

**MAYWOOD BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**MAYWOOD, NEW JERSEY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Maywood Board of Education**

**Maywood, New Jersey**

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

**Prepared by**

**Business Office**

**MAYWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials	v
Consultants and Advisors	vi

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis	4-15
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	16
A-2 Statement of Activities	17

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	18-19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	21

*Proprietary Funds*

B-4 Statement of Net Position	22
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	23
B-6 Statement of Cash Flows	24

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26

<b>Notes to the Financial Statements</b>	27-59
--	-------

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1 Budgetary Comparison Schedule – General Fund	60-65
C-2 Budgetary Comparison Schedule – Special Revenue Fund	66

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

C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	67
--	----

**MAYWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	68
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	69
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	70
Notes to Required Supplementary Information	71
 <b>D. School Level Schedules (Not Applicable)</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	72
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis – Not Applicable	73
 <b>F. Capital Projects Fund</b>	
F-1 Summary Schedule of Project Expenditures	74
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	75
F-2a Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Maywood Ave. School – Upgrade to Front Stairs and Replacement Wall at Northeast End of School Adjacent to the Baseball Diamond	76
 <b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Schedule of Net Position- N/A	77
G-2 Combining Schedule of Revenues, Expenses and Changes in Net Position – N/A	77
G-3 Combining Schedule of Cash Flows – N/A	77
 <i>Internal Service Fund</i>	
G-4 Combining Schedule of Net Position - N/A	78
G-5 Combining Schedule of Revenues, Expenses and Changes in Net Position – N/A	78
G-6 Combining Schedule of Cash Flows – N/A	78
 <b>H. Fiduciary Funds</b>	
H-1 Combining Schedule Agency Net Position	79
H-2 Schedule of Changes in Fiduciary Net Position - N/A	80
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	81
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	81

**MAYWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II (Continued)</b>		
<b>I.</b>	<b>Long-Term Debt</b>	
I-1	Schedule of Serial Bonds	82
I-2	Schedule of Obligations under Lease Purchase Agreements	83
I-3	Debt Service Fund Budgetary Comparison Schedule	84
I-4	Schedule of School Loans – Not Applicable	85
<b>J.</b>	<b>STATISTICAL SECTION (Unaudited)</b>	
J-1	Net Assets by Component	86
J-2	Changes in Net Position	87-88
J-3	Fund Balances – Governmental Funds	89
J-4	Changes in Fund Balances - Governmental Funds	90-91
J-5	General Fund Other Local Revenue by Source	92
J-6	Assessed Value and Actual Value of Taxable Property	93
J-7	Property Tax Rates	94
J-8	Principal Property Taxpayers	95
J-9	Property Tax Levies and Collections	96
J-10	Ratios of Outstanding Debt by Type	97
J-11	Ratios of Net General Bonded Debt Outstanding	98
J-12	Computation of Direct and Overlapping Debt	99
J-13	Legal Debt Margin Information	100
J-14	Demographic Statistics	101
J-15	Principal Employers	102
J-16	Full-Time Equivalent District Employees by Function/Program	103
J-17	Operating Statistics	104
J-18	School Building Information	105
J-19	Schedule of Required Maintenance for School Facilities	106
J-20	Schedule of Insurance	107
<b>K.</b>	<b>SINGLE AUDIT SECTION</b>	
K-1	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	108-109
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor's Report	110-112
K-3	Schedule of Expenditures of Federal Awards	113
K-4	Schedule of Expenditures of State Financial Assistance	114
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	115-116
K-6	Schedule of Findings and Questioned Costs	117-120
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs	121

**INTRODUCTORY SECTION**

**MAYWOOD BOARD OF EDUCATION**  
452 Maywood Avenue  
Maywood, NJ 07607

**Jennifer Pfohl**  
**School Business Administrator/  
Board Secretary**

**Phone (201)843-4598**  
**Fax (201)843-2744**

October 14, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Maywood School District 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States and Local Governments, and Non-Profit Organizations", and the same New Jersey OMB 15-08 Circular, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** Maywood School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Maywood Board of Education and both of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped youngsters. The District completed the 2015/2016 fiscal year with an average daily enrollment of 967 students, which is an increase of 21 students over the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	967	2.22%
2014-2015	945	-2.10%
2013-2014	965	1.26 %
2012-2013	953	4.27 %
2011-2012	914	(1.40%)
2010-2011	927	(.43%)
2009-2010	931	2.65%
2008-2009	907	7.34 %
2007- 2008	845	(1.5%)
2006- 2007	858	5.54%

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES:** The district seeks to achieve multiple initiatives in this school year and beyond. The major initiatives that will be of great focus are that of curriculum enhancement, technology infusion, teacher evaluation systems, professional development, and shared services. The curriculum enhancements will encompass the transition to the New Jersey Student learning Standards and the Next Generation Science Standards at the middle school level as well as the technology upgrades and new program implementations that come with the shift including Edmentum, MyHRW and Thinkcentral digital platforms. The district will continue in its relationship with the shared curriculum consortium with the three sending districts and the receiving high school district as well as its work with the Region 5 Consortium of Schools. All curriculum related materials, revisions and sequencing will be fully articulated between and amongst the districts as a whole. Chromebooks will be used to increase our technology base and its relationship to the new generation of assessments while all classrooms at the elementary school will now contain smartboards for teacher and student usage. The professional development component deals with the continuation of Maywood's involvement in the newly created Bergen County Curriculum Consortium as well as the Northern Valley Curriculum Consortium in line with its involvement and participation in the Region V consortium for special education and related services. Class size and staffing components will also be addressed based on demographic figures as well as new hires precipitated by the retirements as section counts have increased at both district school buildings. The technology implementation is an educational based need for 21st century learning as well as a necessity for capacity readiness for PARCC. The use of chromebooks and smartboards have been quite successful and curriculum focused for all grade levels. Lastly, the District will conclude its ESIP project with the infusion of new boilers and LED lighting systems at both buildings while also maintaining shared services relationships with other districts in the areas of curriculum coordination and business services.

**INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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



**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund.

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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

**ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Government 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" Note 1.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. 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 Government Units from a 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.

**RISK MANAGEMENT:** The Board carried 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.

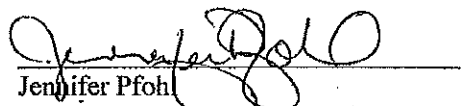
**OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountant or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP's was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

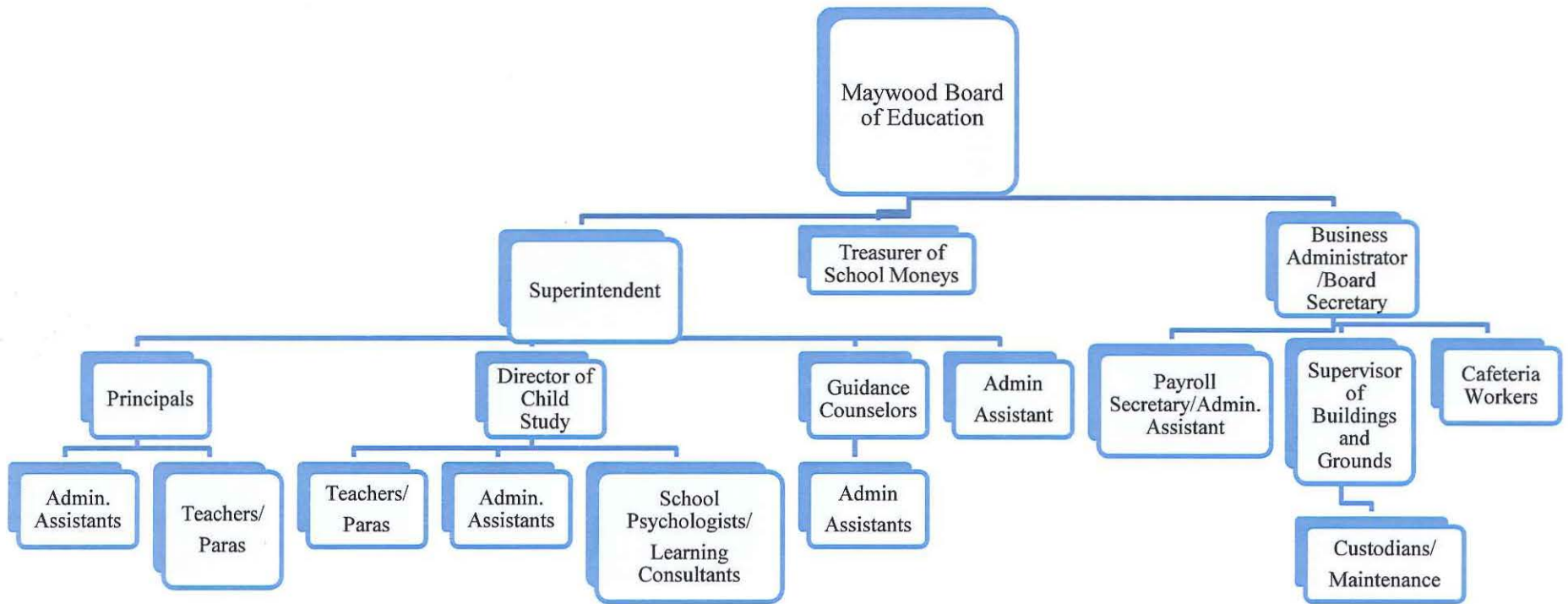
Respectfully submitted,



Michael Jordan  
Superintendent

  
Jennifer Pfohl  
Board Secretary/Business Administrator

# Organizational Chart



**MAYWOOD BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
KEVIN TAYLOR, PRESIDENT	2018
JULIO BENDEZU, VICE PRESIDENT	2018
FRANK CILENTO	2016
SANTO CALABRO	2016
GINA-MARIE KIELY	2017
DANIELLE CICARELLI	2017
LYNN WIEBE	2018

**OTHER OFFICIALS**

MICHAEL JORDAN, SUPERINTENDENT OF SCHOOLS

JENNIFER PFOHL, BUSINESS ADMINISTRATOR/BOARD SECRETARY

CHARLEY HANGLEY, TREASURER OF SCHOOL MONIES

**MAYWOOD BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Lan Associates  
445 Godwin Avenue  
Midland Park, NJ 07432**

**AUDIT FIRM**

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

**ATTORNEY**

**Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410**

**OFFICIAL DEPOSITORY**

**TD Bank  
560 Maywood Ave.  
Maywood, NJ 07607**

**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  
Maywood Board of Education  
Maywood, 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 Maywood 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 Maywood 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*

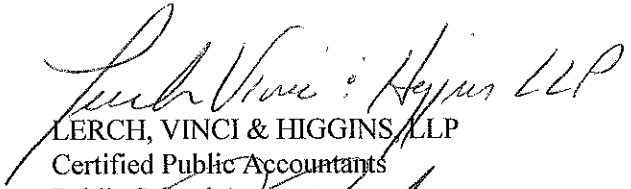
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maywood Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 Maywood Board of Education.

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

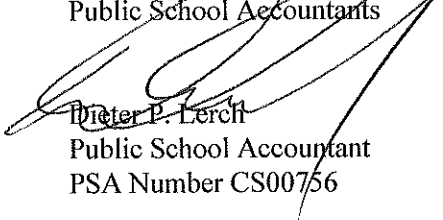
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2016 on our consideration of the Maywood 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 Maywood Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 14, 2016



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MAYWOOD BOARD OF EDUCATION**

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

This section of Maywood School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

#### **FINANCIAL HIGHLIGHTS**

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

The district wide assets and deferred outflows of resources of the Maywood School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,818,446 (net position).

Overall governmental activities revenues were \$23,274,788, which were \$275,869 more than expenses. General revenues of \$18,419,442 accounted for 79 percent of total revenues.

As of the close of the current fiscal year, the District's governmental funds reported combining ending fund balances of \$3,425,077. Of this amount, \$288,802 is available for spending at the District's discretion (unassigned fund balance) in the General Fund.

#### **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.

MAYWOOD BOARD OF EDUCATION

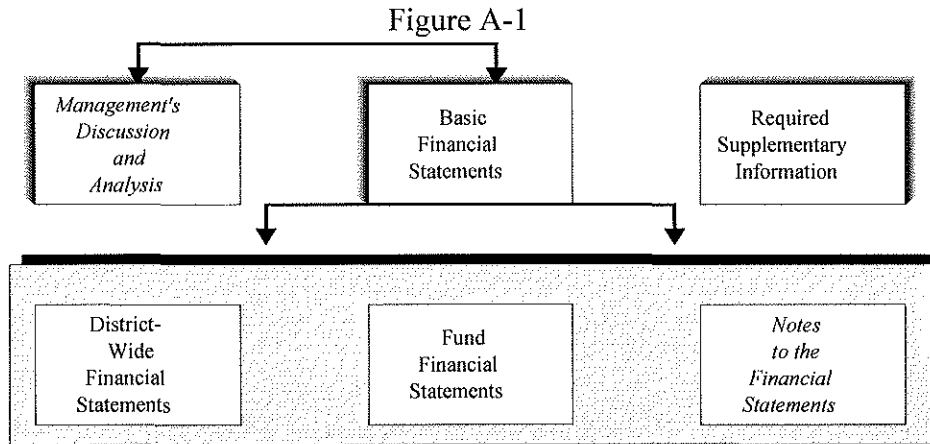
Management Discussion and Analysis (Continued)  
Fiscal Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- 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 financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 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.



Summary-----Details

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2016

### 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 they have changed. Net position- the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Governmental Fund	Financial Proprietary Funds	Statements 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 unemployment, student activities, and payroll deduction.
Required Financial Statements	Statements of net position Statements of activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net position Statement of revenues, expenses, and changes in fund net position, Statement of cash flows	Statements of Fiduciary net position, Statement of changes in fiduciary net position.
Accounting basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term. 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.

## MAYWOOD BOARD OF EDUCATION

### Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2016

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

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

In the district-wide financial statements the District's activities are shown in one category:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration and support services, which are supported by Local property taxes and State and Federal aid.

#### **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.
- The District establishes other funds in accordance with the State of New Jersey Uniform Chart of Accounts 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 assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

## MAYWOOD BOARD OF EDUCATION

### Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2016

- 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 one enterprise fund for its food service (cafeteria) program.

Internal Service Funds – This fund is established to account for activities that provide services primarily for the District's other programs and activities. The District currently uses an internal service fund to account for occupational and physical therapy services provided to out-of-district students and the reimbursements from the respective local education agencies. Since these services benefit governmental rather than business-type functions,, they have been included in governmental activities in the district-wide financial statements.

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

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The Statement of Net Position provides one perspective of the District as a whole.

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2016**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)**

Table 1 provides a summary of the District's net position as of June 30, 2016 and 2015.

The District's combined net position were \$4,818,446 and \$4,548,219 on June 30, 2016 and 2015, respectively.

**Table 1  
Statement of Net Position  
As of June 30, 2016 and 2015**

	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and Other Assets	\$ 4,220,082	\$ 2,578,937	\$ 57,684	\$ 62,438	\$ 4,277,766	\$ 2,641,375
Capital Assets	<u>16,926,801</u>	<u>16,333,596</u>	<u>2,640</u>	<u>3,828</u>	<u>16,929,441</u>	<u>16,337,424</u>
<b>Total Assets</b>	<u>21,146,883</u>	<u>18,912,533</u>	<u>60,324</u>	<u>66,266</u>	<u>21,207,207</u>	<u>18,978,799</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	503,421	558,478			503,421	558,478
Deferred Amounts on Net Pension Liability	<u>444,940</u>	<u>87,895</u>	<u>-</u>	<u>-</u>	<u>444,940</u>	<u>87,895</u>
<b>Total Deferred Outflows of Resources</b>	<u>948,361</u>	<u>646,373</u>	<u>-</u>	<u>-</u>	<u>948,361</u>	<u>646,373</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>22,095,244</u>	<u>19,558,906</u>	<u>60,324</u>	<u>66,266</u>	<u>22,155,568</u>	<u>19,625,172</u>
Noncurrent Liabilities	16,100,078	13,778,968			16,100,078	13,778,968
Other Liabilities	<u>937,988</u>	<u>833,154</u>	<u>8,960</u>	<u>8,422</u>	<u>946,948</u>	<u>841,576</u>
<b>Total Liabilities</b>	<u>17,038,066</u>	<u>14,612,122</u>	<u>8,960</u>	<u>8,422</u>	<u>17,047,026</u>	<u>14,620,544</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	288,767	454,242			288,767	
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>1,329</u>	<u>2,167</u>	<u>1,329</u>	<u>2,167</u>
<b>Total Deferred Inflows of Resources</b>	<u>288,767</u>	<u>454,242</u>	<u>1,329</u>	<u>2,167</u>	<u>290,096</u>	<u>2,167</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>17,326,833</u>	<u>15,066,364</u>	<u>10,289</u>	<u>10,589</u>	<u>17,337,122</u>	<u>14,622,711</u>
Net Position						
Net investment in capital assets	6,274,515	6,264,674	2,640	3,828	6,277,155	6,268,502
Restricted	248,994	98,994			248,994	98,994
Unrestricted	<u>(1,755,098)</u>	<u>(1,871,126)</u>	<u>47,395</u>	<u>51,849</u>	<u>(1,707,703)</u>	<u>(1,819,277)</u>
<b>Total Net Position</b>	<u>\$ 4,768,411</u>	<u>\$ 4,492,542</u>	<u>\$ 50,035</u>	<u>\$ 55,677</u>	<u>\$ 4,818,446</u>	<u>\$ 4,548,219</u>

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2016

Table 2 shows changes in net position for fiscal years 2016 and 2015.

**Table 2  
Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 246,424	\$ 193,064	\$ 199,132	\$ 190,305	\$ 445,556	\$ 383,369
Operating Grants and Contributions	4,608,922	3,912,996	96,565	111,134	4,705,487	4,024,130
General Revenues						
Local Taxes	17,898,301	17,217,381			17,898,301	17,217,381
State Aid - Unrestricted	348,064	404,408			348,064	404,408
Other	173,077	107,569	-	-	173,077	107,569
<b>Total Revenues</b>	<b><u>23,274,788</u></b>	<b><u>21,835,418</u></b>	<b><u>295,697</u></b>	<b><u>301,439</u></b>	<b><u>23,570,485</u></b>	<b><u>22,136,857</u></b>
<b>Expenses</b>						
Instruction						
Regular Education	11,112,674	10,693,070			11,112,674	10,693,070
Special Education	5,107,862	4,551,240			5,107,862	4,551,240
Other Instruction	506,521	502,848			506,521	502,848
School Sponsored Activities	87,632	87,485			87,632	87,485
Community Services	6,549	6,209			6,549	6,209
Support Services						
School Administrative Services	570,507	514,773			570,507	514,773
Student & Inst. Related Svcs.	1,668,171	1,986,708			1,668,171	1,986,708
Support Services - General Administration	521,160	541,477			521,160	541,477
Plant Operations and Maintenance	1,959,383	1,841,985			1,959,383	1,841,985
Pupil Transportation	557,414	479,424			557,414	479,424
Central Services	541,772	402,566			541,772	402,566
Interest and Other Charges on Debt	359,274	358,390			359,274	358,390
Food Service	-	-	301,339	309,291	301,339	309,291
<b>Total Expenses</b>	<b><u>22,998,919</u></b>	<b><u>21,966,175</u></b>	<b><u>301,339</u></b>	<b><u>309,291</u></b>	<b><u>23,300,258</u></b>	<b><u>22,275,466</u></b>
<b>Change in Net Position</b>	<b>275,869</b>	<b>(130,757)</b>	<b>(5,642)</b>	<b>(7,852)</b>	<b>270,227</b>	<b>(138,609)</b>
Beginning of Year, Net Position	<u>4,492,542</u>	<u>4,623,299</u>	<u>55,677</u>	<u>63,529</u>	<u>4,548,219</u>	<u>4,686,828</u>
<b>End of Year, Net Position</b>	<b><u>\$ 4,768,411</u></b>	<b><u>\$ 4,492,542</u></b>	<b><u>\$ 50,035</u></b>	<b><u>\$ 55,677</u></b>	<b><u>\$ 4,818,446</u></b>	<b><u>\$ 4,548,219</u></b>



**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2016**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 77 percent of revenues for governmental activities for the Maywood School District in fiscal year 2016. The District's total governmental revenues were \$23,274,788 for the fiscal year ended June 30, 2016. Federal, state, and local grants accounted for another 21 percent of revenue. The total cost of all programs and services was \$22,998,919. Instruction comprises 23 percent of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal reimbursements.

Food Service Program

- Food service expenses exceeded revenues by \$5,642.
- Charges for services represent 67 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction	\$ 16,821,238	\$ 15,840,852	\$ 12,695,324	\$ 12,563,610
Support Services:				
Pupils and Instructional Staff	1,668,171	1,986,708	1,307,367	1,435,808
General Admin. & School Admin.				
Business Operation and Maintenance of Facilities	3,592,822	3,300,801	3,282,969	3,088,285
Pupil Transportation	557,414	479,424	498,639	414,022
Interest and Fiscal Charges	359,274	358,390	359,274	358,390
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	\$ 22,998,919	\$ 21,966,175	\$ 18,143,573	\$ 17,860,115

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2016**

**Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,500,688 and expenditures were \$22,316,561. The District also had total other financing sources of \$2,374,921 which was the result of the lease purchase proceeds for the District's energy saving incentive project (ESIP).

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2016 and 2015.

<u>Revenue</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase/</u> <u>(Decrease)</u>
	<u>2016</u>	<u>2015</u>		
Local Sources	\$ 18,266,546	\$ 17,468,395	\$ 798,151	5%
State Sources	2,806,894	2,589,177	217,717	8%
Federal Sources	<u>427,248</u>	<u>420,021</u>	<u>7,227</u>	2%
 Total	 <u>\$ 21,500,688</u>	 <u>\$ 20,477,593</u>	 <u>\$ 1,023,095</u>	 5%

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2016**

**The District's Funds (Continued)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal years ended June 30, 2016 and 2015.

<u>Expenditure</u>	<u>Amount</u>		<u>Amount of Increase/ (Decrease)</u>	<u>Percent Increase/ (Decrease)</u>
	<u>2016</u>	<u>2015</u>		
Current:				
Instruction	\$ 15,459,159	\$ 14,726,700	\$ 732,459	5%
Undistributed Expenses	4,896,838	4,912,096	(15,258)	0%
Capital Outlay	1,144,250	98,339	1,045,911	1064%
Debt Service:				
Cost of Issuance of Refunding Bonds		77,284		-100%
Principal	491,852	456,147	35,705	8%
Interest	324,462	364,857	(40,395)	-11%
 Total	 <u>\$ 22,316,561</u>	 <u>\$ 20,635,423</u>	 <u>\$ 1,681,138</u>	 8%

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to prevent over expenditures in specific line item accounts. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Special education costs increased significantly for occupational and physical therapy and Applied Behavioral Analysis.
- Property, liability, and medical insurances were renewed at higher rates than budgeted. This represents a national trend in all major areas of the insurance industry.

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2016**

**General Fund Budgeting Highlights (Continued)**

- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

**Capital Assets**

At the end of fiscal year 2016, the District's Governmental Activities had \$16,926,801 (net) invested in land, construction in progress, buildings, furniture, equipment and vehicles. Table 4 shows fiscal year 2016 balances compared to 2015.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u>2016</u>	<u>2015</u>
Land	\$ 15,522	\$ 15,522
Construction in Progress	1,063,193	
Building and Building Improvements	15,753,980	16,232,032
Machinery and Equipment	<u>94,106</u>	<u>86,042</u>
Total	<u>\$ 16,926,801</u>	<u>\$ 16,333,596</u>

Overall capital assets decreased by \$593,205 from fiscal year 2015 to fiscal year 2016. The decrease is attributable to the net effect of the depreciation of building and building improvements and machinery and equipment and acquisition of capital assets.

Additional information about the district's capital assets can be found in the notes of this report.

**Debt Administration**

At June 30, 2016, the District had long-term debt and outstanding long-term liabilities in the amount of \$16,100,078. These liabilities include bonds payable and compensated absences payable.

**Table 5  
Outstanding Debt at June 30**

	<u>2016</u>	<u>2015</u>
Bonds Payable	\$ 9,998,712	\$ 10,501,694
Capital Leases Payable	93,854	125,706
Lease Purchase Agreements	2,374,921	
Compensated Absences Payable	275,203	356,395
Net Pension Liability	<u>3,357,388</u>	<u>2,795,173</u>
	<u>\$ 16,100,078</u>	<u>\$ 13,778,968</u>

Additional information about the district's long-term debt can be found in the notes of the report.

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2016**

#### **For the Future**

The district will continue enhancing curriculum in line with current NJ Learning Standards and Science Standards. This will be achieved through continued participation in the tri-district curriculum consortium, as well as the Region V Consortium and Northern Valley Consortium.

Maywood will continue its focus on technology, through further investment in Chromebook and Smartboard technology and online learning tools.

The district will further explore revenue-generating opportunities and cost-savings measures, with particular focus on potential areas for shared-service agreement and development of programs designed to educate students with multiple needs.

#### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, 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, Maywood Board of Education, 452 Maywood Avenue, Maywood, New Jersey 07607.

**FINANCIAL STATEMENTS**

**MAYWOOD 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	\$ 2,588,710	\$ 21,622	\$ 2,610,332
Restricted Cash Equivalents with Fiscal Agent	1,562,997		1,562,997
Receivables, net			
Receivables from Other Governments	82,653	15,430	98,083
Internal Balances	(16,925)	16,925	
Other	2,647		2,647
Inventory		3,707	3,707
Capital Assets, Not Being Depreciated	1,078,715		1,078,715
Capital Assets, Being Depreciated	15,848,086	2,640	15,850,726
	<u>21,146,883</u>	<u>60,324</u>	<u>21,207,207</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	503,421		503,421
Deferred Amounts on Net Pension Liability	444,940	-	444,940
	<u>948,361</u>	<u>-</u>	<u>948,361</u>
Total Deferred Outflows of Resources	<u>948,361</u>	<u>-</u>	<u>948,361</u>
Total Assets and Deferred Outflows of Resources	<u>22,095,244</u>	<u>60,324</u>	<u>22,155,568</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	793,755	8,960	802,715
Unearned Revenue	1,250		1,250
Accrued Interest Payable	142,983		142,983
Noncurrent Liabilities			
Due Within One Year	560,830		560,830
Due Beyond One Year	15,539,248		15,539,248
	<u>17,038,066</u>	<u>8,960</u>	<u>17,047,026</u>
Total Liabilities	<u>17,038,066</u>	<u>8,960</u>	<u>17,047,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	288,767		288,767
Deferred Commodities Revenue	-	1,329	1,329
	<u>288,767</u>	<u>1,329</u>	<u>290,096</u>
Total Deferred Inflows of Resources	<u>288,767</u>	<u>1,329</u>	<u>290,096</u>
Total Liabilities and Deferred Inflows of Resources	<u>17,326,833</u>	<u>10,289</u>	<u>17,337,122</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,274,515	2,640	6,277,155
Restricted for:			
Capital Projects	248,994		248,994
Unrestricted	(1,755,098)	47,395	(1,707,703)
Total Net Position	<u>\$ 4,768,411</u>	<u>\$ 50,035</u>	<u>\$ 4,818,446</u>

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

**MAYWOOD 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		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 11,112,674	\$ 194,168	\$ 1,779,432		\$ (9,139,074)		\$ (9,139,074)
Special Education	5,107,862	52,256	1,956,204		(3,099,402)		(3,099,402)
Other Instruction	506,521		127,897		(378,624)		(378,624)
School Sponsored Activities and Athletics	87,632		14,252		(73,380)		(73,380)
Community Services	6,549		1,705		(4,844)		(4,844)
Support Services							
Student and Instruction Related Svcs.	1,668,171		360,804		(1,307,367)		(1,307,367)
General Administrative Services	521,160		86,416		(434,744)		(434,744)
School Administrative Services	570,507		97,782		(472,725)		(472,725)
Plant Operations and Maintenance	1,959,383		19,288.00		(1,940,095)		(1,940,095)
Pupil Transportation	557,414		58,775		(498,639)		(498,639)
Central Services	541,772		106,367		(435,405)		(435,405)
Interest and Other Charges on Debt	359,274				(359,274)		(359,274)
Total Governmental Activities	<u>22,998,919</u>	<u>246,424</u>	<u>4,608,922</u>	<u>-</u>	<u>(18,143,573)</u>	<u>-</u>	<u>(18,143,573)</u>
Business-Type Activities							
Food Service	301,339	199,132	96,565	-		\$ (5,642)	(5,642)
Total Business-Type Activities	<u>301,339</u>	<u>199,132</u>	<u>96,565</u>	<u>-</u>	<u>-</u>	<u>(5,642)</u>	<u>(5,642)</u>
Total Primary Government	<u>\$23,300,258</u>	<u>\$ 445,556</u>	<u>\$ 4,705,487</u>	<u>\$ -</u>	<u>(18,143,573)</u>	<u>(5,642)</u>	<u>(18,149,215)</u>
General Revenues:							
Property Taxes, Levied for General Purposes, Net					17,116,748		17,116,748
Taxes Levied for Debt Service					781,553		781,553
State Aid, Unrestricted					348,064		348,064
Investment Earnings					1,196		1,196
Miscellaneous Income					171,881		171,881
Total General Revenues					<u>18,419,442</u>	<u>-</u>	<u>18,419,442</u>
Change in Net Position					275,869	(5,642)	270,227
Net Position, Beginning of Year					<u>4,492,542</u>	<u>55,677</u>	<u>4,548,219</u>
Net Position, End of Year					<u>\$ 4,768,411</u>	<u>\$ 50,035</u>	<u>\$ 4,818,446</u>

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



**FUND FINANCIAL STATEMENTS**

**MAYWOOD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
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	\$ 2,588,710				\$ 2,588,710
Due from Other Funds	55,913				55,913
Receivables, Net					
Intergovernmental	10,660	\$ 71,993			82,653
Restricted Cash Equivalents with Fiscal Agents			\$ 1,562,997		1,562,997
<b>Total Assets</b>	<u>\$ 2,655,283</u>	<u>\$ 71,993</u>	<u>\$ 1,562,997</u>	<u>\$ -</u>	<u>\$ 4,290,273</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 497,387	\$ 17,487	\$ 251,217		\$ 766,091
Compensated Absences Payable	26,424				26,424
Due to Other Funds	16,925	54,506			71,431
Unearned Revenue	1,250	-			1,250
<b>Total Liabilities</b>	<u>541,986</u>	<u>71,993</u>	<u>251,217</u>	<u>-</u>	<u>865,196</u>
<b>Fund Balances</b>					
<b>Restricted for</b>					
Capital Reserve	173,994				173,994
Capital Reserve - Designated for Subsequent Year's Expenditures	75,000				75,000
Excess Surplus	663,655				663,655
Excess Surplus -Designated for Subsequent Year's Expenditures	451,978				451,978
Capital Projects Fund			1,311,780		1,311,780
<b>Assigned</b>					
Designated for Subsequent Year's Expenditures	327,951				327,951
Year-End Encumbrances	129,859				129,859
ARRA/SEMI - Designated for Subsequent Year's Expenditures	2,058				2,058
Unassigned, Reported in General Fund	288,802				288,802
<b>Total Fund Balances</b>	<u>2,113,297</u>	<u>-</u>	<u>1,311,780</u>	<u>-</u>	<u>3,425,077</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,655,283</u>	<u>\$ 71,993</u>	<u>\$ 1,562,997</u>	<u>\$ -</u>	

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

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

<b>Total Fund Balances (Exhibit B-1)</b>		3,425,077
<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 \$23,365,999 and the accumulated depreciation is \$6,439,198.</p>		16,926,801
<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>		503,421
<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>		
	Deferred Outflows of Resources                   \$    444,940 Deferred Inflows of Resources <u>         (288,767)</u>	156,173
<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>		(142,983)
<p>Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
	Bonds Payable   \$ (9,998,712) Capital Leases Payable   (93,854) Lease Purchase Agreements   (2,374,921) Compensated Absences Payable   (275,203) Net Pension Liability <u>         (3,357,388)</u>	<u>(16,100,078)</u>
	Net position of governmental activities	<u>\$    4,768,411</u>

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 17,116,748			\$ 781,553	\$ 17,898,301
Tuition	194,168				194,168
Interest	1,144		\$ 52		1,196
Miscellaneous	171,881	\$ 1,000		-	172,881
Total - Local Sources	17,483,941	1,000	52	781,553	18,266,546
State Sources	2,806,894				2,806,894
Federal Sources	-	427,248			427,248
Total Revenues	20,290,835	428,248	52	781,553	21,500,688
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	10,179,358	136,059			10,315,417
Special Education Instruction	4,381,019	241,151			4,622,170
Other Instruction	432,098				432,098
School Sponsored Activities and Athletics	83,863				83,863
Community Services	5,611				5,611
Support Services and Undistributed Costs					
Student and Instruction Related Services	1,467,900	34,447			1,502,347
General Administrative Services	473,046				473,046
School Administrative Services	498,714				498,714
Plant Operations and Maintenance	1,393,855				1,393,855
Pupil Transportation	551,092				551,092
Central Services	477,784				477,784
Capital Outlay	64,466	16,591	1,063,193		1,144,250
Debt Service					
Principal	31,852			460,000	491,852
Interest and Other Charges	2,909			321,553	324,462
Total Expenditures	20,043,567	428,248	1,063,193	781,553	22,316,561
Excess (Deficiency) of Revenues					
Over Expenditures	247,268	-	(1,063,141)	-	(815,873)
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Purchase Proceeds			2,374,921		2,374,921
Total Other Financing Sources and Uses	-	-	2,374,921	-	2,374,921
Net Change in Fund Balances	247,268	-	1,311,780	-	1,559,048
Fund Balance, Beginning of Year	1,866,029	-	-		1,866,029
Fund Balance, End of Year	\$ 2,113,297	\$ -	\$ 1,311,780	\$ -	\$ 3,425,077

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

**MAYWOOD 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)** \$ 1,559,048

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

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the costs of the assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays.

Depreciation Expense	(551,045)	
Acquisition of Capital Assets	<u>1,144,250</u>	
		593,205

The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long term debt.

Debt Issuance		
Lease Purchase Agreements	(2,374,921)	
Principal Repayments		
Capital Leases	31,852	
General Obligation Bonds	<u>460,000</u>	
		(1,883,069)

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	42,982	
Amortization of Deferred Amount on Refunding	<u>(55,057)</u>	
		(12,075)

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	81,192	
Increase in Pension Expense	<u>(39,695)</u>	
		41,497

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

Increase in accrued interest		<u>(22,737)</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 275,869**

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<b>Business- Type Activities Enterprise Funds Food Service</b>	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 21,622	
Intergovernmental Accounts Receivable	15,430	
Due From Other Funds	16,925	
Other Accounts Receivable		\$ 2,647
Inventories	3,707	-
Total Current Assets	57,684	2,647
Capital Assets		
Furniture, Machinery and Equipment	19,435	
Less Accumulated Depreciation	(16,795)	-
Total Capital Assets, Net of Accumulated Depreciation	2,640	-
Total Assets	60,324	2,647
<b>LIABILITIES</b>		
Liabilities		
Accounts Payable	8,960	1,240
Due To Other Funds		1,407
Total Current Liabilities	8,960	2,647
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Commodities Revenue	1,329	-
Total Liabilities and Deferred Inflows of Resources	10,289	2,647
<b>NET POSITION</b>		
Net Investment in Capital Assets	2,640	
Unrestricted	47,395	
Total Net Position	\$ 50,035	\$ -

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

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

	<b>Business-Type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Food Service</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for Services		
Daily Sales - Reimbursable Program	\$ 154,105	
Daily Sales - Non-Reimbursable Program	45,027	
Tuition Fees		\$ 52,256
	<hr/>	<hr/>
Total Operating Revenues	199,132	52,256
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Cost of Sales - Reimbursable Program	111,006	
Cost of Sales - Non-Reimbursable Program	16,968	
Salaries and Wages	114,533	38,481
Insurance	14,665	
Management Fee	19,523	
Purchased Professional - Educational Srvc.		13,775
Supplies and Materials	23,310	
Miscellaneous	146	
Depreciation	1,188	
	<hr/>	<hr/>
Total Operating Expenses	301,339	52,256
	<hr/>	<hr/>
Operating (Loss)	(102,207)	-
	<hr/>	<hr/>
<b>NONOPERATING REVENUES</b>		
State Sources		
State School Lunch Program	3,261	
Federal Sources		
National School Lunch Program	66,460	
National School Lunch PB Program	4,363	
National School Breakfast Program	1,893	
USDA Commodities	20,588	
	<hr/>	<hr/>
Total Nonoperating Revenues	96,565	-
	<hr/>	<hr/>
Change in Net Position	(5,642)	-
	<hr/>	<hr/>
Net Position, Beginning of Year	55,677	-
	<hr/>	<hr/>
Net Position, End of Year	\$ 50,035	\$ -
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>Business-Type Activities Enterprise Funds Food Service</b>	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 199,132	\$ 54,192
Payments for Employees	(114,533)	(38,481)
Payments to Suppliers	(170,006)	(18,853)
Net Cash Provided (Used) For Operating Activities	<u>(85,407)</u>	<u>(3,142)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State and Federal Sources	<u>67,682</u>	
Net Cash Provided For Non-Capital Financing Activities	<u>67,682</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets	<u>-</u>	
Net Cash Provided By Capital and Related Financing Activities	<u>-</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(17,725)	(3,142)
Cash and Cash Equivalents—Beginning of Year	<u>39,347</u>	<u>3,142</u>
Cash and Cash Equivalents—End of Year	<u>\$ 21,622</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating Income (Loss)	\$ (102,207)	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities		
Depreciation	1,188	
Food Distribution Program - Non-Cash Assistance	20,588	
(Increase) Decrease in Inventory	1,517	
(Increase) Decrease in Other Accounts Receivable		\$ 1,936
(Increase) Decrease in Due from Other Funds	(6,193)	
Increase/(Decrease) in Due to Other Funds		(1,393)
Increase/(Decrease) in Deferred Inflows of Resources	(838)	
Increase (Decrease) in Accounts Payable	538	(3,685)
Net Cash Provided (Used) For Operating Activities	<u>\$ (85,407)</u>	<u>\$ (3,142)</u>
Non-Cash Investing, Capital and Financing Activities Value Received - Food Distribution Program	<u>\$ 19,750</u>	

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



**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 56,962	\$ 91,682
Due from Other Funds	13,677	-
Total Assets	<b>\$ 70,639</b>	<b>\$ 91,682</b>
 <b>LIABILITIES</b>		
Payable To Student Groups		\$ 7,052
Due to State of NJ	\$ 1,745	
Due to Other Funds		13,677
Payroll Deductions and Withholdings	-	70,953
Total Liabilities	1,745	<b>\$ 91,682</b>
 <b>NET POSITION</b>		
Held In Trust For Unemployment Claims	<b>\$ 68,894</b>	

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

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

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Employee Contributions	<u>\$ 22,416</u>
Total Additions	<u>22,416</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>8,132</u>
Total Deductions	<u>8,132</u>
Change in Net Position	14,284
Net Position, Beginning of Year	<u>54,610</u>
Net Position, End of Year	<u><u>\$ 68,894</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**MAYWOOD 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 Maywood 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 seven 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 Maywood Board of Education this includes general operations, food service and student related activities of the District.

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

**B. New Accounting Standards**

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

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement 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*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**MAYWOOD 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 and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**MAYWOOD 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.

**MAYWOOD 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.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for occupational and physical therapy services provided to other departments or agencies of the District, or to other Boards of Education, on a cost reimbursement basis.

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

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

**Reclassifications**

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

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

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

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

**MAYWOOD 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 (Continued)**

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

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

When both restricted and unrestricted resources are available for use, it is the 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.

***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.



**MAYWOOD 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)**

**4. *Restricted Assets***

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

**5. *Capital Assets***

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

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, 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>
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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.

**MAYWOOD 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)**

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

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

**7. *Compensated Absences***

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

**8. *Pensions***

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

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

**9. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are reported as deferred outflows of resources. Bond premiums and discounts 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 net of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**MAYWOOD 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. *Long-Term Obligations (Continued)***

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

**10. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*Capital 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.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

**MAYWOOD 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)**

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**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.

**MAYWOOD 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 (Continued)**

**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 year 2015-2016 were based on rates established by contract with the receiving district.

The Maywood School District (Sending District) entered into an agreement with the Hackensack School District (Receiving District) regarding the appropriate tuition to be charged in future years 2010/11 through 2016/17 and to address issues regarding adjustments to tuition for school years 2007/08, 2010/11, 2012/13.

The parties agreed that the retroactive adjustment owed by the sending District to the receiving District amounts to \$950,901 shall be paid over a 10 year period. As such the Maywood School District is obligated to pay the receiving District an amount equal to \$95,090 per annum for years 2012/2013 through 2021/22.

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 15, 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.

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

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

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$194,607. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**B. Capital Reserve**

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

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

**MAYWOOD 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 (Continued)**

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

Balance, July 1, 2015	\$ 98,994
Increased by:	
Deposits Approved by Board Resolution	<u>150,000</u>
Balance, June 30, 2016	<u>\$ 248,994</u>

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$1,115,633. Of this amount, \$451,978 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$663,655 will be appropriated in the 2017/2018 original budget certified for taxes.

**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 \$4,321,973 and bank and brokerage firm balances of the Board's deposits amounted to \$4,525,492. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 4,525,492</u>
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**MAYWOOD 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 the Board has no deposits exposed to custodial credit risk.

**Investments**

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

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

**B. Receivables**

Receivables as of June 30, 2016 for the district’s individual major funds and internal service 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>Internal Service</u>	<u>Total</u>
Receivables:					
Intergovernmental-					
Restricted	\$ 10,660	\$ 71,993	\$ 15,430		\$ 98,083
Other	-	-	-	\$ 2,647	2,647
Gross Receivables	<u>10,660</u>	<u>71,993</u>	<u>15,430</u>	<u>2,647</u>	<u>100,730</u>
Less: Allowance for					
Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 10,660</u>	<u>\$ 71,993</u>	<u>\$ 15,430</u>	<u>\$ 2,647</u>	<u>\$ 100,730</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>	<u>Total</u>
General Fund		
Program Fees	\$ 1,250	\$ 1,250
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,250</u>	 <u>\$ 1,250</u>



**MAYWOOD 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, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 15,522			\$ 15,522
Construction in Progress	<u>-</u>	<u>\$ 1,063,193</u>	<u>-</u>	<u>1,063,193</u>
Total Capital Assets, Not Being Depreciated	<u>15,522</u>	<u>1,063,193</u>	<u>-</u>	<u>1,078,715</u>
Capital Assets, Being Depreciated:				
Buildings	21,341,991			21,341,991
Building Improvements		58,419		58,419
Improvements Other Than Buildings	3,712			3,712
Machinery and Equipment	<u>860,524</u>	<u>22,638</u>	<u>-</u>	<u>883,162</u>
Total Capital Assets Being Depreciated	<u>22,206,227</u>	<u>81,057</u>	<u>-</u>	<u>22,287,284</u>
Less Accumulated Depreciation for:				
Buildings	(5,109,959)	(533,550)		(5,643,509)
Building Improvements		(2,921)		(2,921)
Improvements Other Than Buildings	(3,712)			(3,712)
Machinery and Equipment	<u>(774,482)</u>	<u>(14,574)</u>	<u>-</u>	<u>(789,056)</u>
Total Accumulated Depreciation	<u>(5,888,153)</u>	<u>(551,045)</u>	<u>-</u>	<u>(6,439,198)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,318,074</u>	<u>(469,988)</u>	<u>-</u>	<u>15,848,086</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,333,596</u>	<u>\$ 593,205</u>	<u>\$ -</u>	<u>\$ 16,926,801</u>

**MAYWOOD 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)**

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 19,435	-	-	\$ 19,435
Total Capital Assets Being Depreciated	<u>19,435</u>	<u>-</u>	<u>-</u>	<u>19,435</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(15,607)	\$ (1,188)	-	(16,795)
Total Accumulated Depreciation	<u>(15,607)</u>	<u>(1,188)</u>	<u>-</u>	<u>(16,795)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,828</u>	<u>(1,188)</u>	<u>-</u>	<u>2,640</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,828</u>	<u>\$ (1,188)</u>	<u>\$ -</u>	<u>\$ 2,640</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 8,892
Support Services	
School Administration	665
Operations And Maintenance Of Plant	536,471
Transportation	5,017
Total Support Services	<u>551,045</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 551,045</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 1,188</u>

**MAYWOOD 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)**

**Construction and Other Significant Commitments**

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Energy Savings Incentive Program Project	\$ 784,476	\$ 1,830,445
Total		<u>\$ 1,830,445</u>

**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	\$ 54,506
General Fund	Internal Service Fund	1,407
Food Service Fund	General Fund	16,925
Unemployment Compensation Trust Fund	Agency Fund	<u>13,677</u>
		<u>\$ 86,515</u>

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

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

**F. Leases**

**Capital Leases and Lease-Purchase Agreements**

The District entered into a lease agreement for technology infrastructure upgrades totaling \$187,311. The leases are for terms of 7 years. In addition, the District entered into a lease-purchase agreement totaling \$2,374,921 for energy savings incentive project improvements. The lease term is for 20 years.

The capital assets acquired through lease purchase agreements are as follows:

	<u>Governmental Activities</u>
Construction in Progress	<u>\$ 1,063,193</u>

**MAYWOOD 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)**

The unexpended proceeds from capital leases in the amount of \$1,562,997 at June 30, 2016 are held with the Fiscal Agent.

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>	Governmental Activities		<u>Total</u>
	<u>Capital Lease</u>	<u>Lease-Purchase Agreement</u>	
2017	\$ 34,761	\$ 124,174	\$ 158,935
2018	34,761	193,239	228,000
2019	14,514	128,811	143,325
2020	14,514	130,449	144,963
2021		132,147	132,147
2022-2026		694,428	694,428
2027-2031		783,403	783,403
2032-2036	-	868,222	868,222
Total minimum lease payments	98,550	3,054,873	3,153,423
Less: amount representing interest	(4,696)	(679,952)	(684,648)
Present value of minimum lease payments	<u>\$ 93,854</u>	<u>\$ 2,374,921</u>	<u>\$ 2,468,775</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:

\$8,495,000, 2012 Refunding Bonds, due in annual installments of \$380,000 to \$650,000 through August 15, 2031, interest at 3.000% to 4.000%	\$ 8,040,000
\$1,600,000, 2015 Refunding Bonds, due in annual installments of \$80,000 to \$120,000 through August 15, 2031, interest at 2.000% to 3.750%	<u>1,580,000</u>
	<u>\$ 9,620,000</u>

**MAYWOOD 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)**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2017	\$ 460,000	\$ 317,851	\$ 777,851
2018	470,000	306,600	776,600
2019	485,000	293,100	778,100
2020	500,000	279,175	779,175
2021	515,000	262,225	777,225
2022-2026	2,910,000	991,275	3,901,275
2027-2031	3,510,000	412,719	3,922,719
2032	<u>770,000</u>	<u>12,406</u>	<u>782,406</u>
	<u>\$ 9,620,000</u>	<u>\$ 2,875,351</u>	<u>\$ 12,495,351</u>

**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:

3% of Equalized Valuation Basis (Municipal)	\$ 37,856,943
Less: Net Debt	<u>(9,620,000)</u>
Remaining Borrowing Power	<u>\$ 28,236,943</u>

**MAYWOOD 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:

	Balance, July 1, 2015	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 10,080,000		\$ 460,000	\$ 9,620,000	\$ 460,000
Add: Unamortized Premium	421,694	-	42,982	378,712	-
	<u>10,501,694</u>	<u>-</u>	<u>502,982</u>	<u>9,998,712</u>	<u>460,000</u>
Capital Leases	125,706		31,852	93,854	32,572
Lease Purchase Agreements		\$ 2,374,921		2,374,921	68,258
Compensated Absences	356,395	11,156	92,348	275,203	
Net Pension Liability	<u>2,795,173</u>	<u>562,215</u>	<u>-</u>	<u>3,357,388</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 13,778,968</u>	<u>\$ 2,948,292</u>	<u>\$ 627,182</u>	<u>\$ 16,100,078</u>	<u>\$ 560,830</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Pooled Insurance Program of New Jersey (PIP). The PIP is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation and general liability claims.

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

PIP 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 respective insurance funds 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.

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016		\$ 22,416	\$ 8,132	\$ 68,894
2015		2,314	2,059	54,610
2014		11,886	11,694	54,355

**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.

**MAYWOOD 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).



**MAYWOOD 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 47.9 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.

**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.

**MAYWOOD 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)**

**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	\$ 128,584	\$ 449,042	\$ 23,256
2015	131,988	304,121	16,997
2014	125,915	236,798	5,770

For fiscal years 2015/2016 and 2014/2015, the state contributed \$449,042 and \$304,121, 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 \$236,798 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 \$424,726 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.

**MAYWOOD 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**

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$3,357,388 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 .01496 percent, which was an increase of .00004 percent from its proportionate share measured as of June 30, 2014 of .01492 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$168,279 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 80,095	
Changes of Assumptions	360,557	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 53,980
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>4,288</u>	<u>234,787</u>
Total	<u>\$ 444,940</u>	<u>\$ 288,767</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	\$ 18,439
2018	18,439
2019	18,439
2020	60,084
2021	<u>40,772</u>
	<u>\$ 156,173</u>

**MAYWOOD 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:

	<b><u>PERS</u></b>
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 Study Upon Which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

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

**MAYWOOD 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%

**MAYWOOD 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)**

***Discount Rate (Continued)***

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 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 District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,172,822</u>	<u>\$ 3,357,388</u>	<u>\$ 2,673,734</u>

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

***Pension Plan Fiduciary Net Position***

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

**MAYWOOD 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 \$2,170,886 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 \$35,553,912. 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 .05625 percent, which was an increase of .00028 percent from its proportionate share measured as of June 30, 2014 of .05597 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.

	<u>TPAF</u>
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.

**MAYWOOD 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%



**MAYWOOD 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 (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 42,254,495</u>	<u>\$ 35,553,912</u>	<u>\$ 29,780,958</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.

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

**E. Post-Retirement Medical Benefits**

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

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

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

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 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.

**MAYWOOD 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 \$534,686, \$482,793 and \$388,260, 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.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 17,116,748		\$ 17,116,748	\$ 17,116,748	
Tuition	134,200		134,200	194,168	\$ 59,968
Interest Earned on Capital Reserve Funds	60		60		(60)
Interest				1,144	1,144
Miscellaneous	10,000	-	10,000	171,881	161,881
<b>Total Local Sources</b>	<b>17,261,008</b>	<b>-</b>	<b>17,261,008</b>	<b>17,483,941</b>	<b>222,933</b>
State Sources					
Categorical Special Education Aid	739,286		739,286	739,286	
Equalization Aid	336,696		336,696	336,696	
Categorical Security Aid	19,367		19,367	19,367	
Categorical Transportation Aid	48,311		48,311	48,311	
PARCC Readiness Aid	12,790		12,790	12,790	
Per Pupil Growth Aid	12,790		12,790	12,790	
Extraordinary Aid	50,000		50,000	246,149	196,149
Reimbursed Non Public Transportation Aid				10,660	10,660
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				21,307	21,307
TPAF Pension Contribution (Non-Budget)					
Normal Cost				427,735	427,735
TPAF Pension Contribution (Non-Budget)					
Post - Retirement Medical Contribution				534,686	534,686
TPAF Social Security Contributions (Non-Budget)	-	-	-	424,726	424,726
<b>Total State Sources</b>	<b>1,219,240</b>	<b>-</b>	<b>1,219,240</b>	<b>2,834,503</b>	<b>1,615,263</b>
<b>Total Revenues</b>	<b>18,480,248</b>	<b>-</b>	<b>18,480,248</b>	<b>20,318,444</b>	<b>1,838,196</b>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	350,700	\$ 2,168	352,868	352,818	50
Grades 1-5	2,090,635	39,055	2,129,690	2,117,104	12,586
Grades 6-8	1,418,768	(100,522)	1,318,246	1,315,703	2,543
Regular Programs - Home Instruction					
Purchased Professional & Educational Services	2,500	8,605	11,105	11,105	-
Regular Programs - Undistributed Instruction					
Purchased Professional & Educational Services		165,097	165,097	165,097	-
Other Purchased Services	19,656	1,346	21,002	19,646	1,356
General Supplies	374,611	33,441	408,052	334,585	73,467
Textbooks	154,961	33,550	188,511	186,874	1,637
<b>Total Regular Programs</b>	<b>4,411,831</b>	<b>182,740</b>	<b>4,594,571</b>	<b>4,502,932</b>	<b>91,639</b>
Learning and/or Language Disabilities					
Salaries of Teachers	89,000	(401)	88,599	87,990	609
Other Salaries for Instruction	22,046	401	22,447	22,447	-
General Supplies	300	-	300	239	61
<b>Total Learning and/or Language Disabilities</b>	<b>111,346</b>	<b>-</b>	<b>111,346</b>	<b>110,676</b>	<b>670</b>
Resource Room/Resource Center					
Salaries of Teachers	640,160	66,499	706,659	705,975	684
Other Salaries for Instruction	224,646	83,918	308,564	308,087	477
General Supplies	2,100	-	2,100	1,678	422
<b>Total Resource Room/Resource Center</b>	<b>866,906</b>	<b>150,417</b>	<b>1,017,323</b>	<b>1,015,740</b>	<b>1,583</b>

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

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Special Education Instruction - Autism					
Salaries of Teachers	\$ 238,824	\$ 27,000	\$ 265,824	\$ 263,945	\$ 1,879
Other Salaries for Instruction	417,211	(69,201)	348,010	297,957	50,053
Purchased Professional - Educational Services	170,000	(573)	169,427	159,645	9,782
General Supplies	1,000	500	1,500	1,186	314
<b>Total Autism</b>	<b>827,035</b>	<b>(42,274)</b>	<b>784,761</b>	<b>722,733</b>	<b>62,028</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	108,856	-	108,856	107,338	1,518
Other Salaries for Instruction	69,194	(14,554)	54,640	54,428	212
Purchased Professional - Educational Services	100,000	(34,323)	65,677	54,507	11,170
General Supplies	500	-	500	214	286
<b>Total Preschool Disabilities Part Time</b>	<b>278,550</b>	<b>(48,877)</b>	<b>229,673</b>	<b>216,487</b>	<b>13,186</b>
<b>Total Special Education</b>	<b>2,083,837</b>	<b>59,266</b>	<b>2,143,103</b>	<b>2,065,636</b>	<b>77,467</b>
Basic Skills/Remedial					
Salaries of Teachers	190,250	-	190,250	190,250	-
<b>Total Basic Skills/Remedial</b>	<b>190,250</b>	<b>-</b>	<b>190,250</b>	<b>190,250</b>	<b>-</b>
Bilingual Education					
Salaries of Teachers	79,300	11,086	90,386	88,497	1,889
General Supplies	100	78	178	89	89
<b>Total Bilingual Education</b>	<b>79,400</b>	<b>11,164</b>	<b>90,564</b>	<b>88,586</b>	<b>1,978</b>
School Sponsored Co-Curricular Activities					
Salaries	45,000	-	45,000	38,592	6,408
Purchased Services	5,000	-	5,000	5,000	-
Other Objects	3,000	-	3,000	1,811	1,189
<b>Total School Sponsored Co-Curricular Activities</b>	<b>53,000</b>	<b>-</b>	<b>53,000</b>	<b>45,403</b>	<b>7,597</b>
School Sponsored Athletics					
Salaries	17,500	-	17,500	16,071	1,429
Purchased Services	6,500	-	6,500	369	6,131
<b>Total School Sponsored Athletics</b>	<b>24,000</b>	<b>-</b>	<b>24,000</b>	<b>16,440</b>	<b>7,560</b>
Community Services Programs/Operations					
Salaries	4,000	-	4,000	4,000	-
<b>Total Community Services Programs/Operations</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>-</b>
<b>Total Instruction</b>	<b>6,846,318</b>	<b>253,170</b>	<b>7,099,488</b>	<b>6,913,247</b>	<b>186,241</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Regular	4,188,797	(246,861)	3,941,936	3,763,364	178,572
Tuition to Other LEAs w/i State - Special	2,625	100,632	103,257	71,487	31,770
Tuition to County Voc. School Dist-Reg	261,900	141,030	402,930	386,250	16,680
Tuition to County Voc. School Dist-Special	454,368	(52,800)	401,568	373,248	28,320
Tuition to CSSD & Reg. Day Schools	916,100	-	916,100	881,058	35,042
Tuition to Private School for Disabled w/i State	313,701	-	313,701	277,591	36,110
Tuition - State Facilities	-	40,973	40,973	40,973	-
Tuition - Other	40,973	(40,973)	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>6,178,464</b>	<b>(57,999)</b>	<b>6,120,465</b>	<b>5,793,971</b>	<b>326,494</b>



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

EXHIBIT C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Attendance & Social Work					
Other Purchased Services	\$ 16,500	\$ (6,550)	\$ 9,950	\$ 9,052	\$ 898
Total Attendance & Social Work	16,500	(6,550)	9,950	9,052	898
Health Services					
Salaries	132,280	(23,749)	108,531	108,531	-
Purchased Professional and Technical Services	3,500	23,448	26,948	22,040	4,908
Supplies and Materials	2,570	(150)	2,420	2,364	56
Total Health Services	138,350	(451)	137,899	132,935	4,964
Speech, OT, PT & Related Services					
Salaries	50,015	(50,015)	-	-	-
Purchased Prof. Ed. Services	15,000	(5,000)	10,000	3,688	6,312
Total Speech, OT, PT & Related Services	65,015	(55,015)	10,000	3,688	6,312
Other Support Services - Students - Extraordinary					
Purchased Professional - Educational Services	218,900	(75,740)	143,160	125,822	17,338
Total Other Supp.Serv. Student - Extraordinary	218,900	(75,740)	143,160	125,822	17,338
Guidance					
Salaries of Other Professional Staff	138,552	(28,514)	110,038	109,911	127
Salaries of Secretarial & Clerical Assistants	23,272	450	23,722	23,722	-
Total Guidance	161,824	(28,064)	133,760	133,633	127
Child Study Teams					
Salaries of Other Professional Staff	378,286	(2,020)	376,266	368,962	7,304
Salaries of Secretarial & Clerical Assistants	86,455	(3,344)	83,111	82,917	194
Unused Sick Time Payments	22,810	19,285	42,095	39,500	2,595
Misc. Purchased Services	12,560	419	12,979	12,979	-
Supplies and Materials	25,619	3,169	28,788	28,070	718
BOE Membership Dues and Fees	22,376	(500)	21,876	20,776	1,100
Total Child Study Teams	548,106	17,009	565,115	553,204	11,911
Educational Media/School Library					
Salaries	100,560	1,245	101,805	101,805	-
Supplies and Materials	13,267	610	13,877	12,333	1,544
Total Educational Media/School Library	113,827	1,855	115,682	114,138	1,544
Improvement of Inst. Serv.					
Purchased Professional/Educational Services	-	15,000	15,000	1,971	13,029
Total Improvement of Inst. Serv.	-	15,000	15,000	1,971	13,029
Instructional Staff Training Services					
Purchased Professional/Educational Services	5,123	(1,700)	3,423	3,378	45
Other Purchased Services	6,000	1,700	7,700	7,518	182
Total Instructional Staff Training Services	11,123	-	11,123	10,896	227

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

**EXHIBIT C-1**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Support Services General Administration					
Salaries	\$ 224,436		\$ 224,436	\$ 202,686	\$ 21,750
Legal Services	20,000	\$ 6,100	26,100	24,703	1,397
Audit Fees	22,540	(200)	22,340	21,915	425
Other Purchased Professional Services	15,000	(4,910)	10,090	6,900	3,190
Communications/Telephone	43,400	8,572	51,972	51,869	103
BOE Other Purchased Services	12,941	4,679	17,620	16,356	1,264
Misc. Purchased Services	2,082	69	2,151	2,151	-
Supplies and Materials	3,000	(1,235)	1,765	1,733	32
BOE In-House Training/Meeting Supplies	750	-	750	437	313
Miscellaneous Expenditures	250	2,905	3,155	3,155	-
BOE Membership Dues and Fees	10,174	(332)	9,842	9,842	-
<b>Total Support Services General Administration</b>	<u>354,573</u>	<u>15,648</u>	<u>370,221</u>	<u>341,747</u>	<u>28,474</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	230,401	(918)	229,483	229,343	140
Salaries of Secretarial and Clerical Assistants	97,334	1,700	99,034	99,027	7
Unused Sick Payment	68,688	(68,688)	-	-	-
Other Purchased Services	12,003	-	12,003	10,516	1,487
Supplies and Materials	500	-	500	192	308
<b>Total Support Services School Administration</b>	<u>408,926</u>	<u>(67,906)</u>	<u>341,020</u>	<u>339,078</u>	<u>1,942</u>
Required Maintenance for School Facilities					
Salaries	104,528	-	104,528	104,528	-
Cleaning, Repair and Maintenance Services	140,069	58,395	198,464	136,648	61,816
Other Purchased Property Services	-	8,410	8,410	8,410	-
General Supplies	23,000	13,808	36,808	29,841	6,967
<b>Total Allowable Maintenance for School Facilities</b>	<u>267,597</u>	<u>80,613</u>	<u>348,210</u>	<u>279,427</u>	<u>68,783</u>
Custodial Services					
Salaries	344,350	6,177	350,527	350,527	-
Salaries of Non-Instructional Aides	47,732	1,641	49,373	49,373	-
Insurance	97,622	1,351	98,973	98,973	-
General Supplies	30,000	8,553	38,553	38,553	-
Energy (Natural Gas)	126,000	(54,202)	71,798	71,798	-
Energy (Electricity)	150,000	13,665	163,665	157,483	6,182
Other Objects	5,500	(335)	5,165	5,165	-
<b>Total Custodial Services</b>	<u>801,204</u>	<u>(23,150)</u>	<u>778,054</u>	<u>771,872</u>	<u>6,182</u>
Student Transportation Services					
Salaries for Pupil Transport. (Between Home & School) - Special Ed	28,500	-	28,500	24,147	4,353
Contracted Services - Aid In Lieu of Payment for Non-Public School Students	35,000	8,797	43,797	43,797	-
Contracted Services (Regular Education Students) - ESC's & CTAS	200,000	(21,000)	179,000	169,023	9,977
Contracted Services (Special Students) - ESC's & CTAS	326,000	(13,202)	312,798	297,727	15,071
<b>Total Student Transportation Services</b>	<u>589,500</u>	<u>(25,405)</u>	<u>564,095</u>	<u>534,694</u>	<u>29,401</u>
Central Services					
Salaries	176,111	73,368	249,479	249,479	-
Purchased Prof. Services	8,250	5,831	14,081	12,961	1,120
Purchased Technical Services	26,880	(4,808)	22,072	21,905	167
Miscellaneous Purchased Services	2,582	69	2,651	2,151	500
Supplies and Material	11,500	1,457	12,957	11,749	1,208
Miscellaneous Expenditures	750	-	750	-	750
<b>Total Central Services</b>	<u>226,073</u>	<u>75,917</u>	<u>301,990</u>	<u>298,245</u>	<u>3,745</u>

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

**EXHIBIT C-1**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Administration Information Technology					
Purchased Technical Services	\$ 83,000	\$ 1,700	\$ 84,700	\$ 79,040	\$ 5,660
Total Administration Information Technology	<u>83,000</u>	<u>1,700</u>	<u>84,700</u>	<u>79,040</u>	<u>5,660</u>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	170,000	14,929	184,929	183,876	1,053
Other Retirement Contributions - PERS	147,280	(7,414)	139,866	128,584	11,282
Other Retirement Contributions - DCRP	9,500	14,083	23,583	23,256	327
Unemployment Compensation	500	-	500	-	500
Worker's Compensation	80,806	-	80,806	78,265	2,541
Health Benefits	1,789,720	(25,386)	1,764,334	1,625,779	138,555
Tuition Reimbursement	30,000	1,500	31,500	26,500	5,000
Other Employees Benefits	66,591	(58,608)	7,983	7,983	-
Total Unallocated Benefits	<u>2,294,397</u>	<u>(60,896)</u>	<u>2,233,501</u>	<u>2,074,243</u>	<u>159,258</u>
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				21,307	(21,307)
TPAF Pension Contribution (Non-Budget)					
Normal Cost				427,735	(427,735)
TPAF Pension Contribution (Non-Budget)					
Post - Retirement Medical Contribution				534,686	(534,686)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	424,726	(424,726)
Total Undistributed Expenditures	<u>12,477,379</u>	<u>(193,434)</u>	<u>12,283,945</u>	<u>13,006,110</u>	<u>(722,165)</u>
Total Current Expenditures	<u>19,323,697</u>	<u>59,736</u>	<u>19,383,433</u>	<u>19,919,357</u>	<u>(535,924)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	60	-	60	-	60
Equipment					
Undistributed:					
Instruction	-	58,419	58,419	58,419	-
Total Equipment	<u>-</u>	<u>58,419</u>	<u>58,419</u>	<u>58,419</u>	<u>-</u>
Facilities Acq. And Construction Services					
Assessment for Debt Service on SDA Funding	49,650	-	49,650	49,650	-
Total Facilities Acq. And Construction Services.	<u>49,650</u>	<u>-</u>	<u>49,650</u>	<u>49,650</u>	<u>-</u>
Total Capital Outlay	<u>49,710</u>	<u>58,419</u>	<u>108,129</u>	<u>108,069</u>	<u>60</u>
Transfer of Funds to Charter Schools	14,157	1,984	16,141	16,141	-
Total General Fund	<u>19,387,564</u>	<u>120,139</u>	<u>19,507,703</u>	<u>20,043,567</u>	<u>(535,864)</u>

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	\$ (907,316)	\$ (120,139)	\$ (1,027,455)	\$ 274,877	\$ 1,302,332
Fund Balance, Beginning of Year	<u>2,129,129</u>	<u>-</u>	<u>2,129,129</u>	<u>2,129,129</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,221,813</u>	<u>\$ (120,139)</u>	<u>\$ 1,101,674</u>	<u>\$ 2,404,006</u>	<u>\$ 1,302,332</u>
Restricted Fund Balance					
Capital Reserve				\$ 173,994	
Capital Reserve- Designated for Subsequent Years' Expenditures				75,000	
Excess Surplus				663,655	
Excess Surplus- Designated for Subsequent Years' Expenditures				451,978	
Assigned Fund Balance					
Designated for Subsequent Years' Expenditures				327,951	
Year-End Encumbrances				129,859	
ARRA/SEMI- Unreserved-Designated for Subsequent Year's Expenditures				2,058	
Unassigned Fund Balance				<u>579,511</u>	
				2,404,006	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2015/2016 State Aid and Extraordinary Aid Not Recognized on a GAAP Basis				<u>(290,709)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,113,297</u>	

**MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Other	\$ 1,000		\$ 1,000	\$ 1,000	
Federal Sources	<u>352,780</u>	<u>\$ 74,468</u>	<u>427,248</u>	<u>427,248</u>	<u>-</u>
Total Revenues	<u>353,780</u>	<u>74,468</u>	<u>428,248</u>	<u>428,248</u>	<u>-</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	70,280	13,300	83,580	83,580	-
Tuition	214,453	26,698	241,151	241,151	-
General Supplies	<u>55,284</u>	<u>13,786</u>	<u>69,070</u>	<u>69,070</u>	<u>-</u>
Total Instruction	<u>340,017</u>	<u>53,784</u>	<u>393,801</u>	<u>393,801</u>	<u>-</u>
Support Services					
Personal Services - Employee Benefits	5,376	1,018	6,394	6,394	-
Purchased Professional and Technical Supplies and Materials	<u>8,387</u>	<u>9,613</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Support Services	<u>13,763</u>	<u>20,684</u>	<u>34,447</u>	<u>34,447</u>	<u>-</u>
Total Expenditures	<u>353,780</u>	<u>74,468</u>	<u>428,248</u>	<u>428,248</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**MAYWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
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><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 20,318,444	\$ 428,248
Difference - Budget to GAAP		
State aid payment recognized for GAAP purposes not recognized for GAAP statements. (2014/2015 Aid)	263,100	
State aid payment recognized for budgetary purposes not recognized for GAAP statements. (2015/2016 Aid)	<u>(290,709)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 20,290,835</u>	<u>\$ 428,248</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 20,043,567</u>	<u>\$ 428,248</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 20,043,567</u>	<u>\$ 428,248</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**



**MAYWOOD 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)	0.01496 %	0.01492 %	0.01671 %
District's Proportionate Share of the Net Pension Liability (Asset)	3,357,388	2,795,173	3,193,830
District's Covered-Employee Payroll	1,002,587	667,835	549,226
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	335%	419%	582%
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.

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Three Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 128,584	\$ 131,988	\$ 125,915
Contributions in Relation to the Contractually Required Contributions	<u>128,584</u>	<u>131,988</u>	<u>125,915</u>
Contribution Deficiency (Excess)	-	-	-
District's Covered- Employee Payroll	1,002,587	667,835	549,226
Contributions as a Percentage of Covered-Employee Payroll	12.83%	19.76%	22.93%

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.

**MAYWOOD 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)	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 35,553,912</u>	<u>\$ 29,916,885</u>	<u>\$ 28,227,660</u>
Total	\$ 35,553,912	\$ 29,916,885	\$ 28,227,660
District's Covered-Employee Payroll	5,822,779	7,054,280	6,874,043
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.

**MAYWOOD 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 4.

**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

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

	<u>NCLB Title I</u>	<u>NCLB Title II A</u>	<u>NCLB III</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>BCUA Awareness</u>	<u>Grand Total</u>
<b>REVENUES</b>							
Intergovernmental							
Other						\$ 1,000	\$ 1,000
Federal	\$ 140,632	\$ 24,101	11,311	\$ 241,151	\$ 10,053	-	427,248
Total Revenues	<u>\$ 140,632</u>	<u>\$ 24,101</u>	<u>\$ 11,311</u>	<u>\$ 241,151</u>	<u>\$ 10,053</u>	<u>\$ 1,000</u>	<u>\$ 428,248</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 82,880		\$ 700				\$ 83,580
Tuition				\$ 241,151			241,151
General Supplies	48,412	\$ 10,601	9,057	-	-	\$ 1,000	69,070
Total Instruction	<u>131,292</u>	<u>10,601</u>	<u>9,757</u>	<u>241,151</u>	<u>-</u>	<u>1,000</u>	<u>393,801</u>
Support Services							
Personal Services-Employee Benefits	6,340		54				6,394
Purchased Prof. and Tech. Services	3,000	13,500	1,500				18,000
Supplies and Materials	-	-	-	-	\$ 10,053	-	10,053
Total Support Services	<u>9,340</u>	<u>13,500</u>	<u>1,554</u>	<u>-</u>	<u>10,053</u>	<u>-</u>	<u>34,447</u>
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 140,632</u>	<u>\$ 24,101</u>	<u>\$ 11,311</u>	<u>\$ 241,151</u>	<u>\$ 10,053</u>	<u>\$ 1,000</u>	<u>\$ 428,248</u>

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

NOT APPLICABLE



**CAPITAL PROJECTS FUND**

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance, June 30, 2016</u>
Energy Savings Incentive Program	\$ 2,374,973	\$ -	\$ 1,063,193	\$ 1,311,780
	<u>\$ 2,374,973</u>	<u>\$ -</u>	<u>\$ 1,063,193</u>	<u>\$ 1,311,780</u>

**MAYWOOD 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	\$	52
Other Financing Sources		
Lease Purchase Proceeds		<u>2,374,921</u>
Total Revenues and Other Financing Sources		<u>2,374,973</u>

**Expenditures and Other Financing Uses**

Capital Outlays		
Legal Services	\$	20,000
Other Purchased Professional and Technical Services		243,297
Construction Services		<u>799,896</u>
Total Expenditures and Other Financing Uses		<u>1,063,193</u>

Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,311,780
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Fund Balance - Beginning of Year	\$ <u>-</u>
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Fund Balance- End of Year	\$ <u>1,311,780</u>
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**Reconciliation to GAAP**

Fund Balance - Budgetary	\$ <u>1,311,780</u>
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Fund Balance - GAAP	\$ <u>1,311,780</u>
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**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ENERGY SAVINGS INCENTIVE PROGRAM  
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>				
Interest		\$ 52	\$ 52	\$ 52
Lease Purchase Proceeds	\$ -	2,374,921	2,374,921	2,374,921
Total Revenues	-	2,374,973	2,374,973	2,374,973
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Legal Services	-	20,000	20,000	20,000
Other Purchased Professional and Technical Services		243,297	243,297	602,082
Construction Services	-	799,896	799,896	1,752,891
Total Expenditures and Other Financing Uses	-	1,063,193	1,063,193	2,374,973
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 1,311,780	\$ 1,311,780	\$ -

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 2,374,921
Local Share	52
Revised Authorized Cost	\$ 2,374,973
Percentage Completion	40%
Original Target Completion Date	June 2017
Revised Target Completion Date	N/A

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

**EXHIBIT G-4**

**MAYWOOD BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-5**

**COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-6**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6



**FIDUCIARY FUNDS**

**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 7,052	\$ 84,630	\$ 91,682
Total Assets	<u>\$ 7,052</u>	<u>\$ 84,630</u>	<u>\$ 91,682</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 70,953	\$ 70,953
Due to Other Funds		13,677	13,677
Due to Student Groups	<u>\$ 7,052</u>	<u>-</u>	<u>7,052</u>
Total Liabilities	<u>\$ 7,052</u>	<u>\$ 84,630</u>	<u>\$ 91,682</u>

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

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

<u>School</u>	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
ELEMENTARY SCHOOLS	\$ 9,733	\$ 80,576	\$ 83,257	\$ 7,052

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

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
Payroll Deductions and Withholdings	\$ 72,877	\$ 4,169,152	\$ 4,171,076	\$ 70,953
Accrued Salaries and Wages		5,196,326	5,196,326	
Due to Other Funds	-	13,677	-	13,677
Total	<u>\$ 72,877</u>	<u>\$ 9,379,155</u>	<u>\$ 9,367,402</u>	<u>\$ 84,630</u>

**LONG-TERM DEBT**

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
School District Bonds	8/15/2006	\$ 2,042,000				\$ 65,000		\$ 65,000	
Refunding School District Bonds	9/27/2012	\$ 8,495,000	8/15/16	\$ 380,000	3.000%				
			8/15/17	390,000	3.000%				
			8/15/18	400,000	3.000%				
			8/15/19	415,000	3.000%				
			8/15/20	430,000	4.000%				
			8/15/21	450,000	4.000%				
			8/15/22	465,000	4.000%				
			8/15/23	485,000	4.000%				
			8/15/24	505,000	4.000%				
			8/15/25	520,000	4.000%				
			8/15/26	550,000	4.000%				
			8/15/27	570,000	3.000%				
			8/15/28	590,000	3.125%				
			8/15/29	610,000	3.000%				
8/15/30	630,000	3.125%							
	8/15/31	650,000	3.125%		8,415,000		375,000	\$ 8,040,000	
Refunding School District Bonds	3/11/2015	\$ 1,600,000	8/15/16-8/15/17	80,000	2.00%				
			8/15/18-8/15/19	85,000	2.00-3.00%				
			8/15/21-8/15/22	90,000	3.00%				
			8/15/23-8/15/24	100,000	3.00%				
			8/15/25-8/15/26	105,000	3.00-3.50%				
			8/15/27-8/15/28	110,000	3.50-3.75%				
			8/15/2029	115,000	3.75%				
			8/15/30-8/15/31	120,000	3.75%				
					1,600,000	-	20,000	1,580,000	
					<u>\$ 10,080,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 9,620,000</u>	

MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Technology Infrastructure Upgrades	2.10%	\$ 92,155	\$ 67,430		\$ 12,829	\$ 54,601
Technology Infrastructure Upgrades	2.10%	95,156	58,276		19,023	39,253
ESIP Project	2.47%	2,374,921	-	\$ 2,374,921	-	2,374,921
			<u>\$ 125,706</u>	<u>\$ 2,374,921</u>	<u>\$ 31,852</u>	<u>\$ 2,468,775</u>

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Final Budget - Positive
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 781,553	-	\$ 781,553	\$ 781,553	-
Total Revenues	781,553	-	781,553	781,553	-
EXPENDITURES:					
Regular Debt Service:					
Interest	321,553		321,553	321,553	
Redemption of Principal	460,000		460,000	460,000	
Total Regular Debt Service	781,553	-	781,553	781,553	-
Total Expenditures	781,553	-	781,553	781,553	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -



**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SCHOOL LOANS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the Maywood 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.

**MAYWOOD 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	2012	2013	2014	2015	2016
Governmental Activities						(Restated)		(Restated)		
Net Investment in Capital Assets	\$ 4,933,886	\$ 7,307,083	\$ 7,801,275	\$ 7,532,501	\$ 7,352,355	\$ 7,003,453	\$ 6,459,888	\$ 6,351,372	\$ 6,264,674	\$ 6,274,515
Restricted	238,692	382,891	392,085	126,904	30,490	30,489	156,908	157,392	98,994	248,994
Unrestricted	<u>2,755,821</u>	<u>2,025,908</u>	<u>1,541,699</u>	<u>1,256,573</u>	<u>581,369</u>	<u>1,586,718</u>	<u>1,757,565</u>	<u>(1,885,465)</u>	<u>(1,871,126)</u>	<u>(1,755,098)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 7,928,399</u>	<u>\$ 9,715,882</u>	<u>\$ 9,735,059</u>	<u>\$ 8,915,978</u>	<u>\$ 7,964,214</u>	<u>\$ 8,620,660</u>	<u>\$ 8,374,361</u>	<u>\$ 4,623,299</u>	<u>\$ 4,492,542</u>	<u>\$ 4,768,411</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 8,015	\$ 6,794	\$ 5,765	\$ 4,736	\$ 3,708	\$ 2,679	\$ 1,849	\$ 1,057	\$ 3,828	\$ 2,640
Restricted										
Unrestricted	<u>42,882</u>	<u>54,738</u>	<u>75,402</u>	<u>79,997</u>	<u>73,006</u>	<u>70,020</u>	<u>62,360</u>	<u>62,472</u>	<u>51,849</u>	<u>47,395</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 50,897</u>	<u>\$ 61,532</u>	<u>\$ 81,167</u>	<u>\$ 84,733</u>	<u>\$ 76,714</u>	<u>\$ 72,699</u>	<u>\$ 64,209</u>	<u>\$ 63,529</u>	<u>\$ 55,677</u>	<u>\$ 50,035</u>
District-Wide										
Net Investment in Capital Assets	\$ 4,941,901	\$ 7,313,877	\$ 7,807,040	\$ 7,537,237	\$ 7,356,063	\$ 7,006,132	\$ 6,461,737	\$ 6,352,429	\$ 6,268,502	\$ 6,277,155
Restricted	238,692	382,891	392,085	126,904	30,490	30,489	156,908	157,392	98,994	248,994
Unrestricted	<u>2,798,703</u>	<u>2,080,646</u>	<u>1,617,101</u>	<u>1,336,570</u>	<u>654,375</u>	<u>1,656,738</u>	<u>1,819,925</u>	<u>(1,822,993)</u>	<u>(1,819,277)</u>	<u>(1,707,703)</u>
<b>Total District Net Position</b>	<u>\$ 7,979,296</u>	<u>\$ 9,777,414</u>	<u>\$ 9,816,226</u>	<u>\$ 9,000,711</u>	<u>\$ 8,040,928</u>	<u>\$ 8,693,359</u>	<u>\$ 8,438,570</u>	<u>\$ 4,686,828</u>	<u>\$ 4,548,219</u>	<u>\$ 4,818,446</u>

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

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

**MAYWOOD 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 (Restated)	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 8,210,689	\$ 8,872,609	\$ 8,937,225	\$ 9,055,024	\$ 9,321,274	\$ 9,086,275	\$ 10,006,804	\$ 10,037,129	\$ 10,693,070	\$ 11,112,674
Special Education	2,012,977	2,282,687	3,067,165	3,715,058	3,901,969	4,013,917	4,021,871	3,958,848	4,551,240	5,107,862
Other Instruction	318,400	291,980	312,599	389,244	353,942	329,383	359,908	454,611	502,848	506,521
School Sponsored Activities And Athletics	62,746	65,134	93,284	83,706	76,050	82,774	78,862	79,495	87,485	87,632
Community Services	5,191	5,643	2,279	10,236	6,657	5,706	5,467	5,360	6,209	6,549
<b>Support Services:</b>										
Student & Instruction Related Services	1,649,710	1,925,644	1,591,250	1,672,209	1,652,381	1,507,020	1,483,678	1,601,467	1,986,708	1,668,171
School Administrative Services	445,056	457,822	466,595	407,567	348,930	342,535	450,340	465,467	514,773	570,507
General Administration	410,771	472,376	533,177	435,796	436,662	472,926	515,546	440,689	541,477	521,160
Central Services	398,713	403,949	389,981	405,286	397,028	355,980	349,152	301,508	402,566	541,772
Plant Operations And Maintenance	1,244,296	1,518,233	1,693,396	1,649,942	1,539,458	1,545,918	1,597,406	1,733,694	1,841,985	1,959,383
Pupil Transportation	565,684	495,837	469,080	539,216	651,401	528,471	544,751	574,252	479,424	557,414
Other Support Services										
Charter Schools				13,948						
Interest On Long-Term Debt	557,119	526,198	504,798	493,578	483,349	469,473	363,864	391,334	358,390	359,274
<b>Total Governmental Activities Expenses</b>	<u>15,881,352</u>	<u>17,318,112</u>	<u>18,060,829</u>	<u>18,870,810</u>	<u>19,169,101</u>	<u>18,740,378</u>	<u>19,777,649</u>	<u>20,043,854</u>	<u>21,966,175</u>	<u>22,998,919</u>
<b>Business-Type Activities:</b>										
Food Service	202,441	234,499	229,567	241,675	261,405	237,113	305,266	302,132	309,291	301,339
<b>Total Business-Type Activities Expense</b>	<u>202,441</u>	<u>234,499</u>	<u>229,567</u>	<u>241,675</u>	<u>261,405</u>	<u>237,113</u>	<u>305,266</u>	<u>302,132</u>	<u>309,291</u>	<u>301,339</u>
<b>Total District Expenses</b>	<u>\$ 16,083,793</u>	<u>\$ 17,552,611</u>	<u>\$ 18,290,396</u>	<u>\$ 19,112,485</u>	<u>\$ 19,430,506</u>	<u>\$ 18,977,491</u>	<u>\$ 20,082,915</u>	<u>\$ 20,345,986</u>	<u>\$ 22,275,466</u>	<u>\$ 23,300,258</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Operating Grants And Contributions	\$ 2,534,789	\$ 2,879,075	\$ 2,095,604	\$ 2,786,369	\$ 2,250,379	\$ 2,556,671	\$ 2,908,771	\$ 2,402,554	\$ 3,912,996	\$ 4,608,922
Charges For Services			\$ 120,275	235,356	258,023	336,000	357,952	163,697	193,064	246,424
Capital Grants And Contributions	2,527,886	1,697,138	793,115	-	95,285	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<u>5,062,675</u>	<u>4,576,213</u>	<u>3,008,994</u>	<u>3,021,725</u>	<u>2,603,687</u>	<u>2,892,671</u>	<u>3,266,723</u>	<u>2,566,251</u>	<u>4,106,060</u>	<u>4,855,346</u>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	152,605	177,953	175,161	159,125	165,729	149,747	180,580	191,014	190,305	199,132
Operating Grants And Contributions	59,407	65,192	73,132	85,411	86,941	83,351	116,196	110,438	111,134	96,565
<b>Total Business Type Activities Program Revenues</b>	<u>212,012</u>	<u>243,145</u>	<u>248,293</u>	<u>244,536</u>	<u>252,670</u>	<u>233,098</u>	<u>296,776</u>	<u>301,452</u>	<u>301,439</u>	<u>295,697</u>
<b>Total District Program Revenues</b>	<u>\$ 5,274,687</u>	<u>\$ 4,819,358</u>	<u>\$ 3,257,287</u>	<u>\$ 3,266,261</u>	<u>\$ 2,856,357</u>	<u>\$ 3,125,769</u>	<u>\$ 3,563,499</u>	<u>\$ 2,867,703</u>	<u>\$ 4,407,499</u>	<u>\$ 5,151,043</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (10,818,677)	\$ (12,741,899)	\$ (15,052,106)	\$ (15,849,085)	\$ (16,565,414)	\$ (15,847,707)	\$ (16,510,926)	\$ (17,477,603)	\$ (17,860,115)	\$ (18,143,573)
Business-Type Activities	9,571	8,646	18,726	2,861	(8,735)	(4,015)	(8,490)	(680)	(7,852)	(5,642)
<b>Total District-Wide Net Expense</b>	<u>\$ (10,809,106)</u>	<u>\$ (12,733,253)</u>	<u>\$ (15,033,380)</u>	<u>\$ (15,846,224)</u>	<u>\$ (16,574,149)</u>	<u>\$ (15,851,722)</u>	<u>\$ (16,519,416)</u>	<u>\$ (17,478,283)</u>	<u>\$ (17,867,967)</u>	<u>\$ (18,149,215)</u>

**MAYWOOD 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 (Restated)	2013	2014	2015	2016
<b>Expenses</b>										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 13,037,857	\$ 13,475,915	\$ 13,769,952	\$ 14,193,939	\$ 14,845,635	\$ 15,142,548	\$ 15,415,114	\$ 15,723,416	\$ 16,431,138	\$ 17,116,748
Taxes Levied For Debt Service	642,041	690,485	705,605	653,269	711,689	809,705	810,439	753,943	786,243	781,553
State Aid, Unrestricted	156,263	187,900	503,987	77,891	6,322	51,116	20,721	431,422	404,408	348,064
Investment Earnings	576,739	164,512	42,402	18,982	22,545	2,327	2,495	6,428	2,025	1,196
Donation of Capital Assets								3,327		
Miscellaneous Income	93,992	10,570	49,337	85,923	27,459	498,457	15,858	1,835	105,544	171,881
Premium on Bond Sale	2,249	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>14,509,141</u>	<u>14,529,382</u>	<u>15,071,283</u>	<u>15,030,004</u>	<u>15,613,650</u>	<u>16,504,153</u>	<u>16,264,627</u>	<u>16,920,371</u>	<u>17,729,358</u>	<u>18,419,442</u>
Business-Type Activities:										
Investment Earnings	-	1,989	909	705	716	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>-</u>	<u>1,989</u>	<u>909</u>	<u>705</u>	<u>716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total District-Wide</b>	<u>\$ 14,509,141</u>	<u>\$ 14,531,371</u>	<u>\$ 15,072,192</u>	<u>\$ 15,030,709</u>	<u>\$ 15,614,366</u>	<u>\$ 16,504,153</u>	<u>\$ 16,264,627</u>	<u>\$ 16,920,371</u>	<u>\$ 17,729,358</u>	<u>\$ 18,419,442</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 3,690,464	\$ 1,787,483	\$ 19,177	\$ (819,081)	\$ (951,764)	\$ 656,446	\$ (246,299)	\$ (557,232)	\$ (130,757)	\$ 275,869
Business-Type Activities	9,571	10,635	19,635	3,566	(8,019)	(4,015)	(8,490)	(680)	(7,852)	(5,642)
<b>Total District</b>	<u>\$ 3,700,035</u>	<u>\$ 1,798,118</u>	<u>\$ 38,812</u>	<u>\$ (815,515)</u>	<u>\$ (959,783)</u>	<u>\$ 652,431</u>	<u>\$ (254,789)</u>	<u>\$ (557,912)</u>	<u>\$ (138,609)</u>	<u>\$ 270,227</u>

**MAYWOOD 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	\$ 2,944,604	\$ 2,397,281	\$ 2,188,380	\$ 1,413,252						
Unreserved	344,347	430,161	199,248	339,671						
Restricted					618,048	\$ 1,081,033	\$ 1,431,394	\$ 1,194,182	\$ 1,116,399	\$ 1,364,627
Committed									58,419	-
Assigned					240,892	834,777	548,558	445,739	405,667	459,868
Unassigned	-	-	-	-	215,518	161,082	326,658	306,654	285,544	288,802
<b>Total General Fund</b>	<b>\$ 3,288,951</b>	<b>\$ 2,827,442</b>	<b>\$ 2,387,628</b>	<b>\$ 1,752,923</b>	<b>\$ 1,074,458</b>	<b>\$ 2,076,892</b>	<b>\$ 2,306,610</b>	<b>\$ 1,946,575</b>	<b>\$ 1,866,029</b>	<b>\$ 2,113,297</b>
All Other Governmental Funds										
Reserved	\$ 3,202,297	\$ 244		\$ 87,000						
Unreserved	(1,603,628)	(609,303)	96,658	\$ 103,521						
Restricted					2	\$ 1	\$ 29,516	\$ -	\$ -	\$ 1,311,780
Committed										
Assigned										
Unassigned	-	-	-	-	96,904	96,904	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 1,598,669</b>	<b>\$ (609,059)</b>	<b>\$ 96,658</b>	<b>\$ 190,521</b>	<b>\$ 96,906</b>	<b>\$ 96,905</b>	<b>\$ 29,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,311,780</b>

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

**MAYWOOD 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	\$ 13,679,898	\$ 14,166,400	\$ 14,475,557	\$ 14,847,208	\$ 15,557,324	\$ 15,952,253	\$ 16,225,553	\$ 16,477,359	\$ 17,217,381	\$ 17,898,301
Tuition			\$ 120,275	235,356	188,422	269,286	291,331	121,155	140,927	194,168
Interest Earnings	576,739	164,512	42,402	18,982	22,545	2,327	2,495	6,428	2,025	1,196
Miscellaneous	93,992	10,570	60,337	85,923	28,959	499,457	17,358	4,059	108,062	172,881
State Sources	4,873,862	4,431,791	3,018,264	2,192,910	1,840,778	2,137,631	2,535,876	2,419,493	2,589,177	2,806,894
Federal Sources	345,075	332,322	363,172	671,350	509,708	469,156	392,116	412,259	420,021	427,248
<b>Total Revenue</b>	<b>19,569,566</b>	<b>19,105,595</b>	<b>18,080,007</b>	<b>18,051,729</b>	<b>18,147,736</b>	<b>19,330,110</b>	<b>19,464,729</b>	<b>19,440,753</b>	<b>20,477,593</b>	<b>21,500,688</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,262,468	8,878,090	8,788,737	8,929,499	9,192,597	8,966,784	10,008,585	9,979,107	9,982,486	10,315,417
Special Education Instruction	2,011,325	2,281,013	3,055,664	3,703,136	3,820,460	3,935,295	3,955,250	3,916,306	4,199,973	4,622,170
Other Instruction	318,400	291,980	312,599	389,244	353,942	329,383	359,908	454,611	461,135	432,098
School Sponsored Activities and Athletics	62,746	65,134	77,506	83,570	75,914	82,638	78,862	79,495	77,637	83,863
Community Services	5,191	5,643	2,279	10,236	6,657	5,706	5,467	5,360	5,469	5,611
<b>Support Services:</b>										
Student and Inst. Related Services	1,667,600	1,921,782	1,604,482	1,653,205	1,634,654	1,488,766	1,480,094	1,599,569	1,841,099	1,502,347
General Administration	455,958	472,373	532,833	435,508	436,220	383,776	403,050	439,954	426,849	473,046
School Administrative Services	419,082	435,494	463,413	402,089	348,066	341,922	449,797	464,825	476,921	498,714
Central Services	397,599	404,519	389,981	406,273	400,382	357,539	359,599	294,265	369,514	477,784
Plant Operations And Maintenance	1,169,763	1,454,669	1,294,812	1,198,235	1,098,934	1,097,691	1,060,154	1,201,014	1,322,162	1,393,855
Pupil Transportation	565,684	495,837	469,080	539,216	651,401	528,471	544,751	574,252	475,551	551,092
Other Support Services										
Charter Schools				13,948						
Capital Outlay	12,514,355	4,205,340	17,113	175,144	92,243			3,327	98,339	1,144,250
<b>Debt Service:</b>										
Payments to Refunding Escrow Agent							661,275			
Cost of Issuance of Refunding Bonds							101,795		77,284	
Principal	151,041	286,786	297,766	155,000	320,000	335,000	350,000	435,458	456,147	491,852
Interest and Other Charges	650,998	565,175	507,839	498,268	488,346	474,706	394,193	382,761	364,857	324,462
<b>Total Expenditures</b>	<b>28,652,210</b>	<b>21,763,835</b>	<b>17,814,104</b>	<b>18,592,571</b>	<b>18,919,816</b>	<b>18,327,677</b>	<b>20,212,780</b>	<b>19,830,304</b>	<b>20,635,423</b>	<b>22,316,561</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(9,082,644)	(2,658,240)	265,903	(540,842)	(772,080)	1,002,433	(748,051)	(389,551)	(157,830)	(815,873)

**MAYWOOD 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>										
Payments to Refunding Escrow Agent							\$ (8,235,000)		(1,580,969)	
Refunding Bonds Proceeds							8,495,000		1,600,000	
Premium on Issuance of Refunding Bond							463,069		58,253	
Capital Leases (Non-Budgeted)							187,311			
Lease Purchase Proceeds										2,374,921
Proceeds From Bond Sale	\$ 2,042,000									
Cost of Issuance	(43,682)	\$ (10,997)								
Premium on Sale of Bonds	2,249									
Transfers In	304,593	460,762	\$ 104,245	\$ 361,345			96,904			
Transfers Out	(304,593)	(460,762)	(104,245)	(361,345)	-	-	(96,904)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,000,567</u>	<u>(10,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,380</u>	<u>-</u>	<u>77,284</u>	<u>2,374,921</u>
<b>Net Change in Fund Balances</b>	<u>\$ (7,082,077)</u>	<u>\$ (2,669,237)</u>	<u>\$ 265,903</u>	<u>\$ (540,842)</u>	<u>\$ (772,080)</u>	<u>\$ 1,002,433</u>	<u>\$ 162,329</u>	<u>\$ (389,551)</u>	<u>\$ (80,546)</u>	<u>\$ 1,559,048</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.97%	4.85%	4.53%	3.55%	4.29%	4.42%	3.68%	4.13%	4.00%	3.86%

\* Noncapital expenditures are total expenditures less capital outlay.



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

<u>Fiscal Year Ended June 30</u>	<u>Interest on Deposits</u>	<u>Prior Year Accounts Payable Cancelled</u>	<u>Tuition</u>	<u>E-Rate</u>	<u>Facility Use Fees</u>	<u>Misc.</u>	<u>Total</u>
2007	\$ 274,395					\$ 92,992	\$ 367,387
2008	5,675					7,245	12,920
2009	38,154		\$ 120,275			31,337	189,766
2010	18,982		235,356			79,923	334,261
2011	22,545		188,422			27,459	238,426
2012	2,327	\$ 448,456	269,286			50,001	770,070
2013	2,495		291,331			12,588	306,414
2014	6,428		121,155			1,835	129,418
2015	2,025	14,519	140,927			93,543	251,014
2016	1,144	12,889	194,168	\$ 40,085	\$ 22,000	96,907	367,193

Source: District's financial records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	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	\$ 3,796,700	\$ 490,580,700	\$ 48,204,400	\$ 50,194,400	\$ 23,159,900	\$ 615,936,100	\$ 418,145	\$ 616,354,245	\$ 1,401,442,121	\$ 2.256
2008	10,218,100	1,131,820,000	119,258,700	110,343,600	59,479,500	1,431,119,900	418,145	1,431,538,045	1,414,510,831	1.017
2009	8,993,200	1,127,099,000	120,968,100	110,343,600	59,479,500	1,426,883,400	1,326,499	1,428,209,899	1,414,905,763	1.025
2010	8,245,300	1,123,410,200	123,677,300	109,286,400	55,811,700	1,420,430,900	1,875,053	1,422,305,953	1,368,928,001	1.072
2011	9,543,300	1,123,414,000	119,176,800	104,769,000	53,635,600	1,410,538,700	1,406,988	1,409,945,788	1,395,595,810	1.122
2012	12,865,700	864,613,100	118,993,500	95,232,000	52,484,700	1,144,189,000	1,364,594	1,145,553,594	1,243,838,007	1.405
2013	11,701,800	865,585,900	118,885,500	90,696,900	52,484,700	1,139,354,800	626,290	1,139,981,090	1,280,476,904	1.436
2014	10,749,900	866,685,400	121,041,800	91,765,500	52,484,700	1,142,727,300	92,580	1,142,819,880	1,240,874,253	1.477
2015	10,749,900	868,321,900	121,041,800	106,765,500	52,484,700	1,159,363,800	60,490	1,159,424,290	1,287,462,683	1.516
2016	11,087,500	871,710,800	120,446,300	105,867,600	52,320,100	1,161,432,300	90,490	1,161,522,790	1,300,816,824	1.570

Source: County Abstract of Ratables

a Tax rates are per \$100

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

<b>Calendar Year</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2007	\$ 4.120	\$ 2.256	\$ 1.487	\$ 0.377
2008	1.871	1.001	0.688	0.182
2009	1.943	1.025	0.728	0.190
2010	2.047	1.072	0.787	0.188
2011	2.147	1.112	0.831	0.204
2012	2.678	1.405	1.036	0.237
2013	2.744	1.436	1.057	0.251
2014	2.782	1.477	1.054	0.251
2015	2.822	1.516	1.039	0.267
2016	2.902	1.570	1.057	0.275

Source: Tax Duplicate, Borough of Maywood

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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
S.W.S. Realty	\$ 23,000,000	1.98%	\$ 4,715,700	0.76%
Kin Properties Inc.	22,434,400	1.93%	11,387,200	1.84%
Vornado Bergen Mall, LLC	21,032,000	1.81%		
Stephan Company	14,592,700	1.26%	12,146,600	1.97%
Adler (etal), Myron	11,884,500	1.02%	9,290,500	1.50%
Maybrook Gardens	10,482,600	0.90%	5,525,100	0.89%
Essex Gardens, LLC	10,233,700	0.88%		
Maywood Developers, LLC	6,443,500	0.55%	3,643,100	0.59%
Maywood Health Care Realty LLC	7,909,000	0.68%		
1st Real Estate	7,120,000	0.61%	3,232,700	0.52%
Simon Property Tax Dept.			4,023,700	0.65%
Bank of New York			3,859,900	0.62%
Individual Taxpayer			3,718,400	0.60%
	<u>\$ 135,132,400</u>	<u>11.63%</u>	<u>\$ 61,542,900</u>	<u>9.94%</u>

Source: Municipal Tax Assessor

**MAYWOOD 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	\$ 13,679,898	\$ 13,679,898	100.00%	-
2008	14,166,400	14,166,400	100.00%	-
2009	14,475,557	14,475,557	100.00%	-
2010	14,847,208	14,847,208	100.00%	-
2011	15,557,324	15,557,324	100.00%	-
2012	15,952,253	15,952,253	100.00%	-
2013	16,225,553	16,225,553	100.00%	-
2014	16,477,359	16,477,359	100.00%	-
2015	17,217,381	17,217,381	100.00%	-
2016	17,898,301	17,898,301	100.00%	-

Source: District's financial records

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

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Loans	Capital Leases	Lease Purchase Agreements	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	\$ 12,042,000	\$ 299,549			N/A	N/A	\$ 12,341,549	9,139	\$ 1,350
2008	11,902,000	152,765			N/A	N/A	12,054,765	9,112	1,323
2009	11,757,000				N/A	N/A	11,757,000	9,144	1,286
2010	11,602,000				N/A	N/A	11,602,000	9,565	1,213
2011	11,282,000				N/A	N/A	11,282,000	9,595	1,176
2012	10,947,000				N/A	N/A	10,947,000	9,646	1,135
2013	10,857,000		\$ 187,311		N/A	N/A	11,044,311	9,716	1,137
2014	10,452,000		156,853		N/A	N/A	10,608,853	9,760	1,087
2015	10,080,000		125,706		N/A	N/A	10,205,706	9,805	1,041
2016	9,620,000		93,854	2,374,921	N/A	N/A	12,088,775	9,805 *	1,233

Source: District records

\*Estimate

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 12,042,000		\$ 12,042,000		\$ 1,350
2008	11,902,000	-	11,902,000	0.83%	1,323
2009	11,757,000	-	11,757,000	0.82%	1,286
2010	11,602,000	-	11,602,000	0.82%	1,213
2011	11,282,000	-	11,282,000	0.80%	1,176
2012	10,947,000	-	10,947,000	0.96%	1,135
2013	10,857,000	-	10,857,000	0.95%	1,137
2014	10,452,000	-	10,452,000	0.91%	1,087
2015	10,080,000	-	10,080,000	0.91%	1,041
2016	9,620,000	-	9,620,000	0.82%	1,233 *

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

\* Estimate

**MAYWOOD BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Maywood School District	\$ 9,620,000	\$ 9,620,000	
Borough of Maywood	<u>12,228,566</u>	<u>224,024</u>	\$ 12,004,542
Total Direct Debt	<u>\$ 21,848,566</u>	<u>\$ 9,844,024</u>	12,004,542
Overlapping Debt Apportioned to the Municipality:			
Bergen County: (3);(A):			
County of Bergen (A)			7,543,512
Bergen County Utilities Authority - Water Pollution (B)			<u>4,418,251</u>
			 <u>11,961,763</u>
Total Direct and Overlapping Debt			<u>\$ 23,966,305</u>

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

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

Sources:

- (1) Borough of Maywood Annual Debt Statement
- (2) BCUA 2015 Audit
- (3) Bergen County 2015 Annual Debt Statement



MAYWOOD BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis

2015	\$	1,292,202,185
2014		1,262,821,638
2013		1,230,670,555
	\$	<u>3,785,694,378</u>

Average equalized valuation of taxable property

	\$	<u>1,261,898,126</u>
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Debt limit (3 % of average equalization value)

	\$	37,856,944 <sup>a</sup>
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Total Net Debt Applicable to Limit

		<u>9,620,000</u>
--	--	------------------

Legal debt margin

	\$	<u>28,236,944</u>
--	----	-------------------

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 35,704,788	\$ 39,277,593	\$ 41,618,618	\$ 41,750,837	\$ 41,730,671	\$ 40,933,405	\$ 40,070,153	\$ 38,392,110	\$ 37,723,443	\$ 37,856,944
Total Net Debt Applicable to Limit	<u>12,341,549</u>	<u>11,902,295</u>	<u>11,757,295</u>	<u>11,602,000</u>	<u>11,282,000</u>	<u>10,947,000</u>	<u>10,857,000</u>	<u>10,452,000</u>	<u>10,080,000</u>	<u>9,620,000</u>
Legal Debt Margin	<u>\$ 23,363,239</u>	<u>\$ 27,375,298</u>	<u>\$ 29,861,323</u>	<u>\$ 30,148,837</u>	<u>\$ 30,448,671</u>	<u>\$ 29,986,405</u>	<u>\$ 29,213,153</u>	<u>\$ 27,940,110</u>	<u>\$ 27,643,443</u>	<u>\$ 28,236,944</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	34.57%	30.30%	28.25%	27.79%	27.04%	26.74%	27.09%	27.22%	26.72%	25.41%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2006	3.6%	\$ 63,814	9,181
2007	3.2%	68,147	9,139
2008	4.2%	68,548	9,112
2009	7.5%	64,571	9,144
2010	7.7%	65,275	9,565
2011	7.6%	68,244	9,595
2012	7.7%	71,380	9,646
2013	7.9%	70,498	9,716
2014	5.5%	73,536	9,760
2015	4.6%	N/A	9,805

Source: United States Bureau of Census  
School District Records

(1) Bergen County Per Capita Income

MAYWOOD 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 NOT AVAILABLE

**MAYWOOD BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**FOR THE LAST NINE FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</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	52	52	52	52	53	57	59	60	69
Special Education	5	5	5	5	6	10	15	14	18
Other Special Education	33	29	25	26	23	23	22	23	30
Vocational									
Other Instruction									
Nonpublic School Programs									
Adult/Continuing Education Programs									
Support Services:									
Student and Instruction Related Services	1	1	1	1	2	10	10	10	10
General Administration	2	2	1	2	2	2	2	2	2
School Administrative Services	2	2	1	1	1	2	2	2	2
Other Administrative Services	9	9	9	9	9	5	5	5	5
Central Services	4	4	4	4	4	4	4	4	5
Administrative Information Technology	-	-	-	-	-	-	-	-	-
Plant Operations And Maintenance	13	13	11	10	10	10	10	10	10
Pupil Transportation	-	-	-	-	-	-	-	-	-
Other Support Services	1	1	1	1	1	-	-	-	-
Special Schools									
Food Service									
Child Care	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>122</u>	<u>118</u>	<u>110</u>	<u>111</u>	<u>111</u>	<u>123</u>	<u>129</u>	<u>130</u>	<u>151</u>

Source: District Personnel Records

Note:

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

MAYWOOD 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	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2007	858	\$ 15,345,816	\$ 17,885	1.07%	81.00	1:11	N/A	N/A	858	822	5.54%	95.80%
2008	845	16,706,534	19,771	10.55%	90.00	1:11	N/A	N/A	845	813	-1.52%	96.21%
2009	907	17,002,633	18,746	-5.18%	86.00	1:11	N/A	N/A	907	870	6.84%	95.92%
2010	931	17,764,159	19,081	1.79%	82.00	1:11	N/A	N/A	931	892	2.65%	95.81%
2011	927	18,019,227	19,438	1.87%	83.00	1:11	N/A	N/A	927	887	-0.43%	95.69%
2012	914	17,517,971	19,166	-1.40%	82.00	1:11	N/A	N/A	912	876	-1.63%	96.06%
2013	960	18,705,517	19,485	1.66%	90.00	1:11	N/A	N/A	953	912	4.51%	95.70%
2014	967	19,008,758	19,657	0.89%	96.00	1:10	N/A	N/A	965	926	1.26%	95.96%
2015	943	19,638,796	20,826	6.88%	97.00	1:10	N/A	N/A	945	907	-0.84%	95.98%
2016	969	20,355,997	21,007	6.87%	117.00	1:8	N/A	N/A	967	926	0.21%	95.76%

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.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	29,919	46,191	46,191	46,191	46,191	54,138	54,138	54,138	54,138	54,138
Capacity (students)	212	395	395	395	395	463	463	463	463	463
Enrollment	394	403	403	435	442	440	437	440	440	446
<b><u>Middle School</u></b>										
Square Feet	91,495	91,495	91,495	91,495	91,495	98,583	98,583	98,583	98,583	98,583
Capacity (students)	548	548	548	548	548	590	590	590	590	590
Enrollment	464	474	504	496	485	474	523	527	527	523
Number of Schools at June 30, 2016										
Elementary =	1									
Middle School =	1									
Senior High School =	-									
Other =	-									

Source: District Records

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS ENDED JUNE 30,  
(UNAUDITED)**

	<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>
School Facilities										
Maywood Ave. School	\$ 221,535	\$ 310,821	\$ 174,399	\$ 155,659	\$ 123,056	\$ 129,157	\$ 166,717	\$ 185,987	\$ 192,327	\$ 180,373
Memorial School	<u>72,668</u>	<u>128,206</u>	<u>101,998</u>	<u>125,097</u>	<u>87,196</u>	<u>155,330</u>	<u>82,594</u>	<u>96,066</u>	<u>99,340</u>	<u>99,054</u>
Grand Total	<u>\$ 294,203</u>	<u>\$ 439,027</u>	<u>\$ 276,397</u>	<u>\$ 280,756</u>	<u>\$ 210,252</u>	<u>\$ 284,487</u>	<u>\$ 249,311</u>	<u>\$ 282,053</u>	<u>\$ 291,667</u>	<u>\$ 279,427</u>

Source: District records

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
AS OF JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Zurich Insurance Fund		
Property	\$ 45,449,915	\$ 2,500
Electronic Data Processing	3,000,000	
Boiler & Machinery	50,000,000	2,500
Crime Coverage	50,000	1,000
Comprehensive General Liability	2,000,000	
Bodily Injury & Property Damage	1,000,000	
Personal Injury & Advertising Injury	1,000,000	
Employee Benefit Liability	1,000,000	
Automobile		
Combined Single Limit for Bodily Injury	1,000,000	
Uninsured/Underinsured Motorists	1,000,000	
Medical Payments	5,000	
Public Employees' Faithful Performance Blanket	500,000	5,000

Source: School District's records



**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
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RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLSI, CPA  
ROBERT AMPONSAH, CPA

**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  
Maywood Board of Education  
Maywood, 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 Maywood 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 Maywood Board of Education’s basic financial statements and have issued our report thereon dated October 14, 2016.

**Internal Control Over Financial Reporting**

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

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

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

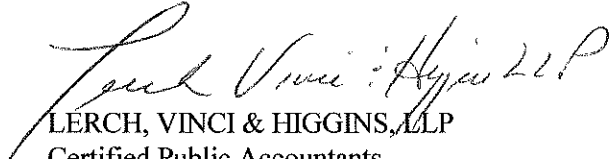
**Compliance and Other Matters**

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

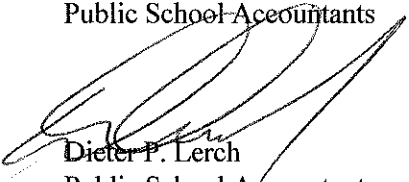
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Maywood Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated October 14, 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 Maywood 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 Maywood Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 14, 2016



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

***Management's Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its 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 Maywood Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards 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 state program occurred. An audit includes examining, on a test basis, evidence about the Maywood 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 state program. However, our audit does not provide a legal determination of the Maywood Board of Education's compliance.

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

In our opinion, the Maywood 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 state programs for the fiscal year ended June 30, 2016.

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

Management of the Maywood 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 Maywood Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the 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 Maywood Board of Education's internal control over compliance.

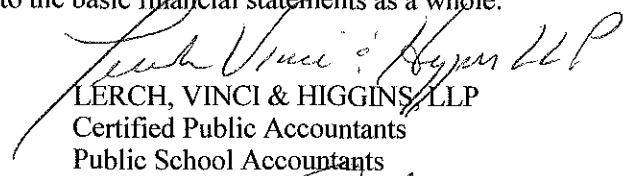
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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


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

**Report on 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 Maywood 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 14, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
October 14, 2016

MAYWOOD 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 July 1, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	June 30, 2016			(Memo) GAAP Receivable
										Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>Food Service Fund</b>													
Non-Cash Assistance (Food Distribution Program)	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	\$ 19,750			\$ 19,750	\$ 18,421		\$ 1,329		
National School Lunch Program Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	66,460			52,861	66,460	\$ (13,599)			\$ (13,599)
National School Lunch HHFKA (PB) Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	4,363			3,470	4,363	(893)			(893)
National School Breakfast Program Cash Assistance	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	1,893			1,602	1,893	(291)			(291)
Non-Cash Assistance (Food Distribution Program)	10.555		N/A	7/1/14-6/30/15	20,002			2,167	2,167				
National School Lunch Program Cash Assistance	10.555		N/A	7/1/14-6/30/15	82,161	\$ (6,309)		6,309					
National School Lunch HHFKA (PB) Cash Assistance	10.555		N/A	7/1/14-6/30/15	4,578	(365)		365					
National School Breakfast Program Cash Assistance	10.553		N/A	7/1/14-6/30/15	3,159	(192)	-	192	-	-	-	-	-
Total Child Nutrition Cluster/Food Service Fund						(6,866)	-	86,716	93,304	(14,783)	1,329	-	(14,783)
<b>U.S. Department of Education Passed-through State Dept. of Education Special Revenue Fund</b>													
IDEA Part B, Basic	84.027	H027A150100	IDEA306016	7/1/15-6/30/16	241,151			229,002	241,151	(12,149)			(12,149)
IDEA Presechool	84.173	H175A150114	IDEA306016	7/1/15-6/30/16	10,053			9,764	10,053	(289)			(289)
Total Special Education Cluster (IDEA)								238,766	251,204	(12,438)			(12,438)
Title I	84.010a	S010A150030	NCLB306016	7/1/15-6/30/16	140,632			111,500	140,632	(29,132)			(29,132)
Title II - A	84.367a	S367A150029	NCLB306016	7/1/15-6/30/16	24,101			1,971	24,101	(22,130)			(22,130)
Title III	84.365a	S365A150030	NCLB306016	7/1/15-6/30/16	11,311	-	-	3,018	11,311	(8,293)	-	-	(8,293)
Total Special Revenue Fund						-	-	355,255	427,248	(71,993)	-	-	(71,993)
Total Federal Financial Assistance						\$ (6,866)	\$ -	\$ 441,971	\$ 520,552	\$ (86,776)	\$ 1,329	\$ -	\$ (86,776)

Note: This schedule was not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance.

FAIN numbers are only applicable to current year grant awards.





**MAYWOOD 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 Maywood 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 a decrease of \$27,609 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		\$ 2,806,894	\$ 2,806,894
Special Revenue Fund	\$ 427,248		427,248
Food Service Fund	93,304	3,261	96,565
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	<u>\$ 520,552</u>	<u>\$ 2,810,155</u>	<u>\$ 3,330,707</u>

**MAYWOOD 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 \$424,726 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 \$449,042 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$534,686 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 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 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MAYWOOD 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 auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u>          </u> yes	<u>  X  </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	<u>          </u> yes	<u>  X  </u> none reported
Noncompliance material to the basic financial statements noted?	<u>          </u> yes	<u>  X  </u> no

Federal Awards Section

NOT APPLICABLE

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

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes       X  no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB 15-08, as amended? \_\_\_\_\_ yes       X  none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>16-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-084</u>	<u>Security Aid</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
_____	_____

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

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

**MAYWOOD 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 significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**MAYWOOD 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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**MAYWOOD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
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. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.