

**EMERSON SCHOOL DISTRICT  
County of Bergen, New Jersey**

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2015  
(With Independent Auditors' Reports Thereon)**

**EMERSON SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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EMERSON SCHOOL DISTRICT

Comprehensive Annual Financial Report

Introductory Section

EMERSON BOARD OF EDUCATION  
MAIN STREET  
EMERSON, NEW JERSEY 07630

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September 30, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Emerson School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Emerson Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management 's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, the U.S. Office of Management and Budget Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*", and the state Treasury Circular Letter 04-04 and 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Emerson School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Emerson 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 K through 12. These include regular as well as special education for handicapped students.

EMERSON BOARD OF EDUCATION  
MAIN STREET  
EMERSON, NEW JERSEY 07630

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2. ECONOMIC CONDITION AND OUTLOOK: The Emerson area is substantially developed which both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is 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 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 awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

EMERSON BOARD OF EDUCATION  
MAIN STREET  
EMERSON, NEW JERSEY 07630

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5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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.

7. 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.

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Di Maria & Di Maria LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 and 15-08. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



EMERSON BOARD OF EDUCATION  
MAIN STREET  
EMERSON, NEW JERSEY 07630

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9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the 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 Business Office staff.

Respectfully submitted,

Philip Nisonoff, Ed.D.  
Assistant Superintendent of Schools  
School Business Administrator  
Board Secretary

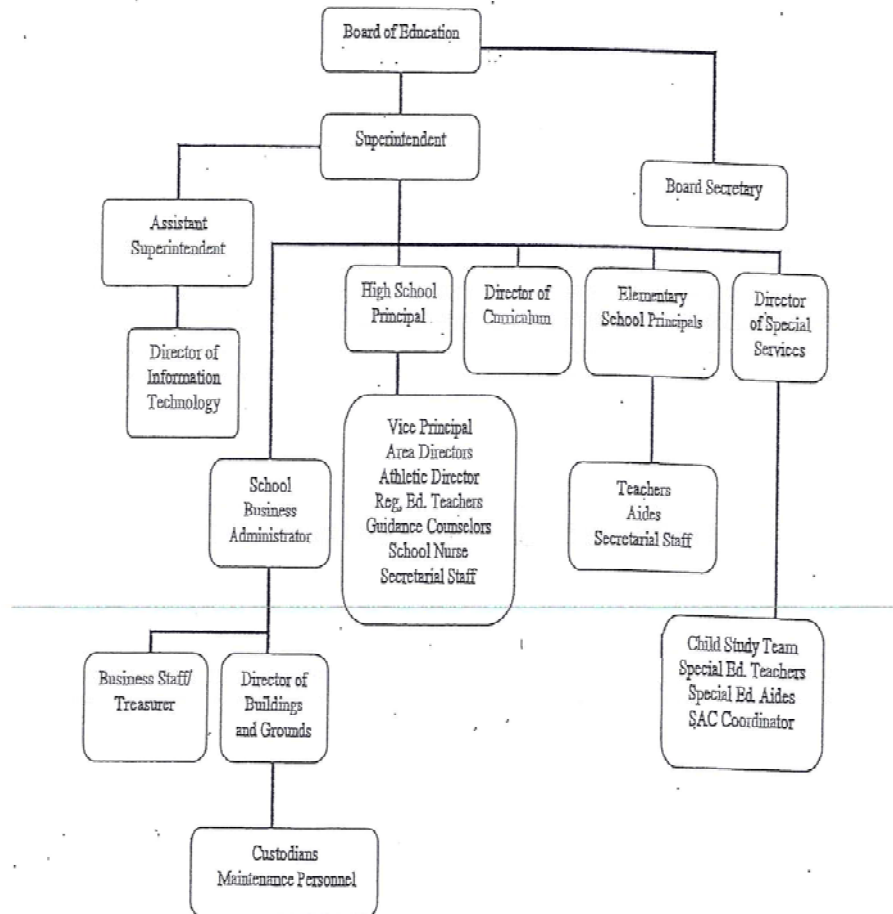
EMERSON SCHOOL DISTRICT  
ORGANIZATIONAL CHART

# POLICY

## EMERSON BOARD OF EDUCATION

ADMINISTRATION  
1110 / Page 1 of 1  
ORGANIZATIONAL CHART

### 1110 ORGANIZATIONAL CHART



Adopted: 26 August 2002  
Revised: January 2004,  
February, 2006



*18 p414*

**EMERSON SCHOOL DISTRICT  
ROSTER OF OFFICIALS**

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<u>Members of the Board of Education</u>	<u>Term Expires</u>
Craig Steel - President	2015
Ann Pressimone - Vice President	2017
Benjamin Sallemi	2016
Jeremy Tiegen	2017
Mary Reid	2016

Other Officials

Philip H. Nisonoff, Ed.D., Assistant Superintendent, Board of Secretary/School Business Administrator

Brian P. Gatens, Superintendent

Douglas S. Barrett, Treasurer of School Monies

**EMERSON BOARD OF EDUCATION  
CONSULTANTS, INDEPENDENT AUDITORS AND ADVISORS**

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Independent Audit Firm

Di Maria & Di Maria LLP  
245 Union Street  
Lodi, New Jersey 07644

General Counsel

John L. Schettino, Esq.  
800 Main Street, Suite 101  
Hackensack, NJ 07601

Special Education Counselor

Monica Peck, Esq.  
Schenck, Price, Smith & King, LLP  
110 Washington Street  
P.O. Box 905  
Morristown, NJ 07963

Official Depositories

Capital One Bank  
State of N.J. Cash Management Fund

EMERSON SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Financial Section

# *Di Maria & Di Maria LLP*

*Accountants & Consultants*

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245 Union Street  
Lodi, New Jersey 07644  
Voice 973.779.6890  
Facsimile 973.779.6891

Independent Auditors' Report

Honorable President and Members of the Board of Education  
Emerson School District County of Bergen, 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 Emerson School District, Emerson, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District'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.

Independent Auditors' Report (Continued)

Auditors' 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 *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 from 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 Emerson School District, Emerson, New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (Continued)

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents 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 Emerson School District's basic financial statements. The supplementary data schedules listed in the table of contents, the letter of comments and recommendations section, the accompanying schedules of expenditures of federal awards and the schedule of state financial assistance, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



Independent Auditors' Report (Continued)  
Other Matters (Continued)  
*Other Information* (Continued)

The introductory section and supplementary data schedules listed in the table of contents and the schedules of expenditures of federal awards and schedule of state financial assistance and statistical information 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 introductory section and supplementary data schedules listed in the table of contents, the schedules of expenditures of federal awards, the schedule of state financial assistance, and statistical information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Independent Auditors' Report (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015 on our consideration of the Emerson School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Emerson School District's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank DiMaria*

Frank Di Maria  
Licensed Public School Accountant  
PSA No. CS 01168

September 30, 2015

REQUIRED SUPPLEMENTAL INFORMATION - PART I

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

This section of the Emerson Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2014-2015 fiscal year include the following:

The assets of the Emerson Board of Education exceeded its liabilities at the close of the fiscal year by \$518,689 (net position).

The District's total net assets decreased \$4,948,052 primarily due to the implementation of GASB 68.

Overall district revenues were \$22,153,390. General revenues accounted for \$18,765,360 or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,388,030 or 15% of total revenues.

Overall district expenses were \$27,101,442. Governmental activities accounted for \$26,520,501 or 98% of all expenses. Business-type activities accounted for \$580,941 or 2% of all expenses. Governmental activities includes a \$4,470,983 charge to operations related to the implementation of GASB 68.

The school district had \$26,520,501 in expenses for governmental activities; only \$2,817,935 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$18,765,360 were adequate to provide for these programs.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,492,788 a decrease of \$908,773 when compared to the previous year ending fund balance at June 30, 2014 of \$4,401,561.

The General Fund unassigned fund balance at June 30, 2015 was \$659,979 an increase of \$38,700 when compared with the ending unassigned fund balance at June 30, 2014 of \$621,279.

The General Fund unassigned budgetary fund balance at June 30, 2015 was \$694,391 which represents an increase of \$40,282 when compared to the ending fund balance at June 30, 2014 of \$654,109.

EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts - *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *government wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

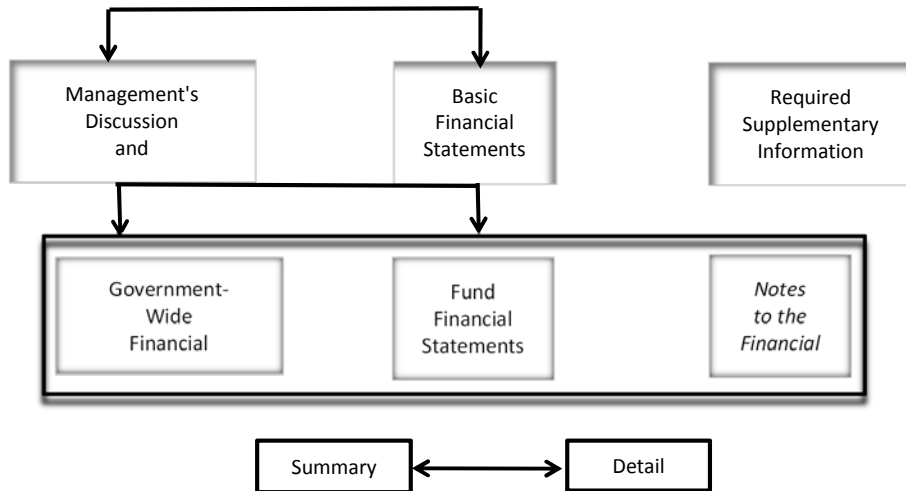
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in *more detail* than the district-wide statements.

The *governmental funds statements* tell how *general government* services like instruction were financed in the short term as well as what remains for future spending.

*Proprietary funds statements* offer *short-term and long-term* financial information about the activities the district operated like businesses, such as the food service program.

*Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following illustration shows how the various parts of this annual report are arranged and related to one another.



**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

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

**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as food service and student activity	Activities the district operates similar to private businesses: Enterprise Fund	Instances in which the district administers resources held in trust, such as Unemployment, Payroll Agency and Student Activities
Required financial statements	Statements of net position Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows	Statements of Fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

**Government-Wide Statements**

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

The two government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

*Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.

*Business type activities* - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included under this category.

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending for particular purposes:

Some funds are required by State law and bond covenants.

The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

1. *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or difference) between them.

2. *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds like the government-wide statements, provide both long and short term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has the following enterprise funds:

Food Service (Cafeteria)  
Adult School  
BCBANC  
Pre-K

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

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$518,689 as of June 30, 2015 and \$5,466,741 as of June 30, 2014. Primarily accounting for this difference is a \$4,470,983 charge to operations related to the implementation of GASB 68 in FY2015.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net Position  
As of June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current Assets	\$ 4,392,677	\$ 4,695,019	\$ 100,900	\$ 92,858	\$ 4,493,577	\$ 4,787,877
Capital Assets	1,622,580	1,203,950	-	-	1,622,580	1,203,950
Pension Deferred Outflows	350,787	-	-	-	350,787	-
<b>Total Assets</b>	<b>6,366,044</b>	<b>5,898,969</b>	<b>100,900</b>	<b>92,858</b>	<b>6,466,944</b>	<b>5,991,827</b>
Long-Term Liabilities	207,708	231,628	-	-	207,708	231,628
Other Liabilities	899,889	293,458	18,888	-	918,777	293,458
Net Pension Liability	4,532,008	-	-	-	4,532,008	-
Pension Deferred Inflows	289,762	-	-	-	289,762	-
<b>Total Liabilities</b>	<b>5,929,367</b>	<b>525,086</b>	<b>18,888</b>	<b>0</b>	<b>5,948,255</b>	<b>525,086</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	1,622,580	1,203,950	-	-	1,622,580	1,203,950
Restricted	1,854,685	2,579,770	-	-	1,854,685	2,579,770
Unrestricted	(3,040,588)	1,590,163	82,012	92,858	(2,958,576)	1,683,021
<b>Total Net Assets</b>	<b>\$ 436,677</b>	<b>\$ 5,373,883</b>	<b>\$ 82,012</b>	<b>\$ 92,858</b>	<b>\$ 518,689</b>	<b>\$ 5,466,741</b>

A small portion of the District's Net Assets, less than one percent, represents resources that are subject to external restrictions on how they maybe used. The remaining balance of unrestricted net position is a result of how the district expenses its long-term liabilities for governmental activities such as compensated absences and claims and judgments on the District-wide financial statements. These long-term liabilities are recorded and expensed for governmental activities at the time the liabilities are incurred regardless of when payment is due. However, the revenue for these long-term liabilities of governmental activities is not raised until these liabilities are included in the District budget when compensated absences and claims and judgments for governmental activities are due and payable.

The recording of assets and liabilities pertaining to pension liabilities, inflows and outflows are now required by GASB 68 which dictates that Districts recognize their proportionate share of the collective net pension liability, collective deferred inflows and outflows of resources and collective pension expense.



**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

**Change in Net Position  
For The Years Ended June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 16,712	\$ 17,554	\$ 522,797	\$ 520,081	\$ 539,509	\$ 537,635
Operating Grants and Contribution	2,801,223	2,536,687	47,298	50,881	2,848,521	2,587,568
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	17,822,315	17,364,797	-	-	17,822,315	17,364,797
State and Federal Aid	-	-	-	-	-	-
Other	943,045	790,883	-	-	943,045	790,883
<b>Total Revenues</b>	<b>21,583,295</b>	<b>20,709,921</b>	<b>570,095</b>	<b>570,962</b>	<b>22,153,390</b>	<b>21,280,883</b>
<b>Expenses</b>						
Instruction:						
Regular	5,305,071	5,078,116	-	-	5,305,071	5,078,116
Special Education	2,102,980	2,017,881	-	-	2,102,980	2,017,881
Basic Skills/Remedial	135,213	203,366	-	-	135,213	203,366
Bilingual Education	82,320	63,773	-	-	82,320	63,773
School Sponsored Cocurricular/Extracurricular Activities & Athletics	683,550	619,581	-	-	683,550	619,581
Undistributed Expenditures:						
Instruction	1,637,296	1,672,158	-	-	1,637,296	1,672,158
Attendance and Social Work Services	22,815	22,291	-	-	22,815	22,291
Health Services	209,458	233,380	-	-	209,458	233,380
Speech, OT, PT, Related Services	125,399	125,231	-	-	125,399	125,231
Extraordinary Services	352,178	326,571	-	-	352,178	326,571
Guidance	425,307	308,223	-	-	425,307	308,223
Child Study Team	365,962	342,497	-	-	365,962	342,497
Educational Media Services/School Library	212,841	208,889	-	-	212,841	208,889
Instructional Staff Training Services	40,899	54,695	-	-	40,899	54,695
Support Svcs-General Administration	320,185	296,218	-	-	320,185	296,218
Support Svcs-School Administration	946,879	1,173,130	-	-	946,879	1,173,130
Central Services	414,766	416,214	-	-	414,766	416,214
Required Maintenance for School Facilities	793,568	636,892	-	-	793,568	636,892
Operation and Maintenance of Plant Services	826,090	907,181	-	-	826,090	907,181
Care and Upkeep of Grounds	78,502	71,323	-	-	78,502	71,323
Student Transportation Services	443,707	394,436	-	-	443,707	394,436
Personal Services - Employee Benefits	7,798,258	2,787,043	-	-	7,798,258	2,787,043
TPAF Pension	1,140,186	918,111	-	-	1,140,186	918,111
TPAF Social Security	605,369	595,708	-	-	605,369	595,708
Capital Outlay:						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Facilities Acquisition and Construction Services	1,451,702	441,593	-	-	1,451,702	441,593
Debt Service:						
Interest on Bonds	-	-	-	-	-	-
Principal on Bonds	-	-	-	-	-	-
Food Services	-	-	580,941	548,540	580,941	548,540
<b>Total Expenses</b>	<b>26,520,501</b>	<b>19,914,501</b>	<b>580,941</b>	<b>548,540</b>	<b>27,101,442</b>	<b>20,463,041</b>

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

Change in Net Position	(4,937,206)	795,420	(10,846)	22,422	(4,948,052)	817,842
Net Position, Beginning	5,373,883	4,578,463	92,858	70,436	5,466,741	4,648,899
Net Position, Ending	\$ 436,677	\$ 5,373,883	\$ 82,012	\$ 92,858	\$ 518,689	\$ 5,466,741

**Governmental Activities** - The District's total governmental activities' revenues, which includes State and Federal grants, were \$21,583,295 and \$20,709,921 for the years ended June 30, 2015 and June 30, 2014, respectively. Property taxes of \$17,822,315 and \$17,364,797 represented 83% and 84% of the revenues for the fiscal years ended June 30, 2015 and 2014, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$2,799,641 and \$2,539,716 which represented 13% and 12% of the revenues for the fiscal years ended June 30, 2015 and 2014, respectively. State, federal and local aid and grants are reported as operating and capital grants and contributions if specific to a program or as general revenues if not specific to a program. In addition, other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services were \$22,492,068 and \$19,806,018 for the years ended June 30, 2015 and 2014. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$8,309,134 and \$7,920,366 (37% and 40%) of total expenditures for the fiscal years ended June 30, 2015 and 2014, respectively. Support services, totaled \$14,182,934 and \$11,885,652 (63% and 60%) of total expenditures.

**Business-Type-Activities** - The District's total business-type activities revenues were \$570,095 and \$570,962 for the years ended June 30, 2015 and June 30, 2014. Charges for services accounted for 92% and 91% of total revenues and operating grants and contributions accounted for 8% and 9% of total revenue for the years ended June 30, 2015 and 2014. There were no capital grants received for years ended June 30, 2015 or 2014.

The total cost of all business-type activities programs and services were \$580,941 and \$548,540 for the years ended June 30, 2015 and 2014. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and Adult School programs.

The business-type activities revenues (including transfers) for the year ended June 30, 2015 did not surpass expenses, decreasing net assets by \$10,846 below the previous year from \$92,858 at June 30, 2014 to \$82,012 at June 30, 2015. The cost of business-type activities this year was \$580,941, an increase of \$32,401 (6%) from the previous year.

Some of the cost was paid by users of the Districts food service and Adult School programs for a total of \$522,797, an increase of \$2,716 (1%).

The Federal and State governments subsidized the food service program with grants and contributions of \$47,298, a decrease of \$3,583 (7%).

Increases in expenses reflected the increased cost of sales (i.e., food and supply costs) associated with higher food prices offset with reductions in other purchased services, supplies and depreciation.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$3,492,788 for the year ended June 30, 2015 compared to a fund balance of \$4,401,561 for the year ended June 30, 2014, a decrease in the balance of \$908,773 for the year.

Revenues for the District's governmental funds were \$21,583,295 and \$20,709,921, while total expenses were \$22,492,068 and \$19,806,018 for the fiscal years ended June 30, 2015 and 2014, respectively.

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in the providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2015 and 2014:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2015</u>	<u>2014</u>		
Local Sources				
Property Tax Levy	\$ 17,822,315	\$ 17,364,797	\$ 457,518	3%
Miscellaneous	961,339	805,408	155,931	19%
State Sources	2,529,391	2,278,944	250,447	11%
Federal Sources	-	-	-	
<b>Total General Fund Revenues</b>	<b>\$ 21,313,045</b>	<b>\$ 20,449,149</b>	<b>\$ 863,896</b>	<b>4%</b>

Local property taxes increased by \$457,518 or 3% over the previous year. State aid revenues increased \$250,447, or 11%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year. Federal aid revenues decreased by \$ 0 due to no current year receipt of special education Medicaid funds.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2015 and 2014:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2015</u>	<u>2014</u>		
Instruction	\$ 8,039,358	\$ 7,690,347	\$ 349,011	5%
Support Services	12,312,128	11,413,306	898,822	8%
Debt Services	-	-	-	
Capital Outlay	1,455,128	299,655	1,155,473	386%
<b>Total Expenditures</b>	<b>\$ 21,806,614</b>	<b>\$ 19,403,308</b>	<b>\$ 2,403,306</b>	<b>12%</b>

Total General Fund expenditures increased \$2,403,306 or 12% from the previous year. The increase can be attributed mostly to increases in instruction, pension, employee benefit costs and capital outlay costs related to the installation of a new turf track and field at the Junior/Senior High School.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$270,250 and \$260,772 for the years ended June 30, 2015 and 2014. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 99% and 99% of the total revenues for the years ended June 30, 2015 and 2014.

Total Special Revenue Fund revenues increased \$9,478 or 4% from the previous year. State sources decreased \$2,568 or 73% and Federal sources increased by \$12,046 or 5%.

Expenditures of the Special Revenue Fund were \$270,250 and \$260,772 for the fiscal years ended June 30, 2015 and 2014. Instructional expenditures were \$269,776 and \$230,019 or 99% and 88% and expenditures for the support services were \$474 and \$30,753 or 1% and 12% of the total amounts expended for the years ended June 30, 2015 and 2014, respectively.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis and encumbrance accounting. The most significant mandated revenue recognition of certain deferred state aid payments for budgetary purposes only. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times through appropriation transfers between budget line items.

Implementing budgets for specially funded projects, which include both Federal and State grants.

Reinstating prior year purchase orders being carried over as encumbrances.

Increases in appropriations for significant unbudgeted costs.

General Fund budgetary revenues did not exceed General Fund budgetary and other financing uses decreasing budgetary fund balance \$601,787 from the previous year. After deducting statutory reserves and designations, the unassigned budgetary fund balance increased \$40,282 from a \$654,109 balance at June 30, 2014 to a \$694,391 fund balance at June 30, 2015.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015 and 2014 amounted to \$1,622,580 and \$1,203,950 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery, vehicles and various other types of equipment. Depreciation charges for fiscal years 2014-2015 and 2013-2014 amounted to \$195,181 and \$118,507 for governmental activities and \$0 and \$0 for business-type activities.

Capital Assets at June 30, 2015 and 2014  
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and Land Improvements	\$ 186,104	\$ 148,850	\$ -	\$ -	\$ 186,104	\$ 148,850
Building and Building Improvements	1,113,370	791,446	-	-	1,113,370	791,446
Machinery and Equipment	323,106	12,060	-	-	323,106	12,060
Vehicles	-	251,594	-	-	-	251,594
<b>Total Net Assets</b>	<b>\$ 1,622,580</b>	<b>\$ 1,203,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,622,580</b>	<b>\$ 1,203,950</b>

Additional information on the District's capital assets is presented in Note 5 of this report. Asset values have been adjusted from 2014 to reflect actual amounts as reported by an independent appraisal company analysis completed in the fall of 2014.

**LONG TERM LIABILITIES**

At June 30, 2015 and 2014, the District's long-term liabilities consisted of bonds payable of \$0 and \$0, capital lease payable of \$0 and \$0, and compensated absences payable of \$207,708 and \$231,628, respectively.

Additional information on the District's long term liabilities is presented in Note 7 of this report.

**EMERSON BOARD OF EDUCATION  
EMERSON, NEW JERSEY**

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2015 - 2016 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs, as well as, increased special education tuition costs.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Emerson Board of Education.

SECTION "A" - DISTRICT WIDE FINANCIAL STATEMENTS

**EMERSON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash	\$ 2,313,715	\$ 91,964	\$ 2,405,679
Receivables, (Net)	329,277	8,936	338,213
Restricted Assets:			
Emergency Reserve Account	100,607	-	100,607
Capital Reserve Account	1,649,078	-	1,649,078
Capital Assets, (Net)	1,622,580	-	1,622,580
Pension Deferred Outflows	350,787	-	350,787
<b>Total Assets</b>	<b>\$ 6,366,044</b>	<b>\$ 100,900</b>	<b>\$ 6,466,944</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 899,889	\$ 18,888	\$ 918,777
Pension Deferred Inflows	289,762	-	289,762
Net Pension Liability	4,532,008	-	4,532,008
Non-Current Liabilities:			
Due Within One Year	-	-	-
Due Beyond One Year	207,708	-	207,708
<b>Total liabilities</b>	<b>\$ 5,929,367</b>	<b>\$ 18,888</b>	<b>\$ 5,948,255</b>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	\$ 1,622,580	\$ -	\$ 1,622,580
Restricted for:			
Capital Projects	1,649,078	-	1,649,078
Emergency	100,607	-	100,607
Other Purposes	105,000	-	105,000
Unrestricted	(3,040,588)	82,012	(2,958,576)
<b>Total Net Position</b>	<b>\$ 436,677</b>	<b>\$ 82,012</b>	<b>\$ 518,689</b>

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

EMERSON SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Expenses				Program Revenues				Net (Expense) Revenue & Changes in Net Assets		
	Budgetary Basis	Adjustments	Depreciation	Total	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-type Activities	Total
<i>Governmental Activities:</i>											
<i>Current Expense:</i>											
<i>Instruction:</i>											
Regular Programs	\$ 5,305,071	\$ -	\$ -	\$ 5,305,071	\$ -	\$ 23,698	\$ -	\$ 23,698	\$ (5,281,373)	\$ -	\$ (5,281,373)
Special Education	2,102,980	-	-	2,102,980	-	982,447	-	982,447	(1,120,533)	-	(1,120,533)
Basic Skills/Remedial	135,213	-	-	135,213	-	-	-	-	(135,213)	-	(135,213)
Bilingual Education	82,320	-	-	82,320	-	-	-	-	(82,320)	-	(82,320)
School Sponsored Cocurricular/Extracurricular Activities	207,562	-	-	207,562	-	-	-	-	(207,562)	-	(207,562)
School Sponsored Athletics	475,988	-	-	475,988	-	-	-	-	(475,988)	-	(475,988)
<i>Undistributed Expenditures:</i>											
Instruction	1,637,296	-	-	1,637,296	-	-	-	-	(1,637,296)	-	(1,637,296)
Attendance and Social Work Services	22,815	-	-	22,815	-	-	-	-	(22,815)	-	(22,815)
Health Services	209,458	-	-	209,458	-	474	-	474	(208,984)	-	(208,984)
Speech, OT, PT, Related Services	125,399	-	-	125,399	-	-	-	-	(125,399)	-	(125,399)
Extraordinary Services	352,178	-	-	352,178	-	-	-	-	(352,178)	-	(352,178)
Guidance	425,307	-	-	425,307	-	-	-	-	(425,307)	-	(425,307)
Child Study Team	365,962	-	-	365,962	-	-	-	-	(365,962)	-	(365,962)
Educational Media Services - School Library	212,841	-	-	212,841	-	-	-	-	(212,841)	-	(212,841)
Instructional Staff Training Services	40,899	-	-	40,899	-	-	-	-	(40,899)	-	(40,899)
Support Services - General Administration	320,185	-	-	320,185	-	-	-	-	(320,185)	-	(320,185)
Support Services - School Administration	946,879	-	-	946,879	-	-	-	-	(946,879)	-	(946,879)
Central Services	414,766	-	-	414,766	-	-	-	-	(414,766)	-	(414,766)
Required Maintenance for School Facilities	793,568	-	-	793,568	-	-	-	-	(793,568)	-	(793,568)
Operation and Maintenance of Plant Services	826,090	-	-	826,090	-	19,244	-	19,244	(806,846)	-	(806,846)
Care and Upkeep of Grounds	78,502	-	-	78,502	-	-	-	-	(78,502)	-	(78,502)
Student Transportation Services	443,707	-	-	443,707	16,712	29,805	-	46,517	(397,190)	-	(397,190)
Personal Services - Employee Benefits	3,351,195	4,447,063	-	7,798,258	-	-	-	-	(7,798,258)	-	(7,798,258)
TPAF Pension	1,140,186	-	-	1,140,186	-	1,140,186	-	1,140,186	-	-	-
TPAF Social Security	605,369	-	-	605,369	-	605,369	-	605,369	-	-	-
<i>Capital Outlay:</i>											
Interest Deposit to Capital Reserve	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Services	1,870,332	(624,801)	206,171	1,451,702	-	-	-	-	(1,451,702)	-	(1,451,702)
<i>Debt Service:</i>											
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 22,492,068</b>	<b>\$ 3,822,262</b>	<b>\$ 206,171</b>	<b>\$ 26,520,501</b>	<b>\$ 16,712</b>	<b>\$ 2,801,223</b>	<b>\$ -</b>	<b>\$ 2,817,935</b>	<b>\$ (23,702,566)</b>	<b>\$ -</b>	<b>\$ (23,702,566)</b>
<b>Business-Type Activities</b>	<b>\$ 580,941</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 580,941</b>	<b>\$ 522,797</b>	<b>\$ 47,298</b>	<b>\$ -</b>	<b>\$ 570,095</b>	<b>\$ -</b>	<b>\$ (10,846)</b>	<b>\$ (10,846)</b>
<b>Total Primary Government</b>	<b>\$ 23,073,009</b>	<b>\$ 3,822,262</b>	<b>\$ 206,171</b>	<b>\$ 27,101,442</b>	<b>\$ 539,509</b>	<b>\$ 2,848,521</b>	<b>\$ -</b>	<b>\$ 3,388,030</b>	<b>\$ (23,702,566)</b>	<b>\$ (10,846)</b>	<b>\$ (23,713,412)</b>
<i>General Revenues:</i>											
Local Tax Levy									\$ 17,822,315	\$ -	\$ 17,822,315
Other Local Governmental Units - Restricted									473,687	-	473,687
Other Restricted Revenues									3,133	-	3,133
Unrestricted Miscellaneous Revenues									466,225	-	466,225
<b>Total General Revenues</b>									<b>18,765,360</b>	<b>-</b>	<b>18,765,360</b>
<i>Change in Net Position</i>									(4,937,206)	(10,846)	(4,948,052)
<i>Net Position—Beginning</i>									5,373,883	92,858	5,466,741
<i>Net Position—Ending</i>									<b>\$ 436,677</b>	<b>\$ 82,012</b>	<b>\$ 518,689</b>

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



SECTION "B" - FUND FINANCIAL STATEMENTS

EMERSON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<u>ASSETS</u>					
Cash - Warrant Account	\$ 1,375,379	\$ 8,336	\$ -	\$ -	\$ 1,383,715
Cash - Investment Account	930,000	-	-	-	930,000
Cash - Emergency Reserve Account	100,607	-	-	-	100,607
Cash - Capital Reserve Account	1,649,078	-	-	-	1,649,078
Intergovernmental Receivable:					
Federal	-	-	-	-	-
State	321,338	-	-	-	321,338
Other	7,939	-	-	-	7,939
Total Assets	<u>\$ 4,384,341</u>	<u>\$ 8,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,392,677</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 891,553	\$ -	\$ -	\$ -	\$ 891,553
Intergovernmental Payable - State	-	8,336	-	-	8,336
Total Liabilities	<u>\$ 891,553</u>	<u>\$ 8,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899,889</u>
Fund Balances:					
Reserve for Encumbrances	\$ 978,124	\$ -	\$ -	\$ -	\$ 978,124
Emergency Reserve Account	100,607	-	-	-	100,607
Capital Reserve Account	1,649,078	-	-	-	1,649,078
Restricted for:					
Subsequent Years' Expenditures	105,000	-	-	-	105,000
Unreserved	659,979	-	-	-	659,979
Total Fund Balances	<u>\$ 3,492,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,492,788</u>
Total Liabilities and Fund Balances	<u>\$ 4,384,341</u>	<u>\$ 8,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,392,677</u>

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because: \$ 3,492,788

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 1,622,580

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. 350,787

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (289,762)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (4,532,008)

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. (207,708)

Net assets of governmental activities \$ 436,677

**EMERSON SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General	Special Revenue	Capital Projects	Debt Service	Total
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 17,822,315	\$ -	\$ -	\$ -	\$ 17,822,315
Other Local Governmental Units - Restricted	473,687	-	-	-	473,687
Transportation Fees from Individuals	16,712	-	-	-	16,712
Interest Earned on Emergency Reserve Funds	64	-	-	-	64
Interest Earned on Capital Reserve Funds	4,651	-	-	-	4,651
Unrestricted Miscellaneous Revenues	466,225	-	-	-	466,225
Total Local Sources	\$ 18,783,654	\$ -	\$ -	\$ -	\$ 18,783,654
State Sources	2,529,391	932	-	-	2,530,323
Federal Sources	-	269,318	-	-	269,318
Total Revenues	\$ 21,313,045	\$ 270,250	\$ -	\$ -	\$ 21,583,295
<b>EXPENDITURES</b>					
Current Expense:					
Instruction:					
Regular Programs	\$ 5,304,613	\$ 458	\$ -	\$ -	\$ 5,305,071
Special Education	1,833,662	269,318	-	-	2,102,980
Basic Skills/Remedial	135,213	-	-	-	135,213
Bilingual Education	82,320	-	-	-	82,320
School Sponsored Cocurricular/Extracurricular Activities	207,562	-	-	-	207,562
School Sponsored Athletics	475,988	-	-	-	475,988
Undistributed Expenditures:					
Instruction	1,637,296	-	-	-	1,637,296
Attendance and Social Work Services	22,815	-	-	-	22,815
Health Services	208,984	474	-	-	209,458
Speech, OT, PT, Related Services	125,399	-	-	-	125,399
Extraordinary Services	352,178	-	-	-	352,178
Guidance	425,307	-	-	-	425,307
Child Study Team	365,962	-	-	-	365,962
Educational Media Services - School Library	212,841	-	-	-	212,841
Instructional Staff Training Services	40,899	-	-	-	40,899
Support Services - General Administration	320,185	-	-	-	320,185
Support Services - School Administration	946,879	-	-	-	946,879
Central Services	414,766	-	-	-	414,766
Required Maintenance for School Facilities	793,568	-	-	-	793,568
Operation and Maintenance of Plant Services	826,090	-	-	-	826,090
Care and Upkeep of Grounds	78,502	-	-	-	78,502
Student Transportation Services	443,707	-	-	-	443,707
Personal Services - Employee Benefits	3,351,195	-	-	-	3,351,195
TPAF Pension	1,140,186	-	-	-	1,140,186
TPAF Social Security	605,369	-	-	-	605,369
Capital Outlay:					
Interest Deposit to Capital Reserve	-	-	-	-	-
Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services	1,455,128	-	415,204	-	1,870,332
Debt Service:					
Bond Interest	-	-	-	-	-
Bond Principal	-	-	-	-	-
Total Expenditures	\$ 21,806,614	\$ 270,250	\$ 415,204	\$ -	\$ 22,492,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (493,569)	\$ -	\$ (415,204)	\$ -	\$ (908,773)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers	(109,800)	-	109,800	-	-
Net Change In Fund Balances	\$ (603,369)	\$ -	\$ (305,404)	\$ -	\$ (908,773)
Fund Balances - July 1	4,096,157	-	305,404	-	4,401,561
Fund Balances - June 30	\$ 3,492,788	\$ -	\$ -	\$ -	\$ 3,492,788

**EMERSON SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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Total Net Change in Fund Balances - Governmental Funds (B2) \$ (908,773)

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(206,171)
Capital Outlays	624,801

Pension contributions are reported in governmental funds as expenditures.

However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

(4,470,983)

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

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Net Change in Compensated Absences	23,920
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Change in net assets of governmental activities	<u>\$ (4,937,206)</u>
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**EMERSON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015**

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	<u>Business-Type Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 91,964
Intergovernmental Receivable:	
State	449
Federal	8,487
Total Assets	<u>\$ 100,900</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 18,888</u>
<u>NET POSITION</u>	
Unrestricted	<u><u>\$ 82,012</u></u>

**EMERSON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Business-Type Activities</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	<u>\$ 522,797</u>
<u>OPERATING EXPENSES</u>	
Salaries	\$ 126,183
Other Purchased Services	360,925
Supplies & Materials	32,765
Depreciation	-
Miscellaneous	61,068
	<u>\$ 580,941</u>
Operating Income (Loss)	<u>\$ (58,144)</u>
<u>NON-OPERATING REVENUES</u>	
State Sources:	
State School Lunch Program	\$ 2,364
Federal Sources:	
National School Lunch Program	44,934
	<u>\$ 47,298</u>
Change in Net Position	\$ (10,846)
Total Net Position - Beginning	92,858
Total Net Position - Ending	<u><u>\$ 82,012</u></u>

**EMERSON SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Business-Type Activities</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 522,797
Payments for Operating Expenses	(562,053)
	<u>\$ (39,256)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from State and Federal Reimbursements	<u>\$ 42,353</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Capital Assets	<u>\$ -</u>
Net Increase/(Decrease) in Cash	<u>\$ 3,097</u>
Balances - Beginning of Year	<u>88,867</u>
Balances - End of Year	<u><u>\$ 91,964</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (58,144)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Fixed Assets	-
(Increase) Decrease in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	18,888
Depreciation	-
Net Cash Provided by (Used For) Operating Activities	<u><u>\$ (39,256)</u></u>

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

**EMERSON SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

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ASSETS

Cash	\$ 369,945
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LIABILITIES

Due to Student Groups	\$ 180,911
Payroll, Deductions and Withholdings Payable	83,086

Total Liabilities	<u>\$ 263,997</u>
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NET POSITION

Held in Trust for Unemployment Claims	<u>\$ 105,948</u>
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**EMERSON SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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ADDITIONS

Transfers	\$ 117,666
Investments Earnings	325
	<u>\$ 117,991</u>

DEDUCTIONS

Unemployment Claims	<u>\$ 26,713</u>
Change in Net Position	\$ 91,278
Net Position - Beginning	<u>14,670</u>
Net Position - Ending	<u><u>\$ 105,948</u></u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Emerson School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Emerson School District is a Type II School District located in Bergen County, New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District includes three school facilities, all located in the Borough of Emerson which support the following programs:

Regular Programs:

- Preschool
- Kindergarten
- Grades 1 - 5
- Grades 6 - 8
- Grades 9 - 12

Special Education Programs:

- Cognitive - Mild
- Cognitive - Moderate
- LLD Mild to Moderate
- Half-Day Pre-School Disabled

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether (1) the organization is legally separate (can sue or be sued in their own name), (2) the District holds the corporate powers of the organization, (3) the District appoints a voting majority of the organization's board, (4) the District is able to impose its will on the organization, (5) the organization has the potential to impose a financial benefit/burden on the District and (6) there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria, as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting**

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types --**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

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

**Proprietary Fund Type --**

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Fund Types --**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of others as their agent. Agency funds are custodial in nature and do not involve a measurement of results of operations.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments must be approved by School Board resolution. There were no budget amendments during the fiscal year ended June 30, 2014.

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Short-Term Interfund Receivables/Payables

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

G. Inventories and Prepaid Expenses

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

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

H. Capital Assets

Capital Assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received.

Capital assets acquired or constructed prior to June 30, 1999, are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

Capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

I. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was \$0.

J. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

L. Fund Equity

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

M. Memorandum Only - Total Columns

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

N. Comparative Data

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

O. Accounting Changes

As a result of recently effective pronouncements by the Governmental Accounting Standards Board (GASB) the terminology for Net Assets has been revised to *Net Position*. This change was only a terminology change and did not have an impact on either *Fund Balance* or *Net Position* (formerly identified as Net Assets). In addition, GASB has also introduced the concept of *Deferred Inflows and Outflows* to identify categories that were previously identified as *Liabilities* or *Assets*, respectively.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

P. Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 (June 30, 2015 financial statements), was issued in order to improve the financial reporting by state and local government for pensions. This standard for the first time requires local government units that are part of a multiple-employer pension plan to report their allocable share of the net pension liability, as well as provide additional note disclosures. All information necessary to implement this standard has been provided by the New Jersey Department of Treasury, Division of Pensions. See note 8 for the disclosures pertaining to this pronouncement. Required adjustments have been made to the financial statements as dictated by GASB 68.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any impact on the District's financial statements.

**EMERSON SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2015**

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**Note 2 - Cash, Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits --

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the daily balance of collected public funds on deposit.

The market value of the collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments --

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts - Governmental Funds	\$ 4,063,400	\$ -
Checking/Money Market Accounts - Proprietary Funds	91,964	-
Checking/Money Market Accounts - Fiduciary Funds	369,945	-
	<u>\$ 4,525,309</u>	<u>\$ -</u>



**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 3 - Capital Reserve Account**

A capital reserve account was established by the Board of Education in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account 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 July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance	\$ 2,354,227
Increases:	
Local Funds Transferred	600,000
Interest Earned	4,651
Decreases:	
Budgeted Withdrawals for DOE approved project included in LRFP (Fund 12)	(1,200,000)
Budgeted Withdrawals for DOE approved project included in LRFP (Fund 30)	(109,800)
Ending Balance	<u>\$ 1,649,078</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 4 - Emergency Reserve Account**

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed \$1 million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4%.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance	\$	100,543
Increases:		
Deposits Authorized by Board Resolution		-
Interest Earned		64
Decreases:		
Withdrawals Approved by Commissioner		-
Ending Balance	\$	<u>100,607</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**Note 5 - Capital Assets**

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2015:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
<i>Governmental Activities --</i>					
Capital Assets not being Depreciated:					
Land	\$ 148,850	\$ -	\$ -	\$ (148,850)	\$ -
Construction in Progress	-	-	-	-	-
	<u>\$ 148,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148,850)</u>	<u>\$ -</u>
Capital Assets being Depreciated:					
Land Improvements	\$ 152,438	\$ -	\$ -	\$ 1,057,472	\$ 1,209,910
Buildings	2,812,700	-	-	2,048,242	4,860,942
Building Improvements	1,582,467	-	-	(1,582,467)	-
Machinery and Equipment	841,754	10,990	-	412,748	1,265,492
Vehicles	583,984	-	-	(583,984)	-
	<u>\$ 5,973,343</u>	<u>\$ 10,990</u>	<u>\$ -</u>	<u>\$ 1,352,011</u>	<u>\$ 7,336,344</u>
	<u>\$ 6,122,193</u>	<u>\$ 10,990</u>	<u>\$ -</u>	<u>\$ 1,203,161</u>	<u>\$ 7,336,344</u>
Less Accumulated Depreciation:					
Land Improvements	\$ (152,438)	\$ (45,955)	\$ -	\$ (825,413)	\$ (1,023,806)
Buildings	(2,812,700)	(57,978)	-	(876,894)	(3,747,572)
Building Improvements	(791,021)	-	-	791,021	-
Machinery and Equipment	(829,694)	(102,238)	-	(10,454)	(942,386)
Vehicles	(332,390)	-	-	332,390	-
	<u>\$ (4,918,243)</u>	<u>\$ (206,171)</u>	<u>\$ -</u>	<u>\$ (589,350)</u>	<u>\$ (5,713,764)</u>
Net Assets for Governmental Activities	<u>\$ 1,203,950</u>	<u>\$ (195,181)</u>	<u>\$ -</u>	<u>\$ 613,811</u>	<u>\$ 1,622,580</u>
<i>Business Type Activities --</i>					
	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
Capital Assets being Depreciated:					
Machinery and Equipment	\$ 53,231	\$ -	\$ -	\$ (53,231)	\$ -
Less Accumulated Depreciation For:					
Machinery and Equipment	\$ (53,231)	\$ -	\$ -	\$ 53,231	\$ -
Net Assets for Business Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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**Note 6 - Operating Leases and Other Commitments**

The District has commitments to lease copying equipment and postage meters under operating leases which expire on various dates in 2020 and 2019, respectively. Lease terms are 60 and 51 months with monthly payments of \$1,240 and \$38, respectively. Total operating lease payments made during the year ended June 30, 2015 were \$18,408. Future minimum lease payments are as follows:

Year Ended	Amount
2016	\$ 15,792
2017	15,792
2018	15,792
2019	15,792
2020	15,108
Total future minimum lease payments	<u>\$ 78,276</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 7 - Long-Term Debt**

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported as general long-term debt:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Compensated Absences Payable	\$ 231,628	\$ 31,651	\$ (55,571)	\$ -	\$ 207,708

	<u>Amounts Due within One Year</u>	<u>Long-Term Portion</u>	<u>Ending Balance</u>
Compensated Absences Payable	\$ -	\$ 207,708	\$ 207,708

A. Compensated Absences Payable

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and contractual obligations. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 8 - Retirement Plans**

**Description of the Plans**

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

**Teachers' Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the notes to the financial statements of the District must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the District. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Summary of Significant Accounting Policies**

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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$43,943,129 as measured on June 30, 2014 and \$41,276,261 as measured on June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,364,553 and revenue of \$2,364,553 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 8 - Retirement Plans (Continued)**

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

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	\$ 1,763,205,593	\$ -
Collective net pension liability (Nonemployer - State of NJ)	\$53,446,745,367	\$50,539,213,484
State's portion of the net pension liability that was associated with the district	\$ 43,943,129	\$ 41,276,261
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.0822185312%	0.0816717518%

**Actuarial Assumptions**

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

Inflation	2.50%
Salary Increases	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**Note 8 - Retirement Plans (Continued)  
Actuarial Assumptions (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	100.00%	

Discount Rate

The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.



**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**Note 8 - Retirement Plans (Continued)**

**Public Employees' Retirement System (PERS)**

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

**Summary of Significant Accounting Policies**

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

At June 30, 2015, the District reported a liability of \$4,532,008 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability 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. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.02421%, which was a decrease of 0.00012% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$208,276. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	142,511	-
Net difference between projected and actual earnings on pension plan investments	-	270,083
Changes in proportion and differences between District contributions and proportionate share of contributions	-	19,679
District contributions subsequent to the measurement date	208,276	-
Total	<u>\$ 350,787</u>	<u>\$ 289,762</u>

\$208,276 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended 6/30:</u>
2015	\$ (47,695)
2016	(47,695)
2017	(47,695)
2018	(47,695)
2019	30,231
Thereafter	13,298
	<u>\$ (147,251)</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**Note 8 - Retirement Plans (Continued)  
Public Employees' Retirement System (PERS) (Continued)**

Collective balances are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$ 952,194,675	\$ -
Collective deferred inflows of resources	\$ 1,479,224,662	\$ -
Collective net pension liability (Non State - Local Group)	\$18,722,735,003	\$19,111,986,911
District's Portion of net pension liability	\$ 4,532,008	4,649,526
District's Proportion	0.0242059079%	0.0243278003%

**Actuarial Assumptions**

The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% based on age
Thereafter	3.15% - 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
	<u>100.00%</u>	

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 8 - Retirement Plans (Continued)  
Actuarial Assumptions (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the \$ net pension liability	\$ 5,701,402	\$ 4,532,008	\$ 3,550,012

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Defined Contribution Retirement Plan (DCRP)**

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions**

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

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 8 - Retirement Plans (Continued)  
PERS and TPAF Vesting and Benefit Provisions (Continued)**

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation**

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems. Chapter 78's provisions impacting employee pension and health benefits include:

1. New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
2. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
3. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
4. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011.
5. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
6. The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
7. 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 Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
8. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**Note 8 - Retirement Plans (Continued)**

During the fiscal year ended June 30, 2015, the State of New Jersey did contribute \$1,140,186 to the TPAF for postretirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$605,369 during the year ended June 30, 2015, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**Trend Information**

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS and TPAF financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions & Benefits P.O. Box 295, Trenton, New Jersey 08625-0295 or by calling (609) 292-7524.

Contributions required by the District were as follows:

*Public Employees Retirement System:*

Year	Annual Pension Cost	Chapter 108 P.L. 2003 Phase - In Credit	Chapter 19 P.L. 2009 Deferral	Non-Contributory Group Life Insurance	Net Pension Obligation
2015	\$ 186,892	\$ -	\$ -	\$ 12,658	\$ 199,550
2014	180,240	-	-	3,065	183,305
2013	182,289	-	-	10,849	193,138
2012	193,740	-	-	12,344	206,084
2011	176,638	-	-	13,416	190,054
2010	120,818	-	-	16,755	137,573
2009	97,564	-	(48,782)	12,127	60,909
2008	101,993	(20,399)	-	-	81,594
2007	67,260	(26,904)	-	-	40,356
2006	56,139	(33,683)	-	-	22,456

*Teachers' Pension and Annuity Fund:*

Year	Annual Pension Cost	Percentage Contributed	Total Obligation
2015	\$ 1,140,186	100%	\$ - (On-Behalf)
2014	918,111	100%	- (On-Behalf)
2013	1,124,450	100%	- (On-Behalf)
2012	759,905	100%	- (On-Behalf)
2011	563,661	100%	- (On-Behalf)
2010	521,524	100%	- (On-Behalf)
2009	471,411	100%	- (On-Behalf)
2008	1,277,980	100%	- (On-Behalf)
2007	1,204,110	100%	- (On-Behalf)
2006	724,893	100%	- (On-Behalf)

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 9 - Post-Retirement Benefits**

Chapter 384 of P.L. 1987 and Chapter 6 of P.L. 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 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.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 10 - Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 11 - Deferred Compensation**

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 403(b). The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.



**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 12 - Risk Management**

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

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

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

The following table is a summary of the district's contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

Fiscal Year	Contributions	Investment Earnings	Amount Reimbursed	Ending Balance
2014-2015	\$ 117,666	\$ 325	\$ (26,713)	\$ 105,948
2013-2014	30,914	33	(37,296)	14,670
2012-2013	16,716	102	(24,253)	21,019
2011-2012	16,654	223	(66,370)	28,454
2010-2011	15,272	1,866	(113,103)	77,947
2009-2010				173,912

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 13 - Fund Balance Appropriated**

General Fund -- The following is an analysis of the General Fund balance at June 30, 2015:

Reserve for Encumbrances	\$ 978,124
Emergency Reserve Account	100,607
Capital Reserve Account	1,649,078
Assigned to:	
Subsequent Years' Expenditures	105,000
Unassigned	659,979
	<u>\$ 3,492,788</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 14 - Calculation of Excess Surplus**

The designation Reserved Fund Balance - Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 was \$0.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 15 - Economic Dependency**

The District is heavily reliant on federal and state sources to fund the District operations and debt service. Federal and state sources funded approximately 13% of the District's 2014-2015 governmental operations.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 16 - Contingent Liabilities**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgement of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

**EMERSON SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 17 - Subsequent Events**

We have evaluated subsequent events through September 30, 2015, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

REQUIRED SUPPLEMENTAL INFORMATION - PART II

SECTION "C" - BUDGETARY COMPARISON SCHEDULES



EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<b>REVENUES</b>									
<b>Local Sources:</b>									
Local Tax Levy	10-1210	\$ 17,822,315	\$ -	\$ -	\$ -	\$ 17,822,315	\$ 17,822,315	\$ -	\$ -
Other Local Governmental Units - Restricted	10-12XX	434,275	-	-	-	434,275	473,687	39,412	-
Transportation Fees from Individuals	10-1410	14,000	-	-	-	14,000	16,712	2,712	-
Textbook Sales & Rentals	10-1940	15,000	-	-	-	15,000	-	(15,000)	-
Interest Earned on Emergency Reserve Funds	10-1XXX	-	-	-	-	-	64	64	-
Interest Earned on Capital Reserve Funds	10-1XXX	100	-	-	-	100	4,651	4,551	-
Unrestricted Miscellaneous Revenues	10-1XXX	50,000	-	-	-	50,000	466,225	416,225	-
Total Local Sources		\$ 18,335,690	\$ -	\$ -	\$ -	\$ 18,335,690	\$ 18,783,654	\$ 447,964	\$ -
<b>State Sources:</b>									
Categorical Transportation Aid	10-3121	\$ 29,805	\$ -	\$ -	\$ -	\$ 29,805	\$ 29,805	\$ -	\$ -
Special Education Aid	10-3132	421,733	-	-	-	421,733	421,733	-	-
Categorical Security Aid	10-3177	19,244	-	-	-	19,244	19,244	-	-
Extraordinary Aid	10-3131	-	-	-	-	-	291,396	291,396	-
Other State Aids	10-3XXX	23,240	-	-	-	23,240	23,240	-	-
TPAF Pension (On Behalf)	Non-Budgeted	-	-	-	-	-	1,140,186	1,140,186	-
TPAF Social Security (Reimbursed)	Non-Budgeted	-	-	-	-	-	605,369	605,369	-
Total State Sources		\$ 494,022	\$ -	\$ -	\$ -	\$ 494,022	\$ 2,530,973	\$ 2,036,951	\$ -
<b>Federal Sources:</b>									
Medicaid Reimbursement	10-4200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues		\$ 18,829,712	\$ -	\$ -	\$ -	\$ 18,829,712	\$ 21,314,627	\$ 2,484,915	\$ -

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<b>EXPENDITURES</b>									
<b>General Current Expense</b>									
Regular Programs - Instruction:									
Preschool - Salaries of Teachers	11-105-100-101	\$ 98,888	\$ -	\$ 1,350	\$ -	\$ 100,238	\$ 99,402	\$ 836	\$ -
Kindergarten - Salaries of Teachers	11-110-100-101	296,042	-	4,741	-	300,783	300,780	3	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,289,982	-	4,641	504	1,295,127	1,295,126	1	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,166,200	-	22,750	-	1,188,950	1,180,042	8,908	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	1,883,983	-	9,053	-	1,893,036	1,892,954	82	-
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	10,400	-	11,852	-	22,252	22,252	-	-
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	78,418	-	(977)	-	77,441	77,440	1	-
Purchased Professional - Educational Services	11-190-100-320	11,210	-	(3,460)	-	7,750	6,857	893	-
Other Purchased Services	11-190-100-500	45,084	-	1,490	-	46,574	31,073	15,501	15,500
General Supplies	11-190-100-610	249,460	-	16,600	7,321	273,381	219,657	53,724	46,713
Textbooks	11-190-100-640	13,868	-	(6,134)	903	8,637	5,221	3,416	3,200
Other Objects	11-190-100-800	96,704	-	274,123	136,969	507,796	173,809	333,987	333,977
<b>Total Regular Programs</b>		<b>\$ 5,240,239</b>	<b>\$ -</b>	<b>\$ 336,029</b>	<b>\$ 145,697</b>	<b>\$ 5,721,965</b>	<b>\$ 5,304,613</b>	<b>\$ 417,352</b>	<b>\$ 399,390</b>

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Special Education - Instruction - Cognitive - Mild:									
Salaries of Teachers	11-201-100-101	\$ 215,151	\$ -	\$ 1,500	\$ -	\$ 216,651	\$ 216,398	\$ 253	\$ -
Other Salaries for Instruction	11-201-100-106	90,858	-	(26,000)	-	64,858	64,710	148	-
General Supplies	11-201-100-610	850	-	823	-	1,673	1,604	69	-
		<u>\$ 306,859</u>	<u>\$ -</u>	<u>\$ (23,677)</u>	<u>\$ -</u>	<u>\$ 283,182</u>	<u>\$ 282,712</u>	<u>\$ 470</u>	<u>\$ -</u>
Special Education - Instruction - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	\$ 182,914	\$ -	\$ (3,500)	\$ -	\$ 179,414	\$ 178,690	\$ 724	\$ -
Other Salaries for Instruction	11-204-100-106	50,237	-	(1,977)	-	48,260	48,259	1	-
General Supplies	11-204-100-610	980	-	-	-	980	330	650	-
		<u>\$ 234,131</u>	<u>\$ -</u>	<u>\$ (5,477)</u>	<u>\$ -</u>	<u>\$ 228,654</u>	<u>\$ 227,279</u>	<u>\$ 1,375</u>	<u>\$ -</u>
Special Education - Instruction - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 856,492	\$ -	\$ (22,000)	\$ -	\$ 834,492	\$ 822,001	\$ 12,491	\$ -
Other Salaries for Instruction	11-213-100-106	292,540	-	(7,000)	-	285,540	275,487	10,053	-
General Supplies	11-213-100-610	1,816	-	(82)	-	1,734	999	735	-
		<u>\$ 1,150,848</u>	<u>\$ -</u>	<u>\$ (29,082)</u>	<u>\$ -</u>	<u>\$ 1,121,766</u>	<u>\$ 1,098,487</u>	<u>\$ 23,279</u>	<u>\$ -</u>
Special Education - Instruction - Pre-school Disabilities - Part Time:									
Salaries of Teachers	11-215-100-101	\$ 89,017	\$ -	\$ -	\$ -	\$ 89,017	\$ 88,661	\$ 356	\$ -
Other Salaries for Instruction	11-215-100-106	64,713	-	368	-	65,081	65,081	-	-
		<u>\$ 153,730</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 154,098</u>	<u>\$ 153,742</u>	<u>\$ 356</u>	<u>\$ -</u>
Special Education - Instruction - Pre-school Disabilities - Full Time:									
Salaries of Teachers	11-216-100-101	\$ 50,944	\$ -	\$ -	\$ -	\$ 50,944	\$ 50,857	\$ 87	\$ -
Other Salaries for Instruction	11-216-100-106	20,805	-	-	-	20,805	20,585	220	-
		<u>\$ 71,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,749</u>	<u>\$ 71,442</u>	<u>\$ 307</u>	<u>\$ -</u>
Total Special Education - Instruction		<u>\$ 1,917,317</u>	<u>\$ -</u>	<u>\$ (57,868)</u>	<u>\$ -</u>	<u>\$ 1,859,449</u>	<u>\$ 1,833,662</u>	<u>\$ 25,787</u>	<u>\$ -</u>

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Basic Skills/Remedial - Instruction:									
Salaries of Teachers	11-230-100-101	\$ 203,688	\$ -	\$ (67,750)	\$ -	\$ 135,938	\$ 135,213	\$ 725	\$ -
Bilingual Education - Instruction:									
Salaries of Teachers	11-240-100-101	\$ 73,737	\$ -	\$ 9,000	\$ -	\$ 82,737	\$ 82,320	\$ 417	\$ -
School Sponsored Cocurricular Activities - Instruction:									
Salaries	11-401-100-100	\$ 156,528	\$ -	\$ 16,881	\$ -	\$ 173,409	\$ 173,359	\$ 50	\$ -
Purchased Services	11-401-100-500	3,980	-	(150)	-	3,830	2,636	1,194	529
Supplies and Materials	11-401-100-600	11,447	-	(1,534)	2,154	12,067	11,852	215	182
Other Objects	11-401-100-800	35,033	-	(16,616)	2,481	20,898	19,715	1,183	1,122
		\$ 206,988	\$ -	\$ (1,419)	\$ 4,635	\$ 210,204	\$ 207,562	\$ 2,642	\$ 1,833
School Sponsored Athletics - Instruction:									
Salaries	11-402-100-100	\$ 324,662	\$ -	\$ (1,386)	\$ 990	\$ 324,266	\$ 309,762	\$ 14,504	\$ -
Purchased Services	11-402-100-500	5,654	-	(5,000)	-	654	-	654	-
Supplies and Materials	11-402-100-600	48,076	-	2,200	18,205	68,481	67,716	765	705
Other Objects	11-402-100-800	17,556	-	26,800	8,507	52,863	52,850	13	-
Transfer to Cover Deficit	11-402-100-930	51,759	-	(6,000)	-	45,759	45,660	99	-
		\$ 447,707	\$ -	\$ 16,614	\$ 27,702	\$ 492,023	\$ 475,988	\$ 16,035	\$ 705
Total - Instruction		\$ 8,089,676	\$ -	\$ 234,606	\$ 178,034	\$ 8,502,316	\$ 8,039,358	\$ 462,958	\$ 401,928

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<b>EXPENDITURES (Continued)</b>									
<b>General Current Expense (Continued)</b>									
Undistributed Expenditures - Instruction:									
Tuition to Other LEAs Within the State - Special	11-000-100-562	\$ 394,265	\$ -	\$ (49,605)	\$ 52,520	\$ 397,180	\$ 397,175	\$ 5	\$ -
Tuition to County Vocational School District - Regular	11-000-100-563	103,836	-	36,500	-	140,336	136,008	4,328	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	75,273	-	-	-	75,273	74,500	773	-
Tuition to Private Schools for the Handicapped - Within State	11-000-100-566	1,097,502	-	(74,850)	15,699	1,038,351	1,025,113	13,238	11,631
Tuition - Extraordinary	11-000-100-568	-	-	4,500	-	4,500	4,500	-	-
		<u>\$ 1,670,876</u>	<u>\$ -</u>	<u>\$ (83,455)</u>	<u>\$ 68,219</u>	<u>\$ 1,655,640</u>	<u>\$ 1,637,296</u>	<u>\$ 18,344</u>	<u>\$ 11,631</u>
Undistributed Expenditures - Attendance and Social Work:									
Salaries	11-000-211-100	\$ 23,957	\$ -	\$ (1,000)	\$ -	\$ 22,957	\$ 22,815	\$ 142	\$ -
Undistributed Expenditures - Health Services:									
Salaries	11-000-213-100	\$ 220,688	\$ -	\$ (21,240)	\$ 262	\$ 199,710	\$ 199,710	\$ -	\$ -
Purchased Professional and Technical Services	11-000-213-300	12,140	-	(2,884)	-	9,256	7,575	1,681	1,681
Supplies and Materials	11-000-213-600	4,248	-	(624)	135	3,759	1,699	2,060	165
		<u>\$ 237,076</u>	<u>\$ -</u>	<u>\$ (24,748)</u>	<u>\$ 397</u>	<u>\$ 212,725</u>	<u>\$ 208,984</u>	<u>\$ 3,741</u>	<u>\$ 1,846</u>
Undistributed Expenditures - Speech, OT, PT, Related Services:									
Salaries	11-000-216-100	\$ 112,089	\$ -	\$ -	\$ -	\$ 112,089	\$ 111,634	\$ 455	\$ -
Purchased Professional - Educational Services	11-000-216-320	33,359	-	(18,000)	885	16,244	13,765	2,479	2,010
		<u>\$ 145,448</u>	<u>\$ -</u>	<u>\$ (18,000)</u>	<u>\$ 885</u>	<u>\$ 128,333</u>	<u>\$ 125,399</u>	<u>\$ 2,934</u>	<u>\$ 2,010</u>
Undistributed Expenditures - Other Support Services Students - Extraordinary Services:									
Purchased Professional - Educational Services	11-000-217-320	\$ 409,629	\$ -	\$ (54,933)	\$ 23,446	\$ 378,142	\$ 309,472	\$ 68,670	\$ 32,401
Other Objects	11-000-217-800	3,750	-	-	42,000	45,750	42,706	3,044	-
		<u>\$ 413,379</u>	<u>\$ -</u>	<u>\$ (54,933)</u>	<u>\$ 65,446</u>	<u>\$ 423,892</u>	<u>\$ 352,178</u>	<u>\$ 71,714</u>	<u>\$ 32,401</u>
Undistributed Expenditures - Guidance:									
Salaries of Other Professional Staff	11-000-218-104	\$ 280,807	\$ -	\$ 122,100	\$ -	\$ 402,907	\$ 341,829	\$ 61,078	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-218-105	63,650	-	-	-	63,650	62,948	702	-
Supplies and Materials	11-000-218-600	4,479	-	(193)	1,938	6,224	4,355	1,869	-
Other Objects	11-000-218-800	15,400	-	1,080	382	16,862	16,175	687	100
		<u>\$ 364,336</u>	<u>\$ -</u>	<u>\$ 122,987</u>	<u>\$ 2,320</u>	<u>\$ 489,643</u>	<u>\$ 425,307</u>	<u>\$ 64,336</u>	<u>\$ 100</u>

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Child Study Team:									
Salaries of Other Professional Staff	11-000-219-104	\$ 249,855	\$ -	\$ (3,790)	\$ -	\$ 246,065	\$ 243,372	\$ 2,693	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	42,398	-	(1,000)	-	41,398	40,669	729	-
Miscellaneous Purchased Services	11-000-219-592	65,000	-	5,883	-	70,883	61,534	9,349	-
Supplies and Materials	11-000-219-600	17,000	-	(8,800)	2,966	11,166	9,706	1,460	1,438
Other Objects	11-000-219-800	10,618	-	-	300	10,918	10,681	237	19
		<u>\$ 384,871</u>	<u>\$ -</u>	<u>\$ (7,707)</u>	<u>\$ 3,266</u>	<u>\$ 380,430</u>	<u>\$ 365,962</u>	<u>\$ 14,468</u>	<u>\$ 1,457</u>
Undistributed Expenditures - Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 178,654	\$ -	\$ 10,720	\$ -	\$ 189,374	\$ 189,367	\$ 7	\$ -
Supplies and Materials	11-000-222-600	18,574	-	(500)	7,472	25,546	23,474	2,072	-
		<u>\$ 197,228</u>	<u>\$ -</u>	<u>\$ 10,220</u>	<u>\$ 7,472</u>	<u>\$ 214,920</u>	<u>\$ 212,841</u>	<u>\$ 2,079</u>	<u>\$ -</u>
Undistributed Expenditures - Instructional Staff Training Services:									
Other Objects	11-000-223-800	\$ 28,560	\$ -	\$ 19,000	\$ 2,074	\$ 49,634	\$ 40,899	\$ 8,735	\$ 3,508

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<b>EXPENDITURES (Continued)</b>									
<b>General Current Expense (Continued)</b>									
Undistributed Expenditures - Support Services - General Administration:									
Salaries	11-000-230-100	\$ 240,314	\$ -	\$ -	\$ -	\$ 240,314	\$ 238,723	\$ 1,591	\$ -
Legal Services	11-000-230-331	27,000	-	(15,106)	-	11,894	7,382	4,512	4,510
Audit Fees	11-000-230-332	20,043	-	-	-	20,043	19,450	593	-
Communications/Telephone	11-000-230-530	8,000	-	(3,700)	-	4,300	3,930	370	-
General Supplies	11-000-230-610	5,100	-	500	41	5,641	5,641	-	-
Miscellaneous Expenditures	11-000-230-890	45,750	-	(7,599)	10,106	48,257	45,059	3,198	1,361
		<u>\$ 346,207</u>	<u>\$ -</u>	<u>\$ (25,905)</u>	<u>\$ 10,147</u>	<u>\$ 330,449</u>	<u>\$ 320,185</u>	<u>\$ 10,264</u>	<u>\$ 5,871</u>
Undistributed Expenditures - Support Services - School Administration:									
Salaries of Principals/Assistant Principals	11-000-240-103	\$ 903,841	\$ -	\$ (91,431)	\$ -	\$ 812,410	\$ 806,497	\$ 5,913	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-240-105	138,828	-	(10,249)	8,809	137,388	137,242	146	-
Supplies and Materials	11-000-240-600	1,690	-	154	133	1,977	1,468	509	20
Other Objects	11-000-240-800	2,370	-	(371)	100	2,099	1,672	427	125
		<u>\$ 1,046,729</u>	<u>\$ -</u>	<u>\$ (101,897)</u>	<u>\$ 9,042</u>	<u>\$ 953,874</u>	<u>\$ 946,879</u>	<u>\$ 6,995</u>	<u>\$ 145</u>
Undistributed Expenditures - Central Services:									
Salaries	11-000-251-100	\$ 391,840	\$ -	\$ (6,000)	\$ -	\$ 385,840	\$ 384,588	\$ 1,252	\$ -
Purchased Technical Services	11-000-251-340	21,000	-	400	-	21,400	21,388	12	-
Supplies and Materials	11-000-251-600	3,500	-	2,916	107	6,523	6,359	164	163
Other Objects	11-000-251-890	2,950	-	(216)	-	2,734	2,431	303	-
		<u>\$ 419,290</u>	<u>\$ -</u>	<u>\$ (2,900)</u>	<u>\$ 107</u>	<u>\$ 416,497</u>	<u>\$ 414,766</u>	<u>\$ 1,731</u>	<u>\$ 163</u>
Undistributed Expenditures - Required Maintenance for School Facilities:									
Salaries	11-000-261-100	\$ 469,783	\$ -	\$ (6,720)	\$ 5,682	\$ 468,745	\$ 465,688	\$ 3,057	\$ -
Cleaning, Repair and Maintenance Services	11-000-261-420	173,089	-	86,727	30,555	290,371	219,989	70,382	66,273
General Supplies	11-000-261-610	42,625	-	62,841	10,362	115,828	107,891	7,937	7,890
		<u>\$ 685,497</u>	<u>\$ -</u>	<u>\$ 142,848</u>	<u>\$ 46,599</u>	<u>\$ 874,944</u>	<u>\$ 793,568</u>	<u>\$ 81,376</u>	<u>\$ 74,163</u>

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<b>EXPENDITURES (Continued)</b>									
<b>General Current Expense (Continued)</b>									
Undistributed Expenditures - Other Operations and Maintenance of Plant Services:									
Salaries	11-000-262-100	\$ 308,131	\$ -	\$ (47,771)	\$ 1,063	\$ 261,423	\$ 254,310	\$ 7,113	\$ -
Salaries of Non-Instructional Aids	11-000-262-107	67,004	-	(12,900)	-	54,104	54,047	57	-
Cleaning, Repair and Maintenance Services	11-000-262-420	38,904	-	(13,370)	2,832	28,366	22,962	5,404	3,312
Insurance	11-000-262-520	189,000	-	(9,800)	3,500	182,700	182,661	39	-
General Supplies	11-000-262-610	94,783	-	(59,074)	-	35,709	29,802	5,907	3,791
Energy (Natural Gas)	11-000-262-621	-	-	138,429	-	138,429	117,476	20,953	20,810
Energy (Electricity)	11-000-262-622	343,517	-	(184,974)	-	158,543	141,546	16,997	16,161
Other Objects	11-000-262-800	25,409	-	-	-	25,409	23,286	2,123	2,123
		<u>\$ 1,066,748</u>	<u>\$ -</u>	<u>\$ (189,460)</u>	<u>\$ 7,395</u>	<u>\$ 884,683</u>	<u>\$ 826,090</u>	<u>\$ 58,593</u>	<u>\$ 46,197</u>
Undistributed Expenditures - Care and Upkeep of Grounds:									
Salaries	11-000-263-100	\$ 55,559	\$ -	\$ -	\$ -	\$ 55,559	\$ 55,558	\$ 1	\$ -
General Supplies	11-000-263-610	8,212	-	13,094	3,700	25,006	22,944	2,062	1,711
		<u>\$ 63,771</u>	<u>\$ -</u>	<u>\$ 13,094</u>	<u>\$ 3,700</u>	<u>\$ 80,565</u>	<u>\$ 78,502</u>	<u>\$ 2,063</u>	<u>\$ 1,711</u>
Undistributed Expenditures - Student Transportation Services:									
Salaries for Pupil Transportation (Between Home and Sch	11-000-270-160	\$ 69,271	\$ -	\$ 4,145	\$ -	\$ 73,416	\$ 73,414	\$ 2	\$ -
Salaries for Pupil Transportation (Between Home and Sch	11-000-270-161	99,390	-	(800)	-	98,590	98,579	11	-
Cleaning, Repair, & Maintenance Services	11-000-270-420	14,000	-	(3,600)	-	10,400	9,630	770	770
Contracted Services - Aid in Lieu of Payments - Nonpublic	11-000-270-503	66,400	-	-	-	66,400	60,344	6,056	795
Contracted Services (Between Home & School) - Vendors	11-000-270-511	20,400	-	(14,430)	-	5,970	3,970	2,000	-
Contracted Services (Special Education Students) - Joint #	11-000-270-515	200,000	-	(37,315)	1,464	164,149	164,147	2	-
General Supplies	11-000-270-610	29,000	-	-	15,408	44,408	32,003	12,405	1,294
Other Objects	11-000-270-800	5,000	-	-	70	5,070	1,620	3,450	3,435
		<u>\$ 503,461</u>	<u>\$ -</u>	<u>\$ (52,000)</u>	<u>\$ 16,942</u>	<u>\$ 468,403</u>	<u>\$ 443,707</u>	<u>\$ 24,696</u>	<u>\$ 6,294</u>
Unallocated Benefits - Employee Benefits:									
Social Security Contributions	11-000-291-220	\$ 270,586	\$ -	\$ -	\$ -	\$ 270,586	\$ 237,772	\$ 32,814	\$ 104
Other Retirement Contributions - PERS	11-000-291-241	230,000	-	-	-	230,000	208,276	21,724	-
Health Benefits	11-000-291-270	2,755,000	-	-	415,910	3,170,910	2,905,147	265,763	150,000
		<u>\$ 3,255,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,910</u>	<u>\$ 3,671,496</u>	<u>\$ 3,351,195</u>	<u>\$ 320,301</u>	<u>\$ 150,104</u>



EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
TPAF Pension (On Behalf)	Non-Budgeted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140,186	\$ (1,140,186)	\$ -
TPAF Social Security (Reimbursed)	Non-Budgeted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,369	\$ (605,369)	\$ -
Total Undistributed Expenditures		\$ 10,853,020	\$ -	\$ (253,856)	\$ 659,921	\$ 11,259,085	\$ 12,312,128	\$ (1,053,043)	\$ 337,601
Total Expenditures - Current Expense		\$ 18,942,696	\$ -	\$ (19,250)	\$ 837,955	\$ 19,761,401	\$ 20,351,486	\$ (590,085)	\$ 739,529
<u>Capital Outlay</u>									
Interest Deposit to Capital Reserve	10-604	\$ 100	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100	\$ -
Equipment:									
Grades 9-12	12-140-100-730	\$ -	\$ -	\$ 19,250	\$ -	\$ 19,250	\$ -	\$ 19,250	\$ 19,250
		\$ -	\$ -	\$ 19,250	\$ -	\$ 19,250	\$ -	\$ 19,250	\$ 19,250
Facilities Acquisition and Construction Services:									
Construction Services	12-000-400-450	\$ 1,200,000	\$ 405,404	\$ -	\$ 67,153	\$ 1,672,557	\$ 1,453,212	\$ 219,345	\$ 219,345
Assessment for Debt Service on SDA Funding	12-000-400-896	1,916	-	-	-	1,916	1,916	-	-
		\$ 1,201,916	\$ 405,404	\$ -	\$ 67,153	\$ 1,674,473	\$ 1,455,128	\$ 219,345	\$ 219,345
Total Capital Outlay		\$ 1,202,016	\$ 405,404	\$ 19,250	\$ 67,153	\$ 1,693,823	\$ 1,455,128	\$ 238,695	\$ 238,595
Total Expenditures		\$ 20,144,712	\$ 405,404	\$ -	\$ 905,108	\$ 21,455,224	\$ 21,806,614	\$ (351,390)	\$ 978,124
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (1,315,000)	\$ (405,404)	\$ -	\$ (905,108)	\$ (2,625,512)	\$ (491,987)	\$ 2,133,525	\$ 978,124

EMERSON SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance Final to Actual Under/(Over)	Encumbered
Other Financing Sources (Uses):									
Operating Transfers:									
Capital Outlay - Transfer to Capital Projects Fund	12-000-400-931	\$ -	\$ (109,800)	\$ -	\$ -	\$ (109,800)	\$ (109,800)	\$ -	
		\$ -	\$ (109,800)	\$ -	\$ -	\$ (109,800)	\$ (109,800)	\$ -	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses									
		\$ (1,315,000)	\$ (515,204)	\$ -	\$ (905,108)	\$ (2,735,312)	\$ (601,787)	\$ 2,133,525	
Fund Balances, July 1		4,128,987	-	-	-	4,128,987	4,128,987	-	
Fund Balances, June 30		\$ 2,813,987	\$ (515,204)	\$ -	\$ (905,108)	\$ 1,393,675	\$ 3,527,200	\$ 2,133,525	

Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:

Adjustment for Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ (905,108)	\$ (905,108)	\$ (905,108)	\$ -	
Budgeted Fund Balance - Original	(115,000)	-	-	-	(115,000)	(115,000)	-	
Budgeted Fund Balance - Additional	-	(405,404)	-	-	(405,404)	(405,404)	-	
Budgeted Withdrawal From Capital Reserve	(1,200,000)	(109,800)	-	-	(1,309,800)	(1,200,000)	109,800	
Results of Operations	-	-	-	-	-	2,023,725	2,023,725	
	\$ (1,315,000)	\$ (515,204)	\$ -	\$ (905,108)	\$ (2,735,312)	\$ (601,787)	\$ 2,133,525	

(109,800) W/D from Capital Reserve - Transfer to Capital Projects Fund  
 (305,404) FY2013 Extraordinary Aid  
 (100,000) FY2014 Extraordinary Aid  
(515,204)

Recapitulation of Fund Balance:

Reserve for Encumbrances	978,124
Emergency Reserve Account	100,607
Capital Reserve Account	1,649,078
Designated for Subsequent Year's Expenditures	105,000
Unassigned	694,391
	<u>3,527,200</u>

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis	(34,412)
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)	<u>3,492,788</u>

**EMERSON SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance to Final Under / (Over)
<u>REVENUES</u>			
Local Sources	\$ -	\$ -	\$ -
Federal Sources	269,318	269,318	-
State Sources	932	932	-
Total Revenues	<u>\$ 270,250</u>	<u>\$ 270,250</u>	<u>\$ -</u>
<u>EXPENDITURES</u>			
Instruction:			
Personal Services - Salaries	\$ -	\$ -	\$ -
Purchased Professional & Technical Services	-	-	-
Other Purchased Services	239,782	239,782	-
General Supplies	-	-	-
Textbooks	298	298	-
Other Objects	-	-	-
Total Instruction	<u>\$ 240,080</u>	<u>\$ 240,080</u>	<u>\$ -</u>
Support Services:			
Personal Services - Salaries	\$ -	\$ -	\$ -
Personal Services - Employee Benefits	-	-	-
Purchased Professional & Technical Services	-	-	-
Purchased Professional - Educational Services	30,030	30,030	-
Purchased Property Services	-	-	-
Other Purchased Services	140	140	-
Travel	-	-	-
Supplies and Materials	-	-	-
Other Objects	-	-	-
Total Support Services	<u>\$ 30,170</u>	<u>\$ 30,170</u>	<u>\$ -</u>
Facilities Acquisition and Construction Services:			
Buildings	\$ -	\$ -	-
Instructional Equipment	-	-	-
Non-Instructional Equipment	-	-	-
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 270,250</u>	<u>\$ 270,250</u>	<u>\$ -</u>

**EMERSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Note 1 Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1)	\$ 21,314,627	\$ 270,250
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	32,830	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(34,412)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 21,313,045</u>	<u>\$ 270,250</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 21,806,614	\$ 270,250
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 21,806,614</u>	<u>\$ 270,250</u>

REQUIRED SUPPLEMENTAL INFORMATION - PART III

SECTION "L" - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
PENSIONS (GASB 68)

**EMERSON SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS  
 LAST 10 FISCAL YEARS\***

	June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District's proportion of the net pension liability (asset)	0.0242059063%		0.0243277995%							
District's proportionate share of the net pension liability (asset)	\$ 4,532,008	\$ 4,649,526								
District 's covered employee payroll	\$ 1,582,896	\$ 1,631,832								
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	286.31%	284.93%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.08%	48.72%								

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Districts should present information for those years for which information is available.

EMERSON SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS  
 LAST 10 FISCAL YEARS\*

	June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contribution	\$ 183,305	\$ 193,138								
Contributions in relation to the contractually required contribution	(183,305)	(193,138)								
Contribution deficiency (excess)	\$ -	\$ -								
District 's covered employee payroll	\$ 1,582,896	\$ 1,631,832								
Contributions as a percentage of covered employee payroll	11.58%	11.84%								

\*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Districts should present information for those years for which information is available.



**EMERSON SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - TPAF  
LAST 10 FISCAL YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District's proportion of the net pension liability (asset)*	N/A	N/A								
District's proportionate share of the net pension liability (asset)*	N/A	N/A								
State's proportionate share of the net pension liability (asset) associated with the District	\$ 41,276,261	\$ 43,943,129								
<b>Total</b>	<b>\$ 41,276,261</b>	<b>\$ 43,943,129</b>								
District 's covered employee payroll	\$ 7,897,661	\$ 8,047,701								
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%								

\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

EMERSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Note 1. **Teachers ' Pension and Annuity Fund (TPAF)**

Changes of benefit terms The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Public Employees' Retirement System (PERS)**

Changes of benefit terms The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

SECTION "E" - SPECIAL REVENUE FUND

EMERSON SCHOOL DISTRICT  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	N.C.L.B.	I.D.E.A. Part B (Handicapped)		N.J. Non-Public Textbook Aid	N.J. Non-Public Nursing Services Aid	N.J. Non-Public Technology Aid	Totals	Reconciliation to GAAP Basis			
		Title II, Part A	Basic					Preschool	plus 6/30/14 encumbrances	(less) 6/30/15 encumbrances	GAAP Basis
<b>REVENUES</b>											
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	298	474	160	932	-	-	932	
Federal Sources	29,696	229,919	9,703	-	-	-	269,318	-	-	269,318	
Total Revenues	\$ 29,696	\$ 229,919	\$ 9,703	\$ 298	\$ 474	\$ 160	\$ 270,250	\$ -	\$ -	\$ 270,250	
<b>EXPENDITURES</b>											
Instruction:											
Salaries of Teachers	100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional and Technical Services	100-300	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	100-500	-	229,919	9,703	-	-	160	239,782	-	-	239,782
General Supplies	100-610	-	-	-	-	-	-	-	-	-	-
Textbooks	100-640	-	-	-	298	-	-	298	-	-	298
Other Objects	100-800	-	-	-	-	-	-	-	-	-	-
Total Instruction		\$ -	\$ 229,919	\$ 9,703	\$ 298	\$ -	\$ 160	\$ 240,080	\$ -	\$ -	\$ 240,080
Support Services:											
Salaries of Program Directors	200-102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Supervisors of Instruction	200-103	-	-	-	-	-	-	-	-	-	-
Salaries of Other Professional Staff	200-104	-	-	-	-	-	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	200-105	-	-	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	200-200	-	-	-	-	-	-	-	-	-	-
Purchased Professional & Technical Services	200-300	-	-	-	-	-	-	-	-	-	-
Purchased Professional - Educational Services	200-320	29,556	-	-	-	474	-	30,030	-	-	30,030
Purchased Property Services	200-400	-	-	-	-	-	-	-	-	-	-
Travel	200-580	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	200-590	140	-	-	-	-	-	140	-	-	140
Supplies and Materials	200-600	-	-	-	-	-	-	-	-	-	-
Other Objects	200-890	-	-	-	-	-	-	-	-	-	-
Total Support Services		\$ 29,696	\$ -	\$ -	\$ -	\$ 474	\$ -	\$ 30,170	\$ -	\$ -	\$ 30,170
Facilities Acquisition and Construction Services:											
Buildings	400-720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 29,696	\$ 229,919	\$ 9,703	\$ 298	\$ 474	\$ 160	\$ 270,250	\$ -	\$ -	\$ 270,250

SECTION "F" - CAPITAL PROJECTS FUND

**EMERSON SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Account Number	Total	Other	Jr/Sr HS Roof Project 1360-050-14-1001 - G04
<b>REVENUES</b>				
Additional State Building Aid - EDA Grant	30-3255	\$ -	\$ -	\$ -
Municipal Surplus	30-1220	-	-	-
Earnings on Investments	30-1510	-	-	-
Bond Principal	30-5110	-	-	-
Bond Premium	30-5120	-	-	-
Capital Outlay Transferred to Capital Projects		-	-	-
Capital Reserve Transferred to Capital Projects		109,800	-	109,800
Other Financing Sources		-	-	-
Total Revenues		<u>\$ 109,800</u>	<u>\$ -</u>	<u>\$ 109,800</u>
<b>EXPENDITURES</b>				
Capital Project Equipment	30-XXX-XXX-73X	\$ -	\$ -	-
Salaries	30-000-4XX-100	-	-	-
Legal Services	30-000-4XX-331	-	-	-
Other Purchased Professional and Technical Services	30-000-4XX-390	-	-	-
Construction Services	30-000-4XX-450	109,800	-	109,800
General Supplies	30-000-4XX-610	-	-	-
Land and Improvements	30-000-4XX-710	-	-	-
Lease Purchase Agreements - Principal	30-000-4XX-721	-	-	-
Buildings Other than Lease Purchase Agreements	30-000-4XX-722	-	-	-
Other Objects	30-000-4XX-800	305,404	305,404	-
Total Expenditures		<u>\$ 415,204</u>	<u>\$ 305,404</u>	<u>\$ 109,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(305,404)	(305,404)	-
Fund Balance - July 1		305,404	305,404	-
Fund Balance - June 30		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SECTION "G" - ENTERPRISE FUNDS

**EMERSON SCHOOL DISTRICT  
COMBINING SCHEDULE OF NET POSITION  
ENTERPRISE FUNDS  
AS OF JUNE 30, 2015**

	Food Service	Adult School	BCBANC	Pre-K	Total
<u>ASSETS</u>					
Current Assets:					
Cash	\$ 25,721	\$ 55,190	\$ 903	\$ 10,150	\$ 91,964
Intergovernmental Receivable:					
State	449	-	-	-	449
Federal	8,487	-	-	-	8,487
Total Assets	<u>\$ 34,657</u>	<u>\$ 55,190</u>	<u>\$ 903</u>	<u>\$ 10,150</u>	<u>\$ 100,900</u>
<u>LIABILITIES</u>					
Accounts Payable	<u>\$ 18,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,888</u>
<u>NET POSITION</u>					
Unrestricted	<u>\$ 15,769</u>	<u>\$ 55,190</u>	<u>\$ 903</u>	<u>\$ 10,150</u>	<u>\$ 82,012</u>



**EMERSON SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 ENTERPRISE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Food Service	Adult School	BCBANC	Pre-K	Total
<u>OPERATING REVENUES</u>					
Charges for Services:					
Sales	\$ 281,322	\$ 187,755	\$ -	\$ 53,720	\$ 522,797
<u>OPERATING EXPENSES</u>					
Salaries	\$ -	\$ 126,183	\$ -	\$ -	\$ 126,183
Other Purchased Services	332,437	28,488	-	-	360,925
Supplies & Materials	11,881	20,884	-	-	32,765
Depreciation	-	-	-	-	-
Miscellaneous	1,659	13,339	-	46,070	61,068
	<u>\$ 345,977</u>	<u>\$ 188,894</u>	<u>\$ -</u>	<u>\$ 46,070</u>	<u>\$ 580,941</u>
Operating Income (Loss)	\$ (64,655)	\$ (1,139)	\$ -	\$ 7,650	\$ (58,144)
Non-Operating Revenues:					
State Sources:					
State School Lunch Program	\$ 2,364	\$ -	\$ -	\$ -	\$ 2,364
Federal Sources:					
National School Lunch Program	44,934	-	-	-	44,934
	<u>\$ 47,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,298</u>
Change in Net Position	\$ (17,357)	\$ (1,139)	\$ -	\$ 7,650	\$ (10,846)
Total Net Position - Beginning	33,126	56,329	903	2,500	92,858
Total Net Position - Ending	<u>\$ 15,769</u>	<u>\$ 55,190</u>	<u>\$ 903</u>	<u>\$ 10,150</u>	<u>\$ 82,012</u>

**EMERSON SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Food Service	Adult School	BCBANC	Pre-K	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Sales	\$ 281,322	\$ 187,755	\$ -	\$ 53,720	\$ 522,797
Payments for Operating Expenses	(327,089)	(188,894)	-	(46,070)	(562,053)
	<u>\$ (45,767)</u>	<u>\$ (1,139)</u>	<u>\$ -</u>	<u>\$ 7,650</u>	<u>\$ (39,256)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
State Sources	\$ 2,114	\$ -	\$ -	\$ -	\$ 2,114
Federal Sources	40,239	-	-	-	40,239
	<u>\$ 42,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,353</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash	\$ (3,414)	\$ (1,139)	\$ -	\$ 7,650	\$ 3,097
Balances - Beginning of Year	29,135	56,329	903	2,500	88,867
Balances - End of Year	<u>\$ 25,721</u>	<u>\$ 55,190</u>	<u>\$ 903</u>	<u>\$ 10,150</u>	<u>\$ 91,964</u>
	-	-	-	-	-
Reconciliation of Operating Income (Loss) to Net Cash Provided					
(Used) by Operating Activities:					
Operating Income (Loss)	\$ (64,655)	\$ (1,139)	\$ -	\$ 7,650	\$ (58,144)
Adjustments to Reconcile Operating Income					
(Loss) to Net Cash Provided by					
(Used for) Operating Activities:					
Fixed Assets	-	-	-	-	-
(Increase) Decrease in Accounts Receivable	-	-	-	-	-
Increase (Decrease) in Accounts Payable	18,888	-	-	-	18,888
Depreciation	-	-	-	-	-
Net Cash Provided by (used for)					
Operating Activities	<u>\$ (45,767)</u>	<u>\$ (1,139)</u>	<u>\$ -</u>	<u>\$ 7,650</u>	<u>\$ (39,256)</u>

SECTION "H" - FIDUCIARY FUNDS

EMERSON SCHOOL DISTRICT  
 FIDUCIARY FUND  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

	Agency Funds			Unemployment Trust	Total
	Student Activity	Payroll	Total		
<u>ASSETS</u>					
Cash	\$ 180,911	\$ 83,086	\$ 263,997	\$ 105,948	\$ 369,945
<u>LIABILITIES</u>					
Due to Student Groups Payroll, Deductions and Withholdings Payable	\$ 180,911	\$ -	\$ 180,911	\$ -	\$ 180,911
	-	83,086	83,086	-	83,086
Total Liabilities	\$ 180,911	\$ 83,086	\$ 263,997	\$ -	\$ 263,997
<u>NET POSITION</u>					
Reserved	\$ -	\$ -	\$ -	\$ 105,948	\$ 105,948

**EMERSON SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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REVENUES

Transfers	\$ 117,666
Investments Earnings	325
	<u>\$ 117,991</u>

EXPENDITURES

Unemployment Claims	<u>26,713</u>
Change in Net Position	\$ 91,278
Net Position, July 1	<u>14,670</u>
Net Position, June 30	<u><u>\$ 105,948</u></u>

EMERSON SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Student Activities	\$ 175,579	\$ 178,853	\$ 173,722	\$ 180,710
Student Athletics	2,283	54,380	56,462	201
	<u>\$ 177,862</u>	<u>\$ 233,233</u>	<u>\$ 230,184</u>	<u>\$ 180,911</u>

**EMERSON SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ 78	\$ 7,244,192	\$ 7,244,215	\$ 55
Payroll Agency Account	81,658	12,510,915	12,509,542	83,031
	<u>\$ 81,736</u>	<u>\$ 19,755,107</u>	<u>\$ 19,753,757</u>	<u>\$ 83,086</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 81,736</u>	<u>\$ 19,755,107</u>	<u>\$ 19,753,757</u>	<u>\$ 83,086</u>

EMERSON SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Statistical Section



**EMERSON SCHOOL DISTRICT  
NET POSITION BY COMPONENT (DISTRICT)  
UNAUDITED**

J-1

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,622,580	\$ 1,203,950	\$ 1,322,457	\$ 1,833,610	\$ 1,648,677	\$ 961,643	\$ 330,859	\$ (171,740)	\$ 6,321,046	\$ 4,237,943
Restricted	1,854,685	2,579,770	2,398,321	2,228,774	1,756,345	1,229,913	1,295,359	1,161,855	1,058,594	447,058
Unrestricted	(3,040,588)	1,590,163	857,685	440,386	361,509	343	213,771	93,067	(1,879,210)	449,311
<b>Total governmental activities</b>	<b>\$ 436,677</b>	<b>\$ 5,373,883</b>	<b>\$ 4,578,463</b>	<b>\$ 4,502,770</b>	<b>\$ 3,766,531</b>	<b>\$ 2,191,899</b>	<b>\$ 1,839,989</b>	<b>\$ 1,083,182</b>	<b>\$ 5,500,430</b>	<b>\$ 5,134,312</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 12,404	\$ 14,806	\$ 17,208	\$ 19,610	\$ 22,012	\$ 5,148	\$ 720
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	82,012	92,858	70,436	69,600	64,013	82,207	101,495	201,625	159,488	5,729
<b>Total business-type activities</b>	<b>\$ 82,012</b>	<b>\$ 92,858</b>	<b>\$ 70,436</b>	<b>\$ 82,004</b>	<b>\$ 78,819</b>	<b>\$ 99,415</b>	<b>\$ 121,105</b>	<b>\$ 223,637</b>	<b>\$ 164,636</b>	<b>\$ 6,449</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,622,580	\$ 1,203,950	\$ 1,322,457	\$ 1,846,014	\$ 1,663,483	\$ 978,851	\$ 350,469	\$ (149,728)	\$ 6,326,194	\$ 4,238,663
Restricted	1,854,685	2,579,770	2,398,321	2,228,774	1,756,345	1,229,913	1,295,359	1,161,855	1,058,594	447,058
Unrestricted	(2,958,576)	1,683,021	928,121	509,986	425,522	82,550	315,266	294,692	(1,719,722)	455,040
<b>Total district-wide net position</b>	<b>\$ 518,689</b>	<b>\$ 5,466,741</b>	<b>\$ 4,648,899</b>	<b>\$ 4,584,774</b>	<b>\$ 3,845,350</b>	<b>\$ 2,291,314</b>	<b>\$ 1,961,094</b>	<b>\$ 1,306,819</b>	<b>\$ 5,665,066</b>	<b>\$ 5,140,761</b>

**EMERSON SCHOOL DISTRICT  
CHANGES IN NET POSITION (DISTRICT)  
UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
Governmental Activities:										
Instruction										
Regular Programs	\$ 5,305,071	\$ 5,078,116	\$ 5,606,665	\$ 5,210,207	\$ 5,207,332	\$ 5,306,477	\$ 5,166,567	\$ 5,182,915	Not Available	
Special Education	2,102,980	2,017,881	1,951,193	1,850,647	1,907,015	1,768,071	1,626,956	1,393,158		
Basic Skills - Remedial	135,213	203,366	118,016	145,553	121,014	159,357	142,750	94,750		
Bilingual Education	82,320	63,773	40,379	41,024	36,000	127,305	118,841	107,250		
School Sponsored Cocurricular/Extracurricular Activities	207,562	190,560	170,142	133,237	121,308	132,230	135,894	150,810		
School Sponsored Athletics	475,988	429,021	425,167	410,162	329,190	372,754	412,458	392,405		
Undistributed Expenditures:										
Instruction	1,637,296	1,672,158	1,782,391	1,857,366	1,578,250	2,214,137	1,836,472	1,695,166		
Attendance and Social Work Services	22,815	22,291	21,777	21,065	20,135	23,767	39,716	11,125		
Health Services	209,458	233,380	226,975	213,790	206,951	204,001	195,346	183,818		
Speech, OT, PT, Related Service	125,399	125,231	121,673	141,044	143,870	153,405	174,261	149,948		
Extraordinary Services	352,178	326,571	340,125	382,696	367,673	324,346	262,015	169,674		
Guidance	425,307	308,223	364,619	352,384	350,501	342,838	354,274	399,953		
Child Study Team	365,962	342,497	371,747	365,318	343,769	388,602	355,529	496,434		
Improvement of Instructional Services	-	-	-	-	-	63,883	8,656	120,371		
Educational Media Services/School Library	212,841	208,889	220,947	214,472	205,275	212,915	200,474	274,606		
Instructional Staff Training Services	40,899	54,695	14,590	29,908	13,378	25,976	50,656	65,379		
Support Services - General Administration	320,185	296,218	215,810	356,792	434,433	371,509	330,054	348,025		
Support Services - School Administration	946,879	1,173,130	1,164,992	1,161,212	1,030,149	1,110,590	1,097,723	562,900		
Central Services	414,766	416,214	441,205	396,425	345,599	336,236	325,072	301,750		
Required Maintenance for School Facilities	793,568	636,892	642,544	601,680	572,709	660,782	831,792	831,348		
Operation and Maintenance of Plant Services	826,090	907,181	953,471	1,008,782	882,213	618,623	922,633	904,139		
Care and Upkeep of Grounds	78,502	71,323	60,960	114,644	47,133	57,814	-	-		
Student Transportation Services	443,707	394,436	449,369	480,547	453,454	524,846	630,431	604,529		
Unallocated Employee Benefits	7,798,258	2,787,043	2,257,149	2,202,822	2,375,381	2,616,092	2,012,086	1,980,759		
TPAF Pension	1,140,186	918,111	1,124,450	759,905	563,661	521,524	471,411	1,277,980		
TPAF Social Security	605,369	595,708	600,870	576,656	562,721	592,088	582,430	532,712		
Capital Outlay:										
Increase in Capital Reserve	-	-	-	-	-	-	-	177,000		
Interest Deposit to Capital Reserve	-	-	-	-	-	6,328	-	-		
Equipment	-	-	423,435	-	75,947	45,342	141,075	5,105,720		
Facilities Acquisition and Construction Services	1,451,702	441,593	381,915	76,888	72,568	170,699	-	-		
Special Schools	-	-	-	-	-	-	-	-		
Debt Service:										
Principal	-	-	-	-	-	-	-	-		
Interest on Long-Term Debt	-	-	-	-	27,681	53,386	77,566	100,373		
<b>Total Governmental Activities Expenses</b>	<b>\$ 26,520,501</b>	<b>\$ 19,914,501</b>	<b>\$ 20,492,576</b>	<b>\$ 19,105,226</b>	<b>\$ 18,395,310</b>	<b>\$ 19,505,923</b>	<b>\$ 18,503,138</b>	<b>\$ 23,614,997</b>	<b>\$ -</b>	<b>\$ -</b>
Business-Type Activities:										
Food Service	\$ 580,941	\$ 548,540	\$ 594,701	\$ 582,345	\$ 572,568	\$ 614,570	\$ 711,334	\$ 600,328		
<b>Total District Expenses</b>	<b>\$ 27,101,442</b>	<b>\$ 20,463,041</b>	<b>\$ 21,087,277</b>	<b>\$ 19,687,571</b>	<b>\$ 18,967,878</b>	<b>\$ 20,120,493</b>	<b>\$ 19,214,472</b>	<b>\$ 24,215,325</b>	<b>\$ -</b>	<b>\$ -</b>

**EMERSON SCHOOL DISTRICT  
CHANGES IN NET POSITION (DISTRICT)  
UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 16,712	\$ 17,554	\$ 58,762	\$ 84,987	\$ 113,059	\$ 230,796	\$ 279,962	\$ 362,175	Not Available	
Operating Grants and Contributions	2,801,223	2,536,687	2,818,506	2,494,262	2,013,764	2,824,957	2,284,440	2,956,084		
Capital Grants and Contributions	-	-	-	-	-	106,292	-	-		
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 2,817,935</b>	<b>\$ 2,554,241</b>	<b>\$ 2,877,268</b>	<b>\$ 2,579,249</b>	<b>\$ 2,126,823</b>	<b>\$ 3,162,045</b>	<b>\$ 2,564,402</b>	<b>\$ 3,318,259</b>	<b>\$ -</b>	<b>\$ -</b>
Business-Type Activities:										
Charges for Services	\$ 522,797	\$ 520,081	\$ 534,751	\$ 541,505	\$ 516,738	\$ 556,381	\$ 580,561	\$ 638,004		
Operating Grants and Contributions	47,298	50,881	48,382	44,025	35,234	36,499	28,241	21,325		
Capital Grants and Contributions	-	-	-	-	-	-	-	-		
<b>Total Business-Type Activities Program Revenues</b>	<b>570,095</b>	<b>570,962</b>	<b>583,133</b>	<b>585,530</b>	<b>551,972</b>	<b>592,880</b>	<b>608,802</b>	<b>659,329</b>	<b>-</b>	<b>-</b>
<b>Total District Program Revenues</b>	<b>\$ 3,388,030</b>	<b>\$ 3,125,203</b>	<b>\$ 3,460,401</b>	<b>\$ 3,164,779</b>	<b>\$ 2,678,795</b>	<b>\$ 3,754,925</b>	<b>\$ 3,173,204</b>	<b>\$ 3,977,588</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (23,702,566)	\$ (17,360,260)	\$ (17,615,308)	\$ (16,525,977)	\$ (16,268,487)	\$ (16,343,878)	\$ (15,938,736)	\$ (20,296,738)		
Business-Type Activities	(10,846)	22,422	(11,568)	3,185	(20,596)	(21,690)	(102,532)	59,001		
<b>Total District-Wide</b>	<b>\$ (23,713,412)</b>	<b>\$ (17,337,838)</b>	<b>\$ (17,626,876)</b>	<b>\$ (16,522,792)</b>	<b>\$ (16,289,083)</b>	<b>\$ (16,365,568)</b>	<b>\$ (16,041,268)</b>	<b>\$ (20,237,737)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Local Tax Levy	17,822,315	17,364,797	17,032,833	16,733,170	16,850,724	16,183,062	15,634,991	15,039,240		
Other Local Governmental Units - Restricted	473,687	461,899	438,626	406,592	406,283	443,760	426,693	375,307		
Interest Earned on Capital Reserve Funds	-	-	-	-	5,470	-	6,040	16,021		
Interest Earned on Emergency Reserve Funds	-	-	-	-	201	-	-	-		
Other Restricted Miscellaneous Revenues	3,133	12,540	-	-	-	-	-	-		
Unrestricted Miscellaneous Revenues	466,225	316,444	219,542	122,454	627,959	115,540	180,967	254,299		
State Sources	-	-	-	-	-	-	488,052	218,530		
Federal Sources	-	-	-	-	-	-	-	35,906		
Transfers & Adjustments	-	-	-	-	(47,518)	(46,574)	(41,200)	(39,002)		
<b>Total Governmental Activities</b>	<b>\$ 18,765,360</b>	<b>\$ 18,155,680</b>	<b>\$ 17,691,001</b>	<b>\$ 17,262,216</b>	<b>\$ 17,843,119</b>	<b>\$ 16,695,788</b>	<b>\$ 16,695,543</b>	<b>\$ 15,900,301</b>	<b>\$ -</b>	<b>\$ -</b>
Business-Type Activities:										
Unrestricted Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Transfers	-	-	-	-	-	-	-	-		
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 18,765,360</b>	<b>\$ 18,155,680</b>	<b>\$ 17,691,001</b>	<b>\$ 17,262,216</b>	<b>\$ 17,843,119</b>	<b>\$ 16,695,788</b>	<b>\$ 16,695,543</b>	<b>\$ 15,900,301</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (4,937,206)	\$ 795,420	\$ 75,693	\$ 736,239	\$ 1,574,632	\$ 351,910	\$ 756,807	\$ (4,396,437)	\$ -	\$ -
Business-Type Activities	(10,846)	22,422	(11,568)	3,185	(20,596)	(21,690)	(102,532)	59,001	-	-
<b>Total District</b>	<b>\$ (4,948,052)</b>	<b>\$ 817,842</b>	<b>\$ 64,125</b>	<b>\$ 739,424</b>	<b>\$ 1,554,036</b>	<b>\$ 330,220</b>	<b>\$ 654,275</b>	<b>\$ (4,337,436)</b>	<b>\$ -</b>	<b>\$ -</b>
Net Position - Beginning	5,466,741	4,648,899	4,584,774	3,845,350	2,291,314	1,961,094	1,306,819	5,644,255		
<b>Net Position - Ending</b>	<b>\$ 518,689</b>	<b>\$ 5,466,741</b>	<b>\$ 4,648,899</b>	<b>\$ 4,584,774</b>	<b>\$ 3,845,350</b>	<b>\$ 2,291,314</b>	<b>\$ 1,961,094</b>	<b>\$ 1,306,819</b>	<b>\$ -</b>	<b>\$ -</b>

EMERSON SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS (DISTRICT)  
 UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted	\$ 2,832,809	\$ 3,474,878	\$ 2,736,473	\$ 2,086,836	\$ 1,680,297	\$ 908,727	\$ 1,295,350	\$ 1,161,852	\$ 963,298	\$ 783,266
Unrestricted	659,979	621,279	619,247	734,010	710,553	433,176	569,313	427,701	425,956	385,471
Total General Fund	\$ 3,492,788	\$ 4,096,157	\$ 3,355,720	\$ 2,820,846	\$ 2,390,850	\$ 1,341,903	\$ 1,864,663	\$ 1,589,553	\$ 1,389,254	\$ 1,168,737
All Other Governmental Funds										
Unrestricted, reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	-	305,404	141,938	141,938	141,938	321,176	-	-	-	-
Debt Service Fund	-	-	-	-	10	10	9	3	3	2
Permanent Fund	-	-	-	-	-	-	-	-	-	-
Total all Other Governmental Funds	\$ -	\$ 305,404	\$ 141,938	\$ 141,938	\$ 141,948	\$ 321,186	\$ 9	\$ 3	\$ 3	\$ 2
Total Governmental Funds	\$ 3,492,788	\$ 4,401,561	\$ 3,497,658	\$ 2,962,784	\$ 2,532,798	\$ 1,663,089	\$ 1,864,672	\$ 1,589,556	\$ 1,389,257	\$ 1,168,739

**EMERSON SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (DISTRICT)  
UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Local Sources:										
Local Tax Levy	\$ 17,822,315	\$ 17,364,797	\$ 17,032,833	\$ 16,733,170	\$ 16,850,724	\$ 16,183,062	\$ 15,634,991	\$ 15,039,240	Not Available	
Other Local Governmental Units - Restricted	473,687	461,899	438,626	406,592	406,283	443,760	426,693	375,307		
Tuition - From Individuals	-	-	58,762	84,987	113,059	227,124	2,197	-		
Tuition - From Other LEAs Within State	-	-	-	-	-	-	3,672	277,765	362,175	
Transportation - From Individuals	16,712	17,554	24,201	-	-	-	-	-		
Interest on Capital Reserve Funds	4,651	9,454	-	5,896	5,470	6,328	6,040	16,021		
Interest Earned on Emergency Reserve Funds	64	57	-	45	201	-	-	-		
Unrestricted Miscellaneous Revenues	466,225	316,444	219,542	122,454	627,959	115,540	180,967	254,299		
Total Local Sources	18,783,654	18,170,205	17,773,964	17,353,144	18,003,696	16,979,486	16,528,653	16,047,042	-	-
State Sources	2,530,323	2,282,444	2,515,046	2,201,005	1,603,981	2,466,618	2,386,362	2,887,528		
Federal Sources	269,318	257,272	279,259	287,316	409,783	458,303	386,130	365,504		
Total Revenues	\$ 21,583,295	\$ 20,709,921	\$ 20,568,269	\$ 19,841,465	\$ 20,017,460	\$ 19,904,407	\$ 19,301,145	\$ 19,300,074	\$ -	\$ -
<b>EXPENDITURES</b>										
Current Expense:										
Instruction:										
Regular Programs	\$ 5,305,071	\$ 5,038,451	\$ 5,571,393	\$ 5,163,580	\$ 5,207,332	\$ 5,306,477	\$ 5,166,567	\$ 5,182,915	Not Available	
Special Education	2,102,980	2,002,120	1,938,918	1,834,085	1,907,015	1,768,071	1,626,956	1,393,158		
Basic Skills - Remedial	135,213	201,778	117,274	144,250	121,014	159,357	142,750	94,750		
Bilingual Education	82,320	63,275	40,125	40,657	36,000	127,305	118,841	107,250		
School Sponsored Cocurricular/Extracurricular Activities	207,562	189,072	169,072	132,045	121,308	132,230	135,894	150,810		
School Sponsored Athletics	475,988	425,670	422,492	406,491	329,190	372,754	412,458	392,405		
Support Services:										
Instruction	1,637,296	1,659,097	1,771,178	1,840,744	1,578,250	2,214,137	1,836,472	1,695,166		
Attendance and Social Work	22,815	22,117	21,640	20,876	20,135	23,767	39,716	11,125		
Health Services	209,458	231,557	225,547	211,877	206,951	204,001	195,346	183,818		
Speech, OT, PT, Related Service	125,399	124,253	120,908	139,782	143,870	153,405	174,261	149,948		
Extraordinary Services	352,178	324,020	337,985	379,271	367,673	324,346	262,015	169,674		
Guidance	425,307	305,816	362,325	349,230	350,501	342,838	354,274	399,953		
Child Study Team	365,962	339,822	369,408	362,049	343,769	388,602	355,529	496,434		
Improvement of Instructional Services	-	-	-	-	-	63,883	8,656	120,371		
Educational Media Services - School Library	212,841	207,257	219,557	212,553	205,275	212,915	200,474	274,606		
Instructional Staff Training Services	40,899	54,268	14,498	29,640	13,378	25,976	50,656	65,379		
Support Services - General Administration	320,185	293,904	214,452	353,599	434,433	371,509	330,054	348,025		
Support Services - School Administration	946,879	1,163,967	1,157,663	1,150,820	1,030,149	1,110,590	1,097,723	562,900		
Central Services	414,766	412,963	438,428	392,877	345,599	336,236	325,072	301,750		
Required Maintenance for School Facilities	793,568	631,917	638,502	596,296	572,709	660,782	831,792	831,348		
Operation and Maintenance of Plant Services	826,090	900,095	947,473	999,754	882,213	910,278	922,633	904,139		
Care and Upkeep of Grounds	78,502	70,766	60,576	113,618	47,133	57,814	-	-		
Student Transportation Services	443,707	391,354	446,542	476,247	453,454	524,846	630,431	604,529		
Personal Services - Employee Benefits	3,351,195	2,797,067	2,294,593	2,303,345	2,393,270	2,538,801	1,991,178	1,966,809		
TPAF Pension	1,140,186	918,111	1,124,450	759,905	563,661	521,524	471,411	1,277,980		
TPAF Social Security	605,369	595,708	600,870	576,656	562,721	592,088	582,430	532,712		
Sub-Total	\$ 20,621,736	\$ 19,364,425	\$ 19,625,869	\$ 18,990,247	\$ 18,237,003	\$ 19,444,532	\$ 18,263,589	\$ 18,217,954	\$ -	\$ -
Capital Outlay	1,870,332	441,593	407,525	421,232	320,549	76,498	178,674	270,955		
Debt Service	-	-	-	-	542,681	538,386	542,566	545,373		
Total Expenditures	\$ 22,492,068	\$ 19,806,018	\$ 20,033,394	\$ 19,411,479	\$ 19,100,233	\$ 20,059,416	\$ 18,984,829	\$ 19,034,282	\$ -	\$ -
Excess (Deficiency) of revenues over (under) expenditures	\$ (908,773)	\$ 903,903	\$ 534,875	\$ 429,986	\$ 917,227	\$ (155,009)	\$ 316,316	\$ 265,792	\$ -	\$ -
Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ (47,518)	\$ (46,574)	\$ (41,200)	\$ (39,002)		
Net change in fund balances	\$ (908,773)	\$ 903,903	\$ 534,875	\$ 429,986	\$ 869,709	\$ (201,583)	\$ 275,116	\$ 226,790	\$ -	\$ -
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	2.98%	2.77%	2.97%	2.99%	N/A	N/A

**EMERSON SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (DISTRICT)  
UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Interest on Investments	\$ 11,938	\$ 17,143	\$ 17,342	\$ 14,635	\$ 33,560	\$ 31,082	\$ -	\$ -	Not Available	
Interest on Capital Reserve Funds	-	-	-	5,896	5,470	6,328	6,040	16,021		
Interest on Emergency Reserve Funds	-	-	-	45	201	-	-	-		
Tuition	-	-	-	84,987	113,059	230,796	279,962	362,175		
Other Local Units - Restricted	-	-	149,110	406,592	406,283	443,760	426,693	375,307		
Prior Year Refunds	108,787	19,948	-	52,069	47,967	66,167	-	-		
Rentals	-	-	-	1,469	1,822	953	-	-		
Miscellaneous	17,054	22,815	44,265	50,919	24,610	17,338	180,967	61,278		
Non-Public Transportation Reimbursement	7,939	8,269	-	-	8,653	-	-	-		
Prior Year Credit Orders	28	97,464	-	3,362	376,219	-	-	-		
Anti Bullying Grant	-	8,857	-	-	-	-	-	-		
Returned from Capital Projects Fund	305,404	141,948	-	-	-	-	-	-		
Transportation Refunds	15,075	-	-	-	-	-	-	-		
	<u>\$ 466,225</u>	<u>\$ 316,444</u>	<u>\$ 210,717</u>	<u>\$ 619,974</u>	<u>\$ 1,017,844</u>	<u>\$ 796,424</u>	<u>\$ 893,662</u>	<u>\$ 814,781</u>	<u>\$ -</u>	<u>\$ -</u>

**EMERSON SCHOOL DISTRICT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY (MUNICIPALITY)  
 UNAUDITED**

Description	2014	
	# of Parcels	Value
Net Valuations Taxable:		
Vacant Land	73	\$ 16,385,600
Residential	2316	1,008,529,100
Farm (Regular)	1	283,300
Farm (Qualified)	1	5,100
Commercial	130	167,274,500
Industrial	10	4,806,500
Apartments	<u>0</u>	-
Sub-Total	2531	1,197,284,100
Personal Property		<u>791,718</u>
Net Valuations Taxable		<u>1,198,075,818</u>
County Equalization Adjustment		51,834,221
County Equalized Valuation		<u>\$ 1,249,910,039</u>
County Equalization Ratio		<u>96.09%</u>
Average Residential Assessment		<u>\$ 435,462</u>
Total County Equalized Valuations		<u>\$ 162,301,130,131</u>
Municipal Percentage County Equalized Valuations		<u>0.77%</u>

**EMERSON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES (MUNICIPALITY)  
UNAUDITED**

	2014	2013	2012	2011**	2010	2009	2008	2007*	2006	2005
Net Valuations Taxable	\$ 1,198,075,818	\$ 1,198,470,270	\$ 1,203,978,960	\$ 1,200,917,760	\$ 1,401,921,021	\$ 1,400,406,444	\$ 1,380,934,990	\$ 1,365,915,507	\$ 652,032,250	\$ 647,381,792
<b>TAX REQUIREMENTS</b>										
County	\$ 2,859,036	\$ 2,886,320	\$ 2,859,911	\$ 2,620,874	\$ 2,663,121	\$ 2,575,712	\$ 2,386,354	\$ 2,234,745	\$ 2,068,786	\$ 1,965,659
County Open Space	31,248	31,780	33,109	32,066	34,473	141,625	136,463	130,147	116,745	103,464
Local School	17,822,315	17,364,797	17,032,833	16,733,170	16,878,405	16,183,062	15,634,991	15,039,240	14,485,061	13,729,349
Municipal - Local	8,771,424	8,566,281	8,370,176	8,125,901	8,365,403	7,805,759	7,246,604	6,947,691	6,407,695	6,331,569
Municipal - Library	415,734	424,574	439,225	453,272	-	-	-	-	-	-
Total	\$ 29,899,757	\$ 29,273,752	\$ 28,735,254	\$ 27,965,283	\$ 27,941,402	\$ 26,706,158	\$ 25,404,412	\$ 24,351,823	\$ 23,078,287	\$ 22,130,041
<b>TAX RATES</b>										
County	0.239	0.241	0.238	0.219	0.190	0.184	0.173	0.164	0.317	0.304
County Open Space	0.003	0.003	0.003	0.003	0.003	0.011	0.010	0.010	0.010	0.010
Local School	1.488	1.449	1.415	1.393	1.204	1.156	1.132	1.101	2.222	2.121
Municipal - Local	0.732	0.715	0.695	0.676	0.596	0.557	0.525	0.515	0.991	0.985
Municipal - Library	0.034	0.035	0.036	0.038	-	-	-	-	-	-
Total	2.496	2.443	2.387	2.329	1.993	1.908	1.840	1.790	3.540	3.420

\*Revaluation Year  
\*\*Reassessment Year



**EMERSON SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS (MUNICIPALITY)  
UNAUDITED**

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<u>Taxpayer (Block/Lot/Qualifier)</u>	<u>2014 Assessment</u>
Robert Lee Realty Co. (211/1)	\$ 23,750,000
Emerson Convalescent Center (607/1)	16,064,700
Urstadt Biddle Properties Inc. (1301/1/01)	13,790,000
Brea Emerson LLC (1101/6/01)	9,500,000
Hackensack Golf Club (901/1)	7,029,300
452 Old Hook Road Associates LLC (1101/5/02)	5,004,000
Liberty Emerson LLC (610/7)	4,430,000
United Water N.J. (1301/3/05)	4,025,500
Grand Investments IV LLC (616/16)	3,742,700
Hackensack Golf Club (515/14)	2,947,800
	<u>\$ 90,284,000</u>

**EMERSON SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS (MUNICIPALITY)  
UNAUDITED**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Tax Levy	\$ 29,957,596	\$ 29,368,882	\$ 28,795,036	\$ 28,075,600	\$ 27,986,298	\$ 26,803,187	\$ 25,687,511	\$ 24,575,194	\$ 23,190,230	\$ 22,261,836
Current Tax Collections	\$ 29,740,567	\$ 29,085,569	\$ 28,526,425	\$ 27,830,846	\$ 27,592,504	\$ 26,426,394	\$ 25,256,343	\$ 24,211,512	\$ 22,989,124	\$ 22,070,280
Percent of Tax Levy Collected	99.28%	99.04%	99.07%	99.13%	98.59%	98.59%	98.32%	98.52%	99.13%	99.14%

**EMERSON SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE (DISTRICT)**  
**UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities		Total District	(Exhibit J-14)	Outstanding Debt Per Capita	(Exhibit J-14)	Percentage of Personal Income
	General Obligation Bonds	Certificates of Participation		District Population		(County) Per Capita Income	
2015	\$ -	\$ -	\$ -	7,617	\$ -	\$ 69,495	0.00%
2014	\$ -	\$ -	\$ -	7,617	\$ -	\$ 69,495	0.00%
2013	\$ -	\$ -	\$ -	7,587	\$ -	\$ 69,495	0.00%
2012	\$ -	\$ -	\$ -	7,555	\$ -	\$ 69,281	0.00%
2011	\$ -	\$ -	\$ -	7,517	\$ -	\$ 67,248	0.00%
2010	\$ 515,000	\$ -	\$ 515,000	7,412	\$ 69	\$ 63,885	0.11%
2009	\$ 1,000,000	\$ -	\$ 1,000,000	7,433	\$ 135	\$ 63,874	0.21%
2008	\$ 1,465,000	\$ -	\$ 1,465,000	7,319	\$ 200	\$ 67,331	0.30%
2007	\$ 1,910,000	\$ -	\$ 1,910,000	7,266	\$ 263	\$ 67,544	0.39%
2006	\$ 2,330,000	\$ -	\$ 2,330,000	7,170	\$ 325	\$ 63,103	0.52%
2005	\$ 2,730,000	\$ -	\$ 2,730,000	7,218	\$ 378	\$ 57,674	0.66%
2004	\$ 3,110,000	\$ -	\$ 3,110,000	7,242	\$ 429	\$ 55,245	0.78%

**EMERSON SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (DISTRICT)  
UNAUDITED**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population (Exhibit J-14)	7,617	7,587	7,555	7,517	7,412	7,433	7,319	7,266	7,170	7,218
County Equalized Valuations (Exhibit J-6)	\$ 1,249,910,039	\$ 1,271,210,844	\$ 1,324,355,506	\$ 1,282,656,347	\$ 1,378,939,597	\$ 1,416,252,475	\$ 1,364,632,955	\$ 1,301,474,848	\$ 1,167,453,680	\$ 1,035,114,903
Gross Debt (Exhibit J-10)	\$ -	\$ -	\$ -	\$ -	\$ 515,000	\$ 1,000,000	\$ 1,465,000	\$ 1,910,000	\$ 2,330,000	\$ 2,730,000
Gross Debt Per Capita	\$ -	\$ -	\$ -	\$ -	\$ 69	\$ 135	\$ 200	\$ 263	\$ 325	\$ 378
Ratio of Gross Debt to Equalized Valuations	0.00%	0.00%	0.00%	0.00%	0.04%	0.07%	0.11%	0.15%	0.20%	0.26%

**EMERSON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (MUNICIPALITY)  
UNAUDITED**

DIRECT DEBT

	<u>December 31, 2014</u>
Municipal:	
General Purposes:	
B&N Issued and Outstanding:	
Serial Bonds	\$ 6,588,000
Bond Anticipation Notes	-
Loans	1,209,133
B&N Authorized But Not Issued	496,365
Credits	-
Total Municipal Debt	<u>\$ 8,293,498</u>
Local School:	
B&N Issued and Outstanding:	
Serial Bonds	\$ -
Bond Anticipation Notes	-
Loans	-
B&N Authorized But Not Issued	-
Credits	-
Total Local School Debt	<u>\$ -</u>
Total Direct Debt	<u>\$ 8,293,498</u>

OVERLAPPING DEBT

	<u>December 31, 2014</u>
County of Bergen	<u>\$ 6,543,914</u>
Bergen County Utilities Authority	<u>\$ 2,425,068</u>
Total Overlapping Debt	<u>\$ 8,968,982</u>
Total Direct and Overlapping Debt	<u><u>\$ 17,262,480</u></u>

**EMERSON SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION (MUNICIPALITY AND DISTRICT)  
UNAUDITED**

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	<u>2014</u>
State Equalized Valuation Basis	<u>\$ 1,249,082,677</u>
Municipal Borrowing Power:	
3 1/2% of Equalized Valuation Basis	\$ 43,717,894
Net Debt	<u>8,293,498</u>
Remaining Borrowing Power	<u><u>\$ 35,424,396</u></u>
School Borrowing Power:	
4% of Equalized Valuation Basis	\$ 49,963,307
Net School Debt	<u>-</u>
School Borrowing Margin Available	<u><u>\$ 49,963,307</u></u>

**EMERSON SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS (MUNICIPALITY)  
UNAUDITED**

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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Average Labor Force Estimates by Municipality:										
Labor Force	3,659	3,536	3,550	3,526	3,526	3,554	3,602	3,583	3,573	3,531
Employment	3,481	3,334	3,410	3,389	3,387	3,417	3,526	3,526	3,509	3,469
Unemployment	178	202	140	136	139	136	76	58	64	61
Unemployment Rate	4.9%	5.7%	3.9%	3.9%	3.9%	3.8%	2.1%	1.6%	1.8%	1.7%
Per Capital Personal										
Income by County	\$ 69,495	\$ 69,495	\$ 69,281	\$ 67,248	\$ 63,885	\$ 63,874	\$ 67,331	\$ 67,544	\$ 63,103	\$ 57,674

Estimates as of July 1,

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Subcounty Population Estimates:										
Emerson BORO	7,617	7,587	7,555	7,517	7,412	7,433	7,319	7,266	7,170	7,218
County of Bergen	933,572	927,434	920,440	914,087	906,748	895,250	889,915	885,664	884,581	887,322

**EMERSON SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS (MUNICIPALITY)  
UNAUDITED**

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Not Available



**EMERSON SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM (DISTRICT)  
 UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008
<u>Employees:</u>								
Certified	128	127	123	115	114	117	118	111
Non-Certified	74	72	68	74	67	74	78	77
Total	202	199	191	189	181	191	196	188
<u>Student Teacher Ratio:</u>								
Jr./Sr. H.S.	9:1	9:1	9:1	10:1	10:1	11:1	11:1	11:1
Elementary	10:1	12:1	12:1	14:1	16:1	16:1	16:1	17:1
<u>Student Count:</u>								
Memorial	291	308	295	285	288	326	310	334
Villano	334	333	340	364	385	387	390	377
Jr./Sr. H.S.	569	561	556	539	521	519	520	497
Total	1,194	1,202	1,191	1,188	1,194	1,232	1,220	1,208

EMERSON SCHOOL DISTRICT  
 OPERATING STATISTICS (DISTRICT)  
 UNAUDITED

Fiscal Year	Average Daily Enrollment	% Change	(Exhibit J-4 w/o TPAF)	Cost Per Pupil	Percentage Change	Teaching Staff	Average Daily Attendance	Student Attendance Percentage
			Operating Expenditures					
2015	1192.4	0.1%	\$ 20,746,513	17,399	13.3%	202.00	1146.9	96.18%
2014	1191.4	0.2%	\$ 18,292,199	15,354	-0.3%	199.00	1146.7	96.25%
2013	1188.7	0.7%	\$ 18,308,074	15,402	0.6%	191.00	1145.7	96.40%
2012	1180.3	-1.4%	\$ 18,074,918	15,314	1.9%	189.00	1139.6	96.60%
2011	1196.5	-2.6%	\$ 17,973,851	15,022	0.7%	181.00	1145.2	95.70%
2010	1228.6	0.7%	\$ 18,330,920	14,920	5.8%	191.00	1178.3	95.90%
2009	1220.4	2.7%	\$ 17,209,748	14,102	2.2%	196.00	1169.7	95.80%
2008	1188.7	N/A	\$ 16,407,262	13,803	N/A	188.00	1142.3	96.10%

**EMERSON SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION (DISTRICT)  
UNAUDITED**

---

<u>District Building</u>	<u>2015</u>
Emerson Jr. Sr. High School:	
Square Feet	103,000
Student Capacity	526.7
Student Average Daily Enrollment	565.5
Memorial School:	
Square Feet	24,750
Student Capacity	338.5
Student Average Daily Enrollment	293.2
Patrick M. Villano School:	
Square Feet	35,175
Student Capacity	396.0
Student Average Daily Enrollment	333.7
District Totals:	
Square Feet	162,925
Student Capacity	1,261.2
Student Average Daily Enrollment	1,192.4

**EMERSON SCHOOL DISTRICT**  
**SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY (DISTRICT)**  
**UNAUDITED**

School Facilities	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Emerson Jr. Sr. High School	\$ 499,948	\$ 399,493	\$ 403,657	\$ 1,078,506	\$ 362,063	\$ 823,645	\$ 448,961	\$ 431,694	\$ 408,302	\$ 366,163
Patrick M. Villano School	174,585	136,429	137,850	368,315	123,646	281,279	156,780	150,750	142,582	127,866
Memorial School	119,035	95,995	96,995	259,156	87,000	197,915	106,896	102,784	97,215	87,182
	-	-	-							
	\$ 793,568	\$ 631,917	\$ 638,502	\$ 1,705,977	\$ 572,709	\$ 1,302,839	\$ 712,637	\$ 685,228	\$ 648,099	\$ 581,211

**EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED**

**SCHEDULE OF YOUR CURRENT INSURANCE**

**PREPARED FOR:**

Emerson Board of Education  
133 Main Street  
Emerson, NJ 07630

**POLARIS GALAXY INSURANCE, LLC**

Risk Managers & Insurance Brokers  
777 Terrace Avenue, Suite 309  
Hasbrouck Heights, NJ 07604  
(201) 727-1720 Fax (201)727-0080

Date Prepared: February 2015

Page 1 of 2

<b>COVERAGE</b>	<b>LIMITS</b>	<b>TERM</b>	<b>COMPANY</b>	<b>POLICY NUMBER</b>	<b>COMMENTS</b>
<b>COMMERCIAL PACKAGE POLICY</b>		7/1/2014-2015	School Alliance Insurance Fund	Master # PR-14-01 Certificate # 14-01-180	Per Statement of Values on file with the carrier
Property					
Blanket Building & Contents	39,537,890				
Deductible	2,500				
<b>CRIME COVERAGE</b>		7/1/2014-2015	School Alliance Insurance Fund	Certificate # 14-01-180	
Money and Securities					
Loss Inside	50,000				
Loss Outside	50,000				
Blanket Dishonesty incl					
Faithful Performance	500,000				
Deductible	1,000				
<b>BOILER &amp; MACHINERY</b>	100,000,000	7/1/2014-2015	School Alliance Insurance Fund	Certificate # 14-01-180	
Coverage					
Deductible	1,000				
<b>FLOOD</b>		7/1/2014-2015	School Alliance Insurance Fund	Certificate # 14-01-180	
Per Occurrence/Per Member Excluding Zones A&V	10,000,000				
Per Occurrence/Per Member In Flood Zone "A&V"	25,000,000				
<b>EARTHQUAKE</b>	25,000,000				

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

**EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED**

**SCCHEDULE OF YOUR CURRENT INSURANCE**

**PREPARED FOR:**

Emerson Board of Education  
133 Main Street  
Emerson, NJ 07630

Date Prepared: February 2015

Page 2 of 2

<b>COVERAGE</b>	<b>LIMITS</b>	<b>TERM</b>	<b>COMPANY</b>	<b>POLICY NUMBER</b>	<b>COMMENTS</b>
<b>GENERAL LIABILITY</b> Each Occurrence	5,000,000	7/1/2014-2015	School Alliance Insurance Fund	Certificate # 14-01-180	
<b>AUTOMOBILE COVERAGE</b> Combined Single Limit Comprehensive Collision	5,000,000 1,000 1,000	7/1/2014-2015	School Alliance Insurance Fund	Certificate # 14-01-180	
<b>SCHOOL LEADERS</b> Limit of Liability IEP Hearing Limit Desegregation Limit of Liability Breach of Contract Limit Breach of Fiduciary Duty Limit	5,000,000 100,000 100,000 100,000 25,000	7/1/2014-2015	National Union Fire Insurance Company	01-395-06-16	
<b>ENVIRONMENTAL</b> Each Claim Limit All Claims, Remediation Costs, or Legal Defense Limit SIR	1,000,000 25,000,000 10,000	7/1/2014-2015	ACE	PPE G23566527 010	
<b>EXCESS LIABILITY (CAP)</b> Limit of Liability Limit of Liability	15,000,000 15,000,000	7/1/2014-2015	Markel Insurance Co. Torus	XOMW322814 18236D140ALI	
<b>TRAVEL ACCIDENT POLICY</b> Principal sum Aggregate limit	100,000 500,000	7/1/2014-2015	Gerber Life Insurance Co.	BTA-37350	

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED



The Ohio Casualty Insurance Company

RIDER CHANGING AMOUNT OF BOND

WHEREAS, on or about 6-30-2014 The Ohio Casualty Insurance Company  
as Surety, (hereinafter called the Surety) issued its Bond No. LSF037172 / 3123952  
on behalf of Philip Nisonoff, as Principal in favor  
of Emerson Board of Education, as Obligee, in the amount of  
Two Hundred Fifty Thousand Dollars and XX/100

Dollars \$250,000.00 and WHEREAS, it is the desire of the parties to said Bond that the amount thereof shall  
be increased or decreased as hereinafter provided;

NOW, THEREFORE, it is hereby stipulated and agreed that, with respect to any loss or losses sustained through acts or  
omissions occurring on or after 06/30/2014 the amount originally stated  
in said Bond (or the amount to which said original amount may have been subsequently changed by rider) is hereby changed to

Two Hundred Fifty Thousand Dollars and XX/100  
From: \$50,000.00

Dollars \$250,000.00

Provided, however, (1) that the liability of the Surety for any loss sustained through acts or omissions occurring in any period  
during which the coverage shall have been in the same amount shall be limited to the amount of coverage in force at the time  
such acts or omissions occur; and provided further that the aggregate liability of the Surety for any and all losses sustained  
through acts or omissions occurring during the life of said bond, irrespective of the number of changes made in the amount  
thereof, shall not be cumulative as to periods during which the coverage was in different amounts, and shall not in any event  
exceed the largest amount of said bond at any one time; (2) if the attached bond contains a provision limiting the time for  
discovery of loss after the cancellation of the bond, and if this rider decreases the amount of said bond, the amount by which the  
coverage is decreased shall be considered as having been canceled as of the effective date of such decrease for the purpose of  
computing the period allowed for the discovery of loss.

Signed, Sealed and Dated: 16th July, 2014

By: Bryan A. Hyland  
The Ohio Casualty Insurance Company  
By: Bryan A. Hyland  
Attorney-In-Fact  
Agreed to and accepted by:  
By: Waived

Rider Changing Amount of Bond (Not to  
be used with Fidelity or Blanket Bonds)  
S-3863

EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED



RLI Insurance Company  
P.O. Box 3967  
Peoria, IL 61612-3967  
Phone: (309) 692-1000 Fax: (309) 683-1610

Official Bond And Oath

Bond No. RSB4136742

KNOW ALL MEN BY THESE PRESENTS:

That we, Douglas Barrett, as Principal,  
and RLI Insurance Company, a corporation duly  
licensed to do business in the State of New Jersey, as Surety, are held and firmly bound unto the  
Emerson Board Of Education in the penal sum  
of Two Hundred Three Thousand Dollars And No Cents DOLLARS  
(\$ 203,000.00), to the payment of which sum, well and truly to be made, we jointly and severally bind ourselves and our legal  
representatives firmly by these presents.

DATED this 3rd day of April, 2014.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the said Principal was duly  elected  appointed to  
the office of Treasurer in the State of New Jersey  
for the term commencing on the 30th day of June, 2014 and ending on June 30, 2015.  
NOW THEREFORE, if the said Principal shall faithfully perform the duties of his said office, then this obligation shall be void and of no  
effect.

This bond is executed by the Surety upon the following express conditions:

FIRST, the Surety shall not be liable hereunder for the loss of any public moneys or funds occurring through or resulting from the failure  
of, or default in payment by, any banks or depositories in which any public moneys or funds have been deposited, or may be deposited,  
or placed to the credit, or under the control of the Principal, whether or not such banks or depositories were or may be selected or  
designated by the Principal or by other persons; or by reason of the allowance to, or acceptance by the Principal or any interest on said  
public moneys or funds, any law, decision, ordinances, or statute to the contrary notwithstanding.

SECOND, that the Surety shall not be liable for any loss or losses, resulting from the failure of the Principal to collect any taxes,  
licenses, levies, assessments, etc., with the collections or which he may be chargeable by reason of his election or appointment as  
aforesaid.

THIRD, that the Surety may, if it shall so elect, cancel this bond by giving thirty (30) days notice in writing to the Obligee and this bond  
shall be deemed canceled at the expiration of said thirty (30) days; the Surety remaining liable, however, subject to all the terms,  
conditions and provisions of this bond for any act or acts covered by this bond which may have been committed by the Principal up to  
the date of such cancellation.

Countersigned

By \_\_\_\_\_



APPROVAL:

I have inspected the above Bond and do hereby certify  
that the same is sufficient.

Douglas Barrett

Principal

RLI Insurance Company

Roy C. Die Attorney In Fact

Approving Officer

Title



EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED

**RLI**® RLI Insurance Company  
P.O. Box 3967  
Peoria, IL 61612-3967  
Phone: (309) 692-1000 Fax: (309) 683-1610

**Official Bond And Oath**

Bond No. RSB4136743

**KNOW ALL MEN BY THESE PRESENTS:**

That we, Peter Coughlin, as Principal,  
and RLI Insurance Company, a corporation duly  
licensed to do business in the State of New Jersey, as Surety, are held and firmly bound unto the Emerson Board Of Education  
in the penal sum  
of Fifty Thousand Dollars And No Cents DOLLARS  
( \$ 50,000.00 ), to the payment of which sum, well and truly to be made, we jointly and severally bind ourselves and our legal  
representatives firmly by these presents.

DATED this 1st day of April, 2014.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the said Principal was duly  elected  appointed to  
the office of Bus Driver in the State of New Jersey  
for the term commencing on the 30th day of June, 2014 and ending on June 30, 2015.  
NOW THEREFORE, if the said Principal shall faithfully perform the duties of his said office, then this obligation shall be void and of no  
effect.

This bond is executed by the Surety upon the following express conditions:

FIRST, the Surety shall not be liable hereunder for the loss of any public moneys or funds occurring through or resulting from the failure  
of, or default in payment by, any banks or depositories in which any public moneys or funds have been deposited, or may be deposited,  
or placed to the credit, or under the control of the Principal, whether or not such banks or depositories were or may be selected or  
designated by the Principal or by other persons; or by reason of the allowance to, or acceptance by the Principal or any interest on said  
public moneys or funds, any law, decision, ordinances, or statute to the contrary notwithstanding.

SECOND, that the Surety shall not be liable for any loss or losses, resulting from the failure of the Principal to collect any taxes,  
licenses, levies, assessments, etc., with the collections or which he may be chargeable by reason of his election or appointment as  
aforesaid.

THIRD, that the Surety may, if it shall so elect, cancel this bond by giving thirty (30) days notice in writing to the Obligee and this bond  
shall be deemed canceled at the expiration of said thirty (30) days; the Surety remaining liable, however, subject to all the terms,  
conditions and provisions of this bond for any act or acts covered by this bond which may have been committed by the Principal up to  
the date of such cancellation.

Countersigned

By \_\_\_\_\_



\_\_\_\_\_  
Peter Coughlin

\_\_\_\_\_  
Principal

\_\_\_\_\_  
RLI Insurance Company

\_\_\_\_\_  
Roy C. Die Attorney In Fact

\_\_\_\_\_  
Approving Officer

\_\_\_\_\_  
Title

**APPROVAL:**

I have inspected the above Bond and do hereby certify  
that the same is sufficient.

OFF 0107 (2/94)

EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED



RLI Insurance Company  
P.O. Box 3967 Peoria IL 61612-3967  
Phone: (309)692-1000 Fax: (309)683-1610

Official Bond And Oath

Bond No. LSM0652567

KNOW ALL MEN BY THESE PRESENTS:

That we, Gaby Mills, as Principal,  
and RLI Insurance Company, a corporation duly licensed to do business in the State of New Jersey,  
as Surety, are held and firmly bound unto the Emerson Board of Education  
in the penal sum of Fifty Thousand and 00/100 DOLLARS  
( \$ 50,000.00 ), to the payment of which sum, well and truly to be made, we jointly and severally bind ourselves and our  
legal representatives firmly by these presents.

DATED this 25th day of July, 2014.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the said Principal was duly  elected  appointed  
to the office of Bus Driver / Courier in the State  
of New Jersey for the term commencing on the 1st day of August, 2014.

NOW THEREFORE, if the said Principal shall faithfully perform the duties of his said office, then this obligation shall be void and  
of no effect.

This bond is executed by the Surety upon the following express conditions:

FIRST, the Surety shall not be liable hereunder for the loss of any public moneys or funds occurring through or resulting from the  
failure of, or default in payment by, any banks or depositories in which any public moneys or funds have been deposited, or may  
be deposited, or placed to the credit, or under the control of the Principal, whether or not such banks or depositories were or may  
be selected or designated by the Principal or by other persons; or by reason of the allowance to, or acceptance by the Principal or  
any interest on said public moneys or funds, any law, decision, ordinances, or statute to the contrary notwithstanding.

SECOND, that the Surety shall not be liable for any loss or losses, resulting from the failure of the Principal to collect any taxes,  
licenses, levies, assessments, etc., with the collections or which he may be chargeable by reason of his election or appointment as  
aforesaid.

THIRD, that the Surety may, if it shall so elect, cancel this bond by giving thirty (30) days notice in writing to the Obligee and this  
bond shall be deemed canceled at the expiration of said thirty (30) days; the Surety remaining liable, however, subject to all the  
terms, conditions and provisions of this bond for any act or acts covered by this bond which may have been committed by the  
Principal up to the date of such cancellation.

Gaby Mills

Principal

RLI Insurance Company

Bryan A. Hyland

Attorney In Fact

APPROVAL:

I have inspected the above Bond and do hereby certify  
that the same is sufficient.

Approving Officer

Title

EMERSON SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED



RLI Insurance Company  
P.O. Box 3967 Peoria IL 61612-3967  
Phone: (309)692-1000 Fax: (309)683-1610

Official Bond And Oath

Bond No. LSM0652562

KNOW ALL MEN BY THESE PRESENTS:

That we, John Vitetta, as Principal,  
and RLI Insurance Company, a corporation duly licensed to do business in the State of New Jersey,  
as Surety, are held and firmly bound unto the Emerson Board of Education  
in the penal sum of Fifty Thousand and 00/100 DOLLARS  
(\$ 50,000.00), to the payment of which sum, well and truly to be made, we jointly and severally bind ourselves and our  
legal representatives firmly by these presents.

DATED this 25th day of July, 2014.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the said Principal was duly  elected  appointed  
to the office of Bus Driver / Courier in the State  
of New Jersey for the term commencing on the 1st day of August, 2014.

NOW THEREFORE, if the said Principal shall faithfully perform the duties of his said office, then this obligation shall be void and  
of no effect.

This bond is executed by the Surety upon the following express conditions:

FIRST, the Surety shall not be liable hereunder for the loss of any public moneys or funds occurring through or resulting from the  
failure of, or default in payment by, any banks or depositories in which any public moneys or funds have been deposited, or may  
be deposited, or placed to the credit, or under the control of the Principal, whether or not such banks or depositories were or may  
be selected or designated by the Principal or by other persons; or by reason of the allowance to, or acceptance by the Principal or  
any interest on said public moneys or funds, any law, decision, ordinances, or statute to the contrary notwithstanding.

SECOND, that the Surety shall not be liable for any loss or losses, resulting from the failure of the Principal to collect any taxes,  
licenses, levies, assessments, etc., with the collections or which he may be chargeable by reason of his election or appointment as  
aforesaid.

THIRD, that the Surety may, if it shall so elect, cancel this bond by giving thirty (30) days notice in writing to the Obligee and this  
bond shall be deemed canceled at the expiration of said thirty (30) days; the Surety remaining liable, however, subject to all the  
terms, conditions and provisions of this bond for any act or acts covered by this bond which may have been committed by the  
Principal up to the date of such cancellation.

John Vitetta

Principal

RLI Insurance Company

Bryan A. Hyland

Attorney In Fact

APPROVAL:

I have inspected the above Bond and do hereby certify  
that the same is sufficient.

\_\_\_\_\_  
Approving Officer

\_\_\_\_\_  
Title

OFF 0107 (2/94)

Page 1 of 2  
O0012509-30,30

EMERSON SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Single Audit Section

**Di Maria & Di Maria LLP**  
**Accountants and Consultants**

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245 Union Street  
Lodi, New Jersey 07644  
Voice 973.779.6890  
Facsimile 973.779.6891

### **Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the 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 Emerson School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Emerson School District's basic financial statements, and have issued our report thereon dated September 30, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Emerson School District's 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 Emerson School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

**Di Maria & Di Maria LLP**

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**Independent Auditor's Report (Continued)**  
**Internal Control Over Financial Reporting (Continued)**

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 Emeraon School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**DI MARIA & DI MARIA LLP**  
**Accountants and Consultants**

*Frank DiMaria*

**Frank Di Maria**  
**Licensed Public School Accountant**  
**PSA No. CS 01168**

September 30, 2015

**Di Maria & Di Maria LLP**  
**Accountants and Consultants**

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245 Union Street  
Lodi, New Jersey 07644  
Voice 973.779.6890  
Facsimile 973.779.6891

**Independent Auditor's Report**

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

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

We have audited the compliance of the Board of Education of the Emerson School District, in the County of Bergen, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Emerson School District's major state programs for the year ended June 30, 2015. The Emerson School District's major 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 state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Emerson School District's major 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; New Jersey OMB's Circular 04-04 and 15-08, *State Aid/Grant Compliance Supplement*, and *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 state program occurred.

**Di Maria & Di Maria LLP**

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**Independent Auditor's Report (Continued)**  
**Auditor's Responsibility (Continued)**

An audit includes examining, on a test basis, evidence about the Emerson School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Emerson School District's compliance.

**Opinion on Each Major State Program**

In our opinion, the Emerson School District, in the County of Bergen, State of New Jersey, 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 state programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the Emerson School District 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 Emerson School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04 and 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 Emerson School Board'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 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 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 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.



**Di Maria & Di Maria LLP**

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**Independent Auditor's Report (Continued)  
Report on Internal Control Over Compliance (Continued)**

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 New Jersey OMB Circular 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04 and 15-08**

We have audited the financial statements of the Emerson School District as of and for the year ended June 30, 2015, and have issued our report thereon dated September 30, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB Circular 04-04 and 15-08 and is not a required part of the 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

**DI MARIA & DI MARIA LLP**  
**Accountants and Consultants**

*Frank DiMaria*

**Frank Di Maria**  
**Licensed Public School Accountant**  
**PSA No. CS 01168**

September 30, 2015

**EMERSON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	Award Amount	Grant Period		(Accounts Receivable)	Deferred Revenue	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of	(Accounts Receivable)	Deferred Revenue	Due to
				From	To	June 30, 2014	June 30, 2014					Prior Years Balances	June 30, 2015	June 30, 2015	Grantor at June 30, 2015
<b>Special Revenue Fund</b>															
Improving Teacher Quality State Grants	84.367A	Title II, Part A	\$ 29,696	09/01/14	08/31/15	\$ -	\$ -	\$ -	\$ 29,696	\$ (29,696)	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education - Grants to States	84.027	I.D.E.A. Part B - Basic	229,919	09/01/14	08/31/15	-	-	-	229,919	(229,919)	-	-	-	-	-
Special Education - Grants to States	84.173	I.D.E.A. Part B - Preschool	9,703	09/01/14	08/31/15	-	-	-	9,703	(9,703)	-	-	-	-	-
						\$ -	\$ -	\$ -	\$ 269,318	\$ (269,318)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Enterprise Fund</b>															
National School Lunch Program	10.555	National School Lunch Program	\$ 44,934	09/01/14	06/30/15	\$ -	\$ -	\$ -	\$ 36,447	\$ (44,934)	\$ -	\$ -	\$ (8,487)	\$ -	\$ -
National School Lunch Program	10.555	National School Lunch Program	48,282	09/01/13	06/30/14	(3,792)	-	-	3,792	-	-	-	-	-	-
						\$ (3,792)	\$ -	\$ -	\$ 40,239	\$ (44,934)	\$ -	\$ -	\$ (8,487)	\$ -	\$ -
Total Federal Financial Awards						\$ (3,792)	\$ -	\$ -	\$ 309,557	\$ (314,252)	\$ -	\$ -	\$ (8,487)	\$ -	\$ -

EMERSON SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		(Accounts	Due to	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of	(Accounts	Deferred	Due to
			From	To	Receivable)	Grantor at					Prior Years Balances	Receivable)	Revenue	Grantor at
					June 30, 2014	June 30, 2014						June 30, 2015	June 30, 2015	June 30, 2015
<b>General Fund</b>														
Transportation Aid	15-495-034-5120-014	\$ 29,805	09/01/14	06/30/15	\$ -	\$ -	\$ -	\$ 29,805	\$ (29,805)	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Categorical Aid	15-495-034-5120-089	421,733	09/01/14	06/30/15	-	-	-	421,733	(421,733)	-	-	-	-	-
Security Aid	15-495-034-5120-084	19,244	09/01/14	06/30/15	-	-	-	19,244	(19,244)	-	-	-	-	-
PARCC Readiness Aid	15-495-034-5120-098	11,620	09/01/14	06/30/15	-	-	-	11,620	(11,620)	-	-	-	-	-
Per Pupil Growth Aid	15-495-034-5120-097	11,620	09/01/14	06/30/15	-	-	-	11,620	(11,620)	-	-	-	-	-
Extraordinary Special Education Costs Aid	15-100-034-5120-473	291,396	09/01/14	06/30/15	-	-	-	-	(291,396)	-	-	(291,396)	-	-
Extraordinary Special Education Costs Aid	14-100-034-5120-473	291,314	09/01/13	06/30/14	(291,314)	-	-	291,314	-	-	-	-	-	-
Teachers' Pension & Annuity Fund (PRM)	15-495-034-5094-001	699,535	09/01/14	06/30/15	-	-	-	699,535	(699,535)	-	-	-	-	-
Teachers' Pension & Annuity Fund	15-495-034-5094-006	411,076	09/01/14	06/30/15	-	-	-	411,076	(411,076)	-	-	-	-	-
Teachers' Pension & Annuity Fund (NCGI)	15-495-034-5094-007	29,575	09/01/14	06/30/15	-	-	-	29,575	(29,575)	-	-	-	-	-
Social Security Tax	15-495-034-5094-003	605,369	09/01/14	06/30/15	-	-	-	575,427	(605,369)	-	-	(29,942)	-	-
					\$ (291,314)	\$ -	\$ -	\$ 2,500,949	\$ (2,530,973)	\$ -	\$ -	\$ (321,338)	\$ -	\$ -
<b>Special Revenue Fund</b>														
N.J. Nonpublic Nursing Services	15-100-034-5120-070	\$ 474	09/01/14	06/30/15	\$ -	\$ -	\$ -	\$ 474	\$ (474)	\$ -	\$ -	\$ -	\$ -	\$ -
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	298	09/01/14	06/30/15	-	-	-	298	(298)	-	-	-	-	-
N.J. Nonpublic Technology Aid	15-100-034-5120-373	160	09/01/14	06/30/15	-	-	-	160	(160)	-	-	-	-	-
N.J. Nonpublic Auxiliary Services Aid:														
Compensatory Education	15-100-034-5120-067	4,479	09/01/14	06/30/15	-	-	-	4,479	-	-	-	-	-	4,479
ESL	15-100-034-5120-067	1,827	09/01/14	06/30/15	-	-	-	1,827	-	-	-	-	-	1,827
N.J. Nonpublic Handicapped Services Aid:														
Examination & Classification	15-100-034-5120-066	361	09/01/14	06/30/15	-	-	-	361	-	-	-	-	-	361
Corrective Speech	15-100-034-5120-066	884	09/01/14	06/30/15	-	-	-	884	-	-	-	-	-	884
Supplementary Instruction	15-100-034-5120-066	785	09/01/14	06/30/15	-	-	-	785	-	-	-	-	-	785
					\$ -	\$ -	\$ -	\$ 9,268	\$ (932)	\$ -	\$ -	\$ -	\$ -	\$ 8,336
<b>Enterprise Fund</b>														
State School Lunch Program	15-100-010-3350-023	\$ 2,364	09/01/14	06/30/15	\$ -	\$ -	\$ -	\$ 1,915	\$ (2,364)	\$ -	\$ -	\$ (449)	\$ -	\$ -
State School Lunch Program	14-100-010-3350-023	2,599	09/01/13	06/30/14	(199)	-	-	199	-	-	-	-	-	-
					\$ (199)	\$ -	\$ -	\$ 2,114	\$ (2,364)	\$ -	\$ -	\$ (449)	\$ -	\$ -
Total State Financial Assistance					\$ (291,513)	\$ -	\$ -	\$ 2,512,331	\$ (2,534,269)	\$ -	\$ -	\$ (321,787)	\$ -	\$ 8,336

**EMERSON SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Note 1 - General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Emerson School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3 - Relationship to General-Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,582) for the general fund and \$0 for the special revenue fund. See Note 1 (C-3) [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 basic financial statements on a GAAP basis as presented on the following page:

**EMERSON SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Note 3 - Relationship to General-Purpose Financial Statements (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,530,973	\$ 2,530,973
Special Revenue Fund	269,318	932	270,250
Debt Service Fund	-	-	-
Enterprise Fund	44,934	2,364	47,298
Total Awards and Financial Assistance	<u>\$ 314,252</u>	<u>\$ 2,534,269</u>	<u>\$ 2,848,521</u>

**Note 4 - Relationship to Federal and State Financial Reports**

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

**Note 5 - Federal and State Loans Outstanding**

The District did not have any federal and state loans outstanding at of June 30, 2015.

**Note 6 - Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

EMERSON SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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**Section I -- Summary of Auditors' Results**

Financial Statements

A) Type of auditors' report issued:	Unmodified		
B) Internal control over financial reporting:			
1. Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
2. Significant deficiencies identified?	_____ yes	<u>  X  </u> none reported	
C) Noncompliance material to basic financial statements noted?	_____ yes	<u>  X  </u> no	



**EMERSON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Section I -- Summary of Auditors' Results (Continued)**

State Awards

A) Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes        X   no
2. Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        X   none reported

B) Type of auditors' report issued on compliance for major programs:      Unmodified

C) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04 and/or 15-08? \_\_\_\_\_ yes        X   no

D) Identification of major programs:

<u>Name of State Program</u>	<u>GMIS Number</u>
Special Education Categorical Aid	15-495-034-5120-089
Teachers' Pension & Annuity Fund (PRM)	15-495-034-5094-001
Teachers' Pension & Annuity Fund	15-495-034-5094-006
Social Security Tax	15-495-034-5094-003

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

F) Auditee qualified as low-risk auditee?        X   yes      \_\_\_\_\_ no



**EMERSON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Section II -- Financial Statement Findings**

There were no matters identified.

**EMERSON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Current Year

Federal Awards:

There were no matters identified.

State Awards:

There were no matters identified.

**EMERSON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Not Applicable - No Prior Audit Findings