u>	<u>-</u>	<u>6,878</u>	<u>-</u>	<u>-</u>	<u>454,332</u>	<u>694,666</u>
Support Services							
Salaries of Teachers	3,635	\$ 5,150	822				9,607
Salaries of Other Professional Staff	13,247						13,247
Purchased Professional Educational Services		7,034		\$ 1,352		3,023	11,409
Other Purchased Prof. Services		267	269				536
Employee Benefits	30,436	394	63				30,893
General Supplies	7,391	43,827	1,466	-	-	-	52,684
Total Support Services	<u>54,709</u>	<u>56,672</u>	<u>2,620</u>	<u>1,352</u>	<u>-</u>	<u>3,023</u>	<u>118,376</u>
Facilities Acquisition and Construction Svs							
Instructional Equipment					\$ 85,000	97,169	182,169
Noninstructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>97,169</u>	<u>182,169</u>
Total Expenditures	<u>\$ 288,165</u>	<u>\$ 56,672</u>	<u>\$ 9,498</u>	<u>\$ 1,352</u>	<u>\$ 85,000</u>	<u>\$ 554,524</u>	<u>\$ 995,211</u>

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

	<u>I.D.E.A. B-Basic Regular</u>	<u>I.D.E.A. Preschool</u>	<u>HIB Grant</u>	<u>Xchange at Secaucus</u>	<u>Page Total</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 429,076	\$ 25,256			\$ 454,332
State			\$ 3,023		3,023
Other	-	-	-	\$ 97,169	97,169
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 429,076</u>	<u>\$ 25,256</u>	<u>\$ 3,023</u>	<u>\$ 97,169</u>	<u>\$ 554,524</u>
<b>EXPENDITURES</b>					
Instruction					
Other Purchased Services	\$ 429,076	\$ 25,256			\$ 454,332
General Supplies	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Instruction	<u>429,076</u>	<u>25,256</u>	<u>-</u>	<u>-</u>	<u>454,332</u>
Support Services					
Purchased Professional Educational Services	-	-	\$ 3,023	-	3,023
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Support Services	<u>-</u>	<u>-</u>	<u>3,023</u>	<u>-</u>	<u>3,023</u>
Facilities Acquisition and Construction Svs					
Instructional Equipment				\$ 97,169	97,169
Noninstructional Equipment	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,169</u>	<u>97,169</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 429,076</u>	<u>\$ 25,256</u>	<u>\$ 3,023</u>	<u>\$ 97,169</u>	<u>\$ 554,524</u>

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

SECAUCUS BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Unexpended Balance</u>
	<u>Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Various Equipment Purchases - 2010/11	\$ 1,670,000	\$ 1,641,050		\$ 28,950
Various Equipment Purchases - 2012/13	750,000	620,532	\$ 750	128,718
12/10/2013 Referendum - Middle School Renovations and Expansion Project	27,400,000	1,007,483	2,886,918	23,505,599
	\$ 29,820,000	\$ 3,269,065	\$ 2,887,668	\$ 23,663,267

**Recapitulation of Balance**

Restricted for Capital Projects:	
Year End Encumbrances	\$ 20,105,012
Available for Capital Projects	3,558,255
Total Fund Balance - Restricted For Capital Projects	\$ 23,663,267

**SECAUCUS 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**

<b>Revenues and Other Financing Sources</b>	
Bond Proceeds	\$ 27,400,000
Interest Earned	<u>2</u>
 Total Revenues	 <u>27,400,002</u>
 <b>Expenditures and Other Financing Uses</b>	
Legal	92,015
Purchased Professional and Technical Services	606,253
Construction Services	2,134,773
Other Objects	54,627
Transfer to General Fund	<u>2</u>
 Total Expenditures and Other Financing Uses	 <u>2,887,670</u>
 Excess of Revenue Over Expenditures	 24,512,332
 Fund Balance (Deficit), Beginning of Year, Restated	 <u>(849,065)</u>
 Fund Balance, End of Year	 <u>\$ 23,663,267</u>
 <b><u>Reconciliation to GAAP Basis</u></b>	
Fund Balance, June 30, 2015 - Budgetary Basis	<u>\$ 23,663,267</u>
 Fund Balance, June 30, 2015 - GAAP Basis	 <u>\$ 23,663,267</u>

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS EQUIPMENT PURCHASES - 2010/11  
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>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 1,670,000	-	\$1,670,000	\$ 1,670,000
Total Revenues	<u>1,670,000</u>	<u>-</u>	<u>1,670,000</u>	<u>1,670,000</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	1,195,867		1,195,867	1,200,000
Supplies and Materials	223,263		223,263	270,000
Equipment	<u>221,920</u>	<u>-</u>	<u>221,920</u>	<u>200,000</u>
Total Expenditures	<u>1,641,050</u>	<u>-</u>	<u>1,641,050</u>	<u>1,670,000</u>
Excess of Revenue Over Expenditures	<u>\$ 28,950</u>	<u>\$ -</u>	<u>\$ 28,950</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,670,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,670,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	98.27%
Original Target Completion Date	2011/2012
Revised Target Completion Date	2011/2012

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS EQUIPMENT PURCHASES - 2012/13  
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>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 750,000	-	\$ 750,000	\$ 750,000
 Total Revenues	 <u>750,000</u>	 <u>-</u>	 <u>750,000</u>	 <u>750,000</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	326,098		326,098	469,000
Equipment	293,325		293,325	281,000
Other Objects	1,109	\$ 750	1,859	-
 Total Expenditures	 <u>620,532</u>	 <u>750</u>	 <u>621,282</u>	 <u>750,000</u>
 Excess of Revenue Over Expenditures	 <u>\$ 129,468</u>	 <u>\$ (750)</u>	 <u>\$ 128,718</u>	 <u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bonds Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 750,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 750,000			
 Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	82.84%			
Original Target Completion Date	2013/2014			
Revised Target Completion Date	2013/2014			

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
12/10/2013 REFERENDUM - MIDDLE SCHOOL RENOVATIONS AND EXPANSION PROJECT  
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>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	-	\$ 27,400,000	\$27,400,000	\$27,400,000
 Total Revenues	 -	 27,400,000	 27,400,000	 27,400,000
<b>Expenditures and Other Financing Uses</b>				
Legal	\$ 14,259	92,015	106,274	129,063
Purchased Professional and Technical Services	989,150	606,253	1,595,403	3,010,871
Construction Services		2,134,773	2,134,773	21,708,135
Equipment			-	606,000
Other Objects	4,074	53,877	57,951	1,945,931
 Total Expenditures	 1,007,483	 2,886,918	 3,894,401	 27,400,000
 Excess of Revenue Over Expenditures	 \$ (1,007,483)	 \$ 24,513,082	 \$23,505,599	 \$ -

**Additional Project Information:**

Project Number	4730-050-13-1000
Grant Date	N/A
Bond Authorization (Referendum) Date	12/10/2013
Bonds Authorized	\$ 27,400,000
Bonds Issued	\$ 27,400,000
Original Authorized Cost	\$ 27,400,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 27,400,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	14.21%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2015/2016

**ENTERPRISE FUNDS**

**EXHIBIT G-1**

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

THIS STATEMENT IS NOT APPLICABLE  
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**

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

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

THIS STATEMENT IS NOT APPLICABLE  
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**EXHIBIT G-4**

**SECAUCUS BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

NOT APPLICABLE

**EXHIBIT G-5**

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

NOT APPLICABLE

**EXHIBIT G-6**

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

NOT APPLICABLE

**FIDUCIARY FUNDS**

**SECAUCUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 140,443	\$ 928,672	\$ 1,069,115
Total Assets	<u>\$ 140,443</u>	<u>\$ 928,672</u>	<u>\$ 1,069,115</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 893,717	\$ 893,717
Accrued Salaries and Wages		17,749	17,749
Due to Other Funds		17,206	17,206
Due to Student Groups	\$ 140,443	<u>-</u>	<u>140,443</u>
Total Liabilities	<u>\$ 140,443</u>	<u>\$ 928,672</u>	<u>\$ 1,069,115</u>

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

**NOT APPLICABLE**

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

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Clarendon	\$ (212)	\$ 32,857	\$ 26,140	\$ 6,505
Huber School	10,636	48,146	51,322	7,460
<b>JUNIOR HIGH SCHOOL</b>				
Middle School	13,898	36,362	23,898	26,362
<b>HIGH SCHOOL</b>				
High School Activity	121,961	147,971	172,602	97,330
High School Athletic	<u>1,050</u>	<u>69,753</u>	<u>68,017</u>	<u>2,786</u>
Total All Schools	<u>\$ 147,333</u>	<u>\$ 335,089</u>	<u>\$ 341,979</u>	<u>\$ 140,443</u>

**SECAUCUS BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2015</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 909,277	\$ 25,306,479	\$ 25,287,084	\$ 928,672
Total Assets	<u>\$ 909,277</u>	<u>\$ 25,306,479</u>	<u>\$ 25,287,084</u>	<u>\$ 928,672</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 18,032	\$ 14,506	\$ 15,332	\$ 17,206
Payroll Deductions and Withholdings	873,627	12,362,763	12,342,673	893,717
Accrued Salaries and Wages	<u>17,618</u>	<u>12,929,210</u>	<u>12,929,079</u>	<u>17,749</u>
Total Liabilities	<u>\$ 909,277</u>	<u>\$ 25,306,479</u>	<u>\$ 25,287,084</u>	<u>\$ 928,672</u>

**LONG-TERM DEBT**

**SECAUCUS BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF 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>
Refunding Bonds	5/27/2009	\$ 2,910,000	7/15/2015	\$ 275,000	3.25%	\$ 1,915,000		\$ 265,000	\$ 1,650,000
			7/15/2016	280,000	3.50%				
			7/15/2017	275,000	4.00%				
			7/15/2018	275,000	4.00%				
			7/15/2019	275,000	4.00%				
			7/15/2020	270,000	4.00%				
Refunding Bonds	7/15/2011	4,550,000	7/15/2015	895,000	1.60%	3,645,000		885,000	2,760,000
			7/15/2016	920,000	1.89%				
			7/15/2017	945,000	2.23%				
School Bonds Series 2014	7/16/2014	27,400,000	8/15/2015	1,055,000	2.00%				
			8/15/2016	1,080,000	2.00%				
			8/15/2017	1,095,000	3.00%				
			8/15/2018	1,120,000	3.00%				
			8/15/2019	1,140,000	3.00%				
			8/15/2020	1,165,000	3.00%				
			8/15/2021	1,195,000	3.00%				
			8/15/2022	1,220,000	3.00%				
			8/15/2023	1,255,000	3.00%				
			8/15/2024	1,290,000	3.00%				
			8/15/2025	1,330,000	3.00%				
			8/15/2026	1,375,000	3.00%				
			8/15/2027	1,425,000	3.125%				
			8/15/2028	1,475,000	3.125%				
			8/15/2029	1,535,000	3.250%				
			8/15/2030	1,595,000	3.375%				
			8/15/2031	1,660,000	3.500%				
8/15/2032	1,725,000	3.625%							
8/15/2033	1,795,000	4.000%							
8/15/2034	1,870,000	4.000%							
						-	\$ 27,400,000	-	27,400,000
						\$ 5,560,000	\$ 27,400,000	\$ 1,150,000	\$ 31,810,000

**SECAUCUS BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF CAPITAL LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
Various Purchases of Equipment (2009-10)	3.71%	\$ 1,075,000	\$ 238,908		\$ 238,908	
Various Purchases of Equipment (2010-11)	2.94%	1,670,000	715,952		362,321	\$ 353,631
Various Purchases of Equipment (2012-13)	1.484%	750,000	<u>498,978</u>	-	<u>164,117</u>	<u>334,861</u>
			<u>\$ 1,453,838</u>	<u>\$ -</u>	<u>\$ 765,346</u>	<u>\$ 688,492</u>

**SECAUCUS BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,877,925	-	\$ 1,877,925	\$ 1,877,925	-
Total Revenues	<u>1,877,925</u>	<u>-</u>	<u>1,877,925</u>	<u>1,877,925</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	655,050	-	655,050	637,906	\$ 17,144
Redemption of Principal	<u>1,222,875</u>	<u>-</u>	<u>1,222,875</u>	<u>1,150,000</u>	<u>72,875</u>
Total Expenditures	<u>1,877,925</u>	<u>-</u>	<u>1,877,925</u>	<u>1,787,906</u>	<u>90,019</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,019</u>	<u>90,019</u>
Fund Balance, Beginning of Year	<u>41,266</u>	<u>-</u>	<u>41,266</u>	<u>41,266</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 41,266</u>	<u>\$ -</u>	<u>\$ 41,266</u>	<u>\$ 131,285</u>	<u>\$ 90,019</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted for Debt Service:					
Available for Future Debt Service Expenditures				<u>\$ 131,285</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 131,285</u>	

## STATISTICAL SECTION

This part of the Secaucus 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.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>									(Restated)	
Invested in Capital Assets, Net of Related Debt	\$ 10,048,472	\$ 12,162,913	\$ 13,520,617	\$ 14,560,199	\$ 14,586,629	\$ 14,762,168	\$ 15,097,529	\$ 15,980,330	\$ 14,720,735	\$ 18,324,882
Restricted	2	2	3	4	73,029	73,028	699,334	620,909	3,882,864	881,285
Unrestricted	(170,626)	456,473	493,889	282,180	(568,724)	(1,027,289)	(875,430)	(695,185)	(10,872,549)	(9,889,492)
<b>Total Governmental Activities Net Position</b>	<u>\$ 9,877,848</u>	<u>\$ 12,619,388</u>	<u>\$ 14,014,509</u>	<u>\$ 14,842,383</u>	<u>\$ 14,090,934</u>	<u>\$ 13,807,907</u>	<u>\$ 14,921,433</u>	<u>\$ 15,906,054</u>	<u>\$ 7,731,050</u>	<u>\$ 9,316,675</u>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 144,771	\$ 130,294	\$ 115,817	\$ 101,340	\$ 86,862	\$ 72,385	\$ 57,908	\$ 43,431	\$ 28,954	\$ 28,276
Unrestricted	(1,700)	(1,735)	(19,385)	30,993	84,108	181,306	293,315	442,657	565,638	679,034
<b>Total Business-Type Activities Net Position</b>	<u>\$ 143,071</u>	<u>\$ 128,559</u>	<u>\$ 96,432</u>	<u>\$ 132,333</u>	<u>\$ 170,970</u>	<u>\$ 253,691</u>	<u>\$ 351,223</u>	<u>\$ 486,088</u>	<u>\$ 594,592</u>	<u>\$ 707,310</u>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 10,193,243	\$ 12,293,207	\$ 13,636,434	\$ 14,661,539	\$ 14,673,491	\$ 14,834,553	\$ 15,155,437	\$ 16,023,761	\$ 14,749,689	\$ 18,353,158
Restricted	2	2	3	4	73,029	73,028	699,334	620,909	3,882,864	881,285
Unrestricted	(172,326)	454,738	474,504	313,173	(484,616)	(845,983)	(582,115)	(252,528)	(10,306,911)	(9,210,458)
<b>Total District Net Position</b>	<u>\$ 10,020,919</u>	<u>\$ 12,747,947</u>	<u>\$ 14,110,941</u>	<u>\$ 14,974,716</u>	<u>\$ 14,261,904</u>	<u>\$ 14,061,598</u>	<u>\$ 15,272,656</u>	<u>\$ 16,392,142</u>	<u>\$ 8,325,642</u>	<u>\$ 10,023,985</u>

Note 1 - Net position at June 30, 2012 is restated to reflect the implementation of GASB 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65.

Note 2 - Net position at June 30, 2014 is restated to reflect the implementation of GASB 68, "Accounting and Financial Reporting for Pensions".

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 12,149,623	\$ 12,988,050	\$ 14,289,456	14,122,338	15,751,201	\$ 14,999,035	17,473,247	18,455,000	17,387,422	\$ 17,891,698
Special Education	2,696,549	3,043,569	3,349,063	3,659,284	3,922,175	3,712,888	2,860,092	3,146,845	3,077,142	5,299,019
Other Special Instruction								290,070	262,571	
Other Instruction	629,419	613,815	468,406	396,392	232,785	225,880	200,960	1,212,538	1,166,714	438,715
School Sponsored Activities And Athletics	918,734	979,206	1,038,042	1,084,016	1,159,150	1,031,952	1,076,225			1,345,392
Community Services	54,867	70,232	71,329	60,663	53,528	58,372				42,123
Support Services:										
Tuition							299,726	192,571	394,392	
Student & Instruction Related Services	3,375,114	3,653,632	3,837,645	3,805,878	4,249,798	3,629,009	3,852,337	3,652,990	3,622,645	4,394,143
School Administration Services	1,617,093	1,697,281	1,796,341	1,656,438	1,900,168	2,443,713	2,007,116	1,783,165	1,250,439	2,429,217
General Administrative Services	1,167,317	1,224,923	951,153	1,180,325	989,193	1,133,855	1,324,622	1,807,722	1,966,545	1,005,038
Business/Central Services	740,556	770,328	744,207	817,001	954,600	1,416,831	702,578	587,510	735,185	1,221,673
Administration of Information Technology							342,923	450,274	442,727	
Plant Operations And Maintenance	4,345,946	4,496,791	4,851,726	4,836,715	4,811,744	4,671,900	3,620,091	3,493,530	4,072,940	4,802,450
Pupil Transportation	1,068,506	1,108,029	1,209,925	1,340,523	1,569,972	1,745,170	1,597,291	1,202,110	1,364,581	1,756,128
Transfer to Charter School							45,420	40,985	53,088	
Interest On Long-Term Debt	744,660	710,719	682,232	496,809	382,044	456,488	453,858	195,837	-	965,431
<b>Total Governmental Activities Expenses</b>	<b>29,507,784</b>	<b>31,356,575</b>	<b>33,289,525</b>	<b>33,456,382</b>	<b>35,976,358</b>	<b>35,525,093</b>	<b>35,856,486</b>	<b>36,511,147</b>	<b>35,696,391</b>	<b>41,591,027</b>
<b>Business-Type Activities</b>										
Enterprise Fund										
	1,146,212	1,324,696	1,522,750	1,611,941	1,744,015	1,661,422	847,236	1,716,826	1,712,055	938,181
<b>Total Business-Type Activities</b>	<b>1,146,212</b>	<b>1,324,696</b>	<b>1,522,750</b>	<b>1,611,941</b>	<b>1,744,015</b>	<b>1,661,422</b>	<b>847,236</b>	<b>1,716,826</b>	<b>1,712,055</b>	<b>938,181</b>
<b>Total District Expenses</b>	<b>\$ 30,653,996</b>	<b>\$ 32,681,271</b>	<b>\$ 34,812,275</b>	<b>\$ 35,068,323</b>	<b>\$ 37,720,373</b>	<b>\$ 37,186,515</b>	<b>\$ 36,703,722</b>	<b>\$ 38,227,973</b>	<b>\$ 37,408,446</b>	<b>\$ 42,529,208</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Regular	\$ 65,921	\$ 10,500	\$ 21,014		\$ 1,358					\$ 3,200
Plant Operations and Maintenance										
Special Schools and Programs	33,336	56,168	52,717	\$ 12,751	79,250	61,748				33,850
Transportation		98,614	95,939	78,456	79,250	61,748				
Operating Grants And Contributions	3,620,646	4,599,806	4,745,786	4,136,069	4,127,583	3,451,205	3,407,310	3,875,799	3,913,673	8,395,904
Capital Grants And Contributions	111,371	591,573	11,172	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,831,274</b>	<b>5,356,661</b>	<b>4,926,628</b>	<b>4,219,276</b>	<b>4,208,191</b>	<b>3,512,953</b>	<b>3,407,310</b>	<b>3,875,799</b>	<b>3,913,673</b>	<b>8,432,954</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 602,753	\$ 618,510	\$ 646,252	\$ 683,807	\$ 681,054	\$ 672,715	\$ 642,920	\$ 618,136	\$ 621,045	\$ 646,804
Operating Grants And Contributions	218,408	251,325	298,619	354,371	317,715	312,078	286,053	315,849	356,729	404,095
<b>Total Business Type Activities Program Revenues</b>	<b>821,161</b>	<b>869,835</b>	<b>944,871</b>	<b>1,038,178</b>	<b>998,769</b>	<b>984,793</b>	<b>928,973</b>	<b>933,985</b>	<b>977,774</b>	<b>1,050,899</b>
<b>Total District Program Revenues</b>	<b>\$ 4,652,435</b>	<b>\$ 6,226,496</b>	<b>\$ 5,871,499</b>	<b>\$ 5,257,454</b>	<b>\$ 5,206,960</b>	<b>\$ 4,497,746</b>	<b>\$ 4,336,283</b>	<b>\$ 4,809,784</b>	<b>\$ 4,891,447</b>	<b>\$ 9,483,853</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (25,676,510)	\$ (25,999,914)	\$ (28,362,897)	\$ (29,237,106)	\$ (31,768,167)	\$ (32,012,140)	\$ (32,449,176)	\$ (32,635,348)	\$ (31,782,718)	\$ (33,158,073)
Business-Type Activities	(325,051)	(454,861)	(577,879)	(573,763)	(745,246)	(676,629)	81,737	(782,841)	(734,281)	112,718
<b>Total District-Wide Net Expense</b>	<b>\$ (26,001,561)</b>	<b>\$ (26,454,775)</b>	<b>\$ (28,940,776)</b>	<b>\$ (29,810,869)</b>	<b>\$ (32,513,413)</b>	<b>\$ (32,688,769)</b>	<b>\$ (32,367,439)</b>	<b>\$ (33,418,189)</b>	<b>\$ (32,516,999)</b>	<b>\$ (33,045,355)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 25,189,519	\$ 26,696,628	\$ 28,455,747	\$ 29,233,491	\$ 30,309,145	\$ 31,066,874	\$ 31,015,985	\$ 31,506,805	\$ 32,311,941	\$ 32,748,152
Taxes Levied For Debt Service	1,518,462	1,524,168	1,288,165	1,293,073	1,294,240	1,287,318	1,217,257	1,265,839	1,276,826	1,877,925
Federal and State Aid - Unrestricted	235,176	233,423	275,384	275,384	12,701		1,140,697	1,153,722	1,153,386	39,072
Investment Earnings	154,130	229,150	182,282	57,952	23,861	9,660				41,595
Miscellaneous Income	623,879	498,434	102,192	77,427	173,355	124,611	188,763	624,363	637,242	36,954
Transfers	(320,062)	(440,349)	(545,752)	(609,664)	(783,883)	(759,350)		(930,760)	(884,624)	-
<b>Total Governmental Activities</b>	<b>27,401,104</b>	<b>28,741,454</b>	<b>29,758,018</b>	<b>30,064,980</b>	<b>31,016,718</b>	<b>31,729,113</b>	<b>33,562,702</b>	<b>33,619,969</b>	<b>34,494,771</b>	<b>34,743,698</b>
<b>Business-Type Activities:</b>										
Transfers	320,062	440,349	545,752	609,664	783,883	759,350	-	913,486	842,784	-
Miscellaneous Income	-	-	-	-	-	-	15,795	4,219	-	-
<b>Total Business-Type Activities</b>	<b>320,062</b>	<b>440,349</b>	<b>545,752</b>	<b>609,664</b>	<b>783,883</b>	<b>759,350</b>	<b>15,795</b>	<b>917,705</b>	<b>842,784</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 27,721,166</b>	<b>\$ 29,181,803</b>	<b>\$ 30,303,770</b>	<b>\$ 30,674,644</b>	<b>\$ 31,800,601</b>	<b>\$ 32,488,463</b>	<b>\$ 33,578,497</b>	<b>\$ 34,537,674</b>	<b>\$ 35,337,555</b>	<b>\$ 34,743,698</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,724,594	\$ 2,741,540	\$ 1,395,121	\$ 827,874	\$ (751,449)	\$ (283,027)	\$ 1,113,526	\$ 984,621	\$ 2,712,053	\$ 1,585,625
Business-Type Activities	(4,989)	(14,512)	(32,127)	35,901	38,637	82,721	97,532	134,864	108,503	112,718
<b>Total District</b>	<b>\$ 1,719,605</b>	<b>\$ 2,727,028</b>	<b>\$ 1,362,994</b>	<b>\$ 863,775</b>	<b>\$ (712,812)</b>	<b>\$ (200,306)</b>	<b>\$ 1,211,058</b>	<b>\$ 1,119,485</b>	<b>\$ 2,820,556</b>	<b>\$ 1,698,343</b>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 803,605	\$ 1,828,767	\$ 1,764,811	\$ 1,576,345	\$ 1,070,295	\$ 350,517	\$ 628,426	\$ 686,816	\$ 1,761,756	
Unreserved	980,688	654,399	661,869	722,552	470,276	539,980	718,175	771,330	766,083	
Restricted										\$ 1,548,141
Committed										302,900
Assigned										796,128
Unassigned	-	-	-	-	-	-	-	-	-	470,999
<b>Total General Fund</b>	<u>\$ 1,784,293</u>	<u>\$ 2,483,166</u>	<u>\$ 2,426,680</u>	<u>\$ 2,298,897</u>	<u>\$ 1,540,571</u>	<u>\$ 890,497</u>	<u>\$ 1,346,601</u>	<u>\$ 1,458,146</u>	<u>\$ 2,527,839</u>	<u>\$ 3,118,168</u>
All Other Governmental Funds										
Reserved	\$ 114,586	\$ 106,672	\$ 65,394							
Unreserved	(113,614)	96,619	224,967	\$ 172,249	\$ 245,274					
Restricted	-	-	-	-	-	\$ 232,988	\$ 70,909	\$ 61,183	\$ 2,121,108	\$ 23,794,552
<b>Total All Other Governmental Funds</b>	<u>\$ 972</u>	<u>\$ 203,291</u>	<u>\$ 290,361</u>	<u>\$ 172,249</u>	<u>\$ 245,274</u>	<u>\$ 232,988</u>	<u>\$ 70,909</u>	<u>\$ 61,183</u>	<u>\$ 2,121,108</u>	<u>\$ 23,794,552</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.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$26,707,981	\$28,220,796	\$29,743,912	\$30,526,564	\$31,603,385	\$32,354,192	\$32,233,242	\$32,772,644	\$33,588,767	\$34,026,077
Other Local Governmental Units-Restricted	63,462	73,762	168,485	70,456	152,060	61,748	99,017	72,228	1,375	3,200
Tuition Charges	2,459	10,500	11,014		1,358		3,750	4,125	4,125	
Interest Earnings	154,130	229,150	182,282	75,167	23,861	9,660				
Restricted Revenue from Intermediate Sources	33,336	56,168	52,717	12,751					83,385	33,850
Miscellaneous	621,604	520,412	64,750	83,742	116,283	135,275	85,995	548,010	548,357	175,718
State Sources	3,340,678	4,766,078	4,455,976	3,535,788	3,159,108	2,342,386	3,605,257	4,318,938	4,268,224	4,088,104
Federal Sources	600,250	630,848	551,262	589,452	952,737	1,098,155	942,750	720,436	798,836	896,511
<b>Total Revenue</b>	<b>31,523,900</b>	<b>34,507,714</b>	<b>35,230,398</b>	<b>34,893,920</b>	<b>36,008,792</b>	<b>36,001,416</b>	<b>36,970,011</b>	<b>38,436,381</b>	<b>39,293,069</b>	<b>39,823,460</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	11,836,994	13,129,642	14,316,246	13,881,652	15,588,371	14,959,930	11,739,981	11,949,947	12,044,626	15,709,509
Special Education Instruction	2,639,717	3,020,349	3,326,548	3,659,122	3,926,917	3,767,137	2,034,889	2,094,337	2,183,184	4,889,398
Other Special Instruction							860,547	188,751	180,019	
Other Instruction	523,495	521,968	366,919	279,174	234,109	255,637	139,781	979,481	958,536	393,617
School Sponsored Activities and Athletics	897,101	979,206	1,038,042	1,079,363	1,159,150	1,031,952				1,189,777
Community Services	53,288	70,232	71,329	60,352	53,528	58,372				41,525
<b>Support Services:</b>										
Tuition							299,726	192,571	394,392	
Student and Inst. Related Services	3,304,260	3,661,006	3,836,246	3,792,296	4,220,319	3,627,745	3,096,463	2,938,415	3,000,150	3,986,083
General Administration Services	980,265	1,065,169	944,413	958,317	971,209	1,134,521	1,059,166	1,660,104	884,507	968,588
School Administration Services	1,588,359	1,587,567	1,693,202	1,755,904	1,810,992	2,435,106	1,486,017	1,169,597	1,615,653	2,194,588
Central Services							561,780	467,521	131,002	
Administration of Information Technology							274,201	398,242	363,731	
Plant Operations And Maintenance	3,621,235	3,719,050	4,003,950	3,947,986	4,096,160	3,880,866	2,894,619	3,013,492	3,346,203	3,970,609
Pupil Transportation	1,046,853	1,108,029	1,209,925	1,335,562	1,462,873	1,613,561	1,277,191	1,135,591	1,121,098	1,620,705
Business/Central Services	735,536	707,024	741,624	805,635	947,517	1,171,496			473,003	1,164,975
Employee Benefits							8,565,134	9,127,227	9,077,269	
Transfer to Charter School							45,420	40,985	53,088	
Capital Outlay	1,273,293	1,682,917	1,623,165	580,658	638,481	1,373,014	405,837	781,705	1,175,539	3,290,438
Principal	2,073,794	1,843,283	1,612,196	1,721,991	1,488,535	1,570,615	985,000	1,070,000	1,115,000	1,936,598
Payments to Refunding Escrow Agent				65,473						
Cost of Issuance of Refunding Bonds				77,154						
Interest and Other Charges	635,525	714,481	741,257	672,139	387,049	408,347	264,020	195,837	161,826	674,370
<b>Total Expenditures</b>	<b>31,209,715</b>	<b>33,809,923</b>	<b>35,525,062</b>	<b>34,672,778</b>	<b>36,985,210</b>	<b>37,288,299</b>	<b>35,989,772</b>	<b>37,403,803</b>	<b>38,278,826</b>	<b>42,030,780</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	314,185	697,791	(294,664)	221,142	(976,418)	(1,286,883)	980,239	1,032,578	1,014,243	(2,207,320)
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds	331,000	613,000	871,000		1,075,000	1,670,000				27,400,000
Premium on Note	28,540	30,750								
Premium on Refunding Bonds				81,627						
Payment to Refunding Escrow Agent				(2,849,000)						
Refunding Bond Proceeds				2,910,000						
Refunding of Unfunded Pension Liability									3,000,000	
Bond Proceeds									(41,840)	
State Grants Receivable Cancelled							(286,127)	(17,273)	(842,784)	
Transfers to Cover Deficit - Food Service		(440,349)	(545,752)	(609,664)	(783,883)	(759,350)	(686,215)			
Transfers In		748,129	29,215	342,487	169	303	113,881			2
Transfers Out		(748,129)	(29,215)	(342,487)	(169)	(303)	(113,881)	(913,486)		(2)
<b>Total Other Financing Sources (Uses)</b>	<b>359,540</b>	<b>203,401</b>	<b>325,248</b>	<b>(467,037)</b>	<b>291,117</b>	<b>624,523</b>	<b>(686,215)</b>	<b>(930,759)</b>	<b>2,115,376</b>	<b>27,400,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 673,725</b>	<b>\$ 901,192</b>	<b>\$ 30,584</b>	<b>\$ (245,895)</b>	<b>\$ (685,301)</b>	<b>\$ (662,360)</b>	<b>\$ 294,024</b>	<b>\$ 101,819</b>	<b>\$ 3,129,619</b>	<b>\$ 25,192,680</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	9.05%	7.96%	6.94%	7.02%	5.16%	5.51%	3.51%	3.46%	3.44%	6.74%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Year</u>	<u>Interlocal Agreements</u>	<u>Adult Education Program Fees</u>	<u>Tuition</u>	<u>Interest Earned on Investments</u>	<u>Miscellaneous</u>	<u>Settlement</u>	<u>Sale of Assets</u>	<u>Total</u>
2015	\$ 33,850		\$ 3,200	\$ 41,593	\$ 36,954			\$ 115,597
2014	31,862		4,125	1,393	412,448			449,828
2013	66,756		4,125	1,597	52,928			125,406
2012	99,017		3,750		74,890			177,657
2011	61,748			9,357	124,611			195,716
2010	152,060		1,358	23,861	100,376			277,655
2009	70,456	\$ 12,751		57,952	75,167			216,326
2008	168,485	52,717	21,014	182,282	431			424,929
2007	98,614	56,168	10,500	229,150	81,309	\$ 350,000		825,741
2006	63,462	33,336	10,859	154,130	56,452		\$ 530,487	848,726

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2006	\$ 79,650,900	\$ 752,283,000			\$ 773,621,075	\$ 899,011,700	\$ 16,836,200	\$ 2,521,402,875	\$ 4,305,534	\$ 2,525,708,409	\$4,009,897,456	\$ 1.09
2007	76,599,400	768,487,800			765,539,075	912,751,300	16,836,200	2,540,213,775	3,787,223	2,544,000,998	4,711,823,692	1.14
2008	71,412,400	788,258,000			741,522,475	904,364,000	16,861,200	2,522,418,075	3,258,321	2,525,676,396	5,601,324,816	1.19
2009	69,947,500	837,108,300			748,314,375	861,030,800	16,861,200	2,533,262,175	3,588,479	2,536,850,654	5,102,274,042	1.23
2010	72,162,000	836,754,000			749,407,275	849,172,500	16,861,200	2,524,356,975	3,588,479	2,527,945,454	5,125,437,347	1.27
2011	70,381,700	826,938,200			770,934,475	846,900,400	16,861,200	2,532,015,975	3,588,479	2,535,252,214	5,377,088,565	1.27
2012	62,246,400	827,075,000			794,806,875	813,653,800	16,861,200	2,514,643,275	3,588,107	2,518,231,382	4,852,769,008	1.29
2013	62,317,200	816,160,000			819,622,775	807,360,900	41,712,200	2,547,173,075	3,185,224	2,550,358,299	4,955,875,892	1.30
2014	65,552,700	809,674,400			780,089,475	826,429,600	54,043,000	2,535,789,175	2,903,044	2,538,692,219	4,789,253,168	1.34
2015	60,295,500	867,609,000			799,892,975	869,802,300	54,043,000	2,651,642,775	3,339,721	2,654,982,496	4,402,341,949	1.41

Source: County Abstract of Ratables

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

**SECAUCUS BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2015	\$ 3.70	\$ 1.41	\$ 1.39	\$ 0.90
2014	3.77	1.34	1.40	1.03
2013	3.76	1.30	1.40	1.06
2012	3.69	1.29	1.40	1.00
2011	3.65	1.27	1.41	0.97
2010	3.45	1.27	1.36	0.82
2009	3.41	1.23	1.31	0.87
2008	3.23	1.19	1.20	0.84
2007	3.00	1.14	1.10	0.76
2006	2.84	1.09	1.05	0.70

Source: Tax Duplicate, Township of Secaucus

SECAUCUS 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
Mill Creek Mall LLC	\$ 256,024,000	9.64%	\$ 380,000,000	15.05%
20 Enterprise Ave LLC	104,879,900	3.95%		
Hartz Mtn Ind Poole & Co			75,000,000	2.97%
Fraternity Riverside Holding Co LLC	86,962,200	3.28%		
Harmon Meadow Plaza Inc			68,389,600	2.71%
755 Secaucus LLC	65,623,500	2.47%		
PMP 500 Plaza Corp	48,781,800	1.84%		
Matsushita			57,500,000	2.28%
First Penn Bank			50,743,400	2.01%
500 Plaza Corp			48,407,600	1.92%
700 Sinatra Drive Corp			42,715,100	1.69%
Mill Creek Mall LLC	42,396,300	1.60%	38,977,200	1.54%
700 Sinatra Drive Corp				
300-400 Park Plaza Dr Inc	41,679,000	1.57%		
Hartz Mtn Ind Poole & Co	38,215,200	1.44%		
C Salvesen, TK Fahey Prologis	36,585,800	1.38%		
BT Newyork LLC	34,881,500	1.31%	36,795,400	1.46%
Federated Dept Stores			30,628,700	1.21%
	<u>\$ 756,029,200</u>	<u>28.48%</u>	<u>\$ 829,157,000</u>	<u>32.83%</u>

Source: Municipal Tax Assessor

**SECAUCUS 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	\$ 26,707,981	\$ 26,707,981	100.00%	N/A
2007	28,220,796	28,220,796	100.00%	N/A
2008	29,743,912	29,743,912	100.00%	N/A
2009	30,526,564	30,526,564	100.00%	N/A
2010	31,978,788	31,978,788	100.00%	N/A
2011	32,293,717	32,293,717	100.00%	N/A
2012	32,502,943	32,502,943	100.00%	N/A
2013	33,180,707	33,180,707	100.00%	N/A
2014	34,107,422	34,107,422	100.00%	N/A
2015	34,626,077	34,626,075	99.99%	\$ 2

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

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Population (1)	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases				
2006	\$ 12,993,000		\$ 2,391,334	\$ 4,279,203	\$ 19,663,537	15,441	\$ 1,273
2007	11,973,000		2,191,775	4,469,861	18,634,636	15,331	1,215
2008	11,158,000		2,265,579	4,119,890	17,543,469	15,162	1,157
2009	10,369,000		1,393,588	670,818	12,433,406	15,281	814
2010	9,484,000		1,865,053	670,818	12,019,871	15,768	762
2011	8,534,000		2,914,438	670,818	12,119,256	16,296	744
2012	7,745,000		2,211,566		9,956,566	17,270	577
2013	6,675,000		2,153,763		8,828,763	17,715	498
2014	5,560,000		1,453,838	3,000,000	10,013,838	18,401	544
2015	31,810,000		688,492		32,498,492	18,416	1,765

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2006	\$ 12,993,000		\$ 12,993,000	0.51%	\$ 841
2007	11,973,000		11,973,000	0.47%	781
2008	11,158,000		11,158,000	0.44%	736
2009	10,369,000		10,369,000	0.41%	679
2010	9,484,000		9,484,000	0.38%	601
2011	8,534,000		8,534,000	0.34%	524
2012	7,745,000		7,745,000	0.31%	448
2013	6,675,000		6,675,000	0.26%	377
2014	5,560,000		5,560,000	0.22%	302
2015	31,810,000		31,810,000	1.20%	1,727

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**SECAUCUS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2014  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Secaucus Board of Education	\$ 4,410,000	\$ 4,410,000	
Town of Secaucus	<u>44,669,342</u>	<u>176,500</u>	<u>\$ 44,492,842</u>
	<u>\$ 49,079,342</u>	<u>\$ 4,586,500</u>	44,492,842
 Overlapping Debt Apportioned to the Municipality:			
Hudson County:			
County of Hudson (2)			<u>47,702,288</u>
 Total Direct and Overlapping Debt			<u>\$ 92,195,130</u>

Source:  
(1) 2014 Annual Debt Statement of the Town of Secaucus  
(2) Hudson County Treasurer's Office

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

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis	
2014	\$ 4,336,906,405
2013	4,774,457,498
2012	4,856,398,754
	<u>\$13,967,762,657</u>
Average Equalized Valuation Of Taxable Property	<u>\$ 4,655,920,886</u>
Debt Limit (4% of Average Equalization)	186,236,835
Total Net Debt Applicable to Limit	<u>31,810,000</u>
Legal Debt Margin	<u>\$ 154,426,835</u>

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 126,706,463	\$ 141,835,561	\$ 170,717,263	\$ 198,780,849	\$ 222,364,406	\$ 220,139,675	\$ 215,153,842	\$ 200,286,295	\$ 193,011,901	\$ 186,236,835
Total Net Debt Applicable To Limit	<u>13,503,820</u>	<u>13,674,824</u>	<u>11,973,820</u>	<u>11,158,820</u>	<u>10,369,000</u>	<u>9,484,820</u>	<u>8,534,000</u>	<u>6,675,000</u>	<u>5,560,000</u>	<u>31,810,000</u>
Legal Debt Margin	<u>\$ 113,202,643</u>	<u>\$ 128,160,737</u>	<u>\$ 158,743,443</u>	<u>\$ 187,622,029</u>	<u>\$ 211,995,406</u>	<u>\$ 210,654,855</u>	<u>\$ 206,619,842</u>	<u>\$ 193,611,295</u>	<u>\$ 187,451,901</u>	<u>\$ 154,426,835</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.66%	9.64%	7.01%	5.61%	4.66%	4.31%	3.97%	3.33%	2.88%	17.08%

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (A)</u>	<u>School District Population (1)</u>
2015	5.4%	N/A	18,416
2014	7.3	N/A	18,401
2013	N/A	50,172	17,715
2012	N/A	49,978	17,270
2011	N/A	49,111	16,296
2010	5.1	46,049	15,768
2009	5.0	43,694	15,281
2008	2.7	43,495	15,162
2007	2.0	40,192	15,331
2006	2.3	37,823	15,441

(A) Represents the County of Hudson

(1) Estimated

Source: State of New Jersey Dept. of Labor  
United States Bureau of Census

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	128	128	130	130	140	132	138	137	141	138
Special Education	41	44	44	44	44	29	37	37	37	39
Other Instruction	3	3	3	3	3	3	3	3	3	4
Adult/Continuing Education Programs	2	2	2	2						
Support Services:										
Student and Instruction Related Services	31	33	36	36	36	29	38	38	33	33
General Administration	6	6	6	6	6	6	7	7	9	8
School Administrative Services	14	14	13	13	14	10	12	13	16	16
Central Services	4	4	4	4	4	5	4	4	3	5
Administrative Information Technology	1	1	1	3	2	2	1	1	1	1
Plant Operations And Maintenance	26	26	24	24	27	22	22	21	27	27
Pupil Transportation	20	20	23	23	23	30	30	30	30	30
Total	<u>276</u>	<u>281</u>	<u>286</u>	<u>288</u>	<u>299</u>	<u>268</u>	<u>292</u>	<u>291</u>	<u>300</u>	<u>301</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	1,925	\$ 27,227,103	\$ 14,144	4.92%	N/A	12.35	15.6	10.9	1,919	1,821	0.20%	94.91%
2007	1,996	29,568,242	14,814	4.74%	N/A	12:05	12:55	11:36	1,973	1,873	2.82%	94.93%
2008	2,077	31,548,444	15,189	2.54%	N/A	12:05	12:06	11:04	2,078	1,961	5.32%	94.37%
2009	2,120	31,555,363	14,885	-2.01%	N/A	12:05	12:06	11:04	2,121	2,009	2.05%	94.72%
2010	2,143	34,471,145	16,085	8.07%	N/A	14:01	11:76	11:71	2,158	2,040	1.76%	94.53%
2011	2,196	33,936,323	15,454	-3.93%	N/A	15:6	14:00	19:8	2,182	2,059	1.11%	94.36%
2012	2,165	32,780,508	15,141	-2.02%	N/A	10:5	22:2	19:8	2,148	2,041	-1.56%	95.02%
2013	2,185	35,356,260	16,181	6.87%	N/A	N/A	N/A	N/A	2,123	2,069	-1.16%	97.46%
2014	2,181	35,826,462	16,427	1.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,189	36,129,374	16,505	0.48%		N/A	N/A	N/A	2,181	2,076	N/A	95.19%

Sources: District records

N/A - Not Available

- 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.

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

	<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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Clarendon School										
Square Feet	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	554	554	621	616	637	705	619	650	641	579
Huber School										
Square Feet	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	506	506	541	551	582	583	637	648	640	694
<b><u>High School / Middle School</u></b>										
Square Feet	159,070	159,070	159,070	159,070	159,070	159,070	159,070	159,070	159,070	159,070
Capacity (students)	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Enrollment	1,066	1,066	915	953	924	908	889	887	892	916

Number of Schools at June 30, 2015  
    Elementary = 2  
    Middle School / High School = 1  
    Other = 3

Source: District Records

**SECAUCUS BOARD OF EDUCATION**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

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

<u>School Facility</u>	<u>Project #</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Clarendon School	N/A	\$ 133,113	\$ 230,684	\$ 307,899	\$ 161,691	\$ 105,413	\$ 157,179	\$ 164,193	\$ 197,023	\$ 131,552	\$ 88,207
Huber School	N/A	74,504	129,114	170,010	239,581	87,425	130,357	136,174	163,478	130,287	145,288
High School / Middle School	N/A	<u>290,144</u>	<u>502,818</u>	<u>434,797</u>	<u>294,575</u>	<u>157,220</u>	<u>234,427</u>	<u>244,889</u>	<u>293,754</u>	<u>418,828</u>	<u>471,596</u>
Total School Facilities		497,761	862,616	912,706	695,847	350,058	521,963	545,256	654,255	680,667	705,091
Other Facilities	N/A	<u>5,479</u>	<u>9,495</u>	<u>21,632</u>	<u>22,224</u>	<u>9,714</u>	<u>14,483</u>	<u>15,130</u>	<u>17,954</u>	<u>10,245</u>	<u>70,267</u>
Grand Total		<u>\$ 503,240</u>	<u>\$ 872,111</u>	<u>\$ 934,338</u>	<u>\$ 718,071</u>	<u>\$ 359,772</u>	<u>\$ 536,446</u>	<u>\$ 560,386</u>	<u>\$ 672,209</u>	<u>\$ 690,912</u>	<u>\$ 775,358</u>

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

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF)		
Property - Blanket Property	\$ 250,000,000	\$ 2,500 Per Claim
Comprehensive General Liability - Per Occurrence	5,000,000	
Flood - Per Occurrence	10,000,000	1,000
Business Automobile - Per Occurrence	5,000,000	1,000
Boiler and Machinery	Included in Blanket Buildings and Contents	
Excess Liability	10,000,000	
School Board Legal Liability - SAIF - Per Claim	5,000,000	
Blanket Dishonesty Bond - Per Loss	500,000	
Public Officials - Selective Insurance Co.		
Treasurer	250,000	
Board Secretary	250,000	
All Risk (subject to certain exclusions) including equipment breakdowns, demolition and increased cost of construction, EDP equipment, extra expenses and newly acquired equipment		
<b>Sub-Limits:</b>		
Newly Acquired Property	\$ 25,000,000	
Builder's Risk	25,000,000	
Property-in-Transit	25,000,000	
Demolition and Increased Cost of Construction	25,000,000	
Flood (Zone A or V)	25,000,000	
Flood (Other Zones)	10,000,000	
Earthquakes	25,000,000	
Loss of Rents	200,000	
Boiler and Machinery	100,000,000	
Terrorism	100,000,000	
Unnamed Locations	25,000,000	
Loss of Revenues	200,000	
Accounts Receivable	2,500,000	
Fine Arts	2,500,000	
Trees/Shrubs/Plants	1,000,000	
Vehicles	Actual Cash Value (\$1,000 Deductible/\$75,000 per Vehicle for Hired Vehicles)	
Windstorm	200,000	

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

	<u>Coverage</u>	<u>Deductible</u>
Blanket Dishonesty Bond (includes Faithful Performance Elected Officials);		
Per Loss	\$ 500,000	\$ 1,000
Theft, Disappearance and Destruction:		
Per Person Inside the Premises	50,000	1,000
Per Loss Outside the Premises	50,000	1,000
Computer Fraud:		
Per Loss	50,000	1,000
Forgery and Alteration:		
Per Loss	50,000	1,000
Commercial Casualty Coverage:		
Per Occurrence, Bodily and Personal Injury, Property Damage	5,000,000	
Sexual Molestation Sub-Limit Each Loss/Per Member	5,000,000	
Includes:		
Comprehensive General Liability		
Business Automobile Liability		
Employee Benefits Liability		
Medical Expense:		
Per Person	5,000	
Environmental Impairment Liability:		
Per Occurrence	1,000,000	2,500
Fungi Sublimit	250,000	100,000
School Leaders Professional Liability		
Education Legal Liability Each Claim/Each Member	5,000,000	5,000
Employment Practices Liability Each Claim/Each Member	5,000,000	
Excess Liability:		
Excess of Auto, General Liability and School Leaders Professional	10,000,000	
Per Occurrence/Aggregate Member Limit		
Workers' Compensation and Employers Liability:	Statutory Limits	
Workers Compensation	5,000,000	
Employers Liability		

**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. NICOLSI, 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  
Secaucus Board of Education  
Secaucus, 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 Secaucus 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 Secaucus Board of Education’s basic financial statements and have issued our report thereon dated November 16, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Secaucus 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 Secaucus Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Secaucus 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 Secaucus Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Secaucus Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 16, 2015.

**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 Secaucus 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 Secaucus 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  
November 16, 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  
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 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  
Secaucus Board of Education  
Secaucus, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Secaucus 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 Secaucus Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The Secaucus 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 Secaucus 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 Secaucus 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 Secaucus Board of Education's compliance.

#### ***Opinion on Each Major Federal and State Program***

In our opinion, the Secaucus 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.

#### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major federal and state program is not modified with respect to this matter.

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

#### **Report on Internal Control Over Compliance**

Management of the Secaucus 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 Secaucus 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 Secaucus 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.

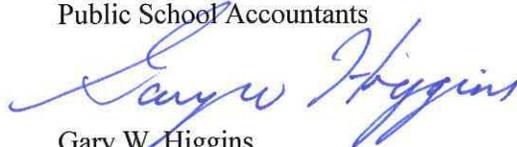
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 Secaucus 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 November 16, 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  
November 16, 2015

SECAUCUS 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 Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments (1)	June 30, 2015			MEMO GAAP Receivable
										(Account Receivable)	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Agriculture</b>													
<b>Passed-Through State Department of Education</b>													
Enterprise Fund:													
National School Lunch Program	10.555	N/A											*
Cash Assistance			07/01/14-6/30/15	\$ 281,342			\$ 231,725	\$ 281,342		\$ (49,617)			\$ (49,617)
Cash Assistance			07/01/13-6/30/14	251,823	\$ (49,464)		49,464						*
Non-Cash Assistance (Food Distribution)			07/01/14-6/30/15	36,479			36,479	35,659		\$ 820			*
Healthy Hungry Free Kids	10.592	N/A	07/01/13-6/30/14	10,322	(2,030)		2,030						*
School Breakfast Program	10.553	N/A	07/01/14-6/30/15	78,638			62,916	78,638		(15,722)			(15,722)
School Breakfast Program	10.553	N/A	07/01/13-6/30/14	85,214	(15,825)	-	15,825	-	-	-	-	-	-
Total Enterprise Fund					(67,319)	-	398,439	395,639	-	(65,339)	820	-	(65,339)
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department of Education</b>													
Special Revenue Fund:													
NCLB													
Title I	84.010A	NCLB473015	07/01/14-6/30/15	284,332		\$ (158,092)	306,552	288,165		(177,378)	37,673		(139,705)
Title I, Carryover	84.010A	NCLB473014	07/01/13-6/30/14	281,631	(158,092)	158,092							*
Title I, Carryover	84.010A	NCLB473013	09/01/12-8/31/13	347,479	43,415						\$ 43,415		*
Title II - Part A	84.367A	NCLB473015	07/01/14-6/30/15	41,000			19,950	56,672		(59,642)	22,920		(36,722)
Title II - Part A, Carryover	84.367A	NCLB473014	07/01/13-6/30/14	38,592	(2,982)				\$ 2,982				*
Title III-Immigrant	84.365A	NCLB473015	07/01/14-6/30/15	17,092			6,299	9,498		(10,793)	7,594		(3,199)
I.D.E.A. Part B, Basic Regular	84.027	FT473015	07/01/14-6/30/15	424,935		(340,149)	676,488	429,076		(129,967)	37,230		(92,737)
I.D.E.A. Part B, Basic Regular	84.027	FT473014	07/01/13-6/30/14	417,185	(340,149)	340,149							*
I.D.E.A. Part B, Preschool	84.173	PS473015	07/01/14-6/30/15	12,704		(2,633)	27,889	25,256					*
I.D.E.A. Part B, Preschool	84.173	PS473014	07/01/13-6/30/14	17,557	(2,633)	2,633							*
EPA-National Clean Diesel Rebate Program		N/A	07/01/14-6/30/15	85,000				85,000		(85,000)			(85,000)
Race to the Top	84.413A	N/A	7/01/12-11/30/15	22,614	(7,864)	-	7,864	1,352	-	(14,750)	13,398	-	(1,352)
Total Special Revenue Fund					(468,305)	-	1,045,042	895,019	2,982	(477,530)	118,815	43,415	(358,715)
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department of Education</b>													
General Fund:													
Medicaid Reimbursement (SEMI)	93.778	N/A	07/01/14-6/30/15	30,833			30,833	30,833					*
ARRA - Medicaid Reimbursement (SEMI)	93.778	N/A	10/1/208-12/31/10	15,659	-	-	15,659	15,659	-	-	-	-	-
Total General Fund					-	-	46,492	46,492	-	-	-	-	-
Total					\$ (535,624)	\$ -	\$ 1,489,973	\$ 1,337,150	\$ 2,982	\$ (542,869)	\$ 119,635	\$ 43,415	\$ (424,054)

(1) Represents the cancellation of a prior year grant balance.

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014		Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2015			MEMO	
				(Accts. Rec.) Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	15-495-034-5120-089	07/01/2014-6/30/2015	\$ 792,919			\$ 724,859	\$ 792,919			\$ (68,060)				\$ 792,919
Special Education Aid	14-495-034-5120-089	07/01/2013-6/30/2014	792,919	\$ (75,159)		75,159								
Transportation Aid	15-495-034-5120-014	07/01/2014-6/30/2015	70,500			64,448	70,500			(6,052)				70,500
Security Aid	15-495-034-5120-084	07/01/2014-6/30/2015	63,867			58,385	63,867			(5,482)				63,867
Per Pupil Growth Aid	15-495-034-5120-097	07/01/2014-6/30/2015	21,370			19,536	21,370			(1,834)				21,370
PARCC Readiness	15-495-034-5120-098	07/01/2014-6/30/2015	21,370			19,536	21,370			(1,834)				21,370
Extraordinary Aid	15-100-034-5120-473	07/01/2014-6/30/2015	176,243				176,243			(176,243)				176,243
Extraordinary Aid	14-100-034-5120-473	07/01/2013-6/30/2014	189,361	(189,361)		189,361								
Non-Public Transportation Reimb.	N/A	07/01/2014-6/30/2015	13,357				13,357			(13,357)			\$ (13,357)	13,357
Non-Public Transportation Reimb.	N/A	07/01/2013-6/30/2014	12,508	(12,508)		12,508								
T.P.A.F. NCGI	15-495-034-5094-007	07/01/2014-6/30/2015	52,075			52,075	52,075							52,075
T.P.A.F. Post Retirement Medical	15-495-034-5094-001	07/01/2014-6/30/2015	1,231,719			1,231,719	1,231,719							1,231,719
T.P.A.F. Normal Cost & Accrued Liab	15-495-034-5094-006	07/01/2014-6/30/2015	723,810			723,810	723,810							723,810
Reimbursed T.P.A.F. Social Security Aid	15-495-034-5094-003	07/01/2014-6/30/2015	1,102,197	-	-	1,102,197	1,102,197	-	-	-	-	-	-	1,102,197
<b>Total General Fund</b>				<b>(277,028)</b>	<b>-</b>	<b>4,273,593</b>	<b>4,269,427</b>	<b>-</b>	<b>-</b>	<b>(272,862)</b>	<b>-</b>	<b>-</b>	<b>(13,357)</b>	<b>4,269,427</b>
<b>Special Revenue Fund</b>														
H.I.B. Grant	N/A	07/01/2013-6/30/2014	2,437	2,432			2,412				\$ 20			2,412
H.I.B. Grant	N/A	07/01/2012-6/30/2013	3,071	1,175	-	-	611	-	-	-	564	-	-	611
<b>Total Special Revenue Fund</b>				<b>3,607</b>	<b>-</b>	<b>-</b>	<b>3,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584</b>	<b>-</b>	<b>-</b>	<b>3,023</b>
<b>State Department of Agriculture</b>														
<b>Enterprise Fund</b>														
National School Lunch (State Share)	15-100-010-3350-023	07/01/2014-6/30/2015	8,456			6,915	8,456			(1,541)			(1,541)	8,456
National School Lunch (State Share)	15-100-010-3350-023	07/01/2013-6/30/2014	6,582	(1,586)	-	1,586	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(1,586)</b>	<b>-</b>	<b>8,501</b>	<b>8,456</b>	<b>-</b>	<b>-</b>	<b>(1,541)</b>	<b>-</b>	<b>-</b>	<b>(1,541)</b>	<b>8,456</b>
<b>Total</b>				<b>\$ (275,007)</b>	<b>\$ -</b>	<b>\$ 4,282,094</b>	<b>\$ 4,280,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (274,403)</b>	<b>\$ 584</b>	<b>\$ -</b>	<b>\$ (14,898)</b>	<b>\$ 4,280,906</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
T.P.A.F. NCGI	15-495-034-5094-007	07/01/2014-6/30/2015				(52,075)	(52,075)							(52,075)
T.P.A.F. Post Retirement Medical	15-495-034-5094-001	07/01/2014-6/30/2015				(1,231,719)	(1,231,719)							(1,231,719)
T.P.A.F. Normal Cost & Accrued Liab	15-495-034-5094-006	07/01/2014-6/30/2015				(723,810)	(723,810)							(723,810)
<b>Total State Financial Assistance Not Subject to Single Audit</b>				<b>\$ (275,007)</b>	<b>\$ -</b>	<b>\$ 2,274,490</b>	<b>\$ 2,273,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (274,403)</b>	<b>\$ 584</b>	<b>\$ -</b>	<b>\$ (14,898)</b>	<b>\$ 2,273,302</b>

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**SECAUCUS 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 Secaucus 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 schedules 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 a decrease of \$184,346 for the general fund and a decrease of \$45,000 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	\$ 46,492	\$ 4,085,081	\$ 4,131,573
Special Revenue Fund	850,019	3,023	853,042
Food Service Fund	<u>395,639</u>	<u>8,456</u>	<u>404,095</u>
Total Awards Financial Assistance	<u>\$ 1,292,150</u>	<u>\$ 4,096,560</u>	<u>\$ 5,388,710</u>

**SECAUCUS 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 \$1,102,197 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 \$775,885 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,231,719 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.

SECAUCUS 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 Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified not considered to be material weakness(es)?        yes   X   none reported

Noncompliance material to basic financial statements noted?   X   yes        no

**Federal Awards Section**

Internal Control over major programs:

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

2) Significant deficiencies identified 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 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>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>          </u>	<u>  </u>
<u>          </u>	<u>  </u>

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

Auditee qualified as low-risk auditee?   X   yes        no



**SECAUCUS 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.

**Finding 2015-001**

The audit of the construction contract pertaining to the Middle/High School renovations and expansions indicated that the District did not submit the pre-advertisement notice 30 days prior to advertisement and the post-award notices within 20 days after the award to the Office of State Comptroller in accordance with N.J.S.A. 52:15 C-10.

**Criteria or Specific Requirement**

N.J.A.C. 52:15 C-10.

**Condition**

The district did not submit pre-advertisement and post-award notices for an award in excess of \$10 million to the Office of State Comptroller timely.

**Context**

See Finding 2015-001.

**Effect**

The Office of State Comptroller was not notified properly and timely for a contract award over \$10 million.

**Cause**

Unknown.

**Recommendation**

Purchasing procedures be enhanced to ensure pre-advertisement and post-award notices are submitted to the Office of State Comptroller in accordance with N.J.S.A 52:15 C-10.

**View of Responsible Officials and Planned Corrective Action Plan**

Management has reviewed this finding and has indicated that corrective action will be taken.

SECAUCUS 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.

**SECAUCUS 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 STATE AWARDS**

**Finding 2015-002**

We noted instances where contract awards and purchases were made in excess of the quote threshold where there was no documentation to support that the District received competitive quotations in accordance with N.J.S.A. 18A:18A-37(a). Additionally, business registration certificates and political contribution disclosure forms were not obtained for certain vendors.

**State Program Information**

Special Education Aid	15-495-034-5120-089
Security Aid	15-495-034-5120-084
Per Pupil Growth Aid	15-495-034-5120-097
PARCC Readiness	15-495-034-5120-098

**Criteria or Specific Requirement**

State Grant Compliance Supplement – State Aid Public  
N.J.S.A. 18A:18A – Public School Contracts Law

**Condition**

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

**Questioned Costs**

Unknown.

**Context**

- Goods and services for an electric gate installation and paving at Clarendon School were made in excess of the quote threshold for which documents were unavailable to determine if quotations were solicited in accordance with the Public School Contracts Law.
- Purchases and contracts for certain vendors were made where business registration certificates and political contribution disclosure forms were not obtained.

**SECAUCUS 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 STATE AWARDS (Continued)**

**Finding 2015-002 (Continued)**

**Effect**

Noncompliance with requirements of the Public School Contracts Law.

**Cause**

Unknown.

**Recommendation**

Purchasing procedures be enhanced to ensure competitive quotations are solicited and attached to purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A 18A:18A-37(a). Additionally, business registration certificates and political contribution disclosure forms be obtained for all applicable vendors.

**View of Responsible Officials and Planned Corrective Action Plan**

Management has reviewed finding and has indicated that corrective action will be taken.

**SECAUCUS 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.