

**ELMWOOD PARK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Elmwood Park, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Elmwood Park Board of Education**

**Elmwood Park, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



# ELMWOOD PARK PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

**ANTHONY GRIECO**  
SUPERINTENDENT OF SCHOOLS

60 EAST 53RD STREET  
ELMWOOD PARK, NEW JERSEY 07407  
(201) 796-8700 EXT. 3979  
FAX (201) 625-6389

**JOHN DIPAOLO**  
BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Elmwood Park Board of Education (the Board) for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation (including all disclosures) rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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



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

1. REPORTING ENTITY AND ITS SERVICES

Our District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed FY 2015/2016 with an average daily enrollment of 2,533. The following Average Daily Enrollment figures, reported in the School Summary Register, detail the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2015/16	2,533	.0008%
2014/15	2,531	0.0016%
2013/14	2,527	-0.41%
2012/13	2,537	2.24%
2011/12	2,482	3.31%
2010/11	2,402	3.94%
2009/10	2,311	0.57%
2008/09	2,298	3.89%
2007/08	2,212	3.75%
2006/07	2,132	-4.22%

2. ECONOMIC CONDITION AND OUTLOOK

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

The District's General Fund was in a deficit position at the end of the 2010-2011 and 2011-2012 school years. The District obtained a state aid advance loan in 2012-2013 in the amount of \$2,214,497, which must be repaid over the next ten years. This loan is reflected as budgetary revenue pursuant to N.J.S.A. 18A:7A-56, and is not recognized on the GAAP basis as revenue but rather a fund liability.

### 3. MAJOR INITIATIVES

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

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

In addition to technology, in-service training has focused on reading, language and mathematics instruction to address the PARCC requirements. Professional Development has also thoroughly addressed the assimilation of NGSS and NJ Student Learning Standards. District in-service has focused on a diversified curriculum meeting the needs of each child as well as establishing Professional Learning Communities for our teachers throughout the district.

### 4. INTERNAL ACCOUNTING CONTROLS

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

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

### 5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for FY 2015/2016 is reflected in the budgetary comparison schedules of the required supplementary information.

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

## 6. ACCOUNTING SYSTEM AND REPORTS

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

## 7. DEBT ADMINISTRATION

On June 30, 2016, the District had \$29,165,000 outstanding in General Obligation Bonds. The proceeds of these bonds were used to provide funds for major capital improvements to the District's buildings and grounds.

## 8. CASH MANAGEMENT

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

## 9. RISK MANAGEMENT

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

## 10. OTHER INFORMATION

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

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

## 11. ACKNOWLEDGEMENTS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'AGrieco', with a horizontal line extending to the right.

Anthony Grieco  
Superintendent of Schools  
Elmwood Park Public Schools

A handwritten signature in blue ink, appearing to read 'JDiPaola', with a horizontal line extending to the right.

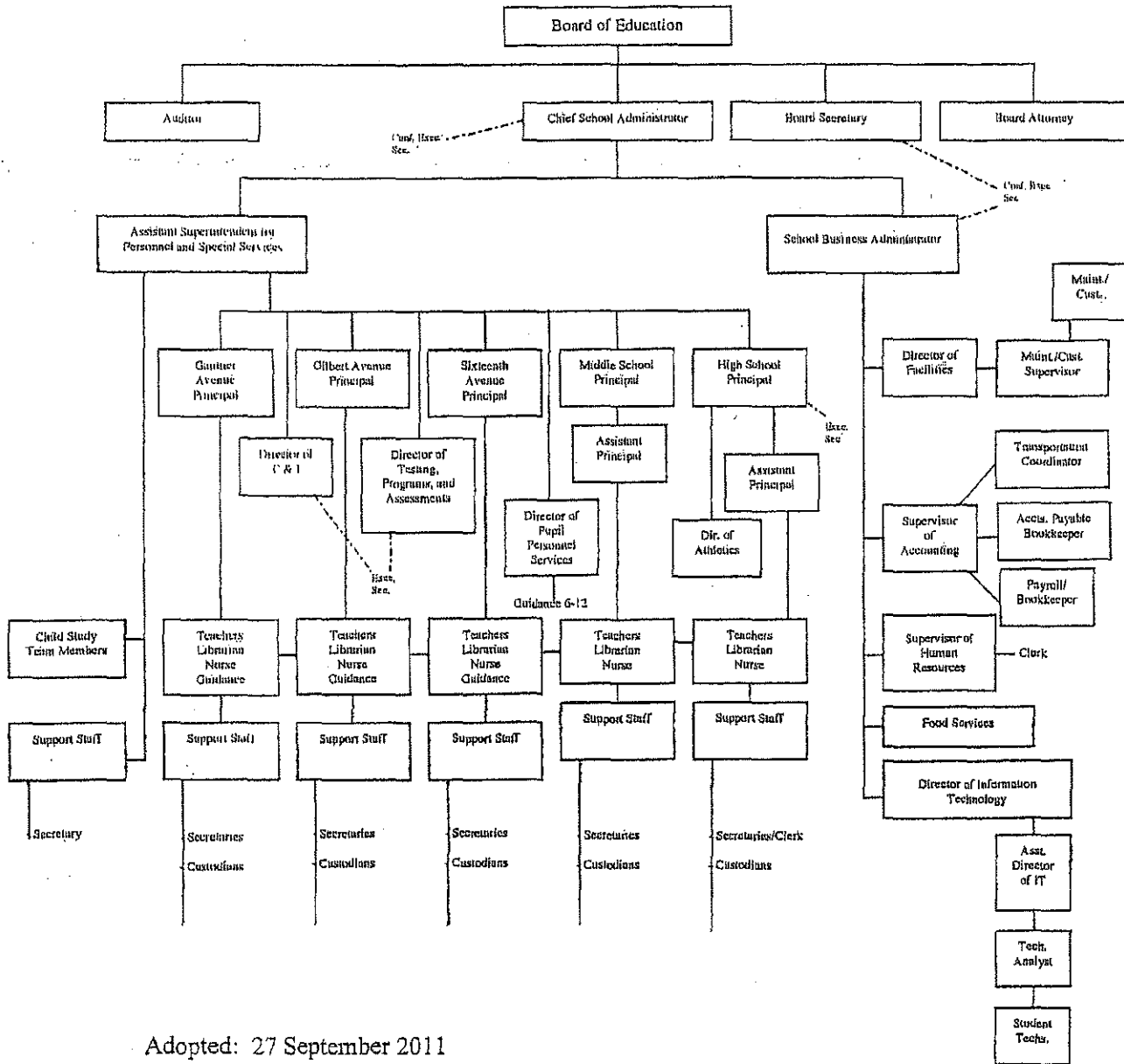
John DiPaola  
Business Administrator/Board Secretary  
Elmwood Park Public Schools

# POLICY

# ELMWOOD PARK BOARD OF EDUCATION

ADMINISTRATION  
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Organizational Chart

## 1110 ORGANIZATIONAL CHART



Adopted: 27 September 2011



ELMWOOD PARK SCHOOL DISTRICT  
ELMWOOD Park, New Jersey

ROSTER OF OFFICIAL

June 30, 2016

**Members of the Board of Education**

**Term Expires December 31**

Jeanne Freitag, President	2018
Daniel Golabek, Vice President	2016
Daniel Altamar	2018
Keith Cannizzo	2016
Douglas DeMatteo	2017
Louise Gerardi	2016
James Monaco	2016
Kathleen Policano	2017
Doris Wechtler	2017

**Other Officials**

Anthony Grieco, Superintendent  
John DiPaola, Board Secretary/Business Administrator  
Angelo DeSimone, State Monitor  
Joanne Wilson, Treasurer of School Monies  
Schwartz Simon Edelstein Celso, Esqs., Board Attorney

**ELMWOOD PARK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2016**

**ARCHITECT**

DiCara Rubino  
30 Galesi Drive  
Wayne, New Jersey 07470

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

Spencer Savings  
River Drive Center 3  
611 River Drive  
Elmwood Park, NJ 07407

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elmwood Park Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Elmwood Park Board of Education.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2016 on our consideration of the Elmwood Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Elmwood Park Board of Education's internal control over financial reporting and compliance.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 19, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

As management of the Elmwood Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Elmwood Park Board of Education for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- The assets and deferred outflows of resources of the Elmwood Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,284,434. (Net Position)
- The District's total net position increased by \$2,492,385 or 28%.
- Overall District revenues were \$47,661,982. General revenues accounted for \$35,703,775 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,958,207 or 25% of total revenues.
- The school district had \$44,184,726 in expenses for governmental activities; only \$10,968,508 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$35,703,775 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 \$5,562,414. Of this amount, \$4,592,589 is restricted for capital projects, \$794,570 is restricted for required maintenance of District facilities, \$5,505 is restricted for other purposes and \$65,719 is assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$104,031.
- The General Fund fund balance at June 30, 2016 was \$3,256,955, an increase of \$124,176 compared to the ending fund balance at June 30, 2015 of \$3,132,779.
- The General Fund unassigned budgetary fund balance at June 30, 2016 was \$565,473, which represents a decrease of \$100,745 when compared to the ending unassigned budgetary fund balance at June 30, 2015 of \$666,218.
- The District's total outstanding long-term liabilities decreased by \$1,291,398 during the current fiscal year.

# ELMWOOD PARK BOARD OF EDUCATION

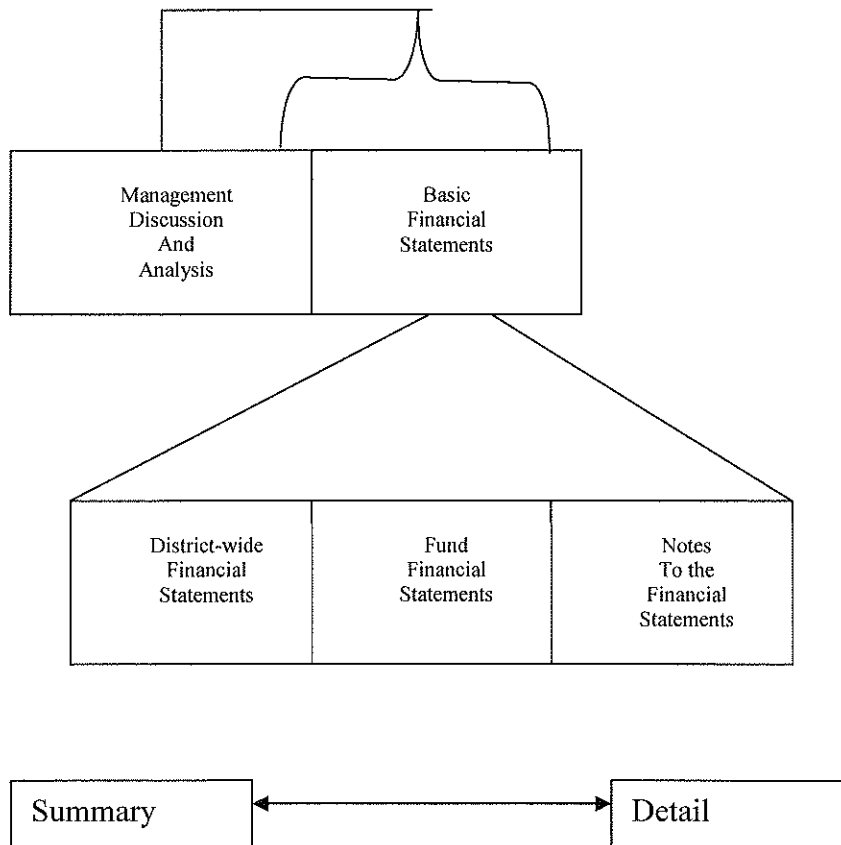
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-Wide Statements

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

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

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

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

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



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$11,284,434 and \$8,792,049 on June 30, 2016 and 2015, respectively as follows:

**Net Position  
As of June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other Assets	\$ 6,514,618	\$ 11,433,546	\$ 301,515	\$ 689,247	\$ 6,816,133	\$ 12,122,793
Capital Assets	47,234,531	41,837,556	23,456	9,466	47,257,987	41,847,022
<b>Total Assets</b>	<u>53,749,149</u>	<u>53,271,102</u>	<u>324,971</u>	<u>698,713</u>	<u>54,074,120</u>	<u>53,969,815</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,741,057</u>	<u>1,074,142</u>	<u>-</u>	<u>-</u>	<u>1,741,057</u>	<u>1,074,142</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>55,490,206</u>	<u>54,345,244</u>	<u>324,971</u>	<u>698,713</u>	<u>55,815,177</u>	<u>55,043,957</u>
<b>Liabilities</b>						
Long-Term Liabilities	42,709,635	44,001,033	-	-	42,709,635	44,001,033
Other Liabilities	1,459,831	1,839,302	17,472	13,916	1,477,303	1,853,218
<b>Total Liabilities</b>	<u>44,169,466</u>	<u>45,840,335</u>	<u>17,472</u>	<u>13,916</u>	<u>44,186,938</u>	<u>45,854,251</u>
<b>Deferred Inflows of Resources</b>	<u>337,631</u>	<u>391,200</u>	<u>6,174</u>	<u>6,457</u>	<u>343,805</u>	<u>397,657</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>44,507,097</u>	<u>46,231,535</u>	<u>23,646</u>	<u>20,373</u>	<u>44,530,743</u>	<u>46,251,908</u>
<b>Net Position</b>						
Net Investment in Capital Assets	17,710,996	15,057,857	23,456	9,466	17,734,452	15,067,323
Restricted	3,091,934	3,078,731			3,091,934	3,078,731
Unrestricted	(9,819,821)	(10,022,879)	277,869	668,874	(9,541,952)	(9,354,005)
<b>Total Net Position</b>	<u>\$ 10,983,109</u>	<u>\$ 8,113,709</u>	<u>\$ 301,325</u>	<u>\$ 678,340</u>	<u>\$ 11,284,434</u>	<u>\$ 8,792,049</u>

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016

The District's total net position of \$11,284,434 at June 30, 2016 represents a \$2,492,385 or 28%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2016 and 2015.

Changes in Net Position  
For the Fiscal Years Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 197,399	\$ 213,843	\$ 423,462	\$ 695,611	\$ 620,861	\$ 909,454
Operating Grants and Contributions	10,694,109	9,327,421	566,237	531,573	11,260,346	9,858,994
Capital Grants and Contributions	77,000				77,000	-
General Revenues						
Property Taxes, Levied	34,076,336	33,289,020			34,076,336	33,289,020
Federal and State Aid - Unrestricted	1,401,836	1,269,440			1,401,836	1,269,440
Miscellaneous Income	225,603	395,573	-	-	225,603	395,573
<b>Total Revenues</b>	<b>46,672,283</b>	<b>44,495,297</b>	<b>989,699</b>	<b>1,227,184</b>	<b>47,661,982</b>	<b>45,722,481</b>
<b>Expenses</b>						
Instruction						
Regular	15,783,095	14,999,220			15,783,095	14,999,220
Special	9,663,299	9,844,230			9,663,299	9,844,230
Other Instruction	569,196	575,702			569,196	575,702
School Sponsored Activities and Athletics	613,296	572,849			613,296	572,849
Support Services						
Student and Instruction Related Services	5,600,381	5,439,445			5,600,381	5,439,445
General Administrative Services	1,272,670	1,807,366			1,272,670	1,807,366
School Administrative Services	2,890,800	2,801,552			2,890,800	2,801,552
Central Administrative Services	1,322,865	1,515,178			1,322,865	1,515,178
Plant Operations and Maintenance	3,669,476	3,700,896			3,669,476	3,700,896
Pupil Transportation	1,886,266	1,621,563			1,886,266	1,621,563
Interest on Long-Term Debt	913,382	443,134			913,382	443,134
Food Services			947,926	891,619	947,926	891,619
Before / After CARE Program			-	129,686	-	129,686
Other Programs	-	-	36,945	24,818	36,945	24,818
<b>Total Expenses</b>	<b>44,184,726</b>	<b>43,321,135</b>	<b>984,871</b>	<b>1,046,123</b>	<b>45,169,597</b>	<b>44,367,258</b>
<b>Increase in Net Position before Transfers</b>	<b>2,487,557</b>	<b>1,174,162</b>	<b>4,828</b>	<b>181,061</b>	<b>2,492,385</b>	<b>1,355,223</b>
<b>Transfers</b>	<b>381,843</b>	<b>(11,436)</b>	<b>(381,843)</b>	<b>11,436</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>2,869,400</b>	<b>1,162,726</b>	<b>(377,015)</b>	<b>192,497</b>	<b>2,492,385</b>	<b>1,355,223</b>
<b>Net Position, Beginning of Year</b>	<b>8,113,709</b>	<b>6,950,983</b>	<b>678,340</b>	<b>485,843</b>	<b>8,792,049</b>	<b>7,436,826</b>
<b>Net Position, End of Year</b>	<b>\$ 10,983,109</b>	<b>\$ 8,113,709</b>	<b>\$ 301,325</b>	<b>\$ 678,340</b>	<b>\$ 11,284,434</b>	<b>\$ 8,792,049</b>

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$46,672,283 for the fiscal year ended June 30, 2016, property taxes of \$34,076,336 represented 73% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$12,172,945 and represented 26% of revenues. In addition, charges for services from tuition and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

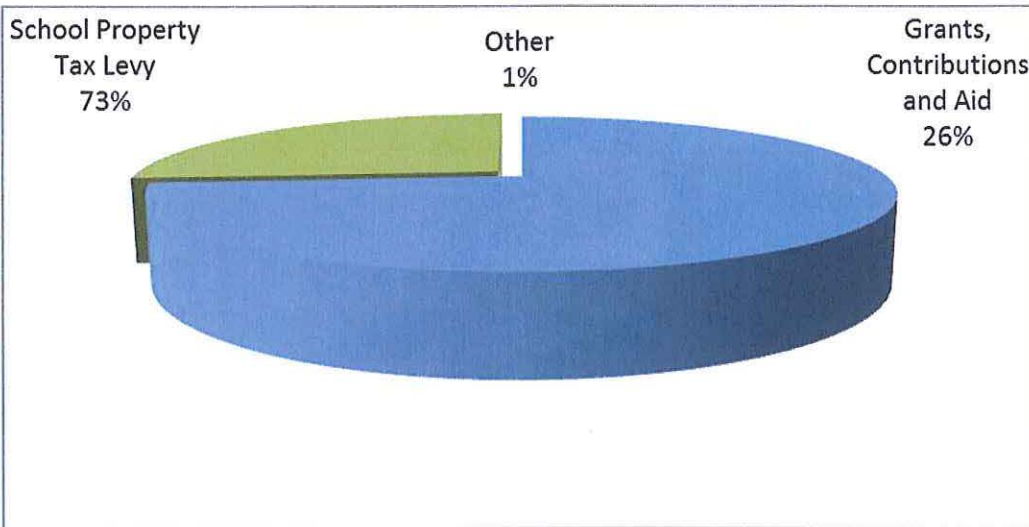
ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016

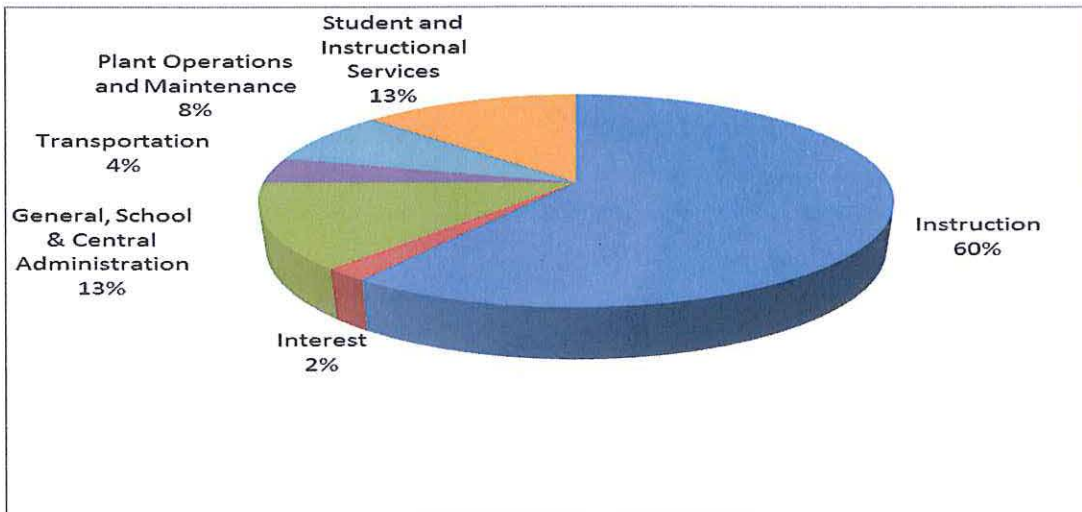
The total cost of all governmental activities programs and services was \$44,184,726 for the fiscal year ended June 30, 2016. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$26,628,886 (60%) of total expenses. Support services costs were \$16,642,458 (38%) of total expenses and interest on debt totaled \$913,382, (2%) of total expenses.

For fiscal year 2016, total governmental activities revenues exceeded expenses and transfers out increasing net position for governmental activities by \$2,869,400 from the previous year.

Revenues by Sources – Governmental Activities  
For Fiscal Year 2016



Expenses by Use – Governmental Activities  
For Fiscal Year 2016



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$44,184,726. After applying program revenues, derived from operating and capital grants and contributions of \$10,771,109, and charges for services of \$197,399, the net cost of services of the District is \$33,216,218 for the fiscal year ended June 30, 2016.

**Total and Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction:				
Regular	\$ 15,783,095	\$ 14,999,220	\$ 11,217,169	\$ 11,241,198
Special Education	9,663,299	9,844,230	5,805,061	6,181,331
Other Instruction	569,196	575,702	399,240	435,309
School Sponsored Activities and Athletics	613,296	572,849	613,296	572,849
Support Services:				
Student & Instruction Related Services	5,600,381	5,439,445	4,377,377	4,354,032
General Administrative Services	1,272,670	1,807,366	1,210,519	1,756,025
School Administrative Services	2,890,800	2,801,552	2,295,657	2,309,929
Central Administrative Services	1,322,865	1,515,178	1,315,348	1,508,969
Plant Operations and Maintenance	3,669,476	3,700,896	3,495,771	3,524,140
Pupil Transportation	1,886,266	1,621,563	1,719,372	1,452,955
Interest on Long Term Debt	913,382	443,134	767,408	443,134
<b>Total</b>	<b>\$ 44,184,726</b>	<b>\$ 43,321,135</b>	<b>\$ 33,216,218</b>	<b>\$ 33,779,871</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$989,699 for the fiscal year ended June 30, 2016. Charges for services of \$423,462 accounted for 43% of total revenues and operating grants and contributions of \$566,237 accounted for 57% of total revenues. Transfers out of Business-Type Activities were \$381,843 and represented the residual fund balances of discontinued operations of certain programs during the current fiscal year.

Total cost of all business-type activities programs and services was \$981,871 for the fiscal year ended June 30, 2016. Food service expenses of \$947,926 represented 96% of total expense and the other program expenses of \$36,945 represented 4% of total expenses.

For fiscal year 2016, total business-type activities expenses and transfers out exceeded revenues, decreasing net position by \$377,015 or 56% over the previous year.

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,562,414 at June 30, 2016, a decrease of \$4,544,892 from last year's fund balance of \$10,107,306. The District restricted fund balances decreased \$4,655,865 while the unassigned fund balance of the governmental funds increased \$74,854 at June 30, 2016. The decrease to the restricted fund balance was the result of expenditures against the 2014 referendum project in the Capital Projects Fund.

Revenues for the District's governmental funds were \$43,203,031, while total expenditures were \$48,129,766 for the fiscal year ended June 30, 2016. Total financing sources of the District's governmental funds were \$416,843, while total financing uses were \$35,000 for the fiscal year ended June 30, 2016.

### GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended</u> <u>June 30, 2016</u>	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 31,783,486	\$ 31,160,280	\$ 623,206	2%
Tuition and Fees	197,399	213,843	(16,444)	-8%
Miscellaneous	225,603	351,034	(125,431)	-36%
State Sources	6,541,197	6,090,787	450,410	7%
Federal Sources	74,955	17,796	57,159	321%
Total General Fund Revenues	<u>\$ 38,822,640</u>	<u>\$ 37,833,740</u>	<u>\$ 988,900</u>	3%

For fiscal year 2016, total General Fund revenues increased \$988,900 or 3% from the previous year. Property taxes increased \$623,206 or 2% to support increases in operating costs. As indicated, State aid increased \$450,410 or 7% mainly due to the increase of on behalf TPAF pension and post-retirement medical benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2016</u>	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 21,832,708	\$ 21,818,958	\$ 13,750	0%
Support Services	14,675,741	14,474,136	201,605	1%
Debt Service	569,486	575,511	(6,025)	-1%
Capital Outlay	2,002,372	854,038	1,148,334	134%
Total Expenditures	<u>\$ 39,080,307</u>	<u>\$ 37,722,643</u>	<u>\$ 1,357,664</u>	4%

**ELMWOOD PARK BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2016**

**GENERAL FUND (Continued)**

For fiscal year 2016, total General Fund expenditures increased \$1,357,664 or 4% from the previous year. Employee benefits and pupil transportation costs, as well as, capital outlay expenditures for the high school athletic field improvements were the major factors for this increase in the current fiscal year.

In fiscal year 2016 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$124,176. Therefore, the total fund balance of \$3,132,779 at June 30, 2015 increased to a fund balance of \$3,256,955 at June 30, 2016. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$29,177 at June 30, 2015 to \$104,031 at June 30, 2016.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2016, the District had \$47,234,531 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$23,456, for business type activity. The following is a comparison of the June 30, 2016 and 2015 balances:

**Capital Assets at June 30, 2016 and 2015  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Construction in Progress	7,914,233	2,163,259			7,914,233	2,163,259
Land Improvements	24,851	11,123			24,851	11,123
Buildings and Improvements	39,068,338	39,587,768			39,068,338	39,587,768
Furniture, Equipment and Vehicles	<u>215,319</u>	<u>63,616</u>	\$ 23,456	\$ 9,466	<u>238,775</u>	<u>73,082</u>
<b>Total Capital Assets, Net</b>	<u>\$ 47,234,531</u>	<u>\$ 41,837,556</u>	<u>\$ 23,456</u>	<u>\$ 9,466</u>	<u>\$ 47,257,987</u>	<u>\$ 41,847,022</u>

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

**LONG TERM LIABILITIES**

At June 30, 2016 the District had \$42,709,635 of total outstanding long term liabilities. Of this amount, \$32,200,803 is for serial bonds, \$1,524,497 is for state aid advance loan payable, \$226,154 is for capital leases, \$267,676 is for lease-purchase agreements, \$925,285 is for compensated absences, and \$7,565,220 is for net pension liability. For fiscal year 2015/2016 total outstanding long-term liabilities decreased by \$1,291,398. The following is a comparison of the June 30, 2016 and 2015 balances:

**Outstanding Long-Term Debt  
as of June 30, 2016 and 2015**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Serial Bonds (including unamortized premium)	\$ 32,200,803	\$ 34,000,618
State Aid Advance Loan Payable	1,524,497	1,754,497
Capital Leases	226,154	438,405
Lease-Purchase Agreements	267,676	371,113
Compensated Absences	925,285	872,041
Net Pension Liability	<u>7,565,220</u>	<u>6,564,359</u>
<b>Total</b>	<u>\$ 42,709,635</u>	<u>\$ 44,001,033</u>

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

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For fiscal year 2016 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses decreasing budgetary fund balance \$51,423. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$100,745, from an unassigned fund balance of \$666,218 at June 30, 2015 to \$565,473 at June 30, 2016. In addition, the District decreased its capital reserve \$686,795 from \$2,978,654 at June 30, 2015 to \$2,291,859 at June 30, 2016, of which \$450,000 was designated in the 2016-2017 budget for capital outlay projects. Also, the District increased its maintenance reserve \$700,000 to \$794,570 at June 30, 2016.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2016-2017 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2016-2017. Budgeted expenditures in the General Fund decreased approximately 1% to \$37,236,409 for fiscal year 2016-2017. A decrease in budgeted capital outlay projects was the main factor for the decrease.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**ELMWOOD PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,140,166	\$ 274,903	\$ 6,415,069
Receivables, Net	374,452	11,376	385,828
Inventory		15,236	15,236
Capital Assets, Not Being Depreciated	7,926,023	-	7,926,023
Capital Assets, Being Depreciated, Net	<u>39,308,508</u>	<u>23,456</u>	<u>39,331,964</u>
Total Assets	<u>53,749,149</u>	<u>324,971</u>	<u>54,074,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	602,692		602,692
Deferred Amounts on Net Pension Liability	<u>1,138,365</u>	<u>-</u>	<u>1,138,365</u>
Total Deferred Outflows of Resources	<u>1,741,057</u>	<u>-</u>	<u>1,741,057</u>
Total Assets and Deferred Outflows of Resources	<u>55,490,206</u>	<u>324,971</u>	<u>55,815,177</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	910,923	1,862	912,785
Payable to Other Governments	23,887		23,887
Accrued Interest Payable	507,627		507,627
Unearned Revenue	17,394	15,610	33,004
Noncurrent Liabilities			
Due Within One Year	1,934,470		1,934,470
Due Beyond One Year	<u>40,775,165</u>	<u>-</u>	<u>40,775,165</u>
Total Liabilities	<u>44,169,466</u>	<u>17,472</u>	<u>44,186,938</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	337,631		337,631
Deferred Commodities Revenue	<u>-</u>	<u>6,174</u>	<u>6,174</u>
Total Deferred Inflows of Resources	<u>337,631</u>	<u>6,174</u>	<u>343,805</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,507,097</u>	<u>23,646</u>	<u>44,530,743</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,710,996	23,456	17,734,452
Restricted for:			
Capital Projects	2,291,859		2,291,859
Plant Maintenance	794,570		794,570
Other Purposes	5,505		5,505
Unrestricted	<u>(9,819,821)</u>	<u>277,869</u>	<u>(9,541,952)</u>
Total Net Position	<u>\$ 10,983,109</u>	<u>\$ 301,325</u>	<u>\$ 11,284,434</u>

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

**ELMWOOD PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	15,783,095	118,609	4,370,317	77,000	(11,217,169)		\$ (11,217,169)
Special Education	9,663,299	78,790	3,779,448		(5,805,061)		(5,805,061)
Other Instruction	569,196		169,956		(399,240)		(399,240)
School Sponsored Activities and Athletics	613,296				(613,296)		(613,296)
Support Services:							
Student & Instruction Related Services	5,600,381		1,223,004		(4,377,377)		(4,377,377)
General Administrative Services	1,272,670		62,151		(1,210,519)		(1,210,519)
School Administrative Services	2,890,800		595,143		(2,295,657)		(2,295,657)
Central Administrative Services	1,322,865		7,517		(1,315,348)		(1,315,348)
Plant Operations and Maintenance	3,669,476		173,705		(3,495,771)		(3,495,771)
Pupil Transportation	1,886,266		166,894		(1,719,372)		(1,719,372)
Interest on Long Term Debt	913,382	-	145,974	-	(767,408)	-	(767,408)
<b>Total Governmental Activities</b>	<b>44,184,726</b>	<b>197,399</b>	<b>10,694,109</b>	<b>77,000</b>	<b>(33,216,218)</b>	<b>-</b>	<b>(33,216,218)</b>
Business-Type Activities:							
Food Service	947,926	398,561	566,237			\$ 16,872	16,872
Before / After CARE Program		2,245				2,245	2,245
Summer Session Program	36,945	22,656	-	-	-	(14,289)	(14,289)
<b>Total Business-Type Activities</b>	<b>984,871</b>	<b>423,462</b>	<b>566,237</b>	<b>-</b>	<b>-</b>	<b>4,828</b>	<b>4,828</b>
<b>Total Primary Government</b>	<b>\$ 45,169,597</b>	<b>\$ 620,861</b>	<b>\$ 11,260,346</b>	<b>\$ 77,000</b>	<b>(33,216,218)</b>	<b>4,828</b>	<b>(33,211,390)</b>

**ELMWOOD PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 31,783,486		\$ 31,783,486
Levied for Debt Service	2,292,850		2,292,850
State Aid - Unrestricted	1,232,660		1,232,660
State Aid for Debt Service Principal	169,176		169,176
Interest Earnings	90,730		90,730
Miscellaneous Income	134,873		134,873
Transfers	381,843	(381,843)	-
Total General Revenues and Transfers	36,085,618	(381,843)	35,703,775
Change in Net Position	2,869,400	(377,015)	2,492,385
Net Position, Beginning of Year	8,113,709	678,340	8,792,049
Net Position, End of Year	\$ 10,983,109	\$ 301,325	\$ 11,284,434

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**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,522,725		\$ 2,612,712	\$ 4,729	\$ 6,140,166
Receivables From Other Governments	221,050	\$ 135,720			356,770
Other Receivables	8,483				8,483
Due from Other Funds	37,827	-	-	-	37,827
Total Assets	<u>\$ 3,790,085</u>	<u>\$ 135,720</u>	<u>\$ 2,612,712</u>	<u>\$ 4,729</u>	<u>\$ 6,543,246</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 469,427	\$ 65,811	\$ 311,982		\$ 847,220
Accrued Salaries and Wages	43,672				43,672
Compensated Absences Payable	20,031				20,031
Payable to State Government		23,887			23,887
Due to Other Funds		28,628	-		28,628
Unearned Revenue	-	17,394	-	-	17,394
Total Liabilities	<u>533,130</u>	<u>135,720</u>	<u>311,982</u>	<u>-</u>	<u>980,832</u>
Fund Balances (Deficits):					
Restricted					
Capital Reserve	1,841,859				1,841,859
Capital Reserve - Designated for Subsequent Year's Expenditures	450,000				450,000
Maintenance Reserve	794,570				794,570
State Aid Loan Repayment	776				776
Capital Projects			2,300,730		2,300,730
Debt Service				\$ 4,729	4,729
Assigned					
Year End Encumbrances	65,719				65,719
Unassigned	104,031	-	-	-	104,031
Total Fund Balances	<u>3,256,955</u>	<u>-</u>	<u>2,300,730</u>	<u>4,729</u>	<u>5,562,414</u>
Total Liabilities and Fund Balances	<u>\$ 3,790,085</u>	<u>\$ 135,720</u>	<u>\$ 2,612,712</u>	<u>\$ 4,729</u>	

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

<b>Total Fund Balances (Exhibit B-1)</b>		<b>\$ 5,562,414</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,962,920 and the accumulated depreciation is \$14,728,389</p>		47,234,531
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		602,692
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 1,138,365	
<p>Deferred Inflows of Resources</p>	<u>(337,631)</u>	
		800,734
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(507,627)
<p>Long-term liabilities, are not due payable in the current period and therefore are not reported as liabilities in the funds</p>		
<p>General Obligation Bonds (including unamortized premium)</p>	32,200,803	
<p>State Aid Advance Loan Payable</p>	1,524,497	
<p>Capital Leases Payable</p>	226,154	
<p>Lease - Purchase Agreements</p>	267,676	
<p>Compensated Absences</p>	925,285	
<p>Net Pension Liability</p>	<u>7,565,220</u>	
		<u>(42,709,635)</u>
<b>Total Net Assets of Governmental Activities (Exhibit A-1)</b>		<b>\$ <u>10,983,109</u></b>

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Property Tax Levy	\$ 31,783,486			\$ 2,292,850	\$ 34,076,336
Tuition	197,399				197,399
Miscellaneous	225,603	\$ 77,319	-	-	302,922
Total - Local Sources	32,206,488	77,319	-	2,292,850	34,576,657
State Sources	6,541,197	241,674		315,150	7,098,021
Federal Sources	74,955	1,453,398	-	-	1,528,353
Total Revenues	38,822,640	1,772,391	-	2,608,000	43,203,031
<b>EXPENDITURES</b>					
Instruction					
Regular	12,497,094	690,699			13,187,793
Special Education	8,260,086	624,802			8,884,888
Other Instruction	477,517				477,517
School Sponsored Activities and Athletics	598,011				598,011
Support Services					
Student and Instruction Related Services	4,568,947	353,540			4,922,487
General Administrative Services	1,204,673				1,204,673
School Administrative Services	2,419,779				2,419,779
Central Administrative Services	1,227,405				1,227,405
Plant Operations and Maintenance	3,399,914				3,399,914
Pupil Transportation	1,855,023	26,350			1,881,373
Debt Service					
Principal	545,688			1,400,000	1,945,688
Interest	23,798			1,208,000	1,231,798
Capital Outlay	2,002,372	77,000	\$ 4,669,068	-	6,748,440
Total Expenditures	39,080,307	1,772,391	4,669,068	2,608,000	48,129,766
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	(257,667)	-	(4,669,068)	-	(4,926,735)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	416,843				416,843
Transfers Out	(35,000)	-	-	-	(35,000)
Total Other Financing Sources	381,843	-	-	-	381,843
Net Change in Fund Balances	124,176	-	(4,669,068)	-	(4,544,892)
Fund Balance, Beginning of Year (Restated)	3,132,779	-	6,969,798	4,729	10,107,306
Fund Balance, End of Year	\$ 3,256,955	\$ -	\$ 2,300,730	\$ 4,729	\$ 5,562,414

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

**ELMWOOD PARK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (4,544,892)

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

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

Capital Outlays	\$ 6,748,440	
Depreciation Expense	<u>(1,341,802)</u>	
		5,406,638

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

Loss on Disposal of Capital Assets		(9,663)
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The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of premiums, and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Repayments:		
General Obligations Bonds	1,400,000	
Capital Leases/ Lease - Purchase Agreements	315,688	
State Aid Advance Loan Payable	<u>230,000</u>	
		1,945,688

In the statement of activities, certain amounts related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these amounts either provide or use current resources. These amounts represent the current year amortization of the costs related to the issuance of long term debt.

Deferred Amounts on Refunding of Debt	(86,834)	
Original Issue Premium	<u>399,815</u>	
		312,981

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

Increase in Compensated Absences	(53,244)	
Increase in Pension Expense	<u>(193,543)</u>	
		(246,787)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

The decrease in accrued interest is an addition in the reconciliation.		<u>5,435</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 2,869,400</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**ELMWOOD PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

	Business-Type Activities Enterprise Funds			Total
	<u>Food Service</u>	<u>Before / After CARE Program</u>	<u>Non-Major Enterprise Funds</u>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 242,677		\$ 32,226	\$ 274,903
Other Accounts Receivable, Net	11,376			11,376
Inventories	15,236	-	-	15,236
Total Current Assets	<u>269,289</u>	<u>-</u>	<u>32,226</u>	<u>301,515</u>
Capital Assets				
Equipment	257,213			257,213
Accumulated Depreciation	<u>(233,757)</u>	<u>-</u>	<u>-</u>	<u>(233,757)</u>
Total Capital Assets, Net	<u>23,456</u>	<u>-</u>	<u>-</u>	<u>23,456</u>
Total Assets	<u>292,745</u>	<u>-</u>	<u>32,226</u>	<u>324,971</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	1,862			1,862
Unearned Revenue	6,441	-	9,169	15,610
Total Current Liabilities	<u>8,303</u>	<u>-</u>	<u>9,169</u>	<u>17,472</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Commodities Revenue	6,174	-	-	6,174
Total Liabilities and Deferred Inflow of Resources	<u>14,477</u>	<u>-</u>	<u>9,169</u>	<u>23,646</u>
<b>NET POSITION</b>				
Investment in Capital Assets	23,456			23,456
Unrestricted	254,812	-	23,057	277,869
Total Net Position	<u>\$ 278,268</u>	<u>\$ -</u>	<u>\$ 23,057</u>	<u>\$ 301,325</u>

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



**ELMWOOD PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Funds			Total
	Food Service	Before / After CARE Program	Non-Major Enterprise Funds	
<b>OPERATING REVENUES</b>				
Local Sources				
Daily Sales - Reimbursable Programs	\$ 152,252			\$ 152,252
Daily Sales - Non-Reimbursable Programs	246,309			246,309
Special Events				-
Program Fees	-	\$ 2,245	\$ 22,656	24,901
Total Operating Revenues	398,561	2,245	22,656	423,462
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	341,446		36,945	378,391
Cost of Sales - Reimbursable Programs	328,191			328,191
Cost of Sales - Non-Reimbursable Programs	78,439			78,439
Repairs & Maintenance	16,541			16,541
Supplies and Materials	94,657			94,657
Other Purchased Services	41,575			41,575
Management Fee	35,201			35,201
Miscellaneous Expense	6,388			6,388
Depreciation	5,488	-	-	5,488
Total Operating Expenses	947,926	-	36,945	984,871
Operating Income (Loss)	(549,365)	2,245	(14,289)	(561,409)
Nonoperating Revenues				
State Sources				
State School Lunch Program	10,843			10,843
Federal Sources				
School Breakfast Program	33,378			33,378
National School Lunch Program	447,153			447,153
Food Distribtuion Program	74,863	-	-	74,863
Total Nonoperating Revenues	566,237	-	-	566,237
Changes in Net Position	16,872	2,245	(14,289)	4,828
Transfers In			35,000	35,000
Transfers Out	-	(406,450)	(10,393)	(416,843)
Change in Net Position	16,872	(404,205)	10,318	(377,015)
Total Net Position, Beginning of Year	261,396	404,205	12,739	678,340
Total Net Position, End of Year	\$ 278,268	\$ -	\$ 23,057	\$ 301,325

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

**ELMWOOD PARK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service	Before / After CARE Program	Non-Major Enterprise Funds	
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 393,897	\$ 8,759	\$ 25,088	\$ 427,744
Cash Payments for Employees Salaries and Benefits	(341,446)	-	(36,945)	(378,391)
Cash Payments to Suppliers for Goods and Services	(522,171)	-	-	(522,171)
Net Cash Provided by (Used for) Operating Activities	(469,720)	8,759	(11,857)	(472,818)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from (Paid to) Other Funds	(15,659)	(406,450)	21,953	(400,156)
Cash Received from State and Federal Subsidy Reimbursements	520,725	-	-	520,725
Net Cash Provided by (Used For) Noncapital Financing Activities	505,066	(406,450)	21,953	120,569
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(19,478)	-	-	(19,478)
Net Cash (Used By) Capital and Related Financing Activities	(19,478)	-	-	(19,478)
Net Increase (Decrease) in Cash and Cash Equivalents	15,868	(397,691)	10,096	(371,727)
Cash and Cash Equivalents, Beginning of Year	226,809	397,691	22,130	646,630
Cash and Cash Equivalents, End of Year	\$ 242,677	\$ -	\$ 32,226	\$ 274,903
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (549,365)	\$ 2,245	\$ (14,289)	(561,409)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	5,488			5,488
Non-Cash Federal Assistance-Food Distribution Program	74,863			74,863
Change in Assets, Liabilities and Deferred Inflows				
(Increase)/Decrease in Accounts Receivable	(3,926)	6,514		2,588
(Increase)/Decrease in Inventory	2,379			2,379
Increase/(Decrease) in Accounts Payable	1,862			1,862
Increase/(Decrease) in Unearned Revenue	(738)		2,432	1,694
Increase/(Decrease) in Deferred Commodities Revenue	(283)	-	-	(283)
Total Adjustments	79,645	6,514	2,432	88,591
Net Cash Provided by (Used For) Operating Activities	\$ (469,720)	\$ 8,759	\$ (11,857)	\$ (472,818)
Non-Cash Investing, Capital and Financing Activities:				
Value Received - Food Distribution Program	\$ 74,580			

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

**ELMWOOD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>759,691</u>
Total Assets	\$ <u>759,691</u>
<b>LIABILITIES</b>	
Due to Student Groups	\$ 110,112
Payroll Deductions and Withholdings	28,745
Summer Savings Deposits	604,884
Flexible Spending Deposits	6,751
Due to Other Funds	<u>9,199</u>
Total Liabilities	\$ <u>759,691</u>

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

**ELMWOOD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOT APPLICABLE**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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



**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

The *before/after CARE fund* accounts for the activities of the District's Children's Alternative Resources in Education "CARE" childcare program which provides before and after school childcare activities throughout the year. The District discontinued this program during the 2015/2016 school year.

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

The *community school program fund* accounts for the activities of the District's community outreach program which provides sports and cultural arts programs to community members. The District discontinued this program during the 2015/2016 school year.

The *summer camp program fund* accounts for activities of the District's summer enrichment program which provides activities and field trips for participants during the summer recess. The District discontinued this program during the 2015/2016 school year.

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

Additionally, the government reports the following fund type:

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

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

**Reclassifications**

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. *Inventories***

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

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

**4. *Capital Assets***

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**5. *Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**6. *Compensated Absences***

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**7. *Pensions***

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

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

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported gross of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 4B.)

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education (See Note 4C.)

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

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

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***3. Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

***4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$777,105. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional unassigned fund balance appropriations of \$145,921 from the general fund.

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

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



**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 2,978,656
Increased by:		
Deposits Approved by Board Resolution	\$ 1,197,259	
Return of Unexpended Capital Outlay Appropriation Funded by Capital Reserve	<u>297,625</u>	
		<u>1,494,884</u>
		4,473,540
Decreased by:		
Withdrawals Approved by Board Resolution		<u>2,181,681</u>
Balance, June 30, 2016		<u>\$ 2,291,859</u>

Of the capital reserve balance at June 30, 2016, \$450,000 was designated and appropriated in the 2016/2017 original budget certified for taxes. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Maintenance Reserve**

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 94,570
Increased by:	
Deposits Approved by Board Resolution	<u>700,000</u>
Balance, June 30, 2016	<u>\$ 794,570</u>

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,102,483.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$7,174,760 and bank and brokerage firm balances of the Board's deposits amounted to \$9,695,344. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 9,695,344</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk.

As of June 30, 2016, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Local	\$ 960			\$ 960
State	165,026			165,026
Federal	55,064	\$ 135,720		190,784
Accounts	<u>8,433</u>	<u>-</u>	<u>\$ 11,376</u>	<u>19,809</u>
Gross Receivables	229,483	135,720	11,376	376,579
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 229,483</u>	<u>\$ 135,720</u>	<u>\$ 11,376</u>	<u>\$ 376,579</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 17,394</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790			\$ 11,790
Construction in Progress	<u>2,163,259</u>	\$ 6,524,624	\$ (773,650)	<u>7,914,233</u>
Total Capital Assets, Not Being Depreciated	<u>2,175,049</u>	<u>6,524,624</u>	<u>(773,650)</u>	<u>7,926,023</u>
Capital Assets, Being Depreciated:				
Land Improvements	92,963	14,450		107,413
Building and Building Improvements	51,466,179	759,200		52,225,379
Machinery and Equipment	<u>1,491,962</u>	<u>223,816</u>	<u>(11,673)</u>	<u>1,704,105</u>
Total Capital Assets Being Depreciated	<u>53,051,104</u>	<u>997,466</u>	<u>(11,673)</u>	<u>54,036,897</u>
Less Accumulated Depreciation for:				
Land Improvements	(81,840)	(722)		(82,562)
Buildings and Improvements	(11,878,411)	(1,278,630)		(13,157,041)
Machinery and Equipment	<u>(1,428,346)</u>	<u>(62,450)</u>	<u>2,010</u>	<u>(1,488,786)</u>
Total Accumulated Depreciation	<u>(13,388,597)</u>	<u>(1,341,802)</u>	<u>2,010</u>	<u>(14,728,389)</u>
Total Capital Assets, Being Depreciated, Net	<u>39,662,507</u>	<u>(344,336)</u>	<u>(9,663)</u>	<u>39,308,508</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,837,556</u>	<u>\$ 6,180,288</u>	<u>\$ (783,313)</u>	<u>\$ 47,234,531</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Equipment	\$ 237,735	\$ 19,478	-	\$ 257,213
Total Capital Assets Being Depreciated	<u>237,735</u>	<u>19,478</u>	<u>-</u>	<u>257,213</u>
Less Accumulated Depreciation for:				
Equipment	(228,269)	(5,488)	-	(233,757)
Total Accumulated Depreciation	<u>(228,269)</u>	<u>(5,488)</u>	<u>-</u>	<u>(233,757)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,466</u>	<u>13,990</u>	<u>-</u>	<u>23,456</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,466</u>	<u>\$ 13,990</u>	<u>\$ -</u>	<u>\$ 23,456</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 575,984
Special Education	<u>193,532</u>
Total Instruction	<u>769,516</u>
Support Services	
Student and Instruction Related Services	178,526
General Administrative Services	24,916
School Administrative Services	128,131
Central Administrative Services	52,509
Plant Operations and Maintenance	185,136
Student Transportation	<u>3,068</u>
Total Support Services	<u>572,286</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,341,802</u>
 <b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 5,488</u>
 Total Depreciation Expense - Business-Type Activities	 <u>\$ 5,488</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Partial Window Replacement All Schools	\$ 121,300
Auditorium Renovation	898,100
New Boiler / Facilities Upgrade at Elementary Schools	<u>61,584</u>
	 <u>\$ 1,080,984</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 28,628
General Fund	Payroll Agency Fund	<u>9,199</u>
Total		<u>\$ 37,827</u>

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

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

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Summer Session Program</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 35,000	\$ 35,000
Before/After CARE Enterprise Fund	\$ 406,450		406,450
Community School Enterprise Fund	740		740
Summer Camp Enterprise Fund	<u>9,653</u>	<u>-</u>	<u>9,653</u>
Total	<u>\$ 416,843</u>	<u>\$ 35,000</u>	<u>\$ 451,843</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund or residual balances from discontinued enterprise fund operations transferred to the general fund.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2016 were \$35,315. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 35,315
2018	35,315
2019	35,315
2020	<u>26,487</u>
Total Minimum Lease Payments	<u>\$ 132,432</u>

**Capital Leases**

The District is leasing computer equipment and a technology/network upgrade totaling \$1,065,547 under capital leases. The leases are for terms of 5 years. In addition, the District is leasing iPad's (supplies) totaling \$527,309 under lease purchase agreements for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 275,000
Machinery and Equipment	<u>790,547</u>
	<u>\$ 1,065,547</u>



**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>	<u>Lease Purchase Agreement</u>	<u>Total</u>
2017	\$ 114,853	\$ 110,537	\$ 225,390
2018	57,200	108,912	166,112
2019	57,200	58,425	115,625
Total Minimum Lease Payments	229,253	277,874	507,127
Less: Amount Representing Interest	(3,099)	(10,198)	(13,297)
Present Value of Minimum Lease Payments	<u>\$ 226,154</u>	<u>\$ 267,676</u>	<u>\$ 493,830</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$9,290,000, 2014 Bonds, due in annual installments of \$345,000 to \$600,000 through August 1, 2034, interest at 1.50% to 5.00%	\$ 8,990,000
\$21,275,000, 2014 Refunding Bonds, due in annual installments of \$1,115,000 to \$1,950,000 through August 1, 2029, interest at 1.00% to 5.00%	<u>20,175,000</u>
	<u>\$29,165,000</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**State Aid Advance Loan Payable**

In April 2013, the Board entered into a loan agreement with the State of New Jersey in the amount of \$2,214,497 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund at June 30, 2012. The State aid advance loan will be repaid by the school district through automatic reductions in the State aid provided to the school district in subsequent years. The term of the loan repayment is ten (10) years beginning in the 2013/2014 school year at a minimum amount of \$230,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2015/2016 school year.

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

**Governmental Activities:**

Year Ended June 30,	<u>Serial Bonds</u>		<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,460,000	\$ 1,190,050	\$ 230,000		\$ 2,880,050
2018	1,485,000	1,164,250	230,000		2,879,250
2019	1,520,000	1,126,600	230,000		2,876,600
2020	1,575,000	1,072,300	230,000		2,877,300
2021	1,640,000	1,008,000	230,000		2,878,000
2022-2026	9,430,000	3,739,750	374,497		13,544,247
2027-2031	9,655,000	1,334,850			10,989,850
2032-2035	2,400,000	228,000	-	-	2,628,000
<b>Totals</b>	<b>\$ 29,165,000</b>	<b>\$ 10,863,800</b>	<b>\$ 1,524,497</b>	<b>\$ -</b>	<b>\$ 41,553,297</b>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 82,663,201
Less: Net Debt Issued	<u>29,165,000</u>
 Remaining Borrowing Power	 <u>\$ 53,498,201</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 30,565,000		\$ 1,400,000	\$ 29,165,000	\$ 1,460,000
Add: Unamortized Premium	<u>3,435,618</u>	<u>-</u>	<u>399,815</u>	<u>3,035,803</u>	<u>-</u>
	34,000,618	-	1,799,815	32,200,803	1,460,000
Capital Leases	438,405		212,251	226,154	110,148
Lease Purchase Agreements	371,113		103,437	267,676	104,322
Compensated Absences	872,041	\$ 73,275	20,031	925,285	30,000
State Aid Advance Loan Payable	1,754,497		230,000	1,524,497	230,000
Net Pension Liability	<u>6,564,359</u>	<u>1,290,600</u>	<u>289,739</u>	<u>7,565,220</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 44,001,033</u>	<u>\$ 1,363,875</u>	<u>\$ 2,655,273</u>	<u>\$ 42,709,635</u>	<u>\$ 1,934,470</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against property, liability, student accident and surety bond claims.

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

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

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

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

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

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

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

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

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

**Other Pension Funds**

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 289,739	\$ 928,399	\$ 19,227
2015	289,037	616,070	17,789
2014	255,860	505,724	15,036

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC) (Continued)**

For fiscal years 2015/2016 and 2014/2015, the state contributed \$928,399 and \$616,070, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$505,724 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$928,248 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$7,565,220 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .03370 percent, which was a decrease of .00136 percent from its proportionate share measured as of June 30, 2014 of .03506 percent.



**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$483,282 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 180,480	
Changes of Assumptions	812,444	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 121,634
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>145,441</u>	<u>215,997</u>
Total	<u>\$ 1,138,365</u>	<u>\$ 337,631</u>

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

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 144,752
2018	144,752
2019	144,752
2020	242,552
2021	<u>123,926</u>
	<u>\$ 800,734</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate*

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%



**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$72,022,972 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$4,397,651. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .11395 percent, which was a decrease of .00559 percent from its proportionate share measured as of June 30, 2014 of .11954 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

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

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

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%; as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease <u>(3.13%)</u></b>	<b>Current Discount Rate <u>(4.13%)</u></b>	<b>1% Increase <u>(5.13%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 86,624,909</u>	<u>\$ 72,022,972</u>	<u>\$ 59,878,458</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

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



**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$1,105,467, \$978,012 and \$829,196, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

The financial statements of the general fund have been restated at June 30, 2015 to reflect the state aid advance loan as a long-term liability in accordance with generally accepted accounting principles. The effect of this restatement on the financial statements previously reported as of and for the fiscal year ended June 30, 2015 was to reduce fund liabilities with a corresponding increase in the unassigned component of fund balance in the amount of \$1,754,497 in the general fund.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 31,783,486		\$ 31,783,486	\$ 31,783,486	
Tuition from Other LEA's / Within State	50,000	\$ -	50,000	197,399	\$ 147,399
Unrestricted Miscellaneous	200,560	-	200,560	225,603	25,043
<b>Total Local Revenues</b>	<u>32,034,046</u>	<u>-</u>	<u>32,034,046</u>	<u>32,206,488</u>	<u>172,442</u>
State Sources					
Special Education Aid	1,525,984		1,525,984	1,525,984	
Equalization Aid	687,826		687,826	687,826	
Security Aid	174,935		174,935	174,935	
Transportation Aid	118,200		118,200	118,200	
Under Adequacy Aid	500,000		500,000	500,000	
PARCC Readiness Aid	26,780		26,780	26,780	
Per Pupil Growth Aid	26,780		26,780	26,780	
Extraordinary Special Education Costs Aid	399,998		399,998	319,804	(80,194)
Nonpublic School Transportation Costs				23,175	23,175
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				884,346	884,346
Pension - NCGI Premium				44,053	44,053
Post Retirement Medical Benefit Contribution				1,105,467	1,105,467
Reimbursed Social Security Contribution	-	-	-	928,248	928,248
<b>Total State Revenues</b>	<u>3,460,503</u>	<u>-</u>	<u>3,460,503</u>	<u>6,365,598</u>	<u>2,905,095</u>
Federal Sources					
Special Education Medicaid Initiative Reimbursement	51,969	-	51,969	74,955	22,986
<b>Total Federal Revenues</b>	<u>51,969</u>	<u>-</u>	<u>51,969</u>	<u>74,955</u>	<u>22,986</u>
<b>Total Revenues</b>	<u>35,546,518</u>	<u>-</u>	<u>35,546,518</u>	<u>38,647,041</u>	<u>3,100,523</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	683,800	\$ (147,003)	536,797	519,649	17,148
Grades 1-5	2,881,009	(39,549)	2,841,460	2,746,679	94,781
Grades 6-8	1,392,866	215,041	1,607,907	1,557,364	50,543
Grades 9-12	2,413,461	1,431	2,414,892	2,333,456	81,436
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	-	15,000	5,207	9,793
Purchased Professional-Educational Services	16,000	-	16,000	7,551	8,449
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	101,818	(18,500)	83,318	80,103	3,215
Purchased Professional-Educational Services	6,331	-	6,331	6,059	272
Purchased Technical Services	55,064	6,882	61,946	54,804	7,142
Other Purchased Services	404,901	39,504	444,405	444,015	390
General Supplies	144,055	329,512	473,567	451,994	21,573
Textbooks	42,492	(12,452)	30,040	20,871	9,169
<b>Total Regular Programs</b>	<u>8,156,797</u>	<u>374,866</u>	<u>8,531,663</u>	<u>8,227,752</u>	<u>303,911</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 321,814	\$ 74,071	\$ 395,885	\$ 383,806	\$ 12,079
Other Salaries for Instruction	109,620	(28,170)	81,450	64,575	16,875
General Supplies	-	176	176	176	-
Total Learning / Language Disabilities	<u>431,434</u>	<u>46,077</u>	<u>477,511</u>	<u>448,557</u>	<u>28,954</u>
Behavioral Disabilities					
Salaries of Teachers	-	9,600	9,600	-	9,600
General Supplies	1,144	(960)	184	181	3
Total Behavioral Disabilities	<u>1,144</u>	<u>8,640</u>	<u>9,784</u>	<u>181</u>	<u>9,603</u>
Multiple Disabilities					
Salaries of Teachers	160,078	50,000	210,078	204,110	5,968
Other Salaries for Instruction	15,660	3,000	18,660	11,451	7,209
Total Multiple Disabilities	<u>175,738</u>	<u>53,000</u>	<u>228,738</u>	<u>215,561</u>	<u>13,177</u>
Resource Room / Resource Center					
Salaries of Teachers	1,248,540	(109,350)	1,139,190	1,100,580	38,610
Other Salaries for Instruction	109,620	45,048	154,668	107,744	46,924
General Supplies	-	550	550	537	13
Total Resource Room / Resource Center	<u>1,358,160</u>	<u>(63,752)</u>	<u>1,294,408</u>	<u>1,208,861</u>	<u>85,547</u>
Autism					
Salaries of Teachers	211,135	(47,830)	163,305	161,071	2,234
Other Salaries for Instruction	78,300	(4,000)	74,300	57,848	16,452
General Supplies	-	-	-	-	-
Total Autism	<u>289,435</u>	<u>(51,830)</u>	<u>237,605</u>	<u>218,919</u>	<u>18,686</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	251,413	(73,702)	177,711	166,937	10,774
Other Salaries for Instruction	93,960	(28,591)	65,369	49,189	16,180
Total Preschool Disabilities - Full - Time	<u>345,373</u>	<u>(102,293)</u>	<u>243,080</u>	<u>216,126</u>	<u>26,954</u>
Home Instruction					
Salaries of Teachers	40,000	21,366	61,366	61,225	141
Purchased Professional and Educational Services	299	-	299	-	299
Total Home Instruction	<u>40,299</u>	<u>21,366</u>	<u>61,665</u>	<u>61,225</u>	<u>440</u>
Total Special Education	<u>2,641,583</u>	<u>(88,792)</u>	<u>2,552,791</u>	<u>2,369,430</u>	<u>183,361</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 156,247	\$ (4,825)	\$ 151,422	\$ 138,003	\$ 13,419
Total Basic Skills/Remedial	<u>156,247</u>	<u>(4,825)</u>	<u>151,422</u>	<u>138,003</u>	<u>13,419</u>
Bilingual Education					
Salaries of Teachers	241,779	(58,368)	183,411	162,882	20,529
Total Bilingual Education	<u>241,779</u>	<u>(58,368)</u>	<u>183,411</u>	<u>162,882</u>	<u>20,529</u>
School Sponsored Co-Curricular Activities					
Salaries	76,255	34,336	110,591	102,445	8,146
Supplies and Materials	13,831	(9,798)	4,033	4,033	-
Total School Sponsored Co-Curricular Activities	<u>90,086</u>	<u>24,538</u>	<u>114,624</u>	<u>106,478</u>	<u>8,146</u>
School Sponsored Athletics - Instruction					
Salaries	224,377	18,581	242,958	228,829	14,129
Purchased Services	69,374	(7,229)	62,145	57,755	4,390
Supplies and Materials	36,950	18,226	55,176	54,574	602
Other Objects	11,392	(2,825)	8,567	6,836	1,731
Total School Sponsored Athletics - Instruction	<u>342,093</u>	<u>26,753</u>	<u>368,846</u>	<u>347,994</u>	<u>20,852</u>
Total - Instruction	<u>11,628,585</u>	<u>274,172</u>	<u>11,902,757</u>	<u>11,352,539</u>	<u>550,218</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	186,790	21,022	207,812	191,294	16,518
Tuition to County Vocational School District-Reg.	383,040	43,000	426,040	384,507	41,533
Tuition to County Vocational School/Dist.-Spec.	694,259	30,425	724,684	724,649	35
Tuition to County Special Services School Districts & Regional Day Schools	1,471,460	(80,948)	1,390,512	1,390,061	451
Tuition to Private Schools - Disabled Within State	2,665,205	(301,676)	2,363,529	2,343,646	19,883
Tuition - Other	-	7,451	7,451	2,744	4,707
Total Undistributed - Instruction (Tuition)	<u>5,400,754</u>	<u>(280,726)</u>	<u>5,120,028</u>	<u>5,036,901</u>	<u>83,127</u>
Attendance and Social Work Services					
Salaries	126,969	24,000	150,969	145,589	5,380
Supplies and Materials	1,177	(600)	577	568	9
Total Attendance and Social Work Services	<u>128,146</u>	<u>23,400</u>	<u>151,546</u>	<u>146,157</u>	<u>5,389</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 312,640	\$ 7,076	\$ 319,716	\$ 297,440	\$ 22,276
Purchased Professional and Technical Services	23,243	3,100	26,343	24,795	1,548
Supplies and Materials	5,279	1,413	6,692	6,393	299
Total Health Services	<u>341,162</u>	<u>11,589</u>	<u>352,751</u>	<u>328,628</u>	<u>24,123</u>
Speech, OT, PT and Related Services					
Salaries	252,522	(26,000)	226,522	215,029	11,493
Purchased Professional - Educational Services	574,235	(100,405)	473,830	405,048	68,782
Supplies and Materials	-	5,000	5,000	4,315	685
Total Speech, OT, PT and Related Services	<u>826,757</u>	<u>(121,405)</u>	<u>705,352</u>	<u>624,392</u>	<u>80,960</u>
Other Support Services-Students-Extra Services					
Salaries	516,780	(91,000)	425,780	343,661	82,119
Purchased Professional-Educational Services	369,502	47,820	417,322	364,235	53,087
Supplies and Materials	837	-	837	-	837
Total Other Support Services-Extra Services	<u>887,119</u>	<u>(43,180)</u>	<u>843,939</u>	<u>707,896</u>	<u>136,043</u>
Guidance					
Salaries of Other Professional Staff	354,023	14,298	368,321	356,308	12,013
Salaries of Secretarial and Clerical Assistants	35,492	500	35,992	35,973	19
Other Purchased Services	8,573	(984)	7,589	7,111	478
Supplies and Materials	833	2,600	3,433	2,954	479
Total Guidance	<u>398,921</u>	<u>16,414</u>	<u>415,335</u>	<u>402,346</u>	<u>12,989</u>
Child Study Team					
Salaries of Other Professional Staff	489,007	37,500	526,507	508,237	18,270
Salaries of Secretarial and Clerical Assistants	44,657	300	44,957	44,925	32
Purchased Professional - Educational Services	31,970	(31,970)	-	-	-
Other Purchased Professional and Technical Services	50,000	(5,700)	44,300	36,208	8,092
Other Purchased Services	8,313	(3,182)	5,131	5,131	-
Residential Costs	84,449	-	84,449	84,449	-
Supplies and Materials	3,269	21,000	24,269	20,259	4,010
Total Child Study Team	<u>711,665</u>	<u>17,948</u>	<u>729,613</u>	<u>699,209</u>	<u>30,404</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	149,863	(1,285)	148,578	134,059	14,519
Salaries of Secretarial and Clerical Assistants	25,174	-	25,174	25,172	2
Other Salaries	-	2,900	2,900	2,519	381
Other Purchased Professional and Technical Services	510	23,782	24,292	22,825	1,467
Other Purchased Services	8,313	-	8,313	8,313	-
Supplies and Materials	562	(380)	182	151	31
Total Improvement of Instruction Services	<u>184,422</u>	<u>25,017</u>	<u>209,439</u>	<u>193,039</u>	<u>16,400</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media Services/School Library					
Salaries	\$ 96,466	\$ 13,116	\$ 109,582	\$ 107,778	\$ 1,804
Other Purchased Services	8,313	680	8,993	8,625	368
Supplies and Materials	10,699	(200)	10,499	9,048	1,451
Total Educational Media Services/School Library	<u>115,478</u>	<u>13,596</u>	<u>129,074</u>	<u>125,451</u>	<u>3,623</u>
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	149,863	9,484	159,347	148,118	11,229
Salaries of Secretarial and Clerical Assistants	25,174	1,000	26,174	24,417	1,757
Total Instructional Staff Training Services	<u>175,037</u>	<u>10,484</u>	<u>185,521</u>	<u>172,535</u>	<u>12,986</u>
Support Services General Administration					
Salaries	243,312	-	243,312	234,998	8,314
Salaries of State Fiscal Monitor	76,500	-	76,500	73,176	3,324
Repayment of Principal - NJDOE Loan	230,000	-	230,000	230,000	-
Legal Services	101,030	65,597	166,627	166,159	468
Audit Fees	67,830	19,600	87,430	35,025	52,405
Architectural/Engineering Services	25,500	(9,000)	16,500	67	16,433
Other Purchased Professional Services	19,430	-	19,430	12,370	7,060
Communications/Telephone	125,442	41,012	166,454	134,635	31,819
BOE Other Purchased Services		100	100	97	3
Miscellaneous Purchased Services	223,059	(1,718)	221,341	209,498	11,843
General Supplies	9,110	(2,850)	6,260	2,556	3,704
Miscellaneous Expenditures	1,086	2,500	3,586	2,162	1,424
BOE Membership Dues and Fees	21,558	5,950	27,508	26,726	782
Total Support Services General Administration	<u>1,143,857</u>	<u>121,191</u>	<u>1,265,048</u>	<u>1,127,469</u>	<u>137,579</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,262,841	(77,481)	1,185,360	1,178,197	7,163
Salaries of Secretarial and Clerical Assistants	432,831	(30,300)	402,531	377,355	25,176
Other Purchased Services	54,792	(24,829)	29,963	26,269	3,694
Supplies and Materials	45,648	(3,737)	41,911	30,275	11,636
Other Objects	1,263	1,580	2,843	2,695	148
Total Support Services School Administration	<u>1,797,375</u>	<u>(134,767)</u>	<u>1,662,608</u>	<u>1,614,791</u>	<u>47,817</u>
Central Services					
Salaries	514,777	(3,195)	511,582	511,563	19
Purchased Professional Services	28,017	14,800	42,817	42,126	691
Purchased Technical Services	10,747	2,216	12,963	12,808	155
Miscellaneous Purchased Services	8,267	4,179	12,446	11,736	710
Supplies and Materials	10,768	6,700	17,468	17,257	211
Interest on Lease Purchase Agreements	12,035	300	12,335	12,324	11
Total Central Services	<u>584,611</u>	<u>25,000</u>	<u>609,611</u>	<u>607,814</u>	<u>1,797</u>



**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Administration Information Technology					
Salaries	\$ 180,947	\$ (5,872)	\$ 175,075	\$ 172,983	\$ 2,092
Purchased Technical Services	77,793	17,300	95,093	89,458	5,635
Other Purchased Services	36,585	2,360	38,945	31,183	7,762
Supplies and Materials	21,438	9,800	31,238	31,041	197
Other Objects	758	(120)	638	638	-
Total Administration Information Technology	<u>317,521</u>	<u>23,468</u>	<u>340,989</u>	<u>325,303</u>	<u>15,686</u>
Required Maintenance for School Facilities					
Salaries	303,354	(49,547)	253,807	241,300	12,507
Cleaning, Repair & Maintenance Services	252,223	16,500	268,723	254,057	14,666
General Supplies	75,984	(10,770)	65,214	57,397	7,817
Other Objects	-	350	350	330	20
Total Required Maintenance for School Facilities	<u>631,561</u>	<u>(43,467)</u>	<u>588,094</u>	<u>553,084</u>	<u>35,010</u>
Custodial Services					
Salaries	1,063,577	156,411	1,219,988	1,143,385	76,603
Salaries of Non-Instructional Aides	40,500	(5,435)	35,065	26,619	8,446
Cleaning, Repair and Maintenance Services	80,097	(21,100)	58,997	50,146	8,851
Other Purchased Property Services	29,286	10,500	39,786	39,724	62
Insurance	138,250	18,200	156,450	156,447	3
General Supplies	90,580	36,500	127,080	120,313	6,767
Energy (Natural Gas)	245,928	(108,000)	137,928	136,086	1,842
Energy (Electricity)	420,000	-	420,000	413,967	6,033
Energy (Gasoline)	-	10,000	10,000	-	10,000
Total Custodial Services	<u>2,108,218</u>	<u>97,076</u>	<u>2,205,294</u>	<u>2,086,687</u>	<u>118,607</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	64,288	1,985	66,273	57,804	8,469
General Supplies	22,610	2,730	25,340	24,378	962
Total Care and Upkeep of Grounds	<u>86,898</u>	<u>4,715</u>	<u>91,613</u>	<u>82,182</u>	<u>9,431</u>
Security					
Salaries	29,471	9,110	38,581	37,051	1,530
Cleaning, Repair and Maintenance Services	-	1,935	1,935	1,935	-
General Supplies	-	-	-	-	-
Total Security	<u>29,471</u>	<u>11,045</u>	<u>40,516</u>	<u>38,986</u>	<u>1,530</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	12,956	-	12,956	12,779	177
Salaries for Pupil Transportation (Between Home and School) - Special	12,956	-	12,956	12,779	177
Salaries for Pupil Transportation (Other Than Between Home & School)	16,800	-	16,800	16,530	270
Cleaning, Repair and Maintenance Services	2,601	5,000	7,601	7,333	268
Contracted Services - Aid-in-Lieu-Nonpublic Schools	104,597	54,000	158,597	156,588	2,009
Contracted Services (Other Than Between Home and School) - Vendors	37,941	5,800	43,741	36,388	7,353
Contracted Services (Regular) - ESC's & CTSA's	247,258	(30,300)	216,958	216,796	162
Contracted Services (Spec Ed) - ESC's & CTSA's	1,227,845	150,918	1,378,763	1,378,696	67
Miscellaneous Purchased Services - Transportation	8,393	(8,000)	393	-	393
Total Student Transportation Services	<u>1,671,347</u>	<u>177,418</u>	<u>1,848,765</u>	<u>1,837,889</u>	<u>10,876</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits					
Social Security Contributions	\$ 389,727	-	\$ 389,727	\$ 369,131	\$ 20,596
Other Retirement Contributions - PERS	345,719	\$ (50,330)	295,389	289,739	5,650
Other Retirement Contributions - Regular	23,134	-	23,134	19,227	3,907
Unemployment Compensation	68,834	2,500	71,334	71,260	74
Workmen's Compensation	255,859	(38,000)	217,859	217,462	397
Health Benefits	4,648,594	(188,260)	4,460,334	4,433,763	26,571
Tuition Reimbursement	64,260	-	64,260	31,815	32,445
Other Employee Benefits	123,086	(36,000)	87,086	87,017	69
Unused Sick Payment to Terminated/Retired Staff	-	21,000	21,000	20,031	969
<b>Total Unallocated Benefits</b>	<b>5,919,213</b>	<b>(289,090)</b>	<b>5,630,123</b>	<b>5,539,445</b>	<b>90,678</b>
<b>On Behalf TPAF Contributions (Non Budgeted)</b>					
Pension Benefit Contribution		-		884,346	(884,346)
Pension -NCGI Premium				44,053	(44,053)
Post Retirement Medical Benefit Contribution		-		1,105,467	(1,105,467)
Reimbursed Social Security Contribution	-	-	-	928,248	(928,248)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,962,114</b>	<b>(2,962,114)</b>
<b>Total Undistributed Expenditures</b>	<b>23,459,533</b>	<b>(334,274)</b>	<b>23,125,259</b>	<b>25,212,318</b>	<b>(2,087,059)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>35,088,118</b>	<b>(60,102)</b>	<b>35,028,016</b>	<b>36,564,857</b>	<b>(1,536,841)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures - Admin Info Technology		117,935	117,935	117,860	75
Undistributed Expenditures - Required Maint. For School Facilities		23,054	23,054	23,021	33
School Sponsored and Other Instructional Program	-	6,000	6,000	5,935	65
<b>Total Equipment</b>	<b>-</b>	<b>146,989</b>	<b>146,989</b>	<b>146,816</b>	<b>173</b>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	198,182	-	198,182	93,957	104,225
Construction Services	1,981,818	-	1,981,818	1,761,599	220,219
Assessment for Debt Service on SDA Funding	170,358	-	170,358	170,358	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>2,350,358</b>	<b>-</b>	<b>2,350,358</b>	<b>2,025,914</b>	<b>324,444</b>
Interest on Capital Reserve	560	-	560	-	560
<b>Total Capital Outlay</b>	<b>2,350,918</b>	<b>146,989</b>	<b>2,497,907</b>	<b>2,172,730</b>	<b>325,177</b>
Transfer of Funds to Charter Schools	289,163	53,634	342,797	342,720	77
<b>Total Expenditures</b>	<b>37,728,759</b>	<b>140,521</b>	<b>37,869,280</b>	<b>39,080,307</b>	<b>(1,211,027)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,182,241)	(140,521)	(2,322,762)	(433,266)	1,889,496

ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources/(Uses)					
Transfer In - Before After Care Enterprise Fund				\$ 406,450	\$ 406,450
Transfer In - Summer Camp Enterprise Fund				9,653	9,653
Transfer In - Community School Enterprise Fund				740	740
Transfers Out - Summer Session Enterprise Fund	-	\$ (35,000)	\$ (35,000)	(35,000)	-
Total Other Financing Sources/(Uses)	-	(35,000)	(35,000)	381,843	416,843
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ (2,182,241)	(175,521)	(2,357,762)	(51,423)	2,306,339
Fund Balances Beginning of Year	3,769,820	-	3,769,820	3,769,820	-
Fund Balances, End of Year	<u>\$ 1,587,579</u>	<u>\$ (175,521)</u>	<u>\$ 1,412,058</u>	<u>\$ 3,718,397</u>	<u>\$ 2,306,339</u>
<b>Recapitulation</b>					
<b>Restricted</b>					
Capital Reserve				1,841,859	
Capital Reserve - Designated for Subsequent Year' Expenditures				450,000	
Maintenance Reserve				794,570	
State Aid Loan Repayment				776	
<b>Assigned</b>					
Year End Encumbrances				65,719	
<b>Unassigned</b>				<u>565,473</u>	
Fund Balance Per State Budgetary Basis of Accounting				3,718,397	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(461,442)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,256,955</u>	

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 269,585	\$ (4,024)	\$ 265,561	\$ 241,674	\$ (23,887)
Federal	1,021,498	511,654	1,533,152	1,453,398	(79,754)
Local Sources					
Miscellaneous	-	93,954	93,954	77,319	(16,635)
Total Revenues	<u>1,291,083</u>	<u>601,584</u>	<u>1,892,667</u>	<u>1,772,391</u>	<u>(120,276)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	477,115	(225,475)	251,640	251,641	(1)
Purchased Professional / Educational Services		51,850	51,850	48,950	2,900
Other Purchased Services	393,434	236,705	630,139	624,802	5,337
General Supplies	38,118	331,242	369,360	322,724	46,636
Textbooks	11,877	-	11,877	11,877	-
Other Objects	-	500	500	500	-
Total Instruction	<u>920,544</u>	<u>394,822</u>	<u>1,315,366</u>	<u>1,260,494</u>	<u>54,872</u>
Support Services					
Salaries		1,938	1,938	1,938	-
Purchased Professional / Educational Service	248,222	37,153	285,375	248,195	37,180
Purchased Professional / Technical Services		-	-	-	-
Other Purchased Services	45,317	49,041	94,358	71,563	22,795
Supplies and Materials	-	37,273	37,273	31,844	5,429
Total Support Services	<u>293,539</u>	<u>125,405</u>	<u>418,944</u>	<u>353,540</u>	<u>65,404</u>
Transportation					
Contracted Services	-	26,350	26,350	26,350	-
Unallocated Employee Benefits	-	55,007	55,007	55,007	-
Capital Outlay					
Instructional Equipment	77,000	-	77,000	77,000	-
Total Capital Outlay	<u>77,000</u>	<u>-</u>	<u>77,000</u>	<u>77,000</u>	<u>-</u>
Total Expenditures	<u>1,291,083</u>	<u>601,584</u>	<u>1,892,667</u>	<u>1,772,391</u>	<u>120,276</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**ELMWOOD PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 38,647,041	\$ 1,772,391
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2015-2016)	(461,442)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2014-2015)	637,041	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	<u>-</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 38,822,640</u>	<u>\$ 1,772,391</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,080,307	\$ 1,772,391
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,080,307</u>	<u>\$ 1,772,391</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Public Employees Retirement System**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03370%	0.03506%	0.03396
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,565,220	\$ 6,564,359	\$ 6,489,881
District's Covered-Employee Payroll	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	333.51%	266.36%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

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



**ELMWOOD PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 289,739	\$ 289,037	\$ 255,860
Contributions in Relation to the Contractually Required Contribution	<u>289,739</u>	<u>289,037</u>	<u>255,860</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
Contributions as a Percentage of Covered-Employee Payroll	12.77%	11.78%	

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

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

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>72,022,972</u>	<u>63,892,836</u>	<u>63,489,527</u>
Total	<u>\$ 72,022,972</u>	<u>\$ 63,892,836</u>	<u>\$ 63,489,527</u>
District's Covered-Employee Payroll	\$ 11,393,763	\$ 11,250,968	\$ 11,244,012
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:**                   None.

**Change of Assumptions:**               Assumptions used in calculating the net pension liability and  
statutorily required employer contribution are presented in Note 4D.

**SCHOOL LEVELS SCHEDULES**

**GENERAL FUND**

NOT APPLICABLE

**SPECIAL REVENUE FUND**

ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NCLB <u>Title I</u>	NCLB <u>Title IIA</u>	NCLB <u>Title III</u>	IDEA <u>Basic</u>	IDEA <u>PreK</u>	Local <u>Grants</u>	Nonpublic <u>Textbooks</u>	Nonpublic <u>Nursing</u>	(Exhibit <u>E-1a)</u>	Total <u>2016</u>
<b>REVENUES</b>										
Intergovernmental										
State							\$ 11,877	\$ 18,149	\$ 211,648	\$ 241,674
Federal	\$ 686,505	\$ 71,563	\$ 15,621	\$ 641,600	\$ 38,109				-	1,453,398
Other Sources	-	-	-	-	-	\$ 77,319	-	-	-	77,319
Total Revenues	<u>\$ 686,505</u>	<u>\$ 71,563</u>	<u>\$ 15,621</u>	<u>\$ 641,600</u>	<u>\$ 38,109</u>	<u>\$ 77,319</u>	<u>\$ 11,877</u>	<u>\$ 18,149</u>	<u>\$ 211,648</u>	<u>\$ 1,772,391</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 251,641								-	\$ 251,641
Tuition										-
Purchased Professional / Technical Services										-
Purchased Professional / Educational Services	48,950									48,950
Other Purchased Services - Tuition				\$ 586,693	\$ 38,109					624,802
Supplies and Materials										-
General Supplies	251,969		\$ 15,621			\$ 44,975			\$ 10,159	322,724
Textbooks	-	-	-			-	\$ 11,877			11,877
Other Objects										-
Miscellaneous	-	-	-	-	-	500	-	-	-	500
Total Instruction	<u>552,560</u>	<u>-</u>	<u>15,621</u>	<u>586,693</u>	<u>38,109</u>	<u>45,475</u>	<u>11,877</u>	<u>-</u>	<u>10,159</u>	<u>1,260,494</u>
Support Services										
Salaries	1,938									1,938
Personnel Services - Employee Benefits	55,007									55,007
Purchased Professional / Educational Services				54,907				\$ 18,149	175,139	248,195
Other Purchased Services	-	\$ 71,563	\$ -							71,563
Transportation - Contracted Services									26,350	26,350
Supplies and Materials	-	-	-	-	-	31,844	-	-	-	31,844
Total Support Services	<u>56,945</u>	<u>71,563</u>	<u>-</u>	<u>54,907</u>	<u>-</u>	<u>31,844</u>	<u>-</u>	<u>18,149</u>	<u>201,489</u>	<u>434,897</u>
Capital Outlay										
Instructional Equipment	77,000	-	-	-	-	-	-	-	-	77,000
Total Capital Outlay	<u>77,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,000</u>
Total Expenditures	<u>\$ 686,505</u>	<u>\$ 71,563</u>	<u>\$ 15,621</u>	<u>\$ 641,600</u>	<u>\$ 38,109</u>	<u>\$ 77,319</u>	<u>\$ 11,877</u>	<u>\$ 18,149</u>	<u>\$ 211,648</u>	<u>\$ 1,772,391</u>

ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Chapter 192 Services			Chapter 193 Services			Nonpublic Security	Nonpublic Technology	Total Exhibit E-1a
	Compensatory Services	ESL	Transportation	Examination & Classification	Corrective Speech	Supplemental Instruction			
<b>REVENUES</b>									
Intergovernmental									
State	\$ 99,493	\$ 10,267	\$ 26,350	\$ 16,029	\$ 30,934	\$ 18,416	\$ 5,200	\$ 4,959	\$ 211,648
Federal									
Other Sources	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 99,493</u>	<u>\$ 10,267</u>	<u>\$ 26,350</u>	<u>\$ 16,029</u>	<u>\$ 30,934</u>	<u>\$ 18,416</u>	<u>\$ 5,200</u>	<u>\$ 4,959</u>	<u>\$ 211,648</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries									-
Other Purchased Services									-
General Supplies							5,200	4,959	10,159
Textbooks									\$ -
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>4,959</u>	<u>10,159</u>
Support Services									
Personnel Services - Employee Benefits									-
Purchased Professional / Educational Services	\$ 99,493	\$ 10,267		\$ 16,029	\$ 30,934	\$ 18,416			175,139
Other Purchased Services									-
Transportation - Contracted Services			26,350						26,350
Supplies and Materials	-	-	-	-	-	-	-	-	-
Total Support Services	<u>99,493</u>	<u>10,267</u>	<u>26,350</u>	<u>16,029</u>	<u>30,934</u>	<u>18,416</u>	<u>-</u>	<u>-</u>	<u>201,489</u>
Total Expenditures	<u>\$ 99,493</u>	<u>\$ 10,267</u>	<u>\$ 26,350</u>	<u>\$ 16,029</u>	<u>\$ 30,934</u>	<u>\$ 18,416</u>	<u>\$ 5,200</u>	<u>\$ 4,959</u>	<u>\$ 211,648</u>

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE



**CAPITAL PROJECTS FUND**

**ELMWOOD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2016</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2014 Referendum Projects- Various Improvements to Memorial MS/HS, Gantner Ave School, Gilbert Avenue School, and Sixteenth Avenue School	<u>\$ 9,992,250</u>	<u>\$ 3,022,452</u>	<u>\$ 4,669,068</u>	<u>\$ 2,300,730</u>
	<u>\$ 9,992,250</u>	<u>\$ 3,022,452</u>	<u>\$ 4,669,068</u>	<u>\$ 2,300,730</u>
 <b><u>Recapitulation to GAAP</u></b>				
Project Balance, June 30, 2016				<u>\$ 2,300,730</u>
Fund Balance, June 30, 2016 - GAAP Basis				<u>\$ 2,300,730</u>
 <b><u>Recapitulation of Fund Balance</u></b>				
Unassigned Capital Projects Fund				
Year End Encumbrances				\$ 1,121,167
Available for Capital Projects				<u>1,179,563</u>
Total Fund Balance - Unassigned - Capital Projects Fund				<u>\$ 2,300,730</u>

**ELMWOOD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Revenues and Other Financing Sources**

## Revenues:

Interest

Other Financing Sources

Serial Bonds Issued

Premium on Bonds Issued

-

Total Revenues and Other Financing sources

-

**Expenditures and Other Financing Uses**

## Expenditures:

Facilities Acquisition and Construction Services

Salaries

Legal Services

Architectural / Engineering Services

Construction Services

Supplies

Other Objects

Equipment

\$ 33,342

6,449

166,610

4,434,579

20,425

-

7,663

Total Expenditures and Other Financing Uses

4,669,068

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses

(4,669,068)

Fund Balance, Beginning of Year

6,969,798

Fund Balance, End of Year

\$ 2,300,730

**Reconciliation to GAAP**

Fund Balance, June 30, 2016 - Budgetary Basis

\$ 2,300,730

Fund Balance, June 30, 2016 - GAAP Basis

\$ 2,300,730

**ELMWOOD PARK BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**BUDGETARY BASIS**  
**2014 REFERNDUM PROJECTS-VARIOUS IMPROVEMENTS TO MEMORIAL MS/HS,**  
**GANTNER AVENUE SCHOOL, GILBERT AVENUE SCHOOL AND SIXTEENTH AVENUE SCHOOL**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 9,290,000	-	\$ 9,290,000	\$ 9,290,000
Premium on Bonds	702,250	-	702,250	702,250
<b>Total Revenues and Other Financing Sources</b>	<u>9,992,250</u>	<u>-</u>	<u>9,992,250</u>	<u>9,992,250</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries		\$ 33,342	33,342	37,954
Legal Services	19,897	6,449	26,346	26,369
Architectural / Engineering Services	568,718	166,610	735,328	1,105,039
Construction Services	2,202,894	4,434,579	6,637,473	8,532,549
Supplies		20,425	20,425	20,425
Other Objects	230,943		230,943	262,214
Equipment	-	7,663	7,663	7,700
<b>Total Expenditures and Other Financing Uses</b>	<u>3,022,452</u>	<u>4,669,068</u>	<u>7,691,520</u>	<u>9,992,250</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 6,969,798</u>	<u>\$ (4,669,068)</u>	<u>\$ 2,300,730</u>	<u>\$ -</u>

**Additional project information:**

Project Number	N/A
Grant Date	N/A
Referendum Authorization Date	1/28/2014
Bonds Authorized	\$ 9,992,250
Bonds Issued	9,290,000
Original Authorized Cost	9,992,250
Additional Authorized Cost	-
Revised Authorized Cost	\$ 9,992,250

## Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	76.97%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2017

**PROPRIETARY FUNDS**

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	-	-	\$ 32,226	\$ 32,226
Total Assets	-	-	32,226	32,226
<b>LIABILITIES</b>				
Current Liabilities				
Unearned Revenue	-	-	9,169	9,169
Total Liabilities	-	-	9,169	9,169
<b>NET POSITION</b>				
Unrestricted	-	-	23,057	23,057
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,057</u>	<u>\$ 23,057</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>OPERATING REVENUES</b>				
Charges for Services Program Fees	-	-	\$ 22,656	\$ 22,656
Total Operating Revenues	-	-	22,656	22,656
<b>OPERATING EXPENSES</b>				
Salaries and Wages	-	-	36,945	36,945
Total Operating Expenses	-	-	36,945	36,945
Operating (Loss) Before Transfers	-	-	(14,289)	(14,289)
Transfers In			35,000	35,000
Transfers Out	\$ (740)	\$ (9,653)	-	(10,393)
Change in Net Position	(740)	(9,653)	20,711	10,318
Total Net Position, Beginning of Year	740	9,653	2,346	12,739
Total Net Position, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,057</u>	<u>\$ 23,057</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	-	-	\$ 25,088	\$ 25,088
Cash Payments for Employees Salaries & Benefits	-	-	(36,945)	(36,945)
Net Cash (Used for) Operating Activities	-	-	(11,857)	(11,857)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from (Paid to) Other Funds	\$ (740)	\$ (9,653)	32,346	21,953
Net Cash Provided by (Used for) Noncapital Financing Activities	(740)	(9,653)	32,346	21,953
Net Increase/(Decrease) in Cash and Cash Equivalents	(740)	(9,653)	20,489	10,096
Cash and Cash Equivalents, Beginning of Year	740	9,653	11,737	22,130
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,226</u>	<u>\$ 32,226</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>				
Operating (Loss)	\$ -	\$ -	\$ (14,289)	(14,289)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities				
Change in Assets and Liabilities:				
Increase/(Decrease) in Unearned Revenue	-	-	2,432	2,432
Total Adjustments	-	-	2,432	2,432
Net Cash (Used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,857)</u>	<u>\$ (11,857)</u>



**FIDUCIARY FUNDS**

**AGENCY FUNDS**

**ELMWOOD PARK BOARD OF EDUCATION  
AGENCY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 110,112	\$ 649,579	\$ 759,691
Total Assets	<u>\$ 110,112</u>	<u>\$ 649,579</u>	<u>\$ 759,691</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 110,112		\$ 110,112
Payroll Deductions and Withholdings		\$ 28,745	28,745
Summer Savings Deposits		604,884	604,884
Flexible Spending Deposits		6,751	6,751
Due to Other Funds	<u>-</u>	<u>9,199</u>	<u>9,199</u>
Total Liabilities	<u>\$ 110,112</u>	<u>\$ 649,579</u>	<u>\$ 759,691</u>

**ELMWOOD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
NONEXPENDABLE TRUST FUND  
COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**AGENCY FUNDS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance, July 1, <u>2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	Balance, June 30, <u>2016</u>
<b>Elementary Schools:</b>				
Gantner Avenue	\$ 2,678	\$ 8,414	\$ 9,629	\$ 1,463
Gilbert Avenue	647	9,805	9,191	1,261
Sixteenth Avenue	<u>2,535</u>	<u>12,046</u>	<u>11,750</u>	<u>2,831</u>
	<u>5,860</u>	<u>30,265</u>	<u>30,570</u>	<u>5,555</u>
<b>Junior High School:</b>				
Memorial Middle School	<u>25,442</u>	<u>89,816</u>	<u>85,395</u>	<u>29,863</u>
<b>Senior High School:</b>				
Memorial High School	79,232	140,483	145,392	74,323
Athletic Activities	<u>-</u>	<u>41,062</u>	<u>40,691</u>	<u>371</u>
	<u>79,232</u>	<u>181,545</u>	<u>186,083</u>	<u>74,694</u>
	<u>\$ 110,534</u>	<u>\$ 301,626</u>	<u>\$ 302,048</u>	<u>\$ 110,112</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 AGENCY FUNDS  
 PAYROLL AGENCY FUND  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2016</u>
<b>ASSETS</b>				
Cash	\$ 655,068	\$ 19,587,004	\$ 19,592,493	\$ 649,579
Total Assets	<u>\$ 655,068</u>	<u>\$ 19,587,004</u>	<u>\$ 19,592,493</u>	<u>\$ 649,579</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 2,715	\$ 7,791,739	\$ 7,765,709	\$ 28,745
Accrued Salaries and Wages	-	10,668,858	10,668,858	-
Summer Savings Deposits	525,329	604,519	524,964	604,884
Flexible Spending Deposits	8,416	25,170	26,835	6,751
Due to Other Funds	<u>118,608</u>	<u>496,718</u>	<u>606,127</u>	<u>9,199</u>
Total Liabilities	<u>\$ 655,068</u>	<u>\$ 19,587,004</u>	<u>\$ 19,592,493</u>	<u>\$ 649,579</u>

**LONG-TERM DEBT**

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

06

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
School Bonds	7/9/2014	\$ 9,290,000	8/1/2016	\$ 345,000	1.500 %				
			8/1/2017	350,000	2.000				
			8/1/2018	360,000	3.000				
			8/1/2019	375,000	4.000				
			8/1/2020	350,000	4.000				
			8/1/2021	375,000	5.000				
			8/1/2022	405,000	5.000				
			8/1/2023	445,000	5.000				
			8/1/2024	470,000	5.000				
			8/1/2025	500,000	5.000				
			8/1/2026	545,000	5.000				
			8/1/2027	555,000	4.000				
			8/1/2028	545,000	4.000				
			8/1/2029	370,000	4.000				
			8/1/2030	600,000	4.000				
			8/1/2031	600,000	4.000				
			8/1/2032	600,000	4.000				
			8/1/2033	600,000	4.000				
			8/1/2034	600,000	4.000			\$ 9,290,000	\$ 300,000
Refunding Schools Bonds	7/9/2014	\$ 21,275,000	8/1/2015	1,115,000	1.000				
			8/1/2017	1,135,000	2.000				
			8/1/2018	1,160,000	3.000				
			8/1/2019	1,200,000	4.000				
			8/1/2020	1,290,000	4.000				
			8/1/2021	1,340,000	5.000				
			8/1/2022	1,395,000	5.000				
			8/1/2023	1,445,000	5.000				
			8/1/2024	1,500,000	5.000				
			8/1/2025	1,555,000	5.000				
			8/1/2026	1,605,000	5.000				
			8/1/2027	1,700,000	4.000				
			8/1/2028	1,785,000	4.000				
8/1/2029	1,950,000	4.000			21,275,000	-	1,100,000	20,175,000	
						<u>\$ 30,565,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</u>	<u>\$ 29,165,000</u>

Paid by Budget \$ 1,400,000

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF CAPITAL LEASES AND LEASE - PURCHASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
<b><u>Capital Leases</u></b>						
Computer Equipment	\$ 540,558	2.75%	\$ 108,110		\$ 108,110	
Computer Equipment	249,989	2.49%	112,495	-	56,247	\$ 56,248
Technology / Network Upgrade	275,000	2.00%	<u>217,800</u>	<u>\$ -</u>	<u>47,894</u>	<u>169,906</u>
			<u>438,405</u>	<u>-</u>	<u>212,251</u>	<u>226,154</u>
<b><u>Lease - Purchase Agreements</u></b>						
Computer Supplies (IPADS)	245,454	2.99%	147,263	-	49,094	98,169
Computer Supplies (IPADS)	281,855	2.69%	<u>223,850</u>	<u>-</u>	<u>54,343</u>	<u>169,507</u>
			<u>371,113</u>	<u>-</u>	<u>103,437</u>	<u>267,676</u>
			<u>\$ 809,518</u>	<u>\$ -</u>	<u>\$ 315,688</u>	<u>\$ 493,830</u>

**ELMWOOD PARK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,292,850		\$ 2,292,850	\$ 2,292,850	
State Sources					
Debt Service State Aid	<u>315,150</u>	<u>-</u>	<u>315,150</u>	<u>315,150</u>	<u>-</u>
Total Revenues	<u>2,608,000</u>	<u>-</u>	<u>2,608,000</u>	<u>2,608,000</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,400,000		1,400,000	1,400,000	-
Interest	<u>1,208,000</u>	<u>-</u>	<u>1,208,000</u>	<u>1,208,000</u>	<u>-</u>
Total Expenditures	<u>2,608,000</u>	<u>-</u>	<u>2,608,000</u>	<u>2,608,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>4,729</u>	<u>-</u>	<u>4,729</u>	<u>4,729</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,729</u>	<u>\$ -</u>	<u>\$ 4,729</u>	<u>\$ 4,729</u>	<u>-</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures				<u>\$ 4,729</u>	
				<u>\$ 4,729</u>	



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30.									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015	2016
Governmental activities										
Net Investment in Capital Assets	\$ 15,045,243	\$ 16,111,490	\$ 15,744,171	\$ 15,496,530	\$ 15,110,080	\$ 15,092,220	\$ 14,516,671	\$ 15,208,895	\$ 15,057,857	\$ 17,710,996
Restricted	28,923	1	1,213	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934
Unrestricted	(359,438)	(1,273,477)	(1,271,168)	(1,556,592)	(1,670,542)	(3,718,193)	(3,083,523)	(10,703,259)	(10,022,879)	(9,819,821)
Total governmental activities net position	<u>\$ 14,714,728</u>	<u>\$ 14,838,014</u>	<u>\$ 14,474,216</u>	<u>\$ 13,941,153</u>	<u>\$ 13,439,989</u>	<u>\$ 11,374,474</u>	<u>\$ 11,683,925</u>	<u>\$ 6,950,983</u>	<u>\$ 8,113,709</u>	<u>\$ 10,983,109</u>
Business-type activities										
Net Investment in Capital Assets	\$ 16,511	\$ 235,693	\$ 213,981	\$ 193,635	\$ 173,825	\$ 170,511	\$ 27,671	\$ 17,135	\$ 9,466	\$ 23,456
Restricted										
Unrestricted	265,944	61,639	113,778	133,908	203,323	25,811	238,928	468,708	668,874	277,869
Total business-type activities net position	<u>\$ 282,455</u>	<u>\$ 297,332</u>	<u>\$ 327,759</u>	<u>\$ 327,543</u>	<u>\$ 377,148</u>	<u>\$ 196,322</u>	<u>\$ 266,599</u>	<u>\$ 485,843</u>	<u>\$ 678,340</u>	<u>\$ 301,325</u>
District-wide										
Net Investment in Capital Assets	\$ 15,061,754	\$ 16,347,183	\$ 15,958,152	\$ 15,690,165	\$ 15,283,905	\$ 15,262,731	\$ 14,544,342	\$ 15,226,030	\$ 15,067,323	\$ 17,734,452
Restricted	28,923	1	1,213	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934
Unrestricted	(93,494)	(1,211,838)	(1,157,390)	(1,422,684)	(1,467,219)	(3,692,382)	(2,844,595)	(10,234,551)	(9,354,005)	(9,541,952)
Total district net position	<u>\$ 14,997,183</u>	<u>\$ 15,135,346</u>	<u>\$ 14,801,975</u>	<u>\$ 14,268,696</u>	<u>\$ 13,817,137</u>	<u>\$ 11,570,796</u>	<u>\$ 11,950,524</u>	<u>\$ 7,436,826</u>	<u>\$ 8,792,049</u>	<u>\$ 11,284,434</u>

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

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 8,791,600	\$ 9,676,914	\$ 9,906,168	\$ 10,605,630	\$ 10,180,397	\$ 9,953,651	\$ 11,906,542	\$ 12,396,434	\$ 14,999,220	\$ 15,783,095
Special Education	1,481,307	1,669,072	1,967,996	2,446,906	2,579,766	2,608,782	9,041,608	8,781,930	9,844,230	9,663,299
Other Instruction	197,320	185,120	191,243	232,329	282,831	482,506	243,800	387,071	575,702	569,196
School Sponsored	501,845	532,383	540,908	631,532	685,764	666,997	565,044	541,451	572,849	613,296
Community Services			1,165	308						
<b>Support Services:</b>										
Tuition	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404				
Student & instruction Related Services	3,814,286	3,965,471	4,238,705	4,515,442	4,536,180	4,548,825	5,134,658	4,658,155	5,439,445	5,600,381
General Administrative Services	830,081	862,801	919,151	929,528	944,202	920,605	1,119,619	1,409,617	1,807,366	1,272,670
School Administrative Services	1,472,905	1,547,126	1,681,513	1,762,373	2,163,535	1,699,593	2,382,539	2,484,316	2,801,552	2,890,800
Central Services and Admin. Info. Technolog	774,438	1,041,321	973,597	782,050	880,579	711,822	1,183,844	1,205,590	1,515,178	1,322,865
Plant Operations and Maintenance	2,933,948	3,142,158	3,182,293	3,333,374	3,152,087	3,587,272	2,884,042	3,554,579	3,700,896	3,669,476
Pupil Transportation	2,173,118	2,186,617	2,556,248	2,385,961	1,945,611	1,983,856	1,726,171	1,583,747	1,621,563	1,886,266
Business and Other Support Services										
Unallocated Benefits	2,574,892	2,633,142	1,495,579	1,672,360	1,526,137	2,676,385			443,134	
<b>Special Schools</b>										
Charter Schools	2,852	6,267	22,842	13,057	94,588	149,739				
Interest on Long-Term Debt	1,310,636	1,280,803	1,248,970	1,215,136	1,178,271	1,139,256	1,113,954	1,072,951		913,382
Capital Outlay - Non-Depreciable		227,712	174,850	368,627	138,430	629,529				
Unallocated Depreciation	49,567	80,973	1,188,500	1,172,745	1,181,371	1,179,784				
<b>Total Governmental Activities Expenses</b>	<u>31,423,111</u>	<u>33,196,579</u>	<u>34,562,310</u>	<u>36,328,416</u>	<u>35,940,271</u>	<u>38,160,006</u>	<u>37,301,821</u>	<u>38,075,841</u>	<u>43,321,135</u>	<u>44,184,726</u>
<b>Business-Type Activities:</b>										
Food service	595,076	739,078	946,234	1,082,787	1,122,264	1,006,654	933,142	887,284	891,617	947,926
Before/After Care Program					40,775	329,677	143,731	137,066	129,686	-
Non Major Business-Type Programs							138,823	24,837	24,818	36,945
<b>Total Business-Type Activities Expense</b>	<u>595,076</u>	<u>739,078</u>	<u>946,234</u>	<u>1,082,787</u>	<u>1,163,039</u>	<u>1,336,331</u>	<u>1,215,696</u>	<u>1,049,187</u>	<u>1,046,121</u>	<u>984,871</u>
<b>Total District Expenses</b>	<u>\$ 32,018,187</u>	<u>\$ 33,935,657</u>	<u>\$ 35,508,544</u>	<u>\$ 37,411,203</u>	<u>\$ 37,103,310</u>	<u>\$ 39,496,337</u>	<u>\$ 38,517,517</u>	<u>\$ 39,125,028</u>	<u>\$ 44,367,256</u>	<u>\$ 45,169,597</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services							164,664	260,002	213,843	197,399
Operating Grants and Contributions	1,340,785	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	5,703,017	6,437,292	9,327,421	10,694,109
Capital Grants and Contributions							12,679	6,963		77,000
<b>Total Governmental Activities Program Revenues</b>	<u>1,340,785</u>	<u>1,296,038</u>	<u>1,332,917</u>	<u>1,791,333</u>	<u>1,412,092</u>	<u>1,485,896</u>	<u>5,880,360</u>	<u>6,704,257</u>	<u>9,541,264</u>	<u>10,968,508</u>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 377,816	\$ 436,801	\$ 615,782	\$ 623,669	\$ 675,100	\$ 609,506	\$ 465,300	\$ 471,320	\$ 432,590	\$ 398,561
Before/After CARE Program					66,714	153,421	290,311	272,047	245,354	2,245
Non Major Business-Type Programs						165,009	148,497	22,547	17,667	22,656
Operating Grants and Contributions	260,610	317,153	360,880	458,894	470,631	508,293	504,652	502,374	531,571	566,237
Total Business Type Activities Program Revenues	638,426	753,954	976,662	1,082,563	1,212,445	1,436,229	1,408,760	1,268,288	1,227,182	989,699
Total District Program Revenues	\$ 1,979,211	\$ 2,049,992	\$ 2,309,579	\$ 2,873,896	\$ 2,624,537	\$ 2,922,125	\$ 7,289,120	\$ 7,972,545	\$ 10,768,446	\$ 11,958,207
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (30,082,326)	\$ (31,900,541)	\$ (33,229,393)	\$ (34,537,083)	\$ (34,528,179)	\$ (36,674,110)	\$ (31,421,461)	\$ (31,371,584)	\$ (33,779,871)	\$ (33,216,218)
Business-Type Activities	43,350	14,876	30,428	(224)	49,406	99,898	193,064	219,101	181,061	4,828
Total District-Wide Net Expense	\$ (30,038,976)	\$ (31,885,665)	\$ (33,198,965)	\$ (34,537,307)	\$ (34,478,773)	\$ (36,574,212)	\$ (31,228,397)	\$ (31,152,483)	\$ (33,598,810)	\$ (33,211,390)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes	\$ 23,573,986	\$ 24,403,769	25,780,937	26,423,176	27,480,103	\$ 27,480,103	\$ 28,789,793	\$ 29,579,684	\$ 31,160,280	\$ 31,783,486
Taxes Levied for Debt Service	1,462,374	2,043,302	2,062,302	2,079,305	2,093,740	2,105,580	2,114,918	2,123,084	2,128,740	2,292,850
State Facilities Grant										
Unrestricted Federal and State Aid	4,709,567	5,211,022	4,887,394	5,332,263	4,254,542	4,640,263	723,691	1,176,221	1,269,440	1,232,660
State Aid for Debt Service Principal										169,176
Federal and State Aid - Capital Outlay										
Tuition Received				78,240	34,269	66,508				
Cancellation Accounts Receivable/Payable					(764)				82,582	-
Investment earnings	290,268	254,989	64,889	2,899	4,676	3,219	7,306	16,581		90,730
Miscellaneous Income	57,623	110,745	70,074	88,135	160,449	31,850	95,204	232,953	312,991	134,873
Transfers						281,073			(11,436)	381,843
Total Governmental Activities	30,093,818	32,023,827	32,865,596	34,004,018	34,027,015	34,608,596	31,730,912	33,128,523	34,942,597	36,085,618
<b>Business-Type Activities:</b>										
Investment Earnings				6	201	348	279	143		
Miscellaneous										
Transfers						(281,073)			11,436	(381,843)
Total Business-Type Activities				6	201	(280,725)	279	143	11,436	(381,843)
Total District-Wide	\$ 30,093,818	\$ 32,023,827	\$ 32,865,596	\$ 34,004,024	\$ 34,027,216	\$ 34,327,871	\$ 31,731,191	\$ 33,128,666	\$ 34,954,033	\$ 35,703,775
<b>Change in Net Position</b>										
Governmental Activities	\$ 11,492	\$ 123,286	\$ (363,797)	\$ (533,065)	\$ (501,164)	\$ (2,065,514)	\$ 309,451	\$ 1,756,939	\$ 1,162,726	\$ 2,869,400
Business-Type Activities	43,350	14,876	30,428	(218)	49,607	(180,827)	193,343	219,244	192,497	(377,015)
Total District	\$ 54,842	\$ 138,162	\$ (333,369)	\$ (533,283)	\$ (451,557)	\$ (2,246,341)	\$ 502,794	\$ 1,976,183	\$ 1,355,223	\$ 2,492,385

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1	\$ 1	\$ 1	\$ 1						
Unreserved	884,626	80,084	99,399	(184,980)						
Restricted					\$ 1	\$ 1	\$ 250,777	\$ 2,445,347	\$ 3,074,002	\$ 3,087,205
Committed							171,441			
Assigned							42,337	34,400	29,600	65,719
Unassigned	-	-	-	-	(704,548)	(2,295,555)	184,084	(48,023)	29,177	104,031
<b>Total General Fund</b>	<b>\$ 884,627</b>	<b>\$ 80,085</b>	<b>\$ 99,400</b>	<b>\$ (184,979)</b>	<b>\$ (704,547)</b>	<b>\$ (2,295,554)</b>	<b>\$ 648,639</b>	<b>\$ 2,431,724</b>	<b>\$ 3,132,779</b>	<b>\$ 3,256,955</b>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	\$ (4,987)	\$ (3,274)								
Capital Projects Fund	28,921		\$ 1,212	\$ 1,212						
Debt Service	1			3						
Restricted for:										
Capital Projects									6,969,798	2,300,730
Debt Service					\$ 450	\$ 446			4,729	4,729
Unassigned	-	-	-	-	-	-		(765,913)	-	-
<b>Total all other governmental funds</b>	<b>\$ 23,935</b>	<b>\$ (3,274)</b>	<b>\$ 1,212</b>	<b>\$ 1,215</b>	<b>\$ 450</b>	<b>\$ 446</b>	<b>\$ -</b>	<b>\$ (765,913)</b>	<b>\$ 6,974,527</b>	<b>\$ 2,305,459</b>

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 25,036,360	\$ 26,447,071	\$ 27,843,239	\$ 28,502,481	\$ 29,573,843	\$ 29,585,683	\$ 30,904,711	\$ 31,702,768	\$ 33,289,020	\$ 34,076,336
Tuition						50,831	162,103	260,002	213,843	197,399
Transportation Fees							2,561	-		
E-Rate				78,240	34,269	15,677				
Interest Earnings	290,268	254,989	64,889	2,899	4,676	3,219				
Miscellaneous	58,065	120,305	73,939	92,691	162,267	55,111	125,564	262,683	413,670	302,922
State Sources	5,126,723	5,628,413	5,223,223	5,440,939	4,401,048	4,892,190	5,242,835	6,117,289	6,340,110	7,098,021
Federal Sources	923,186	869,087	993,224	1,678,101	1,263,766	1,210,708	1,173,498	1,490,038	1,416,690	1,528,353
<b>Total revenue</b>	<b>31,434,602</b>	<b>33,319,865</b>	<b>34,198,514</b>	<b>35,795,351</b>	<b>35,439,869</b>	<b>35,813,419</b>	<b>37,611,272</b>	<b>39,832,780</b>	<b>41,673,333</b>	<b>43,203,031</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	7,376,607	8,129,925	8,420,729	8,883,555	8,337,606	8,213,620	11,377,399	12,025,350	12,904,644	13,187,793
Special Education Instruction	1,175,954	1,339,158	1,589,747	1,936,935	2,005,274	2,261,707	8,698,198	8,534,760	9,123,082	8,884,888
Other Instruction	156,705	148,238	154,102	183,655	219,475	374,630	232,598	387,071	499,891	477,517
School Sponsored/Other Instructional	415,415	445,087	453,796	525,437	564,179	547,661	539,793	541,451	565,270	598,011
Community Service Programs			1,165	308						
<b>Support Services:</b>										
Instruction - Tuition	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404				
Student & Inst. Related Services	3,339,794	3,450,879	3,672,990	3,856,949	3,780,524	3,836,671	4,928,362	4,441,742	4,818,144	4,922,487
General Administration	747,987	762,510	836,309	837,952	852,507	844,668	1,074,436	1,334,462	1,106,989	1,204,673
School Administration	1,194,070	1,256,752	1,359,026	1,386,686	1,678,728	1,339,609	2,271,932	2,394,816	2,434,687	2,419,779
Central Administrative Services	661,644	933,911	873,885	653,867	720,638	534,170	1,109,333	1,146,524	1,429,273	1,227,405
Operations and Maintenance	2,611,127	2,792,628	2,824,951	2,938,699	2,737,355	3,186,256	2,756,848	3,310,981	3,462,358	3,399,914
Student Transportation	1,821,578	1,805,549	2,172,430	1,950,843	1,484,400	1,965,964	1,665,612	1,572,649	1,615,070	1,881,373
Business and Other Support Services										
Employee Benefits	6,052,178	6,503,776	5,413,181	6,285,671	6,781,472	6,854,988				
<b>Special Schools</b>										
Transfer to Charter Schools	2,852	6,267	22,842	13,057	94,588	149,739				
Capital Outlay	23,950,607	624,932	253,127	449,155	138,430	789,390	207,441	787,583	3,110,577	6,748,440
<b>Debt Service</b>										
Principal	700,000	750,000	800,000	850,000	900,000	950,000	1,142,748	1,493,782	1,658,332	1,945,688
Interest and Other Charges	1,322,303	1,293,303	1,262,303	1,229,303	1,193,740	1,155,584	1,127,311	1,089,891	542,893	1,231,798
Payment to Escrow Agent									736,846	-
Cost of Issuance									604,928	-
<b>Total Governmental Fund Expenditures</b>	<b>56,043,137</b>	<b>34,401,614</b>	<b>34,383,165</b>	<b>36,243,130</b>	<b>35,959,438</b>	<b>38,226,061</b>	<b>37,132,011</b>	<b>39,061,062</b>	<b>44,612,984</b>	<b>48,129,766</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(24,608,535)</b>	<b>(1,081,749)</b>	<b>(184,651)</b>	<b>(447,779)</b>	<b>(519,569)</b>	<b>(2,412,642)</b>	<b>479,261</b>	<b>771,718</b>	<b>(2,939,651)</b>	<b>(4,926,735)</b>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 1,402,669	\$ 389,127	\$ 20,766	\$ 10	\$ 448	\$ 281,073	\$ 1	-	\$ 44,539	\$ 416,843
Transfers out	(1,402,669)	(389,127)	(20,766)	(10)	(448)		(1)	-	(55,975)	(35,000)
Proceeds State Aid Advance Loan							2,214,497			
Proceeds from the Sale of Bonds									30,565,000	-
Premium on Bonds									3,652,727	-
Payments to Refunding Escrow									(23,382,000)	-
Cancellation of Accounts Receivable					(10,240)					
Cancellation of Accounts Payable					9,476					
Capital Leases/Lease Purchase Proceeds		250,000	208,452	163,404		540,558	249,989	\$ 245,454	556,855	-
Total other financing sources (uses)	-	250,000	208,452	163,404	(764)	821,631	2,464,486	245,454	11,381,146	381,843
Net change in fund balances	<u>\$ (24,608,535)</u>	<u>\$ (831,749)</u>	<u>\$ 23,801</u>	<u>\$ (284,375)</u>	<u>\$ (520,333)</u>	<u>\$ (1,591,011)</u>	<u>\$ 2,943,747</u>	<u>\$ 1,017,172</u>	<u>\$ 8,441,495</u>	<u>\$ (4,544,892)</u>
Debt service as a percentage of noncapital expenditures	6.30%	6.05%	6.04%	5.81%	5.85%	5.62%	6.15%	6.75%	5.30%	7.68%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Transfer from Payroll Trust and Agency</u>	<u>E-Rate</u>	<u>Other Misc.</u>	<u>Rebates/ Refunds</u>	<u>Total</u>
2007			\$ 193,292			\$ 19,753	\$ 37,870	\$ 250,915
2008			85,549			18,258	59,557	163,364
2009			10,023			2,746	56,094	68,863
2010			2,888		\$ 78,240	68,845	19,291	169,264
2011			4,676		34,269	160,449		199,394
2012	\$ 50,831		3,219		15,677	31,850		101,577
2013	162,103	\$ 2,561	5,997		65,981	9,915	20,617	267,174
2014	260,002		16,581	\$ 60,367	69,544	101,374	1,668	509,536
2015	213,843		38,043		64,634	248,357		564,877
2016	197,399		90,730		76,982	57,891		423,002



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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 23,822,600	\$ 1,534,921,200		\$ 297,067,700	\$ 123,075,400	\$ 68,441,500	\$ 2,047,328,400	\$ 1,954,197	\$ 2,049,282,597	\$ 2,469,216,942	\$ 1
2008	26,194,300	1,553,311,900		290,844,300	116,621,500	63,267,700	2,050,239,700	1,674,243	2,051,913,943	2,587,919,237	1.354
2009	20,420,400	1,574,061,200		288,186,500	119,348,700	63,267,700	2,065,284,500	1,674,243	2,066,958,743	2,607,177,526	1.334
2010	19,156,000	1,580,256,800		287,015,300	119,348,700	63,267,700	2,069,044,500	2,042,994	2,071,087,494	2,513,582,993	1.402
2011	18,924,000	1,583,522,000		278,337,200	112,838,500	63,267,700	2,056,889,400	1,734,845	2,058,624,245	2,374,358,577	1.437
2012	16,880,100	1,583,487,400		274,953,900	112,063,500	60,905,700	2,048,290,600	1,786,220	2,050,076,820	2,295,775,313	1.500
2013	14,564,100	1,589,876,300		267,590,000	116,242,400	60,905,700	2,049,178,500	96	2,049,178,596	2,162,263,204	1.530
2014	14,055,500	1,584,939,900		264,753,100	115,007,700	72,861,200	2,051,617,400	100	2,051,617,500	2,058,172,110	1.585
2015	12,807,700	1,586,494,000		260,312,600	114,720,800	76,758,700	2,051,093,800	100	2,051,093,900	2,097,262,176	1.657
2016	12,184,900	1,593,960,300		259,987,400	114,105,700	82,130,300	2,062,368,600	99	2,062,368,699	2,105,355,467	1.684

Source: County Abstract of Ratables

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

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Elmwood Park Local School District	Municipality of Elmwood Park	County of Bergen	
2007	\$ 1.256	\$ 0.678	\$ 0.216	\$ 2.150
2008	1.352	0.718	0.232	2.302
2009	1.334	0.758	0.243	2.335
2010	1.402	0.799	0.239	2.440
2011	1.437	0.819	0.236	2.492
2012	1.500	0.845	0.246	2.591
2013	1.530	0.864	0.242	2.636
2014	1.585	0.880	0.234	2.699
2015	1.657	0.881	0.245	2.783
2016	1.684	0.861	0.250	2.795

Source: County Abstract of Ratables

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

Taxpayer	2016		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
East Coast Elmwood Village LLC	\$ 21,580,100	1.05%		
RD Elmwood Associates, L.P.	21,503,500	1.04%	\$ 14,450,900	0.71%
Riverfront Residential	14,000,000	0.68%		
Marcal Manufacturing LLC	13,000,000	0.63%	14,669,500	0.72%
669 River Drive Center Assoc.			9,574,000	0.47%
35 Market Street, L.P.	11,700,000	0.57%	11,700,000	0.57%
Hartz Mtn. Ind. Inc.			9,676,500	0.47%
LKD-1, LLC	11,496,700	0.56%	11,496,700	0.56%
LKD-3, LLC	11,003,900	0.53%	11,003,900	0.54%
PRC-1, LLC	10,954,500	0.53%	8,745,500	0.43%
Bankers Financial Corp	9,467,000	0.46%	9,467,000	0.46%
Elmwood V. Assoc. L.P.			9,107,900	0.44%
SG National, LLC	9,467,000	0.46%		
	<u>\$ 134,172,700</u>	<u>6.51%</u>	<u>\$ 109,891,900</u>	<u>5.36%</u>

Source: Municipal Tax Assessor

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 25,036,360	\$ 25,036,360	100.00%	
2008	26,447,071	26,447,071	100.00%	
2009	27,843,239	27,843,239	100.00%	
2010	28,502,481	28,502,481	100.00%	
2011	29,573,843	29,573,843	100.00%	
2012	29,585,683	29,585,683	100.00%	
2013	30,904,711	30,904,711	100.00%	
2014	31,702,768	31,702,768	100.00%	
2015	33,289,020	33,289,020	100.00%	
2016	34,076,336	34,076,336	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Loans Payable	Capital Leases/Lease- Purchase			
2007	\$ 30,782,000		\$ 69,915	\$ 30,851,915	18,409	\$ 1,676
2008	30,032,000		210,421	30,242,421	18,569	1,629
2009	29,232,000		260,779	29,492,779	18,556	1,589
2010	28,382,000		226,130	28,608,130	18,645	1,534
2011	27,482,000		78,280	27,560,280	19,439	1,418
2012	26,532,000		442,082	26,974,082	19,586	1,377
2013	25,532,000	\$ 2,214,497	549,323	28,295,820	20,033	1,412
2014	24,482,000	1,984,497	580,995	27,047,492	20,138	1,343
2015	30,565,000	1,754,497	809,518	33,129,015	20,279	1,634
2016	29,165,000	1,524,497	493,830	31,183,327	20,279 *	1,538

Source: District records

\* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 30,782,000	-	\$ 30,782,000	1.51%	\$ 1,672
2008	30,032,000	-	30,032,000	1.47%	1,617
2009	29,232,000	-	29,232,000	1.42%	1,575
2010	28,382,000	-	28,382,000	1.37%	1,522
2011	27,482,000	-	27,482,000	1.33%	1,474
2012	26,532,000	-	26,532,000	1.29%	1,423
2013	25,532,000	-	25,532,000	1.25%	1,274
2014	24,482,000	-	24,482,000	1.19%	1,216
2015	30,565,000	-	30,565,000	1.49%	1,507
2016	29,165,000	-	29,165,000	1.41%	1,438

Source: District records

**ELMWOOD PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 29,165,000
Borough of Elmwood Park	<u>20,778,560</u>
Total Direct Debt	<u>49,943,560</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	12,288,296
Passaic Valley Sewerage Commission (B)	<u>5,045,348</u>
Total Overlapping Debt	<u>17,333,644</u>
Total Direct and Overlapping Debt	<u>\$ 67,277,204</u>

Source:

(1) Borough's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis
	2015 \$ 2,078,530,401
	2014 2,082,226,124
	2013 2,038,983,582
	<u>\$ 6,199,740,107</u>
Average equalized valuation of taxable property	<u>\$ 2,066,580,036</u>
Debt limit (4 % of average equalization value)	\$ 82,663,201
Total Net Debt Applicable to Limit	<u>29,165,000</u>
Legal debt margin	<u>\$ 53,498,201</u>

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 88,267,542	\$ 96,763,421	\$ 100,769,518	\$ 101,430,998	\$ 98,851,575	\$ 95,146,742	\$ 90,574,712	\$ 86,218,443	\$ 83,525,942	\$ 82,663,201
Total net debt applicable to limit	<u>30,782,161</u>	<u>30,032,000</u>	<u>29,232,000</u>	<u>28,382,000</u>	<u>27,482,000</u>	<u>23,532,000</u>	<u>25,532,000</u>	<u>34,474,250</u>	<u>30,565,000</u>	<u>29,165,000</u>
Legal debt margin	<u>\$ 57,485,381</u>	<u>\$ 66,731,421</u>	<u>\$ 71,537,518</u>	<u>\$ 73,048,998</u>	<u>\$ 71,369,575</u>	<u>\$ 71,614,742</u>	<u>\$ 65,042,712</u>	<u>\$ 51,744,193</u>	<u>\$ 52,960,942</u>	<u>\$ 53,498,201</u>
Total net debt applicable to the limit as a percentage of debt limit	34.87%	31.04%	29.01%	27.98%	27.80%	24.73%	28.19%	39.98%	36.59%	35.28%

Source: Annual Debt Statements



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

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	18,409	\$ 67,544	4.40%
2008	18,569	67,331	5.70%
2009	18,556	63,874	10.10%
2010	18,645	63,885	8.10%
2011	19,439	67,248	10.20%
2012	19,586	69,281	10.40%
2013	20,033	69,495	6.40%
2014	20,135	73,536	7.10%
2015	20,279	Not Available	6.00%
2016	20,279 *	Not Available	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

\* Estimated

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	187.0	135.0	151.0	164.0	177.0	123.0	123.0	129.0	121.0	126.0
Special Education	47.0	29.0	38.0	40.0	40.0	44.0	54.0	65.0	65.0	65.0
Other Instruction						6.0	6.0	3.5	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services		48.0	46.0	55.0	55.0	59.5	50.5	53.0	56.0	55.3
General administrative Services	1.0	7.0	7.0	7.0	7.0	1.0	1.0	4.0	3.0	3.0
School Administrative Services	11.0	26.0	26.0	26.0	27.0	20.5	20.5	20.0	19.0	19.0
Business Administrative Services	8.5	8.5	8.5	8.5	9.5	9.5	9.5	13.0	11.6	10.6
Plant Operations and Maintenance	24.5	26.5	26.5	24.5	27.0	43.0	50.0	23.5	22.0	23.0
Pupil transportation	3.0	3.0	3.0	3.0	1.0	1.0	1.0	0.7	0.7	0.7
Total	<u>282.0</u>	<u>283.0</u>	<u>306.0</u>	<u>328.0</u>	<u>343.5</u>	<u>307.5</u>	<u>315.5</u>	<u>311.7</u>	<u>300.3</u>	<u>304.6</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior High School	High School				
2007	2,132	\$ 30,070,230	\$ 14,104	7.44%	282	1:19	1:18	1:14	2,132.0	2,025.0	-4.22%	94.98%
2008	2,212	31,733,380	14,346	1.71%	283	1:21	1:18	1:14	2,212.0	2,102.0	3.75%	95.03%
2009	2,308	32,067,735	13,894	-3.15%	306	1:16	1:18	1:14	2,298.0	2,181.0	3.89%	94.91%
2010	2,326	33,714,674	14,495	4.32%	328	1:16	1:18	1:16	2,311.0	2,201.0	0.57%	95.24%
2011	2,473	33,727,268	13,638	-5.91%	307	1:16	1:18	1:16	2,402.0	2,281.0	3.94%	94.96%
2012	2,502	35,331,087	14,121	3.54%	307	1:16	1:18	1:16	2,481.5	2,367.6	3.31%	95.41%
2013	2,544	34,654,511	13,622	-3.53%	316	1:16	1:18	1:16	2,537.0	2,415.0	2.24%	95.19%
2014	2,519	35,689,806	14,168	4.01%	312	1:21	1:18	1:18	2,526.7	2,409.8	0.00%	95.37%
2015	2,541	37,959,408	14,939	9.67%	300	1:14	1:15	1:17	2,530.8	2,422.1	0.00%	95.70%
2016	2,508	38,203,840	15,233	7.51%	305	1:15	1:15	1:13	2,532.5	2,429.0	0.00%	95.91%

Sources: District records

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

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

<b>District Building</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Ganter Elementary School</b>										
Square Feet	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
Enrollment	313	313	313	313	313	313	393	375	354	375
<b>Gilbert Elementary School</b>										
Square Feet	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767
Enrollment	338	338	338	338	338	338	404	409	395	406
<b>16th Avenue School</b>										
Square Feet	63,525	63,525	63,525	63,525	63,525	63,525	63,525	53,525	53,525	53,525
Enrollment	302	302	302	302	302	302	474	462	325	467
<b>High School/Middle School</b>										
Square Feet	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822
Enrollment	1,194	1,194	1,194	1,194	1,194	1,194	1,273	1,273	1,267	1,260

Number of Schools at June 30, 2016  
 Elementary =  
 High/Middle School =

Source: District Records

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>School Facilities</b>										
Memorial/Middle/High School	\$ 387,963	\$ 302,715	\$ 331,086	\$ 402,690	\$ 390,385	\$ 254,008	\$ 182,018	\$ 412,841	\$ 320,628	\$ 317,224
Gantner Avenue Elementary School	71,852	47,230	69,503	152,108	110,108	133,309	95,527	76,460	62,269	57,860
Gilbert Avenue Elementary School	121,848	52,098	92,768	163,660	107,292	113,709	81,482	129,661	60,464	82,414
Sixteenth Avenue Elementary School	120,921	70,948	52,121	157,723	126,686	121,008	86,712	128,675	118,539	95,586
Other Facilities	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 702,584</u>	<u>\$ 472,991</u>	<u>\$ 545,478</u>	<u>\$ 876,181</u>	<u>\$ 734,471</u>	<u>\$ 622,034</u>	<u>\$ 445,739</u>	<u>\$ 747,637</u>	<u>\$ 561,900</u>	<u>\$ 553,084</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -(1)		
Building and Contents (All Locations)	\$ 71,475,598	\$ 5,000
Boiler and Machinery	Included	1,000
EDP Equipment	1,750,000	1,000
Automobile Liability Coverage	16,000,000	1,000
Comprehensive General Liability	16,000,000	
School Leaders Errors & Omissions Liability	16,000,000	10,000
Workers Compensation and Employer's Liability	2,000,000	
Public Employee Dishonest with Faithful Performance	50,000	500
Surety Bonds (2)		
Board Secretary/Business Administrator	300,000	
Treasurer of School Monies	300,000	

(1) New Jersey School Insurance Group

(2) Hartford Fire Insurance Company

Source: District records

Source: School District's records

**SINGLE AUDIT**





# LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Elmwood Park Board of Education's basic financial statements and have issued our report thereon dated October 19, 2016.

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

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Elmwood Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter 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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Elmwood Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 19, 2016.

### **Purpose of this Report**

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

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 19, 2016



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE  
FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Elmwood Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Elmwood Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. The Elmwood Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Elmwood Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Elmwood Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Elmwood Park Board of Education's compliance.

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

In our opinion, the Elmwood Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-0012. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

Management of the Elmwood Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Elmwood Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Elmwood Park Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated October 19, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lerch, Vinci & Higgins, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
October 19, 2016

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2016			Memo GAAP Receivable
						(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																		
Passed-through State Department of Education																		
<u>Enterprise Fund</u>																		
School Breakfast Program	10.553	16161N304N1099	N/A	7/1/15-6/30/16	\$ 33,378					\$ 33,378	\$ 33,378							\$ -
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	35,698	(2,171)				2,171								
National School Lunch Program	10.555	16161N304N1099																
Cash Assistance			N/A	7/1/15-6/30/16	447,153					447,153	447,153							
Cash Assistance			N/A	7/1/14-6/30/15	425,449	(26,192)					26,192							
Non-Cash Assistance (Food Distribution)			N/A	7/1/15-6/30/16	74,580					74,580	68,406					\$ 6,174		
Non-Cash Assistance (Food Distribution)			N/A	7/1/14-6/30/15	58,575		\$ 6,457				6,457							
Total Child Nutrition Cluster/Enterprise Fund					(28,363)	6,457				583,474	555,394					6,174		
<u>Special Revenue Fund</u>																		
NCLB																		
Title I	84.010A	S010A150030	NCLB031345-16	7/1/15-6/30/16	656,202			\$ 28,263	\$ (28,263)	554,628	649,457			\$ (129,837)	35,008			\$ (94,829)
Title I	84.010A		NCLB031345-15	7/1/14-6/30/15	636,153	(183,612)	65,311		(28,263)	155,349	37,048							
Total NCLB Title I					(183,612)	65,311				709,977	686,505					(129,837)	35,008	(94,829)
Title II, Part A	84.367A	S367B150029	NCLB031345-16	7/1/15-6/30/16	59,137			23,327	(23,327)	48,095	71,563				(34,369)	10,901		(23,468)
Title II, Part A	84.367A		NCLB031345-15	7/1/14-6/30/15	60,420	(45,533)	23,325		(23,327)	22,208								
Title II, Part A	84.367A		NCLB031345-12	9/1/11-8/31/12	69,739	(8,768)							\$ 8,768					
Total NCLB Title II, Part A					(54,301)	23,325				70,303	71,563	8,768			(34,369)	10,901		(23,468)
Title III	84.365A	S365A150030	NLB031345-16	7/1/15-6/30/16	19,735			137	(137)	5,640	5,106				(14,232)	14,766		
Title III	84.365A		NLB031345-15	7/1/14-6/30/15	30,436	(32,639)	10,683		(137)	32,502	10,515		(31)					
Total NCLB Title III					(32,639)	10,683				38,142	15,621	(31)			(14,232)	14,766		
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA-1345-16	7/1/15-6/30/16	649,189			6,153	(6,153)	624,177	641,600				(31,165)	13,742		(17,423)
I.D.E.A. Part B, Basic Regular	84.027		IDEA-1345-15	7/1/14-6/30/15	613,692	(42,808)	6,153		(6,153)	36,655								
I.D.E.A. Part B, Preschool	84.173	H027A150100	IDEA-1345-16	7/1/15-6/30/16	22,152			21,293	(21,293)	38,109	38,109				(5,336)	5,336		
I.D.E.A. Part B, Preschool	84.173		IDEA-1345-15	7/1/14-6/30/15	21,293	(21,293)	21,293		(21,293)									
Total Special Education Cluster IDEA					(64,101)	27,446				698,941	679,709				(36,501)	19,078		(17,423)
Race to the Top		N/A	N/A	9/1/11-11/30/15	38,468	(26,313)	2,118			24,195					(2,118)	2,118		
Total Special Revenue Fund					(360,966)	128,883				1,541,558	1,453,398	8,737			(217,057)	81,871		(135,720)
<b>U.S. Department of Health and Human Services</b>																		
<u>General Fund</u>																		
Medical Assistance Program	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	74,955					74,955	74,955							
Total General Fund										74,955	74,955							
Total Federal Awards					\$ (389,329)	\$ 135,340	\$ -	\$ -	\$ -	\$ 2,199,987	\$ 2,083,747	\$ 8,737	\$ -	\$ (217,057)	\$ 88,045	\$ -	\$ (135,720)	

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

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>Current Expense:</b>												
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 687,826		\$ 655,994	\$ 687,826		\$ (31,832)				\$ 687,826
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	687,826	(26,998)	26,998							
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	500,000		476,860	500,000		(23,140)				500,000
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	500,000	(19,624)	19,624							
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,525,984		1,453,362	1,525,984		(70,622)				1,525,984
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,525,984	(59,895)	59,895							
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	174,935		166,839	174,935		(8,096)				174,935
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	174,935	(6,866)	6,866							
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	26,780		25,541	26,780		(1,239)				26,780
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	26,780	(1,051)	1,051							
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	26,780		25,541	26,780		(1,239)				26,780
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	26,780	(1,051)	1,051							
<b>Total State Aid Public Cluster</b>			<b>5,884,610</b>	<b>(115,485)</b>	<b>2,921,622</b>	<b>2,942,305</b>	<b>-</b>	<b>(136,168)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,942,305</b>
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	118,200		112,730	118,200		(5,470)				118,200
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	118,200	(4,639)	4,639							
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	319,804		319,804	319,804		(319,804)				319,804
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	516,917	(516,917)	516,917							
Nonpublic Transportation Aid	N/A	7/1/15-6/30/16	23,175,000			23,175		(23,175)			\$ (23,175)	23,175
Nonpublic Transportation Aid	N/A	7/1/14-6/30/15	23,976	(23,976)	23,976							
<b>On Behalf Payments</b>												
TPAF Social Security	16-495-034-5094-003	7/1/15-6/30/16	928,248		881,613	928,248		(46,635)			(46,635)	928,248
TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	896,649	(44,734)	44,734							
TPAF Pension and OPEB												
Pension - NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	44,053		44,053	44,053						44,053
Pension Benefit Contribution	16-495-034-5094-002	7/1/15-6/30/16	884,346		884,346	884,346						884,346
Post Retirement Medical Benefit Contribution	16-495-034-5094-001	7/1/15-6/30/16	1,105,487		1,105,487	1,105,487						1,105,487
<b>Total General Fund</b>				<b>(705,751)</b>	<b>6,540,117</b>	<b>6,365,618</b>	<b>-</b>	<b>(531,252)</b>	<b>-</b>	<b>-</b>	<b>(69,810)</b>	<b>6,365,618</b>
<b>Special Revenue:</b>												
<b>Auxiliary Services Chpt 192:</b>												
Compensatory Education	16-100-034-5120-067	7/1/14-6/30/16	101,100		101,100	99,493				\$ 1,607		99,493
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	105,346	2,956			\$ 2,956					
English as a Second Language	16-100-034-5120-067	7/1/14-6/30/16	13,804		13,804	10,267					3,537	10,267
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	16,443	5,481			5,481					
Transportation	16-100-034-5120-067	7/1/14-6/30/16	26,350		26,350	26,350						26,350
<b>Total Auxiliary Services (Chpt 192) Cluster</b>				<b>8,437</b>	<b>141,254</b>	<b>136,110</b>	<b>8,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,144</b>	<b>136,110</b>
<b>Handicapped Services Chpt 193:</b>												
Examination and Classification	16-100-034-5120-066	7/1/14-6/30/16	23,015		23,015	16,029					6,986	16,029
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	25,404	2,528			2,528					
Corrective Speech	16-100-034-5120-066	7/1/14-6/30/16	39,295		39,295	30,934					8,361	30,934
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	43,026	14,047			14,047					
Supplemental Instruction	16-100-034-5120-066	7/1/14-6/30/16	20,792		20,792	18,416					2,376	18,416
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	23,148	3,374			3,374					
<b>Total Handicapped Services (Chpt 193) Cluster</b>				<b>19,949</b>	<b>83,102</b>	<b>65,379</b>	<b>19,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,723</b>	<b>65,379</b>
<b>New Jersey Nonpublic Aid:</b>												
Textbook Aid	16-100-034-5120-064	7/1/14-6/30/16	11,877		11,877	11,877						11,877
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	12,810	292			292					
Nursing Services	16-100-034-5120-070	7/1/14-6/30/16	18,720		18,720	18,149					571	18,149
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	20,393	616			616					
Nonpublic Technology	16-100-034-5120-373	7/1/14-6/30/16	5,408		5,408	4,959					449	4,959
Nonpublic Technology	15-100-034-5120-373	7/1/14-6/30/15	6,880	33			33					
Nonpublic Security	16-100-034-5120-084	7/1/14-6/30/16	5,200		5,200	5,200						5,200
<b>Total Special Revenue Fund</b>				<b>29,327</b>	<b>265,561</b>	<b>241,674</b>	<b>29,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,887</b>	<b>241,674</b>

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo		
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Agriculture</b>													
Food Service:													
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	\$ 10,843		\$ 10,843	\$ 10,843							\$ 10,843
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	10,622	\$ (988)	988	-	-	-	-	-	-	-	-
<b>Total Food Service Fund</b>				<u>(988)</u>	<u>11,831</u>	<u>10,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,843</u>
Debt Service Fund													
Type II Debt Service Aid	16-495-034-5120-075	7/1/15-6/30/16	315,150	-	315,150	315,150	-	-	-	-	-	-	315,150
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<u>(677,412)</u>	<u>7,132,659</u>	<u>6,933,285</u>	<u>\$ 29,327</u>	<u>\$ (531,252)</u>	<u>-</u>	<u>\$ 23,887</u>	<u>\$ (69,810)</u>	<u>6,933,285</u>	
<b>State Financial Assistance Not Subject to Single Audit Determination</b>													
General Fund													
On-Behalf TPAF Pension System Contributions-NCGI	16-100-034-5094-004	7/1/15-6/30/16	44,053		(44,053)	(44,053)							(44,053)
On-Behalf TPAF Pension System Contributions- Normal	16-100-034-5094-002	7/1/15-6/30/16	884,346	-	(884,346)	(884,346)							(884,346)
On-Behalf TPAF Post-Retirement Medical Contribution	16-100-034-5094-001	7/1/15-6/30/16	1,105,487	-	(1,105,487)	(1,105,487)							(1,105,487)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<u>\$ (677,412)</u>	<u>\$ 5,098,773</u>	<u>\$ 4,899,399</u>	<u>\$ 29,327</u>	<u>\$ (531,252)</u>	<u>\$ -</u>	<u>\$ 23,887</u>	<u>\$ (69,810)</u>	<u>\$ 4,899,399</u>	



**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$175,599 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 74,955	\$ 6,541,197	\$ 6,616,152
Special Revenue Fund	1,453,398	241,674	1,695,072
Debt Service Fund		315,150	315,150
Food Service Fund	<u>555,394</u>	<u>10,843</u>	<u>566,237</u>
Total Financial Assistance	<u>\$ 2,083,747</u>	<u>\$ 7,108,864</u>	<u>\$ 9,192,611</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$928,248 represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$928,399 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,105,467 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions as well as on-behalf School Development Authority Educational Facility Construction and Financing Act Program payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 STATE LOAN OUTSTANDING**

The District’s state loan outstanding at June 30, 2016, which is not required to be reported on the schedule of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
State Aid Advance Loan	100-034-5120-489	<u>\$1,524,497</u>

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?            yes   X   no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section 516(a) of Circular U.S. Uniform Guidance   X   yes            no

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:            \$   750,000  

Auditee qualified as low-risk auditee?            yes   X   no



**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraph 5.18 of *Government Auditing Standards*.

There are none.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2016-001**

Review of the current year capital assets acquired utilizing Title I funds, revealed that equipment purchased with Title I Funds were not identified as Title I funded equipment on the capital asset accounting records.

**Federal Program Information**

Title I	84.010A
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**Criteria or Specific Requirement**

Federal Grant Compliance Supplement

**Condition**

Equipment acquired utilizing NCLB Title I funds were not specifically identified as Title I funded equipment on the capital asset report.

**Questioned Costs**

\$77,000 of equipment additions were noted on the capital asset report.

**Context**

See finding condition and questioned costs.

**Effect**

Equipment purchased with Title I funds are not properly identified as capital assets acquired thru Federal funding in the District's capital asset accounting records.

**Cause**

Unknown.

**Recommendation**

Equipment purchased utilizing Title I funds be specifically identified as Title I funded equipment on the capital asset accounting records.

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-002:**

**Finding** – Our review of the ASSA, workpapers, and class registers revealed the following:

- Several offsetting discrepancies were noted in on-roll enrollment categories between the number of students reported as full-time and shared time on the ASSA and the District workpapers. We also noted differences between students reported on District workpapers and class registers for on-roll enrollment categories.
- Several discrepancies were noted in the reporting of low income students on the ASSA. The testing of low income students found that documentation on file did not support eligibility of students reported as LEP low income and students reported as IEP not low income.

**State Program Information:**

Equalization Aid	16-495-034-5120-078
Security Aid	16-495-034-5120-084
Special Education Aid	16-495-034-5120-089
Under Adequacy Aid	16-495-034-5120-096
Per Pupil Growth Aid	16-495-034-5120-097
PARCC Readiness Aid	16-495-034-5120-098

**Criteria or Specific Requirement:**

State Grant Compliance Supplement-State Aid-Public

**Condition:**

District workpapers and documentation provided did not support the student counts reported on the October 15, 2015 ASSA in certain instances.

**Questioned Costs:**

None.

**Context:**

See Finding 2016-002.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2016-002 (Continued)**

**Effect:**

Non compliance with the State Aid Public Compliance Supplement.

**Recommendation:**

Continued efforts be made to ensure the reporting of information on the Application for State School Aid (ASSA) is in agreement with District workpapers and supporting documentation for student counts reported on the ASSA.

**Views of Responsible Officials and Planned Corrective Action Plan:**

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



**ELMWOOD PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**Finding 2015-001**

**Condition:**

Certain liabilities and encumbrances were determined to either not have been recorded or recorded for the incorrect amount at June 30, 2016. In addition, certain purchase orders classified as accounts payable at year end were deemed invalid.

**Current Status**

Corrective action has been taken.

**Finding 2015-002**

**Condition:**

Certain purchase orders classified as accounts payable at year end were determined to be invalid as they were for goods and services received after the grant period ended.

**Current Status**

Corrective action has been taken.

**Finding 2015-003**

**Condition:**

District workpapers and documentation provided did not support the student counts reported on the October 15, 2014 ASSA in certain instances.

**Current Status**

Partial corrective action has been taken. See Finding 2016-002.