

PARAMUS BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

Paramus, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Paramus Board of Education

Paramus, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

**Paramus Board of Education
Business Department**

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INTRODUCTORY SECTION



PARAMUS PUBLIC SCHOOLS

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Steven J. Cea
Business Administrator/
Board Secretary
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November 2, 2016

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Paramus Board of Education for the fiscal year ended June 30, 2016.

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

The Paramus Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Paramus Board of Education for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's concluded, based upon the audit, that there was a

reasonable basis for rendering an unmodified opinion that the Paramus Board of Education's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Paramus Board of Education's MD&A can be found immediately following the report of the independent auditors.

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

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, as well as special education for handicapped youngsters. The District's average daily enrollment of 3,894 students for the 2015-2016 fiscal year represents a reduction of 40 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2015-2016 | 3,894 | (1.0%) |
| 2014-2015 | 3,933 | (0.2%) |
| 2013-2014 | 3,941 | (2.3%) |
| 2012-2013 | 4,034 | (1.5%) |
| 2011-2012 | 4,095 | (2.0%) |
| 2010-2011 | 4,177 | (1.6%) |
| 2009-2010 | 4,245 | (4.1%) |
| 2008-2009 | 4,426 | 1.5% |
| 2007-2008 | 4,361 | 0.1% |
| 2006-2007 | 4,356 | (1.2%) |

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

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

Bergen County is the most populated counties in the State of New Jersey. The Borough of Paramus has become a major retail trade center. A significant percentage of the Borough tax revenues are generated by its commercial and industrial complexes which are experiencing continual growth. The population of the Borough has leveled off (2010 U.S. Census 26,974 est.) and the Borough Master Plan indicates that the period of rapidly accelerating demand for municipal service facilities has past.

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

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

Over 90% of all housing units are owner occupied single family residences. New housing in the area is largely single family residences in the \$600,000 to \$800,000 range, and older housing continues to show value appreciation. The Borough is developing a master plan to address affordable housing regulations. The impact on the schools is uncertain at this time, but the Board continues to monitor the progress to determine the effect on District enrollment.

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

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

- Standardized test scores in all grades are significantly higher than state average.
- Scholastic Assessment Test (SAT) scores are also higher than the state average.
- A significant number of students are involved in 25 Advanced Placement courses and score at a level meriting potential college credit.
- Our District boasts a 95% high school graduation rate.
- The District offers a wide range of programs that meet the diverse needs of students before, during and after the school day.

Additionally, a vast majority of our students are involved in extra-curricular, athletic, voluntary and community activities. Staff development focuses on the implementation of the common core standards and instructional practices at all levels. We continue to integrate technology into all aspects of the curriculum. Every classroom setting is equipped with at least one computer that is connected to local and wide area networks with the capability of utilizing high-speed voice, video and data communications. The District has implemented a variety of instructional and productivity software packages (Performance Tracker, Edmentum) to improve and assess student outcomes and increase efficiencies. The Information Technology Department upgraded the elementary labs, deployed laptop and chrome book carts, developed an e-rate application to upgrade and expand the District's wireless network.

The 2015-2016 school year included many new and continuing instructional initiatives highlighted by the implementation new computers and bandwidth to conduct the new PARCC standardized test. This was a major undertaking requiring the coordination of departments throughout the District. Additionally there were various curriculum revisions, and the implementation of a Bring Your Own Device initiative in Paramus High School. The administration fully implemented the required teacher and administrator evaluation systems.

In addition to routine maintenance, the District completed several significant construction projects including replacement of roofs, paving, server room HVAC, HS library annex renovation, elementary and High School bathroom renovation, drop ceilings and LED lighting retrofit, HS girls locker room renovation . Additionally, the District undertook a joint project with the Borough to renovate the West Brook tennis courts and agreed to install a turf field at the East Brook Middle School. To address future infrastructure needs and ensure building systems are well maintained, the Board added to the Capital Reserve account and contributed toward the maintenance reserve account.

To improve the existing level of security, the District installed new cameras, added staff in the middle schools, and expanded door access.

The District responded to several audits and reviews in addition to the annual audit including a KPMG pension audit, Consolidated Federal Grant Monitoring, NJQSAC, and a Department of Agriculture Administrative Review. During the year the Board successfully completed negotiations with its custodial/maintenance association, expanded the high deductible health plan and associated health savings account, implemented reporting for the Affordable Care Act.

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

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

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

As recipient of federal and state financial assistance, the District also is responsible for ensuring compliance with applicable laws and regulations related to federal and state financial assistance programs, as well as to determine that the District complied with applicable laws and regulations.

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

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

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

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

8. RISK MANAGEMENT: The Board carries various forms of insurance including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, school board errors and omissions, boiler and machinery, and worker's compensation.

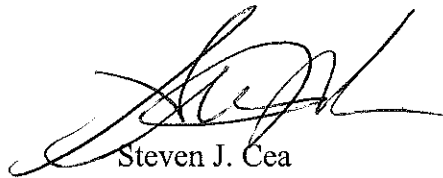
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP was selected by the Board's finance committee. In addition to meeting the requirements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

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

Respectfully submitted,

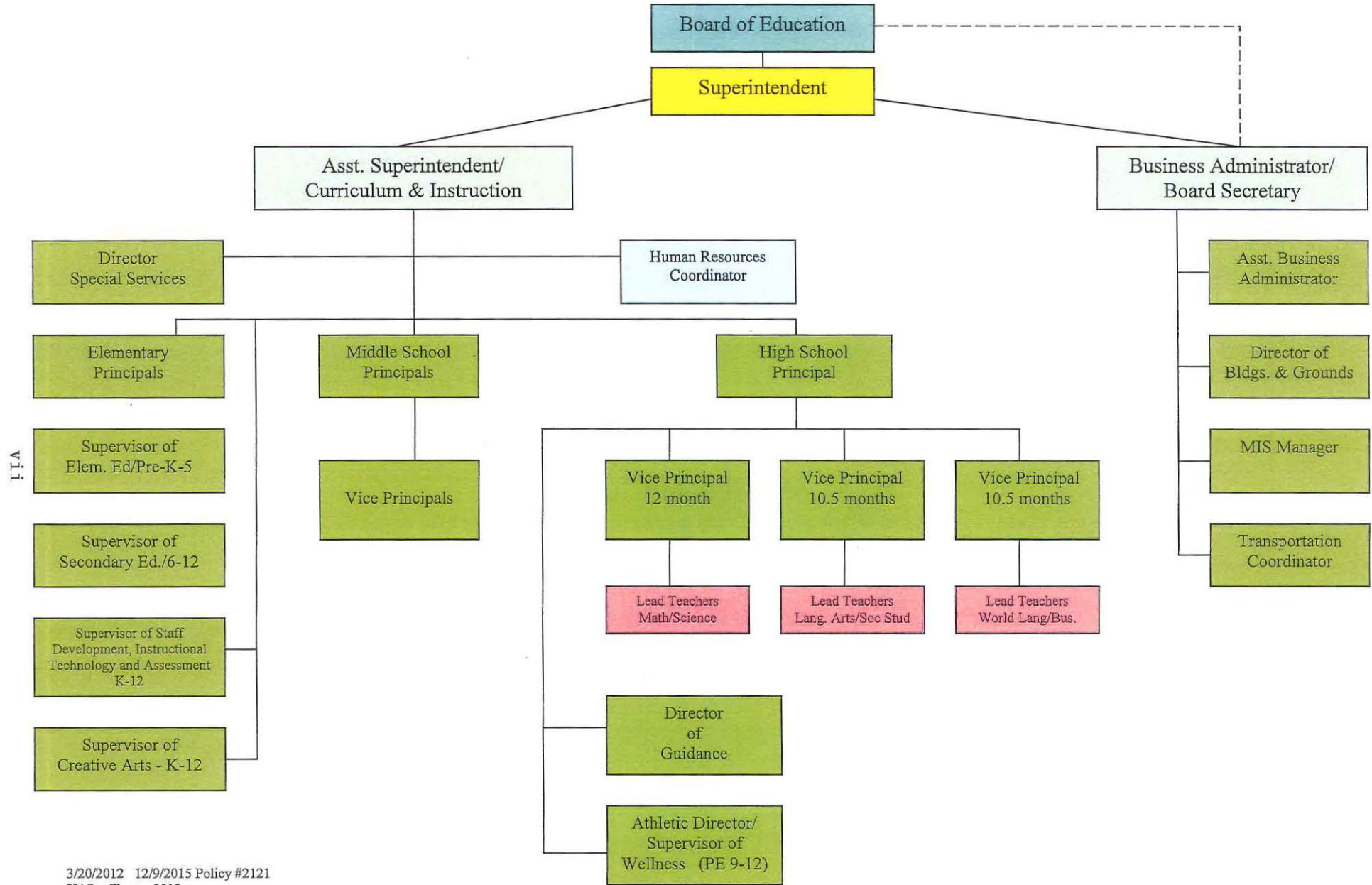


Dr. Michele Robinson
Superintendent of Schools



Steven J. Cea
Business Administrator/Board Secretary

PARAMUS PUBLIC SCHOOLS ORGANIZATION CHART



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

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2016**

| <u>Members of the Board of Education</u> | <u>Term Expires January,</u> |
|--|----------------------------------|
| Sharon Bower, President | 2017 |
| Jeffrey Warren, Vice President | 2017 |
| Anthony Balestrieri | 2017 |
| Joanne Bergmann | 2018 |
| Melissa Caminiti | 2018 |
| Alison Donoghue | 2019 |
| Anthony Feorenzo, Jr. | 2019 |
| William Holzmann | 2018 |
| Bernadette McCausland | 2019 |

Other Officials

Dr. Michele Robinson, Superintendent of Schools

Sean Adams, Assistant Superintendent

Steven J. Cea, Business Administrator/Board Secretary

Mattea Field, Assistant Business Administrator

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

**CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2016**

Architect

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Englewood Cliffs, NJ 07632

Audit Firm

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Attorneys

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21-00 Route 208 South
Fair Lawn, NJ

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Bond Counsel

McManimon, Scotland & Baumann, LLC
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Roseland, New Jersey 07068

Official Depository

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464 Route 17 N.
Paramus, New Jersey 07652

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
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DEBRA GOLLE, CPA
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MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education, as of and for the fiscal year ended June 30, 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 Paramus 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 Paramus Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Paramus Board of Education.

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

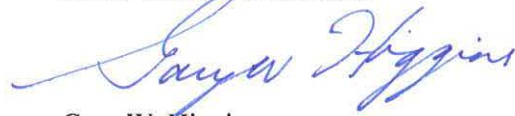
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2016 on our consideration of the Paramus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Paramus Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 2, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The discussion and analysis of the Paramus School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38,854,042 (net position).
- General revenues accounted for \$77,845,645 or 76 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$25,178,670 or 24 percent of total revenues of \$103,024,315.
- Total net position of governmental activities amounted to \$38,507,977 as of June 30, 2016.
- The District had \$97,558,799 in expenses related to governmental activities; only \$23,918,303 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$77,845,645 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$87,019,381 in revenues and \$83,710,738 in expenditures and transfers. The General Fund's fund balance increased \$3,308,643 over the fiscal year ended June 30, 2015.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Using the Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2016?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Reporting the District as a Whole (Continued)

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The District as a Whole

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

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

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current Assets | \$ 23,662,596 | \$ 21,308,934 | \$ 212,667 | \$ 252,375 | \$ 23,875,263 | \$ 21,561,309 |
| Capital Assets | 55,972,197 | 55,205,283 | 170,386 | 172,989 | 56,142,583 | 55,378,272 |
| Total Assets | 79,634,793 | 76,514,217 | 383,053 | 425,364 | 80,017,846 | 76,939,581 |
| Deferred Amount on Refunding of Debt | 1,120,459 | 1,290,713 | - | - | 1,120,459 | 1,290,713 |
| Deferred Amount on Net Pension Liability | 3,865,829 | 1,426,427 | - | - | 3,865,829 | 1,426,427 |
| Total Deferred Outflows of Resources | 4,986,288 | 2,717,140 | - | - | 4,986,288 | 2,717,140 |
| Long-Term Liabilities | 41,142,570 | 40,434,449 | | | 41,142,570 | 40,434,449 |
| Other Liabilities | 2,615,695 | 3,107,845 | 36,250 | 21,803 | 2,651,945 | 3,129,648 |
| Total Liabilities | 43,758,265 | 43,542,294 | 36,250 | 21,803 | 43,794,515 | 43,564,097 |
| Deferred Amount on Net Pension Liability | 2,354,839 | 1,386,235 | | | 2,354,839 | |
| USDA Commodities | - | - | 738 | 572 | 738 | 572 |
| Total Deferred Inflows of Resources | 2,354,839 | 1,386,235 | 738 | 572 | 2,355,577 | 572 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 41,735,254 | 39,957,382 | 170,386 | 172,989 | 41,905,640 | 40,130,371 |
| Restricted | 17,097,317 | 14,660,403 | | | 17,097,317 | 14,660,403 |
| Unrestricted | (20,324,594) | (20,314,957) | 175,679 | 230,000 | (20,148,915) | (20,084,957) |
| Total Net Position | \$ 38,507,977 | \$ 34,302,828 | \$ 346,065 | \$ 402,989 | \$ 38,854,042 | \$ 34,705,817 |

The District's combined net position was \$38,854,042 and \$34,705,817 at June 30, 2016 and 2015, respectively. This was an increase of \$4,148,225 or 12 percent from the prior year. This is primarily due to an increase in invested in capital assets as a result of the payment of debt and an increase in restricted assets for future capital projects.

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Table 2 shows changes in net position for fiscal years ended June 30, 2016 and 2015

Table 2
Changes 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> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 1,029,368 | \$ 1,335,212 | \$ 1,101,865 | \$ 1,069,902 | \$ 2,131,233 | \$ 2,405,114 |
| Operating Grants and Contributions | 22,884,855 | 19,985,595 | 158,502 | 145,014 | 23,043,357 | 20,130,609 |
| Capital Grants and Contributions | 4,080 | 286,180 | | | 4,080 | 286,180 |
| General Revenues | | | | | | |
| Property Taxes | 75,894,956 | 75,015,150 | | | 75,894,956 | 75,015,150 |
| State Aid | 311,594 | 309,881 | | | 311,594 | 309,881 |
| Other | 1,639,095 | 2,815,902 | - | 260 | 1,639,095 | 2,816,162 |
| Total Revenues | <u>101,763,948</u> | <u>99,747,920</u> | <u>1,260,367</u> | <u>1,215,176</u> | <u>103,024,315</u> | <u>100,963,096</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 37,580,253 | 35,405,836 | | | 37,580,253 | 35,405,836 |
| Special Education | 17,011,501 | 15,896,202 | | | 17,011,501 | 15,896,202 |
| Other Instruction | 3,026,442 | 2,853,123 | | | 3,026,442 | 2,853,123 |
| School Sponsored Activities and Athletics | 2,175,830 | 1,991,962 | | | 2,175,830 | 1,991,962 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 12,918,305 | 12,091,605 | | | 12,918,305 | 12,091,605 |
| General Administration Services | 919,677 | 1,055,628 | | | 919,677 | 1,055,628 |
| School Administration Services | 6,073,147 | 5,947,989 | | | 6,073,147 | 5,947,989 |
| Plant Operations and Maintenance | 11,631,973 | 11,066,092 | | | 11,631,973 | 11,066,092 |
| Pupil Transportation | 3,426,661 | 3,250,926 | | | 3,426,661 | 3,250,926 |
| Central Services | 2,195,762 | 2,071,816 | | | 2,195,762 | 2,071,816 |
| Interest on Debt | 599,248 | 765,720 | | | 599,248 | 765,720 |
| Food Services | - | - | 1,317,291 | 1,247,618 | 1,317,291 | 1,247,618 |
| Total Expenses | <u>97,558,799</u> | <u>92,396,899</u> | <u>1,317,291</u> | <u>1,247,618</u> | <u>98,876,090</u> | <u>93,644,517</u> |
| Change in Net Position | 4,205,149 | 7,351,021 | (56,924) | (32,442) | 4,148,225 | 7,318,579 |
| Net Position, Beginning of Year | <u>34,302,828</u> | <u>26,951,807</u> | <u>402,989</u> | <u>435,431</u> | <u>34,705,817</u> | <u>27,387,238</u> |
| Net Position, End of Year | <u>\$ 38,507,977</u> | <u>\$ 34,302,828</u> | <u>\$ 346,065</u> | <u>\$ 402,989</u> | <u>\$ 38,854,042</u> | <u>\$ 34,705,817</u> |

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Governmental Activities

The District's total revenues were \$101,763,948 and \$99,747,920 for the years ended June 30, 2016 and 2015, respectively. Property taxes made up 75 and 75 percent of revenues for governmental activities for the Paramus School District for both fiscal years ended June 30, 2016 and 2015. Federal, state and local grants and aid accounted for another 23 and 21 percent of revenues for the years ended June 30, 2016 and 2015, respectively. As a result of the implementation of GASB 68 state aid increased significantly as a result of the accrual of the on-behalf TPAF pension expense.

The total cost of all programs and services was \$97,558,799 and \$92,396,899 for the fiscal years ended June 30, 2016 and 2015, respectively. Instruction comprises 61 percent of governmental program expenses for fiscal years ended June 30, 2016 and 2015, respectively. Support services expenses make up 38 percent of governmental expenses for the fiscal years ended June 30, 2016 and 2015, respectively. Interest on debt comprises 1 percent of governmental expenses for fiscal years ended June 30, 2016 and 2015. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Total and Net Cost of Services

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|---|-------------------------------|----------------------|-----------------------------|----------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Instruction | | | | |
| Regular | \$ 37,580,253 | \$ 35,405,836 | \$ 27,805,150 | \$ 26,900,645 |
| Special Education | 17,011,501 | 15,896,202 | 8,825,178 | 8,047,045 |
| Other Instruction | 3,026,442 | 2,853,123 | 2,447,720 | 2,381,247 |
| School Sponsored Activities and Athletics | 2,175,830 | 1,991,962 | 1,493,467 | 1,431,137 |
| Support Services | | | | |
| Student and Instruction Related Services | 12,918,305 | 12,091,605 | 9,984,637 | 9,701,757 |
| General Administration Services | 919,677 | 1,055,628 | 841,561 | 990,495 |
| School Administration Services | 6,073,147 | 5,947,989 | 4,780,469 | 4,844,561 |
| Plant Operations and Maintenance | 11,631,973 | 11,066,092 | 11,566,752 | 10,719,266 |
| Pupil Transportation | 3,426,661 | 3,250,926 | 3,146,276 | 3,004,832 |
| Central Services | 2,195,762 | 2,071,816 | 2,150,038 | 2,003,207 |
| Interest on Debt | 599,248 | 765,720 | 599,248 | 765,720 |
| Total | \$ 97,558,799 | \$ 92,396,899 | \$ 73,640,496 | \$ 70,789,912 |

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$1,260,367 and \$1,215,176 expenses of \$1,317,291 and \$1,247,618 in fiscal years ended June 30, 2016 and 2015, respectively. Of the revenues, \$1,101,865 and \$1,069,902 was charges for services paid by patrons for daily food service, \$158,502 and \$145,014 was from State and Federal reimbursements for the fiscal years ended June 30, 2016 and 2015, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$92,931,366 and \$92,765,232 and expenditures were \$90,093,129 and \$89,863,255 for the fiscal years ended June 30, 2016 and 2015, respectively.

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

| | Year Ended June 30, | | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|--------------------|--------------------------|--------------------------|-------------------------------------|-----------------------------------|
| | 2016 | 2015 | | |
| Local Sources | \$ 78,630,850 | \$ 79,257,376 | \$ (626,526) | -0.79% |
| State Sources | 12,367,663 | 11,569,634 | 798,029 | 6.90% |
| Federal Sources | <u>1,932,853</u> | <u>1,938,222</u> | <u>(5,369)</u> | -0.28% |
| Total Revenues | <u>\$ 92,931,366</u> | <u>\$ 92,765,232</u> | <u>\$ 166,134</u> | 0.18% |

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2016 and 2015.

| | Year Ended June 30, | | Amount of Increase (Decrease) | Percent Increase (Decrease) |
|---------------------------|--------------------------|--------------------------|-------------------------------------|-----------------------------------|
| | 2016 | 2015 | | |
| Current: | | | | |
| Instruction | \$ 50,868,544 | \$ 48,780,156 | \$ 2,088,388 | 4.28% |
| Support Services | 34,322,509 | 33,159,550 | 1,162,959 | 3.51% |
| Capital Outlay | 3,284,295 | 2,591,737 | 692,558 | 26.72% |
| Debt Service: | | | | |
| Principal | 1,010,000 | 4,540,180 | (3,530,180) | -77.75% |
| Interest on Other Charges | <u>607,781</u> | <u>791,632</u> | <u>(183,851)</u> | -23.22% |
| Total Expenditures | <u>\$ 90,093,129</u> | <u>\$ 89,863,255</u> | <u>\$ 229,874</u> | 0.26% |

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2016 and 2015, the District had \$56,142,583 and \$55,378,272 invested in land, construction in progress, buildings, site improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$764,311 from fiscal year 2015 to fiscal year 2016. Table 4 shows capital assets net of depreciation at June 30, 2016 and 2015.

Table 4
Capital Assets

| | <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> |
| Land | \$ 400,645 | \$ 400,645 | | | \$ 400,645 | \$ 400,645 |
| Construction in Progress | 134,039 | 78,076 | | | 134,039 | 78,076 |
| Buildings and Building Improvements | 84,260,393 | 81,750,003 | \$ 145,725 | \$ 145,725 | 84,406,118 | 81,895,728 |
| Machinery and Equipment | 7,194,795 | 6,840,889 | 309,857 | 283,552 | 7,504,652 | 7,124,441 |
| Site Improvements | <u>2,423,627</u> | <u>2,059,591</u> | - | - | <u>2,423,627</u> | <u>2,059,591</u> |
| | 94,413,499 | 91,129,204 | 455,582 | 429,277 | 94,869,081 | 91,558,481 |
| Less Accumulated Depreciation | <u>38,441,302</u> | <u>35,923,921</u> | <u>285,196</u> | <u>256,288</u> | <u>38,726,498</u> | <u>36,180,209</u> |
| Total | <u>\$ 55,972,197</u> | <u>\$ 55,205,283</u> | <u>\$ 170,386</u> | <u>\$ 172,989</u> | <u>\$ 56,142,583</u> | <u>\$ 55,378,272</u> |

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

Long-Term Liabilities

At June 30, 2016 and 2015, the District had \$41,142,570 and \$40,434,449 of long-term liabilities, respectively. Of this amount, \$652,646 and \$634,746 is for compensated absences, \$15,357,402 and \$16,538,614 of bonds payable plus the unamortized premium for school construction, \$25,132,522 and \$23,261,089 net pension liability for the fiscal years ended June 30, 2016 and 2015, respectively.

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

PARAMUS BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

For the Future

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

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

Contacting the District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 19,273,209 | \$ 179,904 | \$ 19,453,113 |
| Cash with Fiscal Agents | 3,092,886 | | 3,092,886 |
| Receivables, net | | | |
| Receivables from Other Governments | 768,498 | 20,698 | 789,196 |
| Other | 528,003 | | 528,003 |
| Inventory | | 12,065 | 12,065 |
| Capital Assets | | | |
| Not Being Depreciated | 534,684 | | 534,684 |
| Being Depreciated, Net | <u>55,437,513</u> | <u>170,386</u> | <u>55,607,899</u> |
| Total Assets | <u>79,634,793</u> | <u>383,053</u> | <u>80,017,846</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount on Refunding | 1,120,459 | | 1,120,459 |
| Deferred Amount on Net Pension Liability | <u>3,865,829</u> | <u>-</u> | <u>3,865,829</u> |
| Total Deferred Outflows of Resources | <u>4,986,288</u> | <u>-</u> | <u>4,986,288</u> |
| LIABILITIES | | | |
| Accounts Payable | 673,455 | 36,250 | 709,705 |
| Payable to State Government | 149,198 | | 149,198 |
| Accrued Interest Payable | 144,370 | | 144,370 |
| Accrued Liability for Insurance Claims | 1,460,442 | | 1,460,442 |
| Other Liabilities | 38,502 | | 38,502 |
| Unearned Revenue | 149,728 | | 149,728 |
| Noncurrent Liabilities | | | |
| Due within one year | 1,065,265 | | 1,065,265 |
| Due beyond one year | <u>40,077,305</u> | <u>-</u> | <u>40,077,305</u> |
| Total Liabilities | <u>43,758,265</u> | <u>36,250</u> | <u>43,794,515</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| USDA Commodities | | 738 | 738 |
| Deferred Amount on Net Pension Liability | <u>2,354,839</u> | <u>-</u> | <u>2,354,839</u> |
| Total Deferred Inflows of Resources | <u>2,354,839</u> | <u>738</u> | <u>2,355,577</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 41,735,254 | 170,386 | 41,905,640 |
| Restricted for | | | |
| Debt Service | 281,990 | | 281,990 |
| Capital Projects | 15,215,327 | | 15,215,327 |
| Other Purposes | 1,600,000 | | 1,600,000 |
| Unrestricted | <u>(20,324,594)</u> | <u>175,679</u> | <u>(20,148,915)</u> |
| Total Net Position | <u>\$ 38,507,977</u> | <u>\$ 346,065</u> | <u>\$ 38,854,042</u> |

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

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

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|----------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 37,580,253 | \$ 355,685 | \$ 9,419,418 | | \$ (27,805,150) | | \$ (27,805,150) |
| Special Education | 17,011,501 | 673,683 | 7,512,640 | | (8,825,178) | | (8,825,178) |
| Other Instruction | 3,026,442 | | 578,722 | | (2,447,720) | | (2,447,720) |
| School Sponsored Activities and Athletics | 2,175,830 | | 682,363 | | (1,493,467) | | (1,493,467) |
| Support Services | | | | | | | |
| Student and Instruction Related Services | 12,918,305 | | 2,933,668 | | (9,984,637) | | (9,984,637) |
| School Administration Services | 6,073,147 | | 1,292,678 | | (4,780,469) | | (4,780,469) |
| General Administration Services | 919,677 | | 78,116 | | (841,561) | | (841,561) |
| Plant Operations and Maintenance | 11,631,973 | | 61,141 | \$ 4,080 | (11,566,752) | | (11,566,752) |
| Pupil Transportation | 3,426,661 | | 280,385 | | (3,146,276) | | (3,146,276) |
| Central Services | 2,195,762 | | 45,724 | | (2,150,038) | | (2,150,038) |
| Interest on Long-Term Debt | 599,248 | - | - | - | (599,248) | - | (599,248) |
| Total Governmental Activities | <u>97,558,799</u> | <u>1,029,368</u> | <u>22,884,855</u> | <u>4,080</u> | <u>(73,640,496)</u> | <u>-</u> | <u>(73,640,496)</u> |
| Business-Type Activities | | | | | | | |
| Food Service | 1,317,291 | 1,101,865 | 158,502 | - | - | \$ (56,924) | (56,924) |
| Total Business-Type Activities | <u>1,317,291</u> | <u>1,101,865</u> | <u>158,502</u> | <u>-</u> | <u>-</u> | <u>(56,924)</u> | <u>(56,924)</u> |
| Total Primary Government | <u>\$ 98,876,090</u> | <u>\$ 2,131,233</u> | <u>\$ 23,043,357</u> | <u>\$ 4,080</u> | <u>(73,640,496)</u> | <u>(56,924)</u> | <u>(73,697,420)</u> |

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Continued

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

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|--|-------------------------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total |
| General Revenues | | | |
| Property Taxes Levied for General Purposes | \$ 74,230,284 | - | \$ 74,230,284 |
| Property Taxes Levied for Debt Service | 1,664,672 | - | 1,664,672 |
| Federal and State Aid - Unrestricted | 77,127 | - | 77,127 |
| Debt Service Type II Aid | 234,467 | - | 234,467 |
| Interest Earnings | 62,181 | - | 62,181 |
| Miscellaneous Income | 1,576,914 | - | 1,576,914 |
| | 77,845,645 | - | 77,845,645 |
| Change in Net Position | 4,205,149 | \$ (56,924) | 4,148,225 |
| Net Position, Beginning of Year | 34,302,828 | 402,989 | 34,705,817 |
| Net Position, End of Year | \$ 38,507,977 | \$ 346,065 | \$ 38,854,042 |

15

FUND FINANCIAL STATEMENTS

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 18,393,715 | \$ 452,676 | \$ 144,828 | \$ 281,990 | \$ 19,273,209 |
| Cash with Fiscal Agent | 3,092,886 | | | | 3,092,886 |
| Other Accounts Receivable | 528,003 | | | | 528,003 |
| Due from Other Funds | 500,000 | | | | 500,000 |
| Receivables from Other Governments | 264,588 | 499,830 | 4,080 | - | 768,498 |
| | <u>22,779,192</u> | <u>952,506</u> | <u>148,908</u> | <u>281,990</u> | <u>24,162,596</u> |
| Total Assets | <u>\$ 22,779,192</u> | <u>\$ 952,506</u> | <u>\$ 148,908</u> | <u>\$ 281,990</u> | <u>\$ 24,162,596</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 512,635 | \$ 155,063 | \$ 5,757 | | \$ 673,455 |
| Due to Other Funds | | 500,000 | | | 500,000 |
| Payable to State Government | | 149,198 | | | 149,198 |
| Other Liabilities | | 38,502 | | | 38,502 |
| Accrued Liability for Insurance Claims | 1,460,442 | | | | 1,460,442 |
| Unearned Revenue | 39,985 | 109,743 | - | - | 149,728 |
| | <u>2,013,062</u> | <u>952,506</u> | <u>5,757</u> | <u>-</u> | <u>2,971,325</u> |
| Total Liabilities | <u>2,013,062</u> | <u>952,506</u> | <u>5,757</u> | <u>-</u> | <u>2,971,325</u> |
| Fund Balances | | | | | |
| Restricted | | | | | |
| Capital Projects | | | 143,151 | | 143,151 |
| Debt Service | | | | \$ 281,990 | 281,990 |
| Excess Surplus | 600,000 | | | | 600,000 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 800,000 | | | | 800,000 |
| Capital Reserve | 11,972,176 | | | | 11,972,176 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 3,100,000 | | | | 3,100,000 |
| Maintenance Reserve | 1,600,000 | | | | 1,600,000 |
| Emergency Reserve | 794,000 | | | | 794,000 |
| Assigned | | | | | |
| Year End Encumbrances | 450,098 | | | | 450,098 |
| Unassigned | 1,449,856 | - | - | - | 1,449,856 |
| | <u>20,766,130</u> | <u>-</u> | <u>143,151</u> | <u>281,990</u> | <u>21,191,271</u> |
| Total Fund Balances | <u>20,766,130</u> | <u>-</u> | <u>143,151</u> | <u>281,990</u> | <u>21,191,271</u> |
| Total Liabilities and Fund Balances | <u>\$ 22,779,192</u> | <u>\$ 952,506</u> | <u>\$ 148,908</u> | <u>\$ 281,990</u> | |

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

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

| | | |
|---|----|--------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$94,413,499 and the accumulated depreciation is \$38,441,302. | \$ | 55,972,197 |
| The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: | | (144,370) |
| Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. | | 1,120,459 |
| Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years. | | |
| Deferred Outflows of Resources | \$ | 3,865,829 |
| Deferred Inflows of Resources | | (2,354,839) |
| | | 1,510,990 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows: | | |
| Bonds Payable, net | | (15,357,402) |
| Net Pension Liability | | (25,132,522) |
| Compensated Absences Payable | | (652,646) |
| | | (41,142,570) |
| Net Position of Governmental Activities | \$ | 38,507,977 |

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 74,230,284 | | | \$ 1,664,672 | \$ 75,894,956 |
| Tuition | 1,029,368 | | | | 1,029,368 |
| Interest | 62,181 | | | | 62,181 |
| Miscellaneous | 1,576,914 | \$ 67,431 | - | - | 1,644,345 |
| Total - Local Sources | <u>76,898,747</u> | <u>67,431</u> | <u>-</u> | <u>1,664,672</u> | <u>78,630,850</u> |
| State Sources | 10,057,256 | 2,071,860 | \$ 4,080 | 234,467 | 12,367,663 |
| Federal Sources | 63,378 | 1,869,475 | - | - | 1,932,853 |
| Total Revenues | <u>87,019,381</u> | <u>4,008,766</u> | <u>4,080</u> | <u>1,899,139</u> | <u>92,931,366</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Regular Instruction | 29,911,357 | 817,792 | | | 30,729,149 |
| Special Education Instruction | 12,935,917 | 2,689,140 | | | 15,625,057 |
| Other Instruction | 2,710,245 | | | | 2,710,245 |
| School-Sponsored Activities and Athletics | 1,804,093 | | | | 1,804,093 |
| Support Services | | | | | |
| Student and Instruction Related Services | 10,980,797 | 490,849 | | | 11,471,646 |
| School Administration Services | 5,320,345 | | | | 5,320,345 |
| General Administration Services | 872,675 | | | | 872,675 |
| Plant Operations and Maintenance | 11,250,614 | | | | 11,250,614 |
| Pupil Transportation | 3,305,599 | 6,587 | | | 3,312,186 |
| Central Services | 2,095,043 | | | | 2,095,043 |
| Debt Service | | | | | |
| Principal | | | | 1,010,000 | 1,010,000 |
| Interest and Other Charges | | | | 607,781 | 607,781 |
| Capital Outlay | 524,053 | 4,398 | 2,755,844 | - | 3,284,295 |
| Total Expenditures | <u>81,710,738</u> | <u>4,008,766</u> | <u>2,755,844</u> | <u>1,617,781</u> | <u>90,093,129</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>5,308,643</u> | <u>-</u> | <u>(2,751,764)</u> | <u>281,358</u> | <u>2,838,237</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | | | 2,000,000 | - | 2,000,000 |
| Transfers Out | (2,000,000) | - | - | - | (2,000,000) |
| Total Other Financing Sources (Uses) | <u>(2,000,000)</u> | <u>-</u> | <u>2,000,000</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 3,308,643 | - | (751,764) | 281,358 | 2,838,237 |
| Fund Balance, Beginning of Year | 17,457,487 | - | 894,915 | 632 | 18,353,034 |
| Fund Balance, End of Year | <u>\$ 20,766,130</u> | <u>\$ -</u> | <u>\$ 143,151</u> | <u>\$ 281,990</u> | <u>\$ 21,191,271</u> |

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

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

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 2,838,237**

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

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

| | | |
|----------------------|--------------------|---------|
| Capital Outlay | \$ 3,284,295 | |
| Depreciation Expense | <u>(2,517,381)</u> | 766,914 |

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

| | | |
|----------------------|--|-----------|
| Principal Repayments | | |
| Bonds Payable | | 1,010,000 |

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

(410,002)

Change in net position of governmental activities (Exhibit A-2) **\$ 4,205,149**

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

| | | Business- Type Activities Enterprise Fund <u>Food Service</u> |
|---|----|--|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ | 179,904 |
| Intergovernmental Receivable | | |
| State | | 951 |
| Federal | | 19,747 |
| Inventory | | <u>12,065</u> |
| Total Current Assets | | <u>212,667</u> |
| Capital Assets | | |
| Equipment | | 455,582 |
| Less: Accumulated Depreciation | | <u>(285,196)</u> |
| Total Capital Assets, Net of Accumulated Depreciation | | <u>170,386</u> |
| Total Assets | | <u>383,053</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | | <u>36,250</u> |
| Total Current Liabilities | | <u>36,250</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| U.S.D.A Commodities | | <u>738</u> |
| Total Deferred Inflows of Resources | | <u>738</u> |
| Total Liabilities and Deferred Inflows of Resources | | <u>36,988</u> |
| NET POSITION | | |
| Investment in Capital Assets | | 170,386 |
| Unrestricted | | <u>175,679</u> |
| Total Net Position | \$ | <u>346,065</u> |

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

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

| | Business- Type Activities Enterprise Fund <u>Food Service</u> |
|---|--|
| OPERATING REVENUES | |
| Charges for Services | |
| Daily Sales - Reimbursable Programs | \$ 374,838 |
| Daily Sales - Non-Reimbursable Programs | 693,060 |
| Other Sales | <u>33,967</u> |
| Total Operating Revenues | <u>1,101,865</u> |
| OPERATING EXPENSES | |
| Cost of Sales - Reimbursable Programs | 286,245 |
| Cost of Sales - Non-Reimbursable Programs | 248,777 |
| Salaries and Employee Benefits | 503,635 |
| Supplies and Materials | 114,260 |
| Management Fee | 54,596 |
| Other Purchased Services | 34,169 |
| Depreciation | 28,908 |
| Purchased Professional and Technical Services | 20,836 |
| Purchased Property Services | <u>25,865</u> |
| Total Operating Expenses | <u>1,317,291</u> |
| Operating Loss | <u>(215,426)</u> |
| NONOPERATING REVENUES | |
| State Sources | |
| School Lunch Program | 5,403 |
| Federal Sources | |
| National School Lunch Program | 134,131 |
| School Milk Program | <u>18,968</u> |
| Total Nonoperating Revenues | <u>158,502</u> |
| Changes in Net Position | (56,924) |
| Total Net Position, Beginning of Year | <u>402,989</u> |
| Total Net Position, End of Year | <u>\$ 346,065</u> |

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

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

| | Business- Type Activities Enterprise Fund <u>Food Service</u> |
|--|--|
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$ 1,101,865 |
| Cash Payments for Employees' Salaries and Benefits | (503,635) |
| Cash Payments to Suppliers for Goods and Services | <u>(725,103)</u> |
| Net Cash Used by Operating Activities | <u>(126,873)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Cash Received from State and Federal Subsidy Reimbursements | <u>100,222</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>100,222</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Acquisition of Capital Assets | <u>(26,305)</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(26,305)</u> |
| Net Decrease in Cash and Cash Equivalents | (52,956) |
| Cash and Cash Equivalents, Beginning of Year | <u>232,860</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 179,904</u></u> |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | |
| Operating Loss | <u>\$ (215,426)</u> |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities | |
| Depreciation | 28,908 |
| Non-Cash Federal Assistance | |
| Food Distribution - National School Lunch Programs | 46,204 |
| Change in Assets and Liabilities | |
| Increase/(Decrease) in Accounts Payable | 14,447 |
| (Increase)/Decrease in Inventory | <u>(1,006)</u> |
| Total Adjustments | <u>88,553</u> |
| Net Cash Used by Operating Activities | <u><u>\$ (126,873)</u></u> |
| Non-Cash Financing Activities | |
| National School Lunch (Food Distribution) | <u><u>\$ 46,370</u></u> |

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

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

| | Unemployment Compensation <u>Trust Fund</u> | <u>Agency Fund</u> |
|---------------------------------------|--|---------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 322,811 | \$ 373,411 |
| Total Assets | <u>322,811</u> | <u>\$ 373,411</u> |
| LIABILITIES | | |
| Intergovernmental Payable | \$ 37,278 | |
| Payroll Deductions and Withholdings | | \$ 25,255 |
| Due to Student Groups | <u>-</u> | <u>348,156</u> |
| Total Liabilities | <u>37,278</u> | <u>\$ 373,411</u> |
| NET POSITION | | |
| Held in Trust for Unemployment Claims | <u>\$ 285,533</u> | |

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

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

| | Unemployment Compensation <u>Trust Fund</u> |
|---------------------------------------|--|
| ADDITIONS | |
| Employee Contributions | \$ <u>120,972</u> |
| Total Additions | <u>120,972</u> |
| DEDUCTIONS | |
| Unemployment Claims and Contributions | <u>123,351</u> |
| Total Deductions | <u>123,351</u> |
| Change in Net Position | (2,379) |
| Net Position, Beginning of the Year | <u>287,912</u> |
| Net Position, End of the Year | <u>\$ 285,533</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

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

- 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

C. Basis of Presentation - Financial Statements

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

**PARAMUS 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.

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

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

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

4. Capital Assets

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

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

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

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future 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.

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 which arise only under the accrual basis of accounting that qualify for reporting in this category. The first item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item which qualifies for reporting in this category is the deferred commodities revenue which is 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.

**PARAMUS 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. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. 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.

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

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

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds". The details of this \$(410,002) difference are as follows:

| | |
|--|---------------------|
| Compensated Absences | \$ (17,900) |
| Accrued Interest | 7,575 |
| Amortization of Deferred Charge on Refunding of Debt | (170,254) |
| Amortization of Premium | 171,212 |
| Net Pension Expense | <u>(400,635)</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ (410,002)</u> |

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 14, 2012, the Mayor and Council of the Borough of Paramus adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$2,202,146. The increase was funded by additional grant awards, the appropriation of fund balance 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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

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

| | | |
|---------------------------------------|------------------|----------------------|
| Balance, July 1, 2015 | | \$ 12,464,856 |
| Increased by: | | |
| Deposits Approved by Board Resolution | \$ 4,607,320 | |
| Total Increases | | <u>4,607,320</u> |
| | | 17,072,176 |
| Withdrawals: | | |
| Approved in District Budget | <u>2,000,000</u> | |
| Total Withdrawals | | <u>2,000,000</u> |
| Balance, June 30, 2016 | | <u>\$ 15,072,176</u> |

The District has appropriated \$3,100,000 of the capital reserve as a withdrawal in the 2016/17 budget.

C. Maintenance Reserve

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

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

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

| | |
|---------------------------------------|---------------------|
| Balance, July 1, 2015 | \$ 1,300,000 |
| Increased by: | |
| Deposits Approved by Board Resolution | \$ 300,000 |
| Total Increases | <u>300,000</u> |
| Balance, June 30, 2016 | <u>\$ 1,600,000</u> |

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,349,202.

D. Emergency Reserve

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

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

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

| | |
|------------------------|-------------------|
| Balance, July 1, 2015 | <u>\$ 794,000</u> |
| Balance, June 30, 2016 | <u>\$ 794,000</u> |

E. 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 \$1,400,000. Of this amount, \$800,000 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$600,000 will be appropriated in the 2017/2018 original budget certified for taxes.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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 \$23,242,221 and bank and brokerage firm balances of the Board's deposits amounted to \$25,494,702. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

| <u>Depository Account</u> | <u>Bank Balance</u> |
|----------------------------------|--------------------------------|
| Insured: | |
| Cash and Cash Equivalents | \$ 22,401,816 |
| Uninsured and Collateralized | |
| Cash with Fiscal Agent/Trustee | <u>3,092,886</u> |
| | <u>\$ 25,494,702</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balance of \$3,092,886 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized

Collateral held by pledging financial institution's trust department or agent not in the Board's name.

\$ 3,092,886

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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

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

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

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

B. Receivables

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

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Food Service</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| Receivables: | | | | | |
| Accounts | \$ 528,003 | | | | \$ 528,003 |
| Intergovernmental | | | | | |
| Federal | 29,341 | \$ 491,086 | | \$ 19,747 | 540,174 |
| State | 148,204 | 8,744 | \$ 4,080 | 951 | 161,979 |
| Other | 87,043 | - | - | - | 87,043 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Gross Receivables | 792,591 | 499,830 | 4,080 | 20,698 | 1,317,199 |
| Less: Allowance for Uncollectibles | - | - | - | - | - |
| Net Total Receivables | <u>\$ 792,591</u> | <u>\$ 499,830</u> | <u>\$ 4,080</u> | <u>\$ 20,698</u> | <u>\$ 1,317,199</u> |

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

| | | |
|---|--------|--------------------|
| General Fund | | |
| Tuition Charges | \$ | 39,985 |
| Special Revenue Fund | | |
| Unencumbered Grant Draw Downs | | 35,995 |
| Grant Draw Downs Reserved for Encumbrances | | <u>73,748</u> |
| Total Unearned Revenue for Governmental Funds | \$ | <u>149,728</u> |

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> | <u>Transfers</u> | Balance, <u>June 30, 2016</u> |
|--|---------------------------------|--------------------|------------------|------------------|----------------------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 400,645 | | | | \$ 400,645 |
| Construction in Progress | <u>78,076</u> | \$ 134,039 | - | \$ (78,076) | <u>134,039</u> |
| Total capital assets, not being depreciated | <u>478,721</u> | <u>134,039</u> | - | <u>(78,076)</u> | <u>534,684</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings and Building Improvements | 81,750,003 | 2,432,314 | | 78,076 | 84,260,393 |
| Site Improvements | 2,059,591 | 364,036 | | | 2,423,627 |
| Machinery and Equipment | <u>6,840,889</u> | <u>353,906</u> | - | - | <u>7,194,795</u> |
| Total capital assets being depreciated | <u>90,650,483</u> | <u>3,150,256</u> | - | <u>78,076</u> | <u>93,878,815</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and Building Improvements | (29,445,827) | (2,044,783) | | | (31,490,610) |
| Site Improvements | (695,085) | (112,196) | | | (807,281) |
| Machinery and Equipment | <u>(5,783,009)</u> | <u>(360,402)</u> | - | - | <u>(6,143,411)</u> |
| Total accumulated depreciation | <u>(35,923,921)</u> | <u>(2,517,381)</u> | - | - | <u>(38,441,302)</u> |
| Total capital assets, being depreciated, net | <u>54,726,562</u> | <u>632,875</u> | - | <u>78,076</u> | <u>55,437,513</u> |
| Government activities capital assets, net | <u>\$ 55,205,283</u> | <u>\$ 766,914</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 55,972,197</u> |

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

NOTE 4 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> |
|--|---------------------------------|-------------------|------------------|----------------------------------|
| Business-Type activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and Building Improvements | \$ 145,725 | | | \$ 145,725 |
| Machinery and Equipment | <u>283,552</u> | <u>\$ 26,305</u> | <u>-</u> | <u>309,857</u> |
| Total capital assets being depreciated | <u>429,277</u> | <u>26,305</u> | <u>-</u> | <u>455,582</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and Building Improvements | (28,664) | (3,583) | | (32,247) |
| Machinery and Equipment | <u>(227,624)</u> | <u>(25,325)</u> | <u>-</u> | <u>(252,949)</u> |
| Total accumulated depreciation | <u>(256,288)</u> | <u>(28,908)</u> | <u>-</u> | <u>(285,196)</u> |
| Total capital assets, being depreciated, net | <u>172,989</u> | <u>(2,603)</u> | <u>-</u> | <u>170,386</u> |
| Business-type activities capital assets, net | <u>\$ 172,989</u> | <u>\$ (2,603)</u> | <u>\$ -</u> | <u>\$ 170,386</u> |

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

Governmental activities:

| | |
|---|---------------------|
| Instruction | |
| Regular | \$ <u>2,152,323</u> |
| Total Instruction | <u>2,152,323</u> |
| Support Services | |
| Student Instruction | 70,469 |
| General Administration | 1,366 |
| School Administration | 7,244 |
| Operations and Maintenance of Plant | 202,985 |
| Student Transportation | <u>82,994</u> |
| Total Support Services | <u>365,058</u> |
| Total Government Funds | <u>\$ 2,517,381</u> |
| Business-Type Activities: | |
| Food Service Fund | \$ 28,908 |
| Total Depreciation Expense-Business-Type Activities | <u>\$ 28,908</u> |

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------|-------------------|
| General Fund | Special Revenue Fund | <u>\$ 500,000</u> |

The above balance is the result of funds paid to one fund on behalf of another fund to avoid a cash overdraft.

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

Interfund transfers

| | <u>Transfer In:</u> | |
|----------------------|-----------------------------|---------------------|
| | <u>Capital Projects</u> | <u>Total</u> |
| <u>Transfer Out:</u> | | |
| General Fund | <u>\$ 2,000,000</u> | <u>\$ 2,000,000</u> |
| Total transfers out | <u>\$ 2,000,000</u> | <u>\$ 2,000,000</u> |

The above transfer is the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2016 is comprised of the following issue:

| | |
|--|---------------------|
| \$16,460,000, 2012 Refunding Bonds, due in annual installments of \$995,000 to \$1,140,000 through April 1, 2029, interest at 2.75% to 5.00% | <u>\$14,180,000</u> |
|--|---------------------|

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

| Year Ending June 30, | <u>Serial Bonds</u> | | <u>Total</u> |
|-------------------------|----------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2017 | \$ 1,000,000 | \$ 577,481 | \$ 1,577,481 |
| 2018 | 995,000 | 537,481 | 1,532,481 |
| 2019 | 1,090,000 | 497,681 | 1,587,681 |
| 2020 | 1,080,000 | 454,081 | 1,534,081 |
| 2021 | 1,105,000 | 400,081 | 1,505,081 |
| 2022-2026 | 5,655,000 | 1,191,505 | 6,846,505 |
| 2027-2030 | <u>3,255,000</u> | <u>209,243</u> | <u>3,464,243</u> |
| Total | <u>\$ 14,180,000</u> | <u>\$ 3,867,553</u> | <u>\$ 18,047,553</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:

| | |
|---|-----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 347,117,624 |
| Less: Net Debt | <u>14,180,000</u> |
| Remaining Borrowing Power | <u>\$ 332,937,624</u> |

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

| | Balance, July 1, 2015 | Additions | Reductions | Balance, June 30, 2016 | Due Within One Year |
|--|--------------------------|---------------------|---------------------|---------------------------|---------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 15,190,000 | | \$ 1,010,000 | \$ 14,180,000 | \$ 1,000,000 |
| Add: | | | | | |
| Unamortized Premium | <u>1,348,614</u> | <u>-</u> | <u>171,212</u> | <u>1,177,402</u> | <u>-</u> |
| | 16,538,614 | - | 1,181,212 | 15,357,402 | 1,000,000 |
| Net Pension Liability | 23,261,089 | \$ 2,833,979 | 962,546 | 25,132,522 | |
| Compensated Absences | <u>634,746</u> | <u>17,900</u> | <u>-</u> | <u>652,646</u> | <u>65,265</u> |
| Government Activity Long-Term Liabilities | <u>\$ 40,434,449</u> | <u>\$ 2,851,879</u> | <u>\$ 2,143,758</u> | <u>\$ 41,142,570</u> | <u>\$ 1,065,265</u> |

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG and SBWC provide its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator. Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal year ended June 30, 2016 is as follows:

| Governmental Activities: | Fiscal Year Ended June 30, 2016 |
|------------------------------------|--|
| Unpaid Claims, Beginning of Year | \$ 1,771,381 |
| Incurred Claims (including IBNR's) | 8,131,941 |
| Claim Payments | <u>8,442,880</u> |
| Unpaid Claims, End of Year | <u>\$ 1,460,442</u> |
| General Fund | |
| Other Current Liabilities | <u>\$ 1,460,442</u> |

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

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

| Year Ended June 30, | Employee Contributions | Amount Reimbursed | Ending Balance |
|--------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2016 | \$ 120,972 | \$ 123,351 | \$ 285,533 |
| 2015 | 118,534 | 139,205 | 287,912 |
| 2014 | 118,975 | 116,571 | 308,583 |

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

NOTE 5 OTHER INFORMATION (Continued)

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.

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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

Basis of Accounting

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

Investment Valuation

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

Annual Pension Costs (APC)

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

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:

| Year Ended June 30, | <u>PERS</u> | On-behalf <u>TPAF</u> | <u>DCRP</u> |
|------------------------|-------------|--------------------------|-------------|
| 2016 | \$ 962,546 | \$ 2,379,611 | \$ 66,158 |
| 2015 | 1,024,215 | 1,570,724 | 55,857 |
| 2014 | 903,686 | 1,258,179 | 55,264 |

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,379,611 and \$1,570,724, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,258,179 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,164,781 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$25,132,522 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 .11196 percent, which was a decrease of .01228 percent from its proportionate share measured as of June 30, 2014 of .12424 percent.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,363,181 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>2015</u> | |
|---|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference Between Expected and Actual Experience | \$ 599,574 | |
| Changes of Assumptions | 2,699,032 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | \$ 404,083 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>567,223</u> | <u>1,950,756</u> |
| Total | <u>\$ 3,865,829</u> | <u>\$ 2,354,839</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 | \$ 233,630 |
| 2018 | 233,630 |
| 2019 | 233,630 |
| 2020 | 580,189 |
| 2021 | <u>229,911</u> |
| | <u>\$ 1,510,990</u> |

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% 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 \$11,212,193 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 \$183,628,826. 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 .29053 percent, which was a decrease of .00688 percent from its proportionate share measured as of June 30, 2014 of .29741 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 Assumptions were Based | June 30, 2012 |

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

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

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:

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 218,235,996</u> | <u>\$ 183,628,826</u> | <u>\$ 153,812,678</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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

**PARAMUS 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.

**PARAMUS 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)

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 \$2,833,461, \$2,493,525 and \$2,062,940, 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

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|-------------------|-------------------|---------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Tax Levy | \$ 74,230,284 | | \$ 74,230,284 | \$ 74,230,284 | |
| Tuition from Individuals | 330,900 | | 330,900 | 355,718 | \$ 24,818 |
| Tuition from Other LEAs Within State | 298,380 | | 298,380 | 632,127 | 333,747 |
| Tuition from Summer School | 32,500 | | 32,500 | 41,523 | 9,023 |
| Interest Earned on Capital Reserve | 2,600 | | 2,600 | | (2,600) |
| Rents and Royalties | 65,680 | | 65,680 | 37,553 | (28,127) |
| Miscellaneous | 1,035,000 | | 1,035,000 | 1,539,361 | 504,361 |
| Interest | 40,000 | - | 40,000 | 62,181 | 22,181 |
| Total Local Sources | 76,035,344 | - | 76,035,344 | 76,898,747 | 863,403 |
| State Sources | | | | | |
| Categorical Special Education Aid | 1,670,173 | | 1,670,173 | 1,670,173 | |
| Categorical Security Aid | 60,533 | | 60,533 | 60,533 | |
| Categorical Transportation Aid | 193,920 | | 193,920 | 193,920 | |
| NonPublic Transportation Aid | | | | 39,725 | 39,725 |
| Extraordinary Special Ed. Costs Aid | | | | 486,210 | 486,210 |
| PARCC Readiness Aid | 38,180 | | 38,180 | 38,180 | |
| Per Pupil Growth Aid | 38,180 | | 38,180 | 38,180 | |
| Reimbursed TPAF Social Security Contribution (Non Budgeted) | | | | 2,164,781 | 2,164,781 |
| On Behalf TPAF Pension System Contribution- (Non Budgeted) | | | | 2,379,611 | 2,379,611 |
| On Behalf TPAF Pension System Contribution Post Retirement Medical Contribution(Non Budgeted) | - | - | - | 2,833,461 | 2,833,461 |
| Total State Sources | 2,000,986 | - | 2,000,986 | 9,904,774 | 7,903,788 |
| Federal Sources | | | | | |
| Medicaid Reimbursement | 33,670 | - | 33,670 | 63,378 | 29,708 |
| Total Federal Sources | 33,670 | - | 33,670 | 63,378 | 29,708 |
| Total Revenues | 78,070,000 | - | 78,070,000 | 86,866,899 | 8,796,899 |
| EXPENDITURES | | | | | |
| CURRENT EXPENSE | | | | | |
| Instruction - Regular Programs | | | | | |
| Salaries of Teachers | | | | | |
| Preschool | 266,750 | | 266,750 | 266,750 | |
| Kindergarten | 793,200 | \$ 3,137 | 796,337 | 796,337 | |
| Grades 1-5 | 5,980,772 | (113,136) | 5,867,636 | 5,754,269 | 113,367 |
| Grades 6-8 | 5,332,696 | (80,000) | 5,252,696 | 4,986,202 | 266,494 |
| Grades 9-12 | 6,517,014 | (19,900) | 6,497,114 | 6,285,768 | 211,346 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 30,000 | - | 30,000 | 12,730 | 17,270 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 297,416 | 8,172 | 305,588 | 305,588 | |
| Purchased Professional-Educational Services | 5,850 | (1,990) | 3,860 | 3,860 | |
| Purchased Technical Services | 27,100 | (984) | 26,116 | 25,554 | 562 |
| Other Purchased Services | 3,500 | (50) | 3,450 | 2,801 | 649 |
| General Supplies | 1,378,171 | 251,969 | 1,630,140 | 1,512,403 | 117,737 |
| Textbooks | 270,715 | 224,415 | 495,130 | 423,119 | 72,011 |
| Other Objects | 2,000 | - | 2,000 | 991 | 1,009 |
| Total Regular Programs | 20,905,184 | 271,633 | 21,176,817 | 20,376,372 | 800,445 |
| Special Education | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | 453,090 | 579 | 453,669 | 453,669 | |
| Other Salaries for Instruction | 278,587 | (579) | 278,008 | 258,406 | 19,602 |
| General Supplies | 4,400 | (890) | 3,510 | 3,237 | 273 |
| Textbooks | 2,000 | 30 | 2,030 | 1,357 | 673 |
| Total Learning and/or Language Disabilities | 738,077 | (860) | 737,217 | 716,669 | 20,548 |

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE | | | | | |
| Special Education (Continued) | | | | | |
| Behavioral Disabilities | | | | | |
| Salaries of Teachers | \$ 163,490 | \$ 50,000 | \$ 213,490 | \$ 213,345 | \$ 145 |
| Other Salaries for Instruction | 118,409 | - | 118,409 | 116,312 | 2,097 |
| General Supplies | 2,500 | - | 2,500 | 1,779 | 721 |
| Total Behavioral Disabilities | 284,399 | 50,000 | 334,399 | 331,436 | 2,963 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 263,300 | 47,060 | 310,360 | 310,360 | |
| Other Salaries for Instruction | 288,293 | 13,966 | 302,259 | 302,259 | - |
| General Supplies | 8,500 | 5,454 | 13,954 | 13,758 | 196 |
| Total Multiple Disabilities | 560,093 | 66,480 | 626,573 | 626,377 | 196 |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 3,518,966 | (54,015) | 3,464,951 | 3,397,234 | 67,717 |
| Other Salaries for Instruction | 351,198 | 25,531 | 376,729 | 376,729 | |
| General Supplies | 17,550 | (2,992) | 14,558 | 12,964 | 1,594 |
| Total Resource Room | 3,887,714 | (31,476) | 3,856,238 | 3,786,927 | 69,311 |
| Autism | | | | | |
| Salaries of Teachers | 249,650 | (516) | 249,134 | 245,978 | 3,156 |
| Other Salaries for Instruction | 507,703 | 56,763 | 564,466 | 564,466 | |
| General Supplies | 9,200 | (559) | 8,641 | 8,129 | 512 |
| Other Objects | 2,500 | (107) | 2,393 | 1,251 | 1,142 |
| Total Autism | 769,053 | 55,581 | 824,634 | 819,824 | 4,810 |
| Preschool Disabilities - Part - Time | | | | | |
| Salaries of Teachers | 287,543 | 27,786 | 315,329 | 315,329 | |
| General Supplies | 2,000 | (1,090) | 910 | 800 | 110 |
| Total Preschool Disabilities - Part - Time | 289,543 | 26,696 | 316,239 | 316,129 | 110 |
| Preschool Disabilities - Full - Time | | | | | |
| Salaries of Teachers | 282,200 | 2,987 | 285,187 | 285,187 | |
| Other Salaries for Instruction | 32,277 | 3,004 | 35,281 | 35,281 | - |
| Total Preschool Disabilities - Full - Time | 314,477 | 5,991 | 320,468 | 320,468 | - |
| Home Instruction | | | | | |
| Salaries of Teachers | 50,000 | (3,075) | 46,925 | 35,236 | 11,689 |
| Purchased Professional-Educational Services | 15,000 | - | 15,000 | 14,159 | 841 |
| Total Home Instruction | 65,000 | (3,075) | 61,925 | 49,395 | 12,530 |
| Total Special Education | 6,908,356 | 169,337 | 7,077,693 | 6,967,225 | 110,468 |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | 254,200 | 3,075 | 257,275 | 257,275 | - |
| Total Basic Skills/Remedial | 254,200 | 3,075 | 257,275 | 257,275 | - |
| Bilingual Education | | | | | |
| Salaries of Teachers | 515,980 | 29,523 | 545,503 | 545,503 | |
| Other Salaries for Instruction | 27,135 | (3,767) | 23,368 | 23,368 | |
| Purchased Professional-Educational Services | | 1,500 | 1,500 | 1,500 | |
| General Supplies | 3,100 | (360) | 2,740 | 2,439 | 301 |
| Total Bilingual Education | 546,215 | 26,896 | 573,111 | 572,810 | 301 |

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|-------------------------------------|-------------------|-------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE: | | | | | |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries | \$ 272,230 | | \$ 272,230 | \$ 269,523 | \$ 2,707 |
| Supplies and Materials | 40,928 | \$ 24,446 | 65,374 | 52,103 | 13,271 |
| Other Objects | 3,000 | 770 | 3,770 | 3,490 | 280 |
| Total School Sponsored Co-Curricular Activities | 316,158 | 25,216 | 341,374 | 325,116 | 16,258 |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 602,190 | (14,278) | 587,912 | 578,736 | 9,176 |
| Purchased Services | 93,600 | 14,278 | 107,878 | 107,132 | 746 |
| Supplies and Materials | 77,500 | 3,700 | 81,200 | 76,474 | 4,726 |
| Other Objects | 43,250 | (1,407) | 41,843 | 33,544 | 8,299 |
| Total School Sponsored Athletics - Instruction | 816,540 | 2,293 | 818,833 | 795,886 | 22,947 |
| Other Supplemental/At-Risk Programs - Instruction | | | | | |
| Salaries of Reading Specialists | 622,000 | (2) | 621,998 | 614,910 | 7,088 |
| General Supplies | 2,800 | 203 | 3,003 | 3,003 | - |
| Total Other Supplemental/At-Risk Programs - Instruction | 624,800 | 201 | 625,001 | 617,913 | 7,088 |
| Total - Instruction | 30,371,453 | 498,651 | 30,870,104 | 29,912,597 | 957,507 |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition to Other LEAs Within the State - Regular | 30,100 | 51,038 | 81,138 | 72,428 | 8,710 |
| Tuition to Other LEAs Within the State - Special | 322,861 | 48,956 | 371,817 | 368,233 | 3,584 |
| Tuition to County Voc. School Dist.-Regular | 698,310 | 45,709 | 744,019 | 744,019 | - |
| Tuition to County Voc. School Dist.-Special | 105,390 | (4,109) | 101,281 | 32,221 | 69,060 |
| Tuition to CSSD & Reg. Day Schools | 1,039,600 | (125,000) | 914,600 | 893,180 | 21,420 |
| Tuition to Private Schools - Disabled W/I State | 1,484,223 | (32,594) | 1,451,629 | 1,421,991 | 29,638 |
| Total Undistributed Expenditures - Instruction (Tuition) | 3,680,484 | (16,000) | 3,664,484 | 3,532,072 | 132,412 |
| Attendance and Social Work Services | | | | | |
| Salaries | 51,502 | - | 51,502 | 48,953 | 2,549 |
| Total Attendance and Social Work Services | 51,502 | - | 51,502 | 48,953 | 2,549 |
| Health Services | | | | | |
| Salaries | 694,880 | 42,831 | 737,711 | 725,735 | 11,976 |
| Purchased Professional and Technical Services | 91,000 | (5,000) | 86,000 | 79,293 | 6,707 |
| Supplies and Materials | 23,080 | 11,971 | 35,051 | 34,272 | 779 |
| Total Health Services | 808,960 | 49,802 | 858,762 | 839,300 | 19,462 |
| Speech, OT, PT and Related Services | | | | | |
| Salaries | 1,862,350 | (55,836) | 1,806,514 | 1,720,062 | 86,452 |
| Purchased Professional/Educational Services | 750,000 | 118,541 | 868,541 | 868,541 | - |
| Supplies and Materials | 6,900 | 4,063 | 10,963 | 8,291 | 2,672 |
| Total Speech, OT, PT and Related Services | 2,619,250 | 66,768 | 2,686,018 | 2,596,894 | 89,124 |
| Other Supp. Serv. Students - Extra Services | | | | | |
| Salaries | 43,421 | (18,383) | 25,038 | 24,630 | 408 |
| Purchased Professional/Educational Services | 200,000 | 143,383 | 343,383 | 343,383 | - |
| Total Other Supp. Serv. Students - Extra Services | 243,421 | 125,000 | 368,421 | 368,013 | 408 |

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE (Continued) | | | | | |
| Other Support Services - Students - Guidance | | | | | |
| Salaries of Other Professional Staff | \$ 1,041,900 | | \$ 1,041,900 | \$ 994,888 | \$ 47,012 |
| Salaries of Secretarial and Clerical Assistants | 247,101 | | 247,101 | 205,301 | 41,800 |
| Supplies and Materials | 8,870 | \$ 19,621 | 28,491 | 11,619 | 16,872 |
| Other Objects | 16,400 | (4,500) | 11,900 | 11,900 | - |
| Total Other Support Services - Students - Guidance | 1,314,271 | 15,121 | 1,329,392 | 1,223,708 | 105,684 |
| Other Support Services - Students - Child Study Teams | | | | | |
| Salaries of Other Professional Staff | 1,257,996 | (1,270) | 1,256,726 | 1,210,323 | 46,403 |
| Salaries of Secretarial and Clerical Assistants | 166,100 | 1,270 | 167,370 | 167,370 | - |
| Supplies and Materials | 10,000 | - | 10,000 | 9,892 | 108 |
| Total Other Support Services - Students - Child Study Teams | 1,434,096 | - | 1,434,096 | 1,387,585 | 46,511 |
| Improvement of Instruction Services/ Other Support Services-Instructional Staff | | | | | |
| Salaries of Supervisors of Instruction | 339,560 | 95,946 | 435,506 | 435,506 | - |
| Salaries of Secretarial and Clerical | 174,105 | 27,791 | 201,896 | 196,414 | 5,482 |
| Salaries of Facilitators, Math/Literacy Coaches and Masters | 60,020 | - | 60,020 | 60,020 | - |
| Other Purchased Professional and Technical Services | 15,540 | 5,766 | 21,306 | 21,306 | - |
| Supplies and Materials | 11,750 | 12,008 | 23,758 | 23,754 | 4 |
| Other Objects | 2,590 | 228 | 2,818 | 2,818 | - |
| Total Improvement of Instruction Services/ Other Support Services-Instructional Staff | 603,565 | 141,739 | 745,304 | 739,818 | 5,486 |
| Educational Media Services/School Library | | | | | |
| Salaries | 602,185 | (17) | 602,168 | 598,394 | 3,774 |
| Supplies and Materials | 101,346 | 16,118 | 117,464 | 111,495 | 5,969 |
| Total Educational Media Services/School Library | 703,531 | 16,101 | 719,632 | 709,889 | 9,743 |
| Instructional Staff Training Services | | | | | |
| Salaries of Other Professional Staff | 7,500 | | 7,500 | 2,001 | 5,499 |
| Purchased Professional- Educational Services | 40,000 | 3,850 | 43,850 | 24,191 | 19,659 |
| Other Purchased Services | 32,920 | 15,108 | 48,028 | 34,570 | 13,458 |
| Supplies and Materials | 16,500 | 8,411 | 24,911 | 21,585 | 3,326 |
| Total Instructional Staff Training Services | 96,920 | 27,369 | 124,289 | 82,347 | 41,942 |
| Support Services General Administration | | | | | |
| Salaries | 276,835 | | 276,835 | 245,625 | 31,210 |
| Legal Services | 61,200 | | 61,200 | 37,811 | 23,389 |
| Audit Fees | 43,000 | 10,000 | 53,000 | 41,015 | 11,985 |
| Architectural/Engineering Services | 17,000 | 20,339 | 37,339 | 10,936 | 26,403 |
| Other Purchased Professional Services | 27,500 | (15,000) | 12,500 | 9,722 | 2,778 |
| Communications/Telephone | 273,873 | (51,233) | 222,640 | 178,152 | 44,488 |
| BOE Other Purchased Services | 10,900 | | 10,900 | 3,933 | 6,967 |
| Miscellaneous Purchased Services | 152,500 | | 152,500 | 130,890 | 21,610 |
| General Supplies | 28,300 | | 28,300 | 9,934 | 18,366 |
| Judgements Against the School District | 10,000 | | 10,000 | 296 | 9,704 |
| Miscellaneous Expenditures | 10,000 | 20 | 10,020 | 8,034 | 1,986 |
| BOE Membership Dues and Fees | 31,710 | - | 31,710 | 29,757 | 1,953 |
| Total Support Services General Administration | 942,818 | (35,874) | 906,944 | 706,105 | 200,839 |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals | 1,886,550 | 30,000 | 1,916,550 | 1,811,627 | 104,923 |
| Salaries of Other Professional Staff | 956,560 | 30,000 | 986,560 | 960,220 | 26,340 |
| Salaries of Secretarial and Clerical Assistants | 838,828 | | 838,828 | 823,029 | 15,799 |
| Other Purchased Services | 12,000 | | 12,000 | 7,011 | 4,989 |
| Supplies and Materials | 44,605 | 672 | 45,277 | 39,263 | 6,014 |
| Total Support Services School Administration | 3,738,543 | 60,672 | 3,799,215 | 3,641,150 | 158,065 |

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE (Continued) | | | | | |
| Undistributed Expenditures - Central Services | | | | | |
| Salaries | \$ 916,786 | \$ 20,000 | \$ 936,786 | \$ 901,493 | \$ 35,293 |
| Purchased Technical Services | 28,000 | 492 | 28,492 | 15,890 | 12,602 |
| Misc. Purchased Services | 40,710 | 1,200 | 41,910 | 26,799 | 15,111 |
| Supplies and Materials | 20,500 | 3,397 | 23,897 | 23,852 | 45 |
| Miscellaneous Expenditures | 5,300 | (635) | 4,665 | 2,484 | 2,181 |
| Total Undistributed Expenditures - Central Services | 1,011,296 | 24,454 | 1,035,750 | 970,518 | 65,232 |
| Undistributed Expenditures - Admin. Info. Tech. | | | | | |
| Salaries | 454,880 | 10,000 | 464,880 | 439,766 | 25,114 |
| Purchased Professional Services | 52,500 | - | 52,500 | 20,078 | 32,422 |
| Purchased Technical Services | 64,900 | (23,000) | 41,900 | 37,234 | 4,666 |
| Total Undistributed Expenditures - Admin. Info. Tech. | 572,280 | (13,000) | 559,280 | 497,078 | 62,202 |
| Required Maintenance For School Facilities | | | | | |
| Salaries | 679,180 | (12,202) | 666,978 | 658,019 | 8,959 |
| Cleaning, Repair, and Maintenance Services | 916,165 | 268,239 | 1,184,404 | 1,098,977 | 85,427 |
| General Supplies | 330,000 | 181,215 | 511,215 | 465,459 | 45,756 |
| Total Required Maintenance For School Facilities | 1,925,345 | 437,252 | 2,362,597 | 2,222,455 | 140,142 |
| Custodial Services | | | | | |
| Salaries | 3,173,848 | (69,577) | 3,104,271 | 2,994,031 | 110,240 |
| Salaries of Non-Instructional Aides | 243,871 | 45,577 | 289,448 | 289,448 | - |
| Purchased Professional and Technical Services | 21,600 | 31,026 | 52,626 | 48,407 | 4,219 |
| Cleaning, Repair, and Maintenance Services | 308,900 | (28,441) | 280,459 | 255,733 | 24,726 |
| Other Purchased Property Services | 108,000 | 22,216 | 130,216 | 118,334 | 11,882 |
| Insurance | 250,300 | - | 250,300 | 240,854 | 9,446 |
| Miscellaneous Purchased Services | 4,500 | - | 4,500 | 1,772 | 2,728 |
| General Supplies | 230,000 | 1,108 | 231,108 | 223,730 | 7,378 |
| Energy (Natural Gas) | 996,000 | (317,216) | 678,784 | 411,146 | 267,638 |
| Energy (Electricity) | 1,915,620 | (83,668) | 1,831,952 | 1,585,136 | 246,816 |
| Energy (Gasoline) | 55,000 | - | 55,000 | 33,029 | 21,971 |
| Other Objects | 2,500 | - | 2,500 | 405 | 2,095 |
| Total Custodial Services | 7,310,139 | (398,975) | 6,911,164 | 6,202,025 | 709,139 |
| Care & Upkeep of Grounds | | | | | |
| Salaries | 315,222 | - | 315,222 | 313,177 | 2,045 |
| Cleaning, Repair, and Maintenance Services | 35,000 | 23,823 | 58,823 | 57,145 | 1,678 |
| General Supplies | 59,000 | 13,000 | 72,000 | 52,850 | 19,150 |
| Total Care & Upkeep of Grounds | 409,222 | 36,823 | 446,045 | 423,172 | 22,873 |
| Security | | | | | |
| Salaries | 166,287 | 53,000 | 219,287 | 219,270 | 17 |
| Purchased Professional and Technical Services | 60,000 | 14,500 | 74,500 | 73,921 | 579 |
| General Supplies | 15,000 | 4,000 | 19,000 | 16,178 | 2,822 |
| Total Security | 241,287 | 71,500 | 312,787 | 309,369 | 3,418 |

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|-------------------------------------|-------------------|-------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE (Continued) | | | | | |
| Student Transportation Services | | | | | |
| Salaries for Pupil Transportation | | | | | |
| (Non-Instructional Aides) | \$ 46,139 | \$ 42,352 | \$ 88,491 | \$ 88,491 | |
| (Between Home and School) - Regular | 439,203 | 10,548 | 449,751 | 449,751 | |
| (Between Home and School) - Spec Ed | 166,443 | (508) | 165,935 | 165,935 | |
| (Other than Between Home and School) | 115,000 | (20,572) | 94,428 | 94,428 | |
| Management Fee - ESC & CTSA Trans Program | 47,000 | (23,822) | 23,178 | 23,178 | |
| Other Purchased Professional and Technical Services | 10,098 | 10,205 | 20,303 | 19,760 | \$ 543 |
| Cleaning, Repair and Maintenance Services | 22,199 | 10,643 | 32,842 | 23,214 | 9,628 |
| Lease Purchase Payments - School Buses | 81,683 | (53,793) | 27,890 | 27,890 | |
| Contracted Services - Aid in Lieu of Payments | 167,960 | (5,982) | 161,978 | 155,510 | 6,468 |
| Contracted Services (Between Home and School) - Vendors | 762,809 | (93,883) | 668,926 | 668,926 | |
| Contracted Services (Other Than Between Home and School) - Vendors | 20,000 | (3,597) | 16,403 | 16,403 | |
| Contracted Services (Between Home and School) - Joint Agreements | 19,420 | (11,464) | 7,956 | 7,956 | |
| Contracted Services (Special Ed Students)-Vendors | 364,622 | (10,000) | 354,622 | 330,544 | 24,078 |
| Contracted Services (Special Ed Students)-Joint Agreements | - | - | - | - | |
| Contracted Services (Regular Ed Students)-ESCs & CTSA | 42,663 | (7,987) | 34,676 | 34,676 | |
| Contracted Services (Special Ed Students)-ESCs & CTSA | 547,505 | 216,860 | 764,365 | 762,846 | 1,519 |
| Miscellaneous Purchased Services - Transportation | 3,000 | 1,000 | 4,000 | 2,550 | 1,450 |
| General Supplies | 1,500 | 604 | 2,104 | 1,688 | 416 |
| Transportation Supplies | 132,810 | (71,085) | 61,725 | 56,994 | 4,731 |
| Other Objects | 1,350 | (200) | 1,150 | 1,150 | - |
| Total Student Transportation Services | 2,991,404 | (10,681) | 2,980,723 | 2,931,890 | 48,833 |
| Unallocated Benefits | | | | | |
| Social Security Contributions | 1,212,000 | (11,000) | 1,201,000 | 1,105,159 | 95,841 |
| Other Retirement Contributions - PERS | 1,060,000 | (63,330) | 996,670 | 996,670 | |
| Other Retirement Contributions - Regular | 72,000 | 11,000 | 83,000 | 66,158 | 16,842 |
| Workers' Compensation | 547,000 | (23,600) | 523,400 | 521,694 | 1,706 |
| Health Benefits | 12,305,650 | (250,882) | 12,054,768 | 10,332,081 | 1,722,687 |
| Tuition Reimbursement | 79,000 | 2,105 | 81,105 | 74,712 | 6,393 |
| Other Employee Benefits | 360,500 | 58,745 | 419,245 | 415,458 | 3,787 |
| Unused Sick Payment to Terminated/Retired Staff | 100,000 | 47,946 | 147,946 | 147,946 | - |
| Unused Vacation Payment to Terminated/Retired Staff | 50,000 | - | 50,000 | 23,373 | 26,627 |
| Total Employee Benefits | 15,786,150 | (229,016) | 15,557,134 | 13,683,251 | 1,873,883 |
| On Behalf TPAF Pension System Contribution- (Non Budgeted) | - | - | - | 2,379,611 | (2,379,611) |
| On Behalf TPAF Pension System Contribution Post Retirement Medical Contribution(Non Budgeted) | - | - | - | 2,833,461 | (2,833,461) |
| Reimbursed TPAF Social Security Contribution (Non Budgeted) | - | - | - | 2,164,781 | (2,164,781) |
| Total | - | - | - | 7,377,853 | (7,377,853) |
| Total Undistributed Expenditures | 46,484,484 | 369,055 | 46,853,539 | 50,493,445 | (3,639,906) |
| Total Expenditures - Current Expense | 76,855,937 | 867,706 | 77,723,643 | 80,406,042 | (2,682,399) |

**PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|-------------------|-------------------|---------------------------------------|
| EXPENDITURES | | | | | |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Regular Programs - Instruction | | | | | |
| Grades 6-8 | | \$ 5,493 | \$ 5,493 | \$ 5,223 | \$ 270 |
| Grades 9-12 | \$ 9,500 | 13,925 | 23,425 | 8,256 | 15,169 |
| Undistributed Expenditures | | | | | |
| Instruction | 51,500 | 17,503 | 69,003 | 66,733 | 2,270 |
| Non-Instructional | | 4,200 | 4,200 | 4,200 | |
| Central Services | 38,000 | (5,050) | 32,950 | | 32,950 |
| Admin. Info. Tech. | 42,000 | 27,138 | 69,138 | 69,019 | 119 |
| Required Maint for School Facilities | 100,000 | 12,701 | 112,701 | 85,874 | 26,827 |
| Security | | 3,238 | 3,238 | 3,238 | |
| School Buses - Regular | 190,000 | 104,295 | 294,295 | 104,295 | 190,000 |
| Total Equipment | 431,000 | 183,443 | 614,443 | 346,838 | 267,605 |
| Facilities Acquisition and Construction Services | | | | | |
| Architectural/Engineering Services | 20,000 | 4,588 | 24,588 | 4,588 | 20,000 |
| Construction Services | 150,000 | 23,066 | 173,066 | 172,627 | 439 |
| Assessment for Debt Service on SDA Funding | 51,813 | - | 51,813 | 51,813 | - |
| Total Facilities Acquis. and Const. Services | 221,813 | 27,654 | 249,467 | 229,028 | 20,439 |
| Interest Deposit to Capital Reserve | 2,600 | - | 2,600 | - | 2,600 |
| Total Capital Outlay | 655,413 | 211,097 | 866,510 | 575,866 | 290,644 |
| SPECIAL SCHOOLS | | | | | |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | 53,000 | (9) | 52,991 | 28,775 | 24,216 |
| Other Purchased Services | 23,700 | - | 23,700 | 10,180 | 13,520 |
| General Supplies | 3,900 | 390 | 4,290 | 1,082 | 3,208 |
| Total Summer School - Instruction | 80,600 | 381 | 80,981 | 40,037 | 40,944 |
| Summer School - Support Services | | | | | |
| Salaries | 22,000 | - | 22,000 | 11,068 | 10,932 |
| Total Summer School - Support Services | 22,000 | - | 22,000 | 11,068 | 10,932 |
| Total Summer School | 102,600 | 381 | 102,981 | 51,105 | 51,876 |
| Adult Education -Local - Instruction | | | | | |
| Salaries of Teachers | 30,605 | 367 | 30,972 | 30,972 | |
| Other Salaries for Instruction | 343,500 | (17,000) | 326,500 | 288,087 | 38,413 |
| Other Purchased Services | 132,000 | (8,668) | 123,332 | 102,466 | 20,866 |
| General Supplies | 68,700 | (2,988) | 65,712 | 58,182 | 7,530 |
| Total Adult Education -Local - Instruction | 574,805 | (28,289) | 546,516 | 479,707 | 66,809 |
| Adult Education In-Local - Support Services | | | | | |
| Salaries | 91,770 | 28,298 | 120,068 | 119,097 | 971 |
| Other Purchased Services | 72,000 | 589 | 72,589 | 69,422 | 3,167 |
| General Supplies | 3,500 | 1,121 | 4,621 | 199 | 4,422 |
| Total Adult Education-In-Local - Support Services | 167,270 | 30,008 | 197,278 | 188,718 | 8,560 |
| Total Adult Education | 742,075 | 1,719 | 743,794 | 668,425 | 75,369 |
| Total Special Schools | 844,675 | 2,100 | 846,775 | 719,530 | 127,245 |
| Transfer of Funds to Charter Schools | 13,975 | - | 13,975 | 9,300 | 4,675 |
| Total Expenditures | 78,370,000 | 1,080,903 | 79,450,903 | 81,710,738 | (2,259,835) |

PARAMUS BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|----------------------|-------------------------------------|----------------------|----------------------|---------------------------------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (300,000) | \$ (1,080,903) | \$ (1,380,903) | \$ 5,156,161 | \$ 6,537,064 |
| Other Financing Sources/Uses | | | | | |
| Capital Reserve Transfer to Capital Projects | (2,000,000) | - | (2,000,000) | (2,000,000) | - |
| Total Other Financing Sources | (2,000,000) | - | (2,000,000) | (2,000,000) | - |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources | (2,300,000) | (1,080,903) | (3,380,903) | 3,156,161 | 6,537,064 |
| Fund Balances, Beginning of Year | 18,212,706 | - | 18,212,706 | 18,212,706 | - |
| Fund Balances, End of Year | <u>\$ 15,912,706</u> | <u>\$ (1,080,903)</u> | <u>\$ 14,831,803</u> | <u>\$ 21,368,867</u> | <u>\$ 6,537,064</u> |
| Reconciliation of Governmental Fund Statements (GAAP): | | | | | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | \$ 800,000 | |
| Excess Surplus | | | | 600,000 | |
| Capital Reserve | | | | 11,972,176 | |
| Capital Reserve - Designated for Subsequent Year's Expenditures | | | | 3,100,000 | |
| Maintenance Reserve | | | | 1,600,000 | |
| Emergency Reserve | | | | 794,000 | |
| Assigned Fund Balance | | | | | |
| Year End Encumbrances | | | | 450,098 | |
| Unassigned Fund Balance | | | | <u>2,052,593</u> | |
| Total | | | | 21,368,867 | |
| Reconciliation to Government Fund Statements(GAAP) | | | | | |
| Less: State Aid Payments not Recognized on GAAP Basis | | | | <u>(602,737)</u> | |
| Fund Balance per Governmental Funds(GAAP) | | | | <u>\$ 20,766,130</u> | |

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

NOT APPLICABLE

PARAMUS BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Original Budget | Adjustments/ Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ 1,733,300 | \$ 492,996 | \$ 2,226,296 | \$ 2,077,098 | \$ (149,198) |
| Federal | 1,624,952 | 562,062 | 2,187,014 | 1,845,043 | (341,971) |
| Local Sources | | | | | |
| Miscellaneous | 45,000 | 66,185 | 111,185 | 73,153 | (38,032) |
| Total Revenues | 3,403,252 | 1,121,243 | 4,524,495 | 3,995,294 | (529,201) |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 119,000 | 11,682 | 130,682 | 116,007 | 14,675 |
| Purchased Prof. and Technical Services | 544,000 | 51,015 | 595,015 | 512,609 | 82,406 |
| Tuition | 660,202 | 39,798 | 700,000 | 700,000 | - |
| Other Purchased Services | | 7,432 | 7,432 | 6,731 | 701 |
| General Supplies | 243,050 | 196,896 | 439,946 | 310,295 | 129,651 |
| Textbooks | 200,600 | 28,618 | 229,218 | 223,746 | 5,472 |
| Total Instruction | 1,766,852 | 335,441 | 2,102,293 | 1,869,388 | 232,905 |
| Support Services | | | | | |
| Salaries of Teachers | | 3,000 | 3,000 | - | 3,000 |
| Personal Services-Employee Benefits | 30,000 | 9,148 | 39,148 | 33,620 | 5,528 |
| Purchased Professional and Technical Services | 1,560,100 | 561,481 | 2,121,581 | 1,952,584 | 168,997 |
| Other Purchased Services | 46,300 | 65,677 | 111,977 | 27,113 | 84,864 |
| General Supplies | - | 142,098 | 142,098 | 108,191 | 33,907 |
| Total Support Services | 1,636,400 | 781,404 | 2,417,804 | 2,121,508 | 296,296 |
| Facilities Acquisition and Construction | | | | | |
| Instructional Equipment | - | 4,398 | 4,398 | 4,398 | - |
| Total Facilities Acq. & Construction | - | 4,398 | 4,398 | 4,398 | - |
| Total Expenditures | 3,403,252 | 1,121,243 | 4,524,495 | 3,995,294 | 529,201 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - |
| Fund Balances, Beginning of Year | - | - | - | - | - |
| Fund Balances, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

| | General Fund | Special Revenue Fund |
|--|--------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" | | |
| from the budgetary comparison schedule (Exhibits C-1 and C-2) | \$ 86,866,899 | \$ 3,995,294 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| June 30, 2016 Encumbrances | | (73,748) |
| June 30, 2015 Encumbrances | | 87,220 |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2014-2015) | 755,219 | |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2015-2016) | <u>(602,737)</u> | <u>-</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2) | <u>\$ 87,019,381</u> | <u>\$ 4,008,766</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 81,710,738 | \$ 3,995,294 |
| Differences - Budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes. | | |
| June 30, 2016 Encumbrances | | (73,748) |
| June 30, 2015 Encumbrances | <u>-</u> | <u>87,220</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 81,710,738</u> | <u>\$ 4,008,766</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0.11196% | 0.12424% | 0.11994% |
| District's Proportionate Share of the Net Pension Liability (Asset) | <u>\$ 25,132,522</u> | <u>\$ 23,261,089</u> | <u>\$ 22,921,968</u> |
| District's Covered-Employee Payroll | <u>\$ 7,318,066</u> | <u>\$ 7,692,702</u> | <u>\$ 8,238,802</u> |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 343% | 302% | 278% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 47.92% | 52.08% | 48.72% |

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

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

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

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

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|---------------------|
| Contractually Required Contribution | \$ 962,546 | \$ 1,024,215 | \$ 903,686 |
| Contributions in Relation to the Contractually Required Contributions | <u>962,546</u> | <u>1,024,215</u> | <u>903,686</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered- Employee Payroll | <u>\$ 7,318,066</u> | <u>\$ 7,692,702</u> | <u>\$ 8,238,802</u> |
| Contributions as a Percentage of Covered-Employee Payroll | 13.15% | 13.31% | 10.97% |

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last 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>183,628,826</u> | <u>158,957,607</u> | <u>146,804,041</u> |
| Total | <u>\$ 183,628,826</u> | <u>\$ 158,957,607</u> | <u>\$ 146,804,041</u> |
| District's Covered-Employee Payroll | <u>\$ 29,997,401</u> | <u>\$ 29,582,096</u> | <u>\$ 28,604,775</u> |
| 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.

**PARAMUS BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

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

| | Nonpublic Textbooks | Nonpublic Nursing Services | Nonpublic Technology | Nonpublic Security | Nonpublic Compensatory Education | Nonpublic ESL | Nonpublic Suppl. Inst. | Nonpublic Trans. | Nonpublic Exam. and Class. | Nonpublic Home Instruction | Nonpublic Corrective Speech | Other Local Grants | Total Exhibit E-1A | Total 2016 |
|--|------------------------|----------------------------------|-------------------------|-----------------------|--|------------------|---------------------------|---------------------|----------------------------------|----------------------------------|-----------------------------------|--------------------------|--------------------------|---------------------|
| REVENUES | | | | | | | | | | | | | | |
| Intergovernmental | | | | | | | | | | | | | | |
| State | \$ 223,746 | \$ 384,070 | \$ 99,775 | \$ 106,779 | \$ 338,074 | \$ 24,243 | \$ 261,682 | \$ 6,587 | \$ 410,785 | \$ 8,744 | \$ 212,613 | | \$ 1,845,043 | \$ 2,077,098 |
| Federal | | | | | | | | | | | | | | 1,845,043 |
| Other | - | - | - | - | - | - | - | - | - | - | - | \$ 73,153 | - | 73,153 |
| Total Revenues | \$ 223,746 | \$ 384,070 | \$ 99,775 | \$ 106,779 | \$ 338,074 | \$ 24,243 | \$ 261,682 | \$ 6,587 | \$ 410,785 | \$ 8,744 | 212,613 | \$ 73,153 | \$ 1,845,043 | \$ 3,995,294 |
| EXPENDITURES | | | | | | | | | | | | | | |
| Instruction | | | | | | | | | | | | | | |
| Salaries of Teachers | | | | | | | | | | | | | \$ 116,007 | \$ 116,007 |
| Purchased Prof. and Tech. Services | | | | | | | | | | | | \$ 3,120 | 509,489 | 512,609 |
| Tuition | | | | | | | | | | | | | 700,000 | 700,000 |
| Other Purchased Services | | | | | | | | | | | | 6,731 | - | 6,731 |
| General Supplies | | | \$ 99,775 | | | | | | | | | 62,404 | 148,116 | 310,295 |
| Textbooks | \$ 223,746 | - | - | - | - | - | - | - | - | - | - | - | - | 223,746 |
| Total Instruction | 223,746 | - | 99,775 | - | - | - | - | - | - | - | - | 72,255 | 1,473,612 | 1,869,388 |
| Support Services | | | | | | | | | | | | | | |
| Salaries of Teachers | | | | | | | | | | | | | - | - |
| Personal Services Employee-Benefits | | | | | | | | | | | | | 33,620 | 33,620 |
| Purchased Prof. & Tech. Services | | \$ 384,070 | | | \$ 338,074 | \$ 24,243 | \$ 261,682 | \$ 6,587 | \$ 410,785 | \$ 8,744 | \$ 212,613 | | 305,786 | 1,952,584 |
| Other Purchased Services | | | | | | | | | | | | 398 | 26,715 | 27,113 |
| General Supplies | | | | 106,779 | | | | | | | | 500 | 912 | 108,191 |
| Total Support Services | - | 384,070 | - | 106,779 | 338,074 | 24,243 | 261,682 | 6,587 | 410,785 | 8,744 | 212,613 | 898 | 367,033 | 2,121,508 |
| Facilities Acquisition & Construction | | | | | | | | | | | | | | |
| Instructional Equipment | | | | | | | | | | | | | 4,398 | 4,398 |
| Total Facilities Acquisition & Construction | - | - | - | - | - | - | - | - | - | - | - | - | 4,398 | 4,398 |
| Total Expenditures | \$ 223,746 | \$ 384,070 | \$ 99,775 | \$ 106,779 | \$ 338,074 | \$ 24,243 | \$ 261,682 | \$ 6,587 | \$ 410,785 | \$ 8,744 | \$ 212,613 | \$ 73,153 | \$ 1,845,043 | \$ 3,995,294 |

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

| | NCLB | | | | IDEA Basic | IDEA Preschool | Total Exhibit E-1A |
|---|-------------------|----------------------|------------------|------------------------|---------------------|-------------------|--------------------------|
| | Title I | Title II Part - A | Title III | Title III Immigrant | | | |
| REVENUES | | | | | | | |
| Intergovernmental | | | | | | | |
| Federal | \$ 290,185 | \$ 89,006 | \$ 24,968 | \$ 6,260 | \$ 1,401,663 | \$ 32,961 | \$ 1,845,043 |
| Total Revenues | <u>\$ 290,185</u> | <u>\$ 89,006</u> | <u>\$ 24,968</u> | <u>\$ 6,260</u> | <u>\$ 1,401,663</u> | <u>\$ 32,961</u> | <u>\$ 1,845,043</u> |
| EXPENDITURES | | | | | | | |
| Instruction | | | | | | | |
| Salaries of Teachers | \$ 105,269 | | \$ 10,738 | | | | \$ 116,007 |
| Purchased Prof. & Tech. Services | | | | | \$ 508,369 | \$ 1,120 | 509,489 |
| Other Purchased Services | | | | | | | - |
| Tuition | | | | | 700,000 | | 700,000 |
| General Supplies | 77,715 | - | 8,312 | - | 57,294 | 4,795 | 148,116 |
| Total Instruction | <u>182,984</u> | <u>-</u> | <u>19,050</u> | <u>-</u> | <u>1,265,663</u> | <u>5,915</u> | <u>1,473,612</u> |
| Support Services | | | | | | | |
| Salaries of Teachers | | | | | | | - |
| Personal Services-Employee Benefits | 33,620 | | | | | | 33,620 |
| General Supplies | | | | \$ 912 | | | 912 |
| Purchased Prof. & Tech. Services | 69,183 | \$ 62,291 | 5,918 | 5,348 | 136,000 | 27,046 | 305,786 |
| Other Purchased Services | - | 26,715 | - | - | - | - | 26,715 |
| Total Support Services | <u>102,803</u> | <u>89,006</u> | <u>5,918</u> | <u>6,260</u> | <u>136,000</u> | <u>27,046</u> | <u>367,033</u> |
| Facilities Acquisition & Construction | | | | | | | |
| Buildings | - | - | - | - | - | - | - |
| Instructional Equipment | 4,398 | - | - | - | - | - | 4,398 |
| Total Facilities Acquisition & Construction | <u>4,398</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,398</u> |
| Total Expenditures | <u>\$ 290,185</u> | <u>\$ 89,006</u> | <u>\$ 24,968</u> | <u>\$ 6,260</u> | <u>\$ 1,401,663</u> | <u>\$ 32,961</u> | <u>\$ 1,845,043</u> |

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

NOT APPLICABLE

CAPITAL PROJECTS FUND

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

| <u>Year</u> | <u>Project</u> | <u>Appropriation</u> | <u>Appropriation Modifications</u> | <u>Modified Appropriation</u> | <u>Expenditures to Date</u> | | <u>Balance, June 30, 2016</u> |
|-------------|---|----------------------|--|-----------------------------------|-----------------------------|---------------------|-----------------------------------|
| | | | | | <u>Prior Year</u> | <u>Current Year</u> | |
| 2014 | Memorial Bathroom Replacement | \$ 17,250 | \$ 129,049 | \$ 146,299 | \$ 146,299 | | |
| 2014 | Community School HVAC | 39,250 | 366,801 | 406,051 | 406,051 | | |
| 2014 | High School Roof Replacement | 23,250 | 433,395 | 456,645 | 456,645 | | |
| 2014 | High School Window Replacement (600-700) | 15,250 | 327,744 | 342,994 | 342,994 | | |
| 2015 | Ridge Ranch Bathroom Renovations | 271,616 | (26,733) | 244,883 | 244,883 | | |
| 2015 | HS Courtyard Window Replacement | 172,212 | 19,295 | 191,507 | 191,507 | | |
| 2015 | Memorial Roof Replacement | | 631,076 | 631,076 | 312,881 | \$ 318,195 | |
| 2015 | East Brook Roof Replacement (Sec A-G) | 1,835,640 | (453,140) | 1,382,500 | 1,382,500 | | |
| 2016 | High School Interior Handicapped Ramp | 239,200 | (96,204) | 142,996 | 9,103 | 18,452 | \$ 115,441 |
| 2016 | Community School Bathroom Renovations | | 180,957 | 180,957 | 17,606 | 163,351 | |
| 2016 | Life Skills Classroom Renovations | | 170,970 | 170,970 | 9,011 | 161,959 | |
| 2016 | HS Girls Locker Room Bathroom Renovations | | 410,358 | 410,358 | 26,507 | 383,851 | |
| 2016 | Memorial Bathroom Renovations (Upper Wing) | | 246,821 | 246,821 | 15,849 | 230,972 | |
| 2015 | High School Roof Replacement (200-300 Wing) | | 415,125 | 415,125 | 415,125 | | |
| 2016 | High School Library Renovations | | 480,573 | 480,573 | 201,073 | 279,500 | |
| 2016 | High School HVAC (900 Wing) | | 27,239 | 27,239 | | 23,669 | 3,570 |
| 2016 | West Brook Paving & Site Work | | 43,270 | 43,270 | | 32,470 | 10,800 |
| 2016 | West Brook Roof Replacement | | 353,778 | 353,778 | | 348,738 | 5,040 |
| 2016 | East Brook Gym Renovations | | 219,560 | 219,560 | | 219,560 | |
| 2016 | Stony Lane LED Retrofit | | 184,392 | 184,392 | | 184,392 | |
| 2016 | Front Entrance Modification | | 346,141 | 346,141 | | 346,141 | |
| 2016 | High School Bathroom Renovation (700 Wing) | | 17,612 | 17,612 | | 15,512 | 2,100 |
| 2016 | High School Boys Locker Room Renovation | - | 35,282 | 35,282 | - | 29,082 | 6,200 |
| | | <u>\$ 2,613,668</u> | <u>\$ 4,463,361</u> | <u>\$ 7,077,029</u> | <u>\$ 4,178,034</u> | <u>\$ 2,755,844</u> | <u>\$ 143,151</u> |

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

| | |
|--|---------------------|
| Revenues and Other Financing Sources | |
| Transfer from Capital Reserve | <u>\$ 2,000,000</u> |
| Total Revenues and Other Financing Sources | <u>2,000,000</u> |
| Expenditures and Other Financing Uses | |
| Purchased Professional and Technical Services | 181,365 |
| Construction Services | 2,574,479 |
| Cancellation of Grant Receivable - Budgetary Basis | <u>23,792</u> |
| Total Expenditures and Other Financing Uses | <u>2,779,636</u> |
| Excess (Deficit) of Revenues Over Expenditures | (779,636) |
| Fund Balance, July 1, 2015 | <u>922,787</u> |
| Fund Balance, June 30, 2016 | <u>\$ 143,151</u> |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL BATHROOM REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 161,440 | | \$ 161,440 | \$ 146,299 |
| Transfers to Other Projects | (3,650) | \$ (11,491) | (15,141) | - |
| | <u>157,790</u> | <u>(11,491)</u> | <u>146,299</u> | <u>146,299</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 19,049 | | 19,049 | 19,049 |
| Construction Services | 127,250 | - | 127,250 | 127,250 |
| | <u>146,299</u> | <u>-</u> | <u>146,299</u> | <u>146,299</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 11,491</u> | <u>\$ (11,491)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 165,000 | | | |
| Authorized Cost Adjustments | \$ (14,777) | | | |
| Revised Authorized Cost | \$ 146,299 | | | |
| Percentage Increase Over Original Authorized Cost | -8.96% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | September 9, 2013 | | | |
| Revised Target Completion Date | September 30, 2013 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
COMMUNITY SCHOOL HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 453,500 | | \$ 453,500 | \$ 406,051 |
| Transfers to Other Projects | (4,050) | \$ (43,399) | (47,449) | - |
| | <u>449,450</u> | <u>(43,399)</u> | <u>406,051</u> | <u>406,051</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 40,851 | | 40,851 | 40,851 |
| Construction Services | 365,200 | - | 365,200 | 365,200 |
| | <u>406,051</u> | <u>-</u> | <u>406,051</u> | <u>406,051</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 43,399</u> | <u>\$ (43,399)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 790,000 | | | |
| Authorized Cost Adjustments | \$ (383,949) | | | |
| Revised Authorized Cost | \$ 406,051 | | | |
| Percentage Increase Over Original | | | | |
| Authorized Cost | -48.60% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | September 9, 2013 | | | |
| Revised Target Completion Date | September 9, 2013 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 481,752 | | \$ 481,752 | \$ 456,645 |
| Transfers to Other Projects | (280) | \$ (24,827) | (25,107) | - |
| | <u>481,472</u> | <u>(24,827)</u> | <u>456,645</u> | <u>456,645</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 24,925 | | 24,925 | 24,925 |
| Construction Services | 431,720 | - | 431,720 | 431,720 |
| | <u>456,645</u> | <u>-</u> | <u>456,645</u> | <u>456,645</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 24,827</u> | <u>\$ (24,827)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 495,000 | | | |
| Authorized Cost Adjustments | \$ (38,355) | | | |
| Revised Authorized Cost | \$ 456,645 | | | |
| Percentage Increase Over Original Authorized Cost | -7.75% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | September 9, 2013 | | | |
| Revised Target Completion Date | September 9, 2013 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOW REPLACEMENT (600-700 WINGS)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 316,373 | | \$ 316,373 | \$ 239,674 |
| Transfers to Other Projects | (67,976) | \$ (8,723) | (76,699) | |
| SDA Grant | 103,320 | - | 103,320 | 103,320 |
| | <u>351,717</u> | <u>(8,723)</u> | <u>342,994</u> | <u>342,994</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 27,651 | | 27,651 | 27,651 |
| Construction Services | 315,343 | - | 315,343 | 315,343 |
| | <u>342,994</u> | <u>-</u> | <u>342,994</u> | <u>342,994</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 8,723</u> | <u>\$ (8,723)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|-----------------------------|----------------------|
| Project Number | 3930-050-14-1002-G04 |
| Grant Date | 1/6/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 300,000 |
| Authorized Cost Adjustments | \$ 42,994 |
| Revised Authorized Cost | \$ 342,994 |

Percentage Increase Over Original

| | |
|---------------------------------|-------------------|
| Authorized Cost | 14.33% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 9, 2013 |
| Revised Target Completion Date | July 31, 2014 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RIDGE RANCH BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 173,216 | | \$ 173,216 | \$ 148,077 |
| Transfers to Other Projects | (15,992) | \$ (9,147) | (25,139) | |
| SDA Grant | 96,806 | - | 96,806 | 96,806 |
| | <u>254,030</u> | <u>(9,147)</u> | <u>244,883</u> | <u>244,883</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 17,623 | | 17,623 | 17,623 |
| Construction Services | 227,260 | - | 227,260 | 227,260 |
| | <u>244,883</u> | <u>-</u> | <u>244,883</u> | <u>244,883</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 9,147</u> | <u>\$ (9,147)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|-----------------------------|----------------------|
| Project Number | 3930-110-14-1006-G04 |
| Grant Date | 1/6/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 156,000 |
| Authorized Cost Adjustments | \$ 88,883 |
| Revised Authorized Cost | \$ 244,883 |

| | |
|--|--------------------|
| Percentage Increase Over Original Authorized Cost | 56.98% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | August 31, 2014 |
| Revised Target Completion Date | September 30, 2014 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL COURTYARD WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|-----------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 149,188 | | \$ 149,188 | \$ 140,195 |
| Transfers to Other Projects | | \$ (8,993) | (8,993) | |
| SDA Grant | <u>51,312</u> | <u>-</u> | <u>51,312</u> | <u>51,312</u> |
| Total Revenues and Other Financing Sources | <u>200,500</u> | <u>(8,993)</u> | <u>191,507</u> | <u>191,507</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | <u>191,507</u> | <u>-</u> | <u>191,507</u> | <u>191,507</u> |
| Total Expenditures and Other Financing Sources | <u>191,507</u> | <u>-</u> | <u>191,507</u> | <u>191,507</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 8,993</u> | <u>\$ (8,993)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|-----------------------------|----------------------|
| Project Number | 3930-050-14-1001-G04 |
| Grant Date | 1/6/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 110,400 |
| Authorized Cost Adjustments | \$ 81,107 |
| Revised Authorized Cost | \$ 191,507 |

| | |
|--|-------------------|
| Percentage Increase Over Original Authorized Cost | 73.47% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2013 |
| Revised Target Completion Date | September 1, 2013 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 318,100 | \$ 286,940 | \$ 605,040 | \$ 605,040 |
| Transfers from/(to) Other Projects | <u>(5,000)</u> | <u>31,036</u> | <u>26,036</u> | <u>26,036</u> |
| Total Revenues and Other Financing Sources | <u>313,100</u> | <u>317,976</u> | <u>631,076</u> | <u>631,076</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 5,981 | 36,255 | 42,236 | 42,236 |
| Construction Services | <u>306,900</u> | <u>281,940</u> | <u>588,840</u> | <u>588,840</u> |
| Total Expenditures and Other Financing Sources | <u>312,881</u> | <u>318,195</u> | <u>631,076</u> | <u>631,076</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 219</u> | <u>\$ (219)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | N/A | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 311,900 | | | |
| Authorized Cost Adjustments | \$ 319,176 | | | |
| Revised Authorized Cost | \$ 631,076 | | | |
| Percentage Increase Over Original Authorized Cost | 102.33% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | February 1, 2014 | | | |
| Revised Target Completion Date | February 1, 2014 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
EAST BROOK ROOF REPLACEMENT (SEC A-G)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 1,110,000 | | \$ 1,110,000 | \$ 842,426 |
| Transfers to Other Projects | (262,574) | \$ (5,000) | (267,574) | |
| SDA Grant | 540,074 | - | 540,074 | 540,074 |
| | <u>1,387,500</u> | <u>(5,000)</u> | <u>1,382,500</u> | <u>1,382,500</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | 1,382,500 | \$ - | 1,382,500 | 1,382,500 |
| | <u>1,382,500</u> | <u>-</u> | <u>1,382,500</u> | <u>1,382,500</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 5,000</u> | <u>\$ (5,000)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|----------------------|
| Project Number | 3930-065-14-1004-G04 |
| Grant Date | 1/6/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,110,000 |
| Authorized Cost Adjustments | \$ 272,500 |
| Revised Authorized Cost | \$ 1,382,500 |
| | |
| Percentage Increase Over Original Authorized Cost | 24.55% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2014 |
| Revised Target Completion Date | October 3, 2014 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL INTERIOR HANDICAPPED RAMP
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|----------------------|-----------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 190,000 | | \$ 190,000 | \$ 115,124 |
| Transfers from/(to) Other Projects | (117,169) | \$ 66,085 | (51,084) | |
| SDA Grant | <u>27,872</u> | <u>(23,792)</u> | <u>4,080</u> | <u>27,872</u> |
| Total Revenues and Other Financing Sources | <u>100,703</u> | <u>42,293</u> | <u>142,996</u> | <u>142,996</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 9,103 | | 9,103 | 9,103 |
| Construction Services | <u>-</u> | <u>18,452</u> | <u>18,452</u> | <u>133,893</u> |
| Total Expenditures and Other Financing Sources | <u>9,103</u> | <u>18,452</u> | <u>27,555</u> | <u>142,996</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 91,600</u> | <u>\$ 23,841</u> | <u>\$ 115,441</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|---------------------|
| Project Number | 3930-50-14-1003-G04 |
| Grant Date | 1/6/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 239,200 |
| Authorized Cost Adjustments | \$ (96,204) |
| Revised Authorized Cost | \$ 142,996 |
| Percentage Increase Over Original Authorized Cost | -40.22% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | April 30, 2015 |
| Revised Target Completion Date | April 30, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
COMMUNITY SCHOOL BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|-----------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 20,246 | | \$ 20,246 | \$ 20,246 |
| Transfer from Other Projects | <u>-</u> | <u>\$ 160,711</u> | <u>160,711</u> | <u>160,711</u> |
| Total Revenues and Other Financing Sources | <u>20,246</u> | <u>160,711</u> | <u>180,957</u> | <u>180,957</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 17,606 | 2,981 | 20,587 | 20,587 |
| Construction Services | <u>-</u> | <u>160,370</u> | <u>160,370</u> | <u>160,370</u> |
| Total Expenditures and Other Financing Sources | <u>17,606</u> | <u>163,351</u> | <u>180,957</u> | <u>180,957</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 2,640</u> | <u>\$ (2,640)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | 3930-050-15-3000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 307,000 | | | |
| Authorized Cost Adjustments | \$ (126,043) | | | |
| Revised Authorized Cost | \$ 180,957 | | | |
| Percentage Increase Over Original Authorized Cost | -41.06% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | September 1, 2015 | | | |
| Revised Target Completion Date | September 1, 2015 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LIFE SKILLS CLASSROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 10,181 | \$ 110,033 | \$ 120,214 | \$ 120,214 |
| Transfer from Other Projects | - | 50,756 | 50,756 | 50,756 |
| | <u>10,181</u> | <u>160,789</u> | <u>170,970</u> | <u>170,970</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 9,011 | 1,259 | 10,270 | 10,270 |
| Construction Services | - | 160,700 | 160,700 | 160,700 |
| | <u>9,011</u> | <u>161,959</u> | <u>170,970</u> | <u>170,970</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 1,170</u> | <u>\$ (1,170)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | 3930-050-15-1000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 80,065 | | | |
| Authorized Cost Adjustments | \$ 90,905 | | | |
| Revised Authorized Cost | \$ 170,970 | | | |
| Percentage Increase Over Original Authorized Cost | 113.54% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | September 1, 2015 | | | |
| Revised Target Completion Date | September 7, 2015 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL GIRLS LOCKER ROOM BATHROOM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 30,347 | \$ 373,300 | \$ 403,647 | \$ 403,647 |
| Transfer from Other Projects | - | 6,711 | 6,711 | 6,711 |
| | <u>30,347</u> | <u>380,011</u> | <u>410,358</u> | <u>410,358</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 26,507 | 4,084 | 30,591 | 30,591 |
| Construction Services | - | 379,767 | 379,767 | 379,767 |
| | <u>26,507</u> | <u>383,851</u> | <u>410,358</u> | <u>410,358</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 3,840</u> | <u>\$ (3,840)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | 3930-050-15-2000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 430,000 | | | |
| Authorized Cost Adjustments | \$ (19,642) | | | |
| Revised Authorized Cost | \$ 410,358 | | | |
| Percentage Increase Over Original | | | | |
| Authorized Cost | -4.57% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | October 1, 2015 | | | |
| Revised Target Completion Date | October 16, 2015 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MEMORIAL BATHROOM RENOVATIONS (UPPER WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 18,549 | \$ 211,400 | \$ 229,949 | \$ 229,949 |
| Transfer from Other Projects | - | 16,872 | 16,872 | 16,872 |
| | <u>18,549</u> | <u>228,272</u> | <u>246,821</u> | <u>246,821</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 15,849 | 2,747 | 18,596 | 18,596 |
| Construction Services | - | 228,225 | 228,225 | 228,225 |
| | <u>15,849</u> | <u>230,972</u> | <u>246,821</u> | <u>246,821</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 2,700</u> | <u>\$ (2,700)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|-----------------------------|------------------|
| Project Number | 3930-080-15-1000 |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 288,000 |
| Authorized Cost Adjustments | \$ (41,179) |
| Revised Authorized Cost | \$ 246,821 |

Percentage Increase Over Original

| | |
|---------------------------------|--------------------|
| Authorized Cost | -14.30% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2015 |
| Revised Target Completion Date | September 25, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT (200-300 WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|-----------------------|-------------------------|--------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 744,863 | | \$ 744,863 | \$ 415,125 |
| Transfers to Other Projects | <u>-</u> | <u>\$ (329,738)</u> | <u>(329,738)</u> | <u>-</u> |
| Total Revenues and Other Financing Sources | <u>744,863</u> | <u>(329,738)</u> | <u>415,125</u> | <u>415,125</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | |
| Construction Services | <u>415,125</u> | <u>-</u> | <u>415,125</u> | <u>415,125</u> |
| Total Expenditures and Other Financing Sources | <u>415,125</u> | <u>-</u> | <u>415,125</u> | <u>415,125</u> |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ 329,738</u> | <u>\$ (329,738)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Project Number | 3930-065-14-1004 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 744,863 | | | |
| Authorized Cost Adjustments | \$ (329,738) | | | |
| Revised Authorized Cost | \$ 415,125 | | | |
| Percentage Increase Over Original Authorized Cost | -44.27% | | | |
| Percentage Completion | 100.00% | | | |
| Original Target Completion Date | May 31, 2015 | | | |
| Revised Target Completion Date | May 31, 2015 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL LIBRARY RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | \$ 580,373 | - | \$ 580,373 | \$ 480,573 |
| Transfers to Other Projects | - | (99,800) | (99,800) | - |
| | <u>580,373</u> | <u>(99,800)</u> | <u>480,573</u> | <u>480,573</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | 201,073 | \$ 279,500 | 480,573 | 480,573 |
| | <u>201,073</u> | <u>279,500</u> | <u>480,573</u> | <u>480,573</u> |
| Excess (Deficit) of Revenue Over Expenditures | | | | |
| | <u>\$ 379,300</u> | <u>\$ (379,300)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|--------------------|
| Project Number | |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 580,373 |
| Authorized Cost Adjustments | \$ (99,800) |
| Revised Authorized Cost | \$ 480,573 |
| | |
| Percentage Increase Over Original Authorized Cost | -17.20% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 30, 2015 |
| Revised Target Completion Date | October 30, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL HVAC UNIT REPLACEMENT (900 WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|-----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | - | - | - | - |
| Transfer from Other Projects | - | \$ 27,239 | \$ 27,239 | \$ 27,239 |
| | - | 27,239 | 27,239 | 27,239 |
| Total Revenues and Other Financing Sources | - | 27,239 | 27,239 | 27,239 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | - | 23,669 | 23,669 | 27,239 |
| Construction Services | - | - | - | - |
| Transfers to Other Projects | - | - | - | - |
| | - | 23,669 | 23,669 | 27,239 |
| Total Expenditures and Other Financing Sources | - | 23,669 | 23,669 | 27,239 |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ -</u> | <u>\$ 3,570</u> | <u>\$ 3,570</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--|--------------------|
| Project Number | |
| Grant Date | 3930-050-16-4000 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 312,500 |
| Authorized Cost Adjustments | \$ (285,261) |
| Revised Authorized Cost | \$ 27,239 |
| | |
| Percentage Increase Over Original Authorized Cost | -91.28% |
| Percentage Completion | 86.89% |
| Original Target Completion Date | September 1, 2016 |
| Revised Target Completion Date | September 30, 2016 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST BROOK PAVING & SITE WORK
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | | - | \$ - |
| Transfer from Other Projects | - | \$ 43,270 | \$ 43,270 | 43,270 |
| | | | | |
| Total Revenues and Other Financing Sources | - | 43,270 | 43,270 | 43,270 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | 32,470 | 32,470 | 43,270 |
| Construction Services | | | - | - |
| Transfers to Other Projects | - | - | - | - |
| | | | | |
| Total Expenditures and Other Financing Sources | - | 32,470 | 32,470 | 43,270 |
| Excess (Deficit) of Revenue Over Expenditures | \$ - | \$ 10,800 | \$ 10,800 | \$ - |
| Additional Project Information: | | | | |
| Project Number | 3930-060-16-2000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ | 548,944 | | |
| Authorized Cost Adjustments | \$ | (505,674) | | |
| Revised Authorized Cost | \$ | 43,270 | | |
| | | | | |
| Percentage Increase Over Original Authorized Cost | -92.12% | | | |
| Percentage Completion | 5.91% | | | |
| Original Target Completion Date | September 1, 2016 | | | |
| Revised Target Completion Date | September 30, 2016 | | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WEST BROOK ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| Transfer from Other Projects | - | 53,778 | 53,778 | 53,778 |
| | | | | |
| Total Revenues and Other Financing Sources | - | 353,778 | 353,778 | 353,778 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | 33,306 | 33,306 | 33,306 |
| Construction Services | | 315,432 | 315,432 | 320,472 |
| Transfers to Other Projects | - | - | - | - |
| | | | | |
| Total Expenditures and Other Financing Sources | - | 348,738 | 348,738 | 353,778 |
| Excess (Deficit) of Revenue Over Expenditures | \$ - | \$ 5,040 | \$ 5,040 | \$ - |

Additional Project Information:

| | |
|--|------------------|
| Project Number | 3930-060-16-1000 |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,375,000 |
| Authorized Cost Adjustments | \$ (1,021,222) |
| Revised Authorized Cost | \$ 353,778 |
| | |
| Percentage Increase Over Original Authorized Cost | -74.27% |
| Percentage Completion | 98.58% |
| Original Target Completion Date | August 1, 2016 |
| Revised Target Completion Date | August 31, 2016 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
EAST BROOK GYM RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | \$ 219,560 | \$ 219,560 | \$ 219,560 |
| Transfer from Other Projects | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total Revenues and Other Financing Sources | - | 219,560 | 219,560 | 219,560 |
| | ----- | ----- | ----- | ----- |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | | 219,560 | 219,560 | 219,560 |
| Transfers to Other Projects | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total Expenditures and Other Financing Sources | - | 219,560 | 219,560 | 219,560 |
| | ----- | ----- | ----- | ----- |
| Excess (Deficit) of Revenue Over Expenditures | \$ - | \$ - | \$ - | \$ - |
| | ----- | ----- | ----- | ----- |

Additional Project Information:

| | |
|--|-------------------|
| Project Number | |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 219,560 |
| Authorized Cost Adjustments | \$ - |
| Revised Authorized Cost | \$ 219,560 |
| | |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2015 |
| Revised Target Completion Date | September 1, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
STONY LANE LED RETROFIT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | \$ 184,392 | \$ 184,392 | \$ 184,392 |
| Transfer from Other Projects | - | - | - | - |
| | - | - | - | - |
| Total Revenues and Other Financing Sources | - | 184,392 | 184,392 | 184,392 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | | 184,392 | 184,392 | 184,392 |
| Transfers to Other Projects | - | - | - | - |
| | - | - | - | - |
| Total Expenditures and Other Financing Sources | - | 184,392 | 184,392 | 184,392 |
| Excess (Deficit) of Revenue Over Expenditures | - | - | - | - |

Additional Project Information:

| | |
|--|-------------------|
| Project Number | |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 184,392 |
| Authorized Cost Adjustments | \$ - |
| Revised Authorized Cost | \$ 184,392 |
| | |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2015 |
| Revised Target Completion Date | September 7, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FRONT ENTRANCE MODIFICATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | \$ 314,375 | \$ 314,375 | \$ 314,375 |
| Transfer from Other Projects | - | 31,766 | 31,766 | 31,766 |
| | - | 346,141 | 346,141 | 346,141 |
| Total Revenues and Other Financing Sources | - | 346,141 | 346,141 | 346,141 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | | - | - |
| Construction Services | | 346,141 | 346,141 | 346,141 |
| Transfers to Other Projects | - | - | - | - |
| | - | 346,141 | 346,141 | 346,141 |
| Total Expenditures and Other Financing Sources | - | 346,141 | 346,141 | 346,141 |
| Excess (Deficit) of Revenue Over Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|-----------------------------|------------|
| Project Number | |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 346,141 |
| Authorized Cost Adjustments | \$ - |
| Revised Authorized Cost | \$ 346,141 |

| | |
|--|--------------------|
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 100.00% |
| Original Target Completion Date | September 1, 2015 |
| Revised Target Completion Date | September 30, 2015 |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL BATHROOM RENOVATION (700 WING)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|-----------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | \$ - | \$ - | \$ - |
| Transfer from Other Projects | - | 17,612 | 17,612 | 17,612 |
| | - | 17,612 | 17,612 | 17,612 |
| Total Revenues and Other Financing Sources | - | 17,612 | 17,612 | 17,612 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | 15,512 | 15,512 | 17,612 |
| Construction Services | | | - | - |
| Transfers to Other Projects | - | - | - | - |
| | - | 15,512 | 15,512 | 17,612 |
| Total Expenditures and Other Financing Sources | - | 15,512 | 15,512 | 17,612 |
| Excess (Deficit) of Revenue Over Expenditures | \$ - | \$ 2,100 | \$ 2,100 | \$ - |
| Additional Project Information: | | | | |
| Project Number | 3930-050-16-1000 | | | |
| Grant Date | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ | 312,500 | | |
| Authorized Cost Adjustments | \$ | (294,888) | | |
| Revised Authorized Cost | \$ | 17,612 | | |
| Percentage Increase Over Original | | | | |
| Authorized Cost | | -94.36% | | |
| Percentage Completion | | | | |
| | | 88.08% | | |
| Original Target Completion Date | | | | |
| | | September 1, 2016 | | |
| Revised Target Completion Date | | | | |
| | | September 15, 2016 | | |

**PARAMUS BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL BOYS LOCKER ROOM RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfer from Capital Reserve | | | \$ - | \$ - |
| Transfer from Other Projects | - | \$ 35,282 | 35,282 | 35,282 |
| | - | 35,282 | 35,282 | 35,282 |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | | 29,082 | 29,082 | |
| Construction Services | | | - | 35,282 |
| Transfers to Other Projects | - | - | - | - |
| | - | 29,082 | 29,082 | 35,282 |
| Excess (Deficit) of Revenue Over Expenditures | \$ - | \$ 6,200 | \$ 6,200 | \$ - |

Additional Project Information:

| | |
|--|------------------|
| Project Number | 3930-050-16-2000 |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 908,875 |
| Authorized Cost Adjustments | \$ (873,593) |
| Revised Authorized Cost | \$ 35,282 |
| | |
| Percentage Increase Over Original Authorized Cost | -96.12% |
| Percentage Completion | 82.43% |
| Original Target Completion Date | November 1, 2017 |
| Revised Target Completion Date | November 1, 2017 |

ENTERPRISE FUNDS

EXHIBIT G-1

**PARAMUS BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

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

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total Agency Funds</u> |
|-------------------------------------|-----------------------------|------------------|-------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 348,156 | \$ 25,255 | \$ 373,411 |
| Total Assets | <u>\$ 348,156</u> | <u>\$ 25,255</u> | <u>\$ 373,411</u> |
| LIABILITIES | | | |
| Payroll Deductions and Withholdings | | \$ 25,255 | \$ 25,255 |
| Due to Student Groups | \$ 348,156 | - | 348,156 |
| Total Liabilities | <u>\$ 348,156</u> | <u>\$ 25,255</u> | <u>\$ 373,411</u> |

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

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

| | Balance, July 1, <u>2015</u> | <u>Additions</u> | <u>Deletions</u> | Balance, June 30, <u>2016</u> |
|---------------------------------------|---|--------------------------|--------------------------|--|
| ELEMENTARY & MIDDLE SCHOOL | | | | |
| Eastbrook | \$ 41,906 | \$ 32,791 | \$ 34,245 | \$ 40,452 |
| Westbrook | 43,683 | 37,125 | 37,874 | 42,934 |
| Elementary | 41,499 | 35,850 | 35,175 | 42,174 |
| HIGH SCHOOLS | | | | |
| High School Activity | 182,244 | 334,209 | 293,857 | 222,596 |
| High School Athletic | - | <u>83,728</u> | <u>83,728</u> | <u>-</u> |
| Total | <u>\$ 309,332</u> | <u>\$ 523,703</u> | <u>\$ 484,879</u> | <u>\$ 348,156</u> |

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

| | <u>Balance, July 1, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance, June 30, 2016</u> |
|-------------------------------------|--------------------------------------|----------------------|----------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 20,901 | \$ 77,536,898 | \$ 77,532,544 | \$ 25,255 |
| Total Assets | <u>\$ 20,901</u> | <u>\$ 77,536,898</u> | <u>\$ 77,532,544</u> | <u>\$ 25,255</u> |
| LIABILITIES | | | | |
| Payroll Deductions and Withholdings | \$ 20,901 | \$ 50,053,934 | \$ 50,049,580 | \$ 25,255 |
| Accrued Salaries and Wages | <u>-</u> | <u>27,482,964</u> | <u>27,482,964</u> | <u>-</u> |
| Total Liabilities | <u>\$ 20,901</u> | <u>\$ 77,536,898</u> | <u>\$ 77,532,544</u> | <u>\$ 25,255</u> |

LONG-TERM DEBT

PARAMUS BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities</u> | | <u>Interest Rate</u> | <u>Balance, July 1, 2015</u> | <u>Retired</u> | <u>Balance, June 30, 2016</u> |
|-----------------|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|---------------------|-------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| Refunding Bonds | 2/14/2013 | \$ 16,460,000 | 4/1/2017 | \$ 1,000,000 | 4.00% | | | |
| | | | 4/1/2018 | 995,000 | 4.00% | | | |
| | | | 4/1/2019 | 1,090,000 | 4.00% | | | |
| | | | 4/1/2020 | 1,080,000 | 5.00% | | | |
| | | | 4/1/2021 | 1,105,000 | 5.00% | | | |
| | | | 4/1/2022 | 1,130,000 | 5.00% | | | |
| | | | 4/1/2023 | 1,135,000 | 5.00% | | | |
| | | | 4/1/2024 | 1,140,000 | 4.00% | | | |
| | | | 4/1/2025 | 1,130,000 | 4.00% | | | |
| | | | 4/1/2026 | 1,120,000 | 2.75% | | | |
| | | | 4/1/2027 | 1,100,000 | 4.00% | | | |
| | | | 4/1/2028 | 1,090,000 | 3.00% | | | |
| | | | 4/1/2029 | 1,065,000 | 3.125% | | | |
| | | | | | | \$ 15,190,000 | \$ 1,010,000 | \$ 14,180,000 |
| | | | | | | <u>\$ 15,190,000</u> | <u>\$ 1,010,000</u> | <u>\$ 14,180,000</u> |

**PARAMUS BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPICABLE

**PARAMUS BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | 2016 | | | | Variance Favorable (Unfavorable) |
|---|--------------------|-------------|--------------------|-------------------|--|
| | Original Budget | Adjustments | Modified Budget | Actual | |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Tax Levy | \$ 1,664,672 | | \$ 1,664,672 | \$ 1,664,672 | |
| Intergovernmental | | | | | |
| Debt Service Aid Type II | 234,467 | - | 234,467 | 234,467 | - |
| Total Revenues | <u>1,899,139</u> | <u>-</u> | <u>1,899,139</u> | <u>1,899,139</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service | | | | | |
| Interest | 655,281 | | 655,281 | 607,781 | \$ 47,500 |
| Redemption of Principal | 1,244,467 | - | 1,244,467 | 1,010,000 | 234,467 |
| Total Expenditures | <u>1,899,748</u> | <u>-</u> | <u>1,899,748</u> | <u>1,617,781</u> | <u>281,967</u> |
| Excess (Deficiency) of Revenues Over/ (Under) Expenditures | <u>(609)</u> | <u>-</u> | <u>(609)</u> | <u>281,358</u> | <u>281,967</u> |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In-General Fund | - | - | - | - | - |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over/ (Under) Expenditures and Other Financing Sources | <u>(609)</u> | <u>-</u> | <u>(609)</u> | <u>281,358</u> | <u>281,967</u> |
| Fund Balance, Beginning of Year | <u>632</u> | <u>-</u> | <u>632</u> | <u>632</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 23</u> | <u>\$ -</u> | <u>\$ 23</u> | <u>\$ 281,990</u> | <u>\$ 281,967</u> |
| Recapitulation of Fund Balance: | | | | | |
| Restricted for Debt Service: | | | | | |
| Available for Future Debt Service Expenditures | | | | <u>\$ 281,990</u> | |

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | (Restated) | | | (Restated) | | |
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 16,014,888 | \$ 22,554,914 | \$ 24,274,128 | \$ 25,187,220 | \$ 27,826,536 | \$ 29,450,260 | \$ 31,802,380 | \$ 35,209,488 | \$ 39,957,382 | \$ 41,735,254 |
| Restricted | 5,856,154 | 455,979 | 2,258,123 | 3,720,473 | 5,130,462 | 7,447,327 | 9,371,004 | 12,674,591 | 14,660,403 | 17,097,317 |
| Unrestricted | (3,749,575) | 1,367,352 | 2,183,662 | 1,498,811 | 1,466,597 | 2,080,303 | 2,487,970 | (20,932,272) | (20,314,957) | (20,324,594) |
| Total governmental activities net position | \$ 18,121,467 | \$ 24,378,245 | \$ 28,715,913 | \$ 30,406,504 | \$ 34,423,595 | \$ 38,977,890 | \$ 43,661,354 | \$ 26,951,807 | \$ 34,302,828 | \$ 38,507,977 |
| Business-type activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 74,761 | \$ 206,230 | \$ 193,417 | \$ 180,679 | \$ 169,887 | \$ 160,104 | \$ 167,670 | \$ 164,909 | \$ 172,989 | \$ 170,386 |
| Restricted | | | | | | | | | | |
| Unrestricted | 196,379 | 70,427 | 94,890 | 124,890 | 183,061 | 220,440 | 258,441 | 270,522 | 230,000 | 175,679 |
| Total business-type activities net position | \$ 271,140 | \$ 276,657 | \$ 288,307 | \$ 305,569 | \$ 352,948 | \$ 380,544 | \$ 426,111 | \$ 435,431 | \$ 402,989 | \$ 346,065 |
| District-wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 16,089,649 | \$ 22,761,144 | \$ 24,467,545 | 25,367,899 | 27,996,423 | 29,610,364 | 31,970,050 | \$ 35,374,397 | \$ 40,130,371 | \$ 41,905,640 |
| Restricted | 5,856,154 | 455,979 | 2,258,123 | 3,720,473 | 5,130,462 | 7,447,327 | 9,371,004 | 12,674,591 | 14,660,403 | 17,097,317 |
| Unrestricted | (3,553,196) | 1,437,779 | 2,278,552 | 1,623,701 | 1,649,658 | 2,300,743 | 2,746,411 | (20,661,750) | (20,084,957) | (20,148,915) |
| Total district net position | \$ 18,392,607 | \$ 24,654,902 | \$ 29,004,220 | \$ 30,712,073 | \$ 34,776,543 | \$ 39,358,434 | \$ 44,087,465 | \$ 27,387,238 | \$ 34,705,817 | \$ 38,854,042 |

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

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

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

| | 2007 | 2008 | 2009 | 2010 | Fiscal Year Ending June 30, | | 2013 | 2014 | 2015 | 2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | 2011 | 2012 | | | | |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 30,816,193 | \$ 31,310,405 | \$ 29,293,503 | \$ 30,961,268 | \$ 30,444,916 | \$ 30,489,032 | \$ 31,674,424 | \$ 30,870,406 | \$ 35,405,836 | \$ 37,580,253 |
| Special education | 10,482,650 | 10,895,845 | 11,516,883 | 13,159,168 | 12,504,000 | 12,847,226 | 13,941,263 | 14,342,356 | 15,896,202 | 17,011,501 |
| Community services | 12,900 | 15,451 | 17,021 | 16,134 | 16,208 | - | - | - | - | - |
| Other instruction | 1,788,835 | 1,848,426 | 1,667,956 | 1,491,638 | 1,275,720 | 1,977,422 | 2,235,557 | 2,401,823 | 2,853,123 | 3,026,442 |
| School Sponsored Activities and Athletics | 1,339,423 | 1,405,460 | 1,366,944 | 1,436,961 | 1,358,950 | 1,571,726 | 1,671,482 | 1,769,801 | 1,991,962 | 2,175,830 |
| Support Services: | | | | | | | | | | |
| Student and instruction related services | 10,424,642 | 10,404,679 | 9,663,427 | 8,702,798 | 8,481,946 | 9,469,204 | 10,236,801 | 10,488,907 | 12,091,605 | 12,918,305 |
| School Administration services | 3,964,334 | 4,153,026 | 4,084,367 | 4,867,499 | 4,640,667 | 4,858,674 | 4,835,004 | 4,977,054 | 5,947,989 | 6,073,147 |
| General administration services | 1,206,406 | 1,425,957 | 1,186,849 | 1,243,442 | 1,270,638 | 1,053,352 | 961,047 | 975,612 | 1,055,628 | 919,677 |
| Plant operations and maintenance | 9,799,100 | 9,936,619 | 9,372,675 | 10,655,154 | 10,284,822 | 10,646,753 | 10,819,771 | 10,992,476 | 11,066,092 | 11,631,973 |
| Pupil transportation | 3,576,557 | 3,485,174 | 3,508,598 | 3,327,788 | 3,208,504 | 3,272,653 | 3,193,615 | 3,203,080 | 3,250,926 | 3,426,661 |
| Central services | 1,719,412 | 1,900,573 | 2,584,293 | 2,393,804 | 2,110,412 | 2,081,627 | 2,058,385 | 1,893,852 | 2,071,816 | 2,195,762 |
| Interest on long-term debt | 1,511,477 | 1,444,206 | 1,351,094 | 1,262,633 | 1,178,779 | 979,384 | 852,919 | 721,476 | 765,720 | 599,248 |
| Total governmental activities expenses | 76,641,929 | 78,225,821 | 75,613,610 | 79,518,287 | 76,775,562 | 79,247,053 | 82,480,268 | 82,636,843 | 92,396,899 | 97,558,799 |
| Business-type activities: | | | | | | | | | | |
| Food service | 967,804 | 990,885 | 982,326 | 1,025,171 | 978,676 | 1,043,141 | 1,028,038 | 1,090,992 | 1,247,618 | 1,317,291 |
| Total business-type activities expense | 967,804 | 990,885 | 982,326 | 1,025,171 | 978,676 | 1,043,141 | 1,028,038 | 1,090,992 | 1,247,618 | 1,317,291 |
| Total district expenses | \$ 77,609,733 | \$ 79,216,706 | \$ 76,595,936 | \$ 80,543,458 | \$ 77,754,238 | \$ 80,290,194 | \$ 83,508,306 | \$ 83,727,835 | \$ 93,644,517 | \$ 98,876,090 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Regular instruction | | | | | \$ 345,756 | \$ 338,171 | \$ 362,514 | \$ 529,896 | \$ 516,473 | \$ 355,685 |
| Special education | \$ 153,841 | \$ 267,891 | \$ 250,252 | \$ 332,987 | 186,480 | 324,305 | 344,032 | 336,063 | 818,739 | 673,683 |
| Transportation | | | | | | | 19,135 | - | - | - |
| Operating grants and contributions | 12,927,734 | 12,892,233 | 10,235,531 | 10,927,088 | 8,497,955 | 9,990,465 | 11,991,443 | 11,755,186 | 19,985,595 | 22,884,855 |
| Capital grants and contributions | 4,615,771 | 4,072,955 | 618,048 | | | | 408,915 | 601,080 | 286,180 | 4,080 |
| Total governmental activities program revenues | 17,697,346 | 17,233,079 | 11,103,831 | 11,260,075 | 9,030,191 | 10,652,941 | 13,126,039 | 13,222,225 | 21,606,987 | 23,918,303 |
| Business-type activities: | | | | | | | | | | |
| Food service | | | | | | | | | | |
| Charges for services | \$ 891,001 | \$ 882,988 | \$ 872,584 | \$ 898,306 | \$ 885,767 | \$ 919,503 | \$ 933,070 | \$ 958,036 | \$ 1,069,902 | \$ 1,101,865 |
| Operating grants and contributions | 90,815 | 103,607 | 120,225 | 144,127 | 140,278 | 151,234 | 139,002 | 140,492 | 145,014 | 158,502 |
| Total business type activities program revenues | 981,816 | 986,595 | 992,809 | 1,042,433 | 1,026,045 | 1,070,737 | 1,072,072 | 1,098,528 | 1,214,916 | 1,260,367 |
| Total district program revenues | \$ 18,679,162 | \$ 18,219,674 | \$ 12,096,640 | \$ 12,302,508 | \$ 10,056,236 | \$ 11,723,678 | \$ 14,198,111 | \$ 14,320,753 | \$ 22,821,903 | \$ 25,178,670 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (58,944,583) | \$ (60,992,742) | \$ (64,509,779) | \$ (68,258,212) | \$ (67,745,371) | \$ (68,594,112) | \$ (69,354,229) | \$ (69,414,618) | \$ (70,789,912) | \$ (73,640,496) |
| Business-type activities | 14,012 | (4,290) | 10,483 | 17,262 | 47,369 | 27,596 | 44,034 | 7,536 | (32,702) | (56,924) |
| Total district-wide net expense | \$ (58,930,571) | \$ (60,997,032) | \$ (64,499,296) | \$ (68,240,950) | \$ (67,698,002) | \$ (68,566,516) | \$ (69,310,195) | \$ (69,407,082) | \$ (70,822,614) | \$ (73,697,420) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes | \$ 57,512,840 | \$ 59,813,354 | \$ 62,402,870 | \$ 64,898,985 | \$ 67,494,944 | \$ 68,651,094 | \$ 69,958,474 | \$ 71,357,641 | \$ 72,774,791 | \$ 74,230,284 |
| Property taxes levied for debt service | 3,331,654 | 3,678,959 | 2,584,677 | 2,819,899 | 2,910,323 | 2,608,906 | 2,124,307 | 2,269,316 | 2,240,359 | 1,664,672 |
| Unrestricted grants and contributions | 581,312 | 679,694 | 94,224 | | | 123,479 | | | 71,146 | 77,127 |
| Restricted state aid | | | | | | | | | | |
| Debt service Type II aid | 230,235 | 724,707 | 707,226 | 619,471 | 511,348 | 397,827 | 394,963 | 248,324 | 238,735 | 234,467 |
| Investment earnings | 745,175 | 447,739 | 66,625 | 263 | 630 | 29,900 | 72,212 | 75,013 | 56,015 | 62,181 |
| Miscellaneous income | 1,221,599 | 1,855,150 | 2,938,900 | 1,504,709 | 1,170,718 | 1,337,201 | 1,487,737 | 1,676,745 | 2,759,887 | 1,576,914 |
| Other items | - | 49,917 | 52,925 | 105,476 | | | | | | |
| Total governmental activities | 63,622,815 | 67,249,520 | 68,847,447 | 69,948,803 | 72,087,963 | 73,148,407 | 74,037,693 | 75,627,039 | 78,140,933 | 77,845,645 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 11,582 | 9,807 | 1,167 | 10 | 10 | - | 1,533 | 1,784 | 260 | - |
| Total business-type activities | 11,582 | 9,807 | 1,167 | 10 | 10 | - | 1,533 | 1,784 | 260 | - |
| Total district-wide | \$ 63,634,397 | \$ 67,259,327 | \$ 68,848,614 | \$ 69,948,813 | \$ 72,087,973 | \$ 73,148,407 | \$ 74,039,226 | \$ 75,628,823 | \$ 78,141,193 | \$ 77,845,645 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ 4,678,232 | \$ 6,256,778 | \$ 4,337,668 | \$ 1,690,591 | \$ 4,342,592 | \$ 4,554,295 | \$ 4,683,464 | \$ 6,212,421 | \$ 7,351,021 | \$ 4,205,149 |
| Business-type activities | 25,594 | 5,517 | 11,650 | 17,272 | 47,379 | 27,596 | 45,567 | 9,320 | (32,442) | (56,924) |
| Total district | \$ 4,703,826 | \$ 6,262,295 | \$ 4,349,318 | \$ 1,707,863 | \$ 4,389,971 | \$ 4,581,891 | \$ 4,729,031 | \$ 6,221,741 | \$ 7,318,579 | \$ 4,148,225 |

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

| | Fiscal Year Ending June 30. | | | | | | | | | |
|------------------------------------|-----------------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,254,859 | \$ 959,181 | \$ 3,855,794 | \$ 5,204,812 | | | | | | |
| Unreserved | 1,544,680 | 1,602,565 | 1,566,664 | 1,048,677 | | | | | | |
| Restricted | | | | | \$ 5,830,339 | \$ 8,437,790 | \$ 10,342,765 | \$ 11,362,486 | \$ 15,658,856 | \$ 18,866,176 |
| Assigned | | | | | 338,200 | 205,305 | 752,553 | 764,796 | 423,089 | 450,098 |
| Unassigned | | | | | 1,398,254 | 1,350,633 | 1,352,937 | 1,411,670 | 1,375,542 | 1,449,856 |
| Total general fund | <u>\$ 2,799,539</u> | <u>\$ 2,561,746</u> | <u>\$ 5,422,458</u> | <u>\$ 6,253,489</u> | <u>\$ 7,566,793</u> | <u>\$ 9,993,728</u> | <u>\$ 12,448,255</u> | <u>\$ 13,538,952</u> | <u>\$ 17,457,487</u> | <u>\$ 20,766,130</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 13,011,928 | \$ 2,491,925 | \$ 696,120 | \$ 227,668 | | | | | | |
| Unreserved | (3,987,986) | (1,607,872) | (1,669,006) | (1,418,193) | | | | | | |
| Restricted | | | | | \$ (403,730) | \$ 319,537 | \$ 338,239 | \$ 1,912,105 | \$ 895,547 | \$ 425,141 |
| Total all other governmental funds | <u>\$ 9,023,942</u> | <u>\$ 884,053</u> | <u>\$ (972,886)</u> | <u>\$ (1,190,525)</u> | <u>\$ (403,730)</u> | <u>\$ 319,537</u> | <u>\$ 338,239</u> | <u>\$ 1,912,105</u> | <u>\$ 895,547</u> | <u>\$ 425,141</u> |

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

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

Fiscal Year Ending June 30,

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-----------------------|-----------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 60,844,494 | \$ 63,492,313 | \$ 64,987,547 | \$ 67,718,884 | \$ 70,405,267 | \$ 71,260,000 | \$ 72,082,781 | \$ 73,626,957 | \$ 75,015,150 | \$ 75,894,956 |
| Tuition charges | 153,841 | 267,891 | 250,252 | 332,987 | 532,236 | 662,476 | 706,546 | 865,959 | 1,335,212 | 1,029,368 |
| Transportation Fees from Other LEAs | | | | | | | 19,135 | | | |
| Interest earnings | 745,175 | 447,739 | 66,625 | 263 | 630 | 29,900 | 72,212 | 75,013 | 56,015 | 62,181 |
| Miscellaneous | 1,257,465 | 1,919,646 | 2,994,251 | 1,565,510 | 1,269,384 | 1,409,877 | 1,564,184 | 1,727,512 | 2,850,999 | 1,644,345 |
| State sources | 16,455,173 | 16,481,341 | 10,112,058 | 9,034,170 | 6,350,337 | 8,276,469 | 10,868,673 | 10,831,079 | 11,569,634 | 12,367,663 |
| Federal sources | 1,864,013 | 1,823,752 | 1,487,620 | 2,451,588 | 2,560,300 | 2,162,626 | 1,850,201 | 1,722,744 | 1,938,222 | 1,932,853 |
| Total revenue | 81,320,161 | 84,432,682 | 79,898,353 | 81,103,402 | 81,118,154 | 83,801,348 | 87,163,732 | 88,849,264 | 92,765,232 | 92,931,366 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 29,277,807 | 30,197,941 | 27,788,868 | 29,325,548 | 28,858,613 | 28,910,884 | 29,937,817 | 29,069,631 | 29,668,702 | 30,729,149 |
| Special education instruction | 10,487,230 | 10,875,886 | 11,542,002 | 13,149,343 | 12,505,227 | 12,847,226 | 13,955,301 | 14,372,065 | 14,812,182 | 15,625,057 |
| Other instruction | 1,790,163 | 1,843,084 | 1,673,677 | 1,489,949 | 1,275,898 | 1,998,943 | 2,235,557 | 2,401,823 | 2,603,483 | 2,710,245 |
| School sponsored activities and athletics | 1,340,366 | 1,401,660 | 1,371,469 | 1,435,348 | 1,359,151 | 1,576,358 | 1,671,482 | 1,769,801 | 1,695,789 | 1,804,093 |
| Community services | 12,910 | 15,405 | 17,077 | 16,116 | 16,210 | | | | | |
| Support Services: | | | | | | | | | | |
| Student and inst. related services | 10,401,935 | 10,335,629 | 9,648,061 | 8,624,440 | 8,418,190 | 9,411,413 | 10,164,191 | 10,417,119 | 10,954,311 | 11,471,646 |
| General administration | 1,189,589 | 1,414,045 | 1,167,280 | 1,226,520 | 1,258,429 | 1,035,224 | 985,899 | 963,246 | 1,028,507 | 872,675 |
| School administration services | 3,982,416 | 4,185,785 | 4,053,653 | 4,830,253 | 4,642,844 | 4,788,494 | 4,833,814 | 4,945,173 | 5,284,232 | 5,320,345 |
| Plant operations and maintenance | 9,222,133 | 9,826,305 | 9,240,737 | 10,488,342 | 10,109,803 | 10,443,307 | 10,612,696 | 10,800,079 | 10,735,054 | 11,250,614 |
| Pupil transportation | 3,455,032 | 3,363,649 | 3,387,072 | 3,212,718 | 3,019,662 | 3,062,989 | 2,983,951 | 2,993,422 | 3,155,756 | 3,312,186 |
| Central services | 1,726,852 | 1,919,372 | 2,581,645 | 2,392,080 | 2,121,600 | 2,070,166 | 2,070,404 | 1,899,277 | 2,001,690 | 2,095,043 |
| Capital outlay | 14,943,704 | 13,877,006 | 3,064,375 | 1,910,475 | 2,295,213 | 1,737,207 | 2,615,869 | 3,931,168 | 2,591,737 | 3,284,295 |
| Debt service: | | | | | | | | | | |
| Principal | 1,729,290 | 2,193,047 | 2,093,984 | 1,911,107 | 1,976,762 | 1,870,904 | 1,701,874 | 1,770,051 | 4,540,180 | 1,010,000 |
| Advance Refunding Escrow | | | | | | 1,801,947 | | | | |
| Bond Issuance Costs | | | | | | 174,059 | | | | |
| Interest and other charges | 1,472,247 | 1,411,467 | 1,317,605 | 1,237,542 | 1,160,453 | 806,471 | 921,648 | 851,846 | 791,632 | 607,781 |
| Total expenditures | 91,031,674 | 92,860,281 | 78,947,505 | 81,249,781 | 79,018,055 | 82,535,592 | 84,690,503 | 86,184,701 | 89,863,255 | 90,093,129 |
| Excess (Deficiency) of revenues over (under) expenditures | (9,711,513) | (8,427,599) | 950,848 | (146,379) | 2,100,099 | 1,265,756 | 2,473,229 | 2,664,563 | 2,901,977 | 2,838,237 |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | 2,642,000 | | | | | | | | | |
| Capital Leases | | | | 759,771 | | | | | | |
| Original issue premium | | 49,917 | 52,925 | | | 1,908,006 | | | | |
| Accrued interest on bonds issued | | | | | | | | | | |
| Refund of Escrow for Refunding Bonds | | | | | | | | | | |
| Refunding bonds issued | | | | | | 16,460,000 | | | | |
| Payment to refunded bond escrow agent | | | | | | (16,392,000) | | | | |
| Transfers in | 999,252 | 796,170 | 481,360 | 396,732 | 2,455,460 | 1,761,046 | 1,930,368 | 4,257,176 | 3,132,696 | 2,000,000 |
| Transfers out | (999,252) | (796,170) | (481,360) | (396,732) | (2,455,460) | (1,761,046) | (1,930,368) | (4,257,176) | (3,132,696) | (2,000,000) |
| Total other financing sources (uses) | 2,642,000 | 49,917 | 52,925 | 759,771 | - | 1,976,006 | - | - | - | - |
| Net change in fund balances | \$ (7,069,513) | \$ (8,377,682) | \$ 1,003,773 | \$ 613,392 | \$ 2,100,099 | \$ 3,241,762 | \$ 2,473,229 | \$ 2,664,563 | \$ 2,901,977 | \$ 2,838,237 |
| Debt service as a percentage of noncapital expenditures | 4.21% | 4.56% | 4.50% | 3.97% | 4.09% | 3.31% | 3.20% | 3.19% | 6.11% | 1.86% |

* Noncapital expenditures are total expenditures less capital outlay.

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

| | <u>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> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tuition | \$ 153,841 | \$ 267,891 | \$ 250,252 | \$ 332,987 | \$ 532,236 | \$ 662,476 | \$ 706,546 | \$ 865,959 | \$ 1,335,212 | \$ 1,029,368 |
| Transportation Fees | | | | | | | 19,135 | | | |
| Interest Income | 253,784 | 206,396 | 34,790 | 131 | 386 | 27,774 | 69,701 | 72,837 | 54,231 | 62,181 |
| Bldg. Rental | 243,834 | 185,109 | 189,112 | 167,501 | 142,167 | 124,737 | 134,703 | 81,853 | 43,482 | 37,553 |
| E-Rate | | | | 65,759 | 57,028 | | | | | |
| Refunds Prior Year | | | 161,263 | 215,373 | 64,320 | | | | 1,637,975 | 1,428 |
| Prior Year Outstanding Checks | | | | 52,858 | 15,743 | | | | | |
| Miscellaneous | 260,372 | 49,343 | | | | 267,458 | 340,081 | 573,571 | 125,355 | 170,287 |
| Special Schools Fees | 717,393 | 886,859 | 888,525 | 886,515 | 879,125 | 838,837 | 1,012,705 | 1,021,321 | 953,075 | 1,031,179 |
| Cancellation of Prior Year Accounts Payable | | 33,839 | | | | 103,570 | 248 | | | 25,528 |
| Insurance Claims Refund | | | | 87,502 | | | | | | |
| Insurance Premium Refund | | | | 21,881 | | | | | | |
| Health Claim Reimbursements | - | 700,000 | 1,700,000 | - | - | - | - | - | - | 310,939 |
| | <u>\$ 1,629,224</u> | <u>\$ 2,329,437</u> | <u>\$ 3,223,942</u> | <u>\$ 1,830,507</u> | <u>\$ 1,691,005</u> | <u>\$ 2,024,852</u> | <u>\$ 2,283,119</u> | <u>\$ 2,615,541</u> | <u>\$ 4,149,330</u> | <u>\$ 2,668,463</u> |

Source: School District's Financial Statements

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

| Fiscal Year Ended June 30. | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^a |
|----------------------------|----------------|------------------|--------------|-----------|------------------|---------------|---------------|----------------------|------------------|-----------------------|---|---|
| 2007 | \$ 155,672,300 | \$ 3,673,674,200 | \$ 1,479,800 | \$ 22,400 | \$ 2,950,830,100 | \$ 89,876,200 | \$ 17,025,400 | \$ 6,888,580,400 | \$ 5,090,171 | \$ 6,893,670,571 | \$ 8,981,328,259 | \$ 0.900 |
| 2008 (1) | 154,005,400 | 4,052,386,800 | 1,479,800 | 22,400 | 3,625,769,000 | 125,476,500 | 18,642,800 | 7,977,782,700 | 6,821,663 | 7,984,604,363 | 9,374,550,417 | 0.805 |
| 2009 | 150,553,900 | 4,085,384,000 | 1,479,800 | 22,400 | 3,628,077,100 | 123,055,000 | 18,642,800 | 8,007,215,000 | 6,375,948 | 8,013,590,948 | 9,287,253,375 | 0.862 |
| 2010 | 144,177,500 | 4,348,882,600 | 1,502,200 | | 3,378,135,900 | 116,580,000 | 18,642,800 | 8,007,921,000 | 7,054,399 | 8,014,975,399 | 9,232,778,941 | 0.888 |
| 2011 | 144,326,700 | 4,142,885,600 | 1,479,800 | 22,400 | 3,567,285,600 | 115,428,700 | 18,642,800 | 7,990,071,600 | 6,411,753 | 7,976,041,303 | 8,672,226,280 | 0.896 |
| 2012 | 144,326,700 | 4,146,398,000 | 1,479,800 | 22,400 | 3,567,000,300 | 115,428,700 | 18,642,800 | 7,993,298,700 | 6,411,753 | 7,999,710,453 | 8,558,395,272 | 0.922 |
| 2013 | 143,045,700 | 4,154,425,400 | 1,479,800 | 22,400 | 3,462,384,900 | 113,136,400 | 18,642,800 | 7,893,137,400 | 6,222,785 | 7,899,360,185 | 8,545,391,805 | 0.930 |
| 2014 | 142,215,000 | 4,171,077,547 | 1,479,800 | 22,400 | 3,542,561,600 | 111,783,600 | 18,642,800 | 7,987,782,747 | 4,987,188 | 7,992,769,935 | 8,834,630,995 | 0.930 |
| 2015 | 137,950,900 | 4,203,955,147 | 1,479,800 | 22,400 | 3,532,924,100 | 109,198,200 | 16,964,600 | 8,002,495,147 | 5,235,279 | 8,007,730,426 | 8,758,087,401 | 0.944 |
| 2016 | 137,301,800 | 4,225,646,147 | 1,479,800 | 22,400 | 3,513,162,400 | 108,289,700 | 16,964,600 | 8,002,866,847 | 5,153,630 | 8,008,020,477 | 8,810,817,359 | 0.954 |

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

| <u>Year Ended December 31,</u> | <u>Total</u> | <u>Local School District</u> | <u>Municipality</u> | <u>County</u> |
|------------------------------------|--------------|--------------------------------------|---------------------|---------------|
| 2007 | \$ 1.610 | \$ 0.900 | \$ 0.490 | \$ 0.220 |
| 2008 (1) | 1.482 | 0.805 | 0.467 | 0.210 |
| 2009 | 1.545 | 0.828 | 0.494 | 0.223 |
| 2010 | 1.637 | 0.862 | 0.548 | 0.227 |
| 2011 | 1.665 | 0.888 | 0.551 | 0.226 |
| 2012 | 1.677 | 0.896 | 0.548 | 0.233 |
| 2013 | 1.726 | 0.922 | 0.555 | 0.249 |
| 2014 | 1.719 | 0.930 | 0.535 | 0.254 |
| 2015 | 1.734 | 0.944 | 0.530 | 0.260 |
| 2016 | 1.752 | 0.954 | 0.529 | 0.269 |

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

Source: Tax Duplicates, Borough of Paramus

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

| Taxpayer | 2016 | | Taxpayer | 2007 | |
|--------------------------------|-------------------------|--|------------------------------|-------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | | Taxable Assessed Value | % of Total District Net Assessed Value |
| Westland GSP L.P. | \$ 739,346,600 | 9.23% | Westland GSP L.P. | \$ 478,569,600 | 6.94% |
| Vornado, Bergen Mall LLC | 247,730,300 | 3.09% | ALX of Paramus LLC | 153,493,300 | 2.23% |
| ALX of Paramus LLC | 143,601,800 | 1.79% | Paramus Park Shopping Center | 112,330,000 | 1.63% |
| Westland GSP L.P. | 97,069,400 | 1.21% | Westland GSP L.P. | 111,962,000 | 1.62% |
| Paramus Park - General Growth | 91,024,000 | 1.14% | Vornado, Bergen Mall LLC | 78,301,700 | 1.14% |
| Faber Bros Inc NJ | 70,000,000 | 0.87% | Faber Bros Inc NJ | 63,936,000 | 0.93% |
| Paramus Park C/O Macy's | 49,362,500 | 0.62% | Paramus Park - Macy's Inc. | 46,836,800 | 0.68% |
| William Farber (Trustees/Etal) | 48,956,500 | 0.61% | Mack Paramus Affiliates | 43,500,000 | 0.63% |
| Mack Paramus Affiliates | 46,351,800 | 0.58% | Mack F Properties | 40,000,000 | 0.58% |
| Country Club Office Plaza | 44,700,000 | 0.56% | NTH 285-298W LLC | 37,403,100 | 0.54% |
| | <u>\$ 1,578,142,900</u> | <u>19.71%</u> | | <u>\$ 1,166,332,500</u> | <u>16.92%</u> |

Source: Municipal Tax Assessor

N/A Not Available

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

| Fiscal Year Ended June 30, | Local School District Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|----------------------------|--|--|--------------------|---------------------------------|
| | | Amount | Percentage of Levy | |
| 2007 | \$ 60,844,494 | \$ 60,844,494 | 100.00% | N/A |
| 2008 | 63,492,313 | 63,492,313 | 100.00% | N/A |
| 2009 | 64,987,547 | 64,987,547 | 100.00% | N/A |
| 2010 | 67,718,884 | 67,718,884 | 100.00% | N/A |
| 2011 | 70,405,267 | 70,405,267 | 100.00% | N/A |
| 2012 | 71,260,000 | 71,260,000 | 100.00% | N/A |
| 2013 | 72,082,781 | 72,082,781 | 100.00% | N/A |
| 2014 | 73,626,957 | 73,626,957 | 100.00% | N/A |
| 2015 | 75,015,150 | 75,015,150 | 100.00% | N/A |
| 2016 | 75,894,956 | 75,894,956 | 100.00% | N/A |

N/A = Not Applicable

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

| Fiscal Year Ended June 30, | Governmental Activities | | | | Total District | Population | Per Capita |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------|--------------------|----------------|------------|------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Temporary Notes | | | |
| 2007 | \$ 32,159,000 | | \$ 481,684 | \$ 3,482,620 | \$ 36,123,304 | 26,012 | \$ 1,389 |
| 2008 | 30,049,000 | | 398,637 | 16,804,809 | 47,252,446 | 26,010 | 1,817 |
| 2009 | 28,042,000 | | 311,653 | 12,217,110 | 40,570,763 | 26,015 | 1,560 |
| 2010 | 26,222,000 | | 759,771 | 11,820,510 | 38,802,281 | 26,137 | 1,485 |
| 2011 | 24,347,000 | | 658,009 | 11,423,910 | 36,428,919 | 26,379 | 1,381 |
| 2012 | 22,625,000 | | 577,105 | 9,736,000 | 32,938,105 | 26,540 | 1,241 |
| 2013 | 21,005,000 | | 495,231 | | 21,500,231 | 26,649 | 807 |
| 2014 | 19,320,000 | | 410,180 | | 19,730,180 | 26,762 | 737 |
| 2015 | 15,190,000 | | | | 15,190,000 | 26,847 | 566 |
| 2016 | 14,180,000 | | | | 14,180,000 | 26,974 | 526 |

Source: District records

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
|-------------------------------------|---------------------------------|------------|---|--|-------------------------|
| | General Obligation Bonds | Deductions | | | |
| 2007 | \$ 32,159,000 | | \$ 32,159,000 | 0.47% | \$ 1,236 |
| 2008 | 30,049,000 | | 30,049,000 | 0.38% | 1,155 |
| 2009 | 28,042,000 | | 28,042,000 | 0.35% | 1,078 |
| 2010 | 26,222,000 | | 26,222,000 | 0.33% | 1,003 |
| 2011 | 24,347,000 | | 24,347,000 | 0.31% | 923 |
| 2012 | 22,625,000 | | 22,625,000 | 0.28% | 852 |
| 2013 | 21,005,000 | | 21,005,000 | 0.27% | 788 |
| 2014 | 19,320,000 | | 19,320,000 | 0.24% | 722 |
| 2015 | 15,190,000 | | 15,190,000 | 0.19% | 566 |
| 2016 | 14,180,000 | | 14,180,000 | 0.18% | 526 |

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

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

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|---|----------------------|----------------------|--------------------------|
| MUNICIPAL DEBT: | | | |
| Borough of Paramus (1) | \$ 43,677,676 | \$ 5,980,270 | \$ 37,697,406 |
| Paramus School District | <u>15,190,000</u> | <u>15,190,000</u> | <u>-</u> |
| | <u>\$ 58,867,676</u> | <u>\$ 21,170,270</u> | <u>37,697,406</u> |
| OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY | | | |
| Bergen County: | | | |
| County of Bergen(A) | | | 51,315,457 |
| Bergen County Utilities Authority - Water Pollution Control (B) | | | <u>9,060,532</u> |
| | | | <u>60,375,989</u> |
| Total Direct and Overlapping Outstanding Debt | | | <u>\$ 98,073,395</u> |

SOURCE:

(1) Borough of Paramus 2015 Annual Debt Statement

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|---|---------------------------|
| | Equalized valuation basis |
| | 2015 8,714,641,234 |
| | 2014 8,671,062,470 |
| | 2013 8,648,118,111 |
| | <u>\$ 26,033,821,815</u> |
| Average equalized valuation of taxable property | \$ 8,677,940,605 |
| Debt limit (4 % of average equalization value) | 347,117,624 ^a |
| Total Net Debt Applicable to Limit | <u>14,180,000</u> |
| Legal debt margin | <u>\$ 332,937,624</u> |

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 322,686,600 | \$ 349,495,131 | \$ 362,202,482 | \$ 367,696,850 | \$ 359,887,470 | \$ 350,541,846 | \$ 343,226,211 | \$ 343,601,966 | \$ 346,591,299 | \$ 347,117,624 |
| Total net debt applicable to limit | <u>34,251,811</u> | <u>31,636,901</u> | <u>29,233,301</u> | <u>27,016,701</u> | <u>24,745,101</u> | <u>22,626,501</u> | <u>21,005,000</u> | <u>19,320,000</u> | <u>15,190,000</u> | <u>14,180,000</u> |
| Legal debt margin | <u>\$ 288,434,789</u> | <u>\$ 317,858,230</u> | <u>\$ 332,969,181</u> | <u>\$ 340,680,149</u> | <u>\$ 335,142,369</u> | <u>\$ 327,915,345</u> | <u>\$ 322,221,211</u> | <u>\$ 324,281,966</u> | <u>\$ 331,401,299</u> | <u>\$ 332,937,624</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 10.61% | 9.05% | 8.07% | 7.35% | 6.88% | 6.45% | 6.12% | 5.62% | 4.38% | 4.09% |

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

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

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

| <u>Year</u> | <u>Population</u> | <u>County Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2007 | 26,012 | \$ 68,147 | 3.50% |
| 2008 | 26,010 | 68,548 | 4.00% |
| 2009 | 26,015 | 64,571 | 7.40% |
| 2010 | 26,137 | 65,275 | 7.80% |
| 2011 | 26,379 | 68,244 | 8.50% |
| 2012 | 26,540 | 71,380 | 7.50% |
| 2013 | 26,649 | 70,498 | 6.50% |
| 2014 | 26,762 | 73,536 | 5.40% |
| 2015 | 26,847 | N/A | 4.50% |
| 2016 | 26,974 | N/A | N/A |

Source: New Jersey State Department of Education

N/A - Not Available

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

| Employer | 2016 | | 2007 | |
|----------|-----------|--|-----------|--|
| | Employees | Percentage of Total Municipal Employment | Employees | Percentage of Total Municipal Employment |

INFORMATION NOT AVAILABLE

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

| <u>Function/Program</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | |
| Regular | 304 | 258 | 262 | 259 | 245 | 258 |
| Special education | 124 | 168 | 186 | 191 | 195 | 193 |
| Support Services: | | | | | | |
| Student & instruction related services | 83 | 89 | 88 | 91 | 89 | 91 |
| General administration | 3 | 2 | 2 | 2 | 2 | 2 |
| School administrative services | 31 | 36 | 37 | 41 | 39 | 38 |
| Other administrative services | 4 | | | | | |
| Central services | 16 | 15 | 15 | 15 | 15 | 14 |
| Administrative Information Technology | 6 | 6 | 6 | 6 | 7 | 7 |
| Plant operations and maintenance | 121 | 120 | 109 | 105 | 105 | 106 |
| Pupil transportation | 24 | 23 | 20 | 21 | 20 | 21 |
| Other support services | | | | | | |
| Special Schools | 3 | 51 | 48 | 33 | 36 | 27 |
| Total | <u>719</u> | <u>768</u> | <u>773</u> | <u>764</u> | <u>753</u> | <u>757</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 six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teacher/Pupil Ratio | | | Senior High School | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|---------------------|------------|---------------|--------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | | | | | Teaching Staff | Elementary | Middle School | | | | | |
| 2007 | 4,356 | \$ 72,886,433 | \$ 16,732 | 9.27% | 419 | 1:10.06 | 1:10.46 | 1:11.42 | 4,326 | 4,215 | 0.70% | 97.43% |
| 2008 | 4,361 | 75,318,538 | 17,271 | 3.22% | 422 | 1:10.47 | 1:09.38 | 1:09.32 | 4,361 | 4,239 | 0.81% | 97.20% |
| 2009 | 4,426 | 72,471,541 | 16,374 | -5.19% | 410 | 1:09.05 | 1:11.22 | 1:11.16 | 4,247 | 4,127 | -2.61% | 97.17% |
| 2010 | 4,245 | 76,190,657 | 17,948 | 9.61% | 419 | 1:10.32 | 1:09.80 | 1:09.47 | 4,243 | 4,087 | -0.09% | 96.32% |
| 2011 | 4,177 | 73,585,627 | 17,617 | -1.85% | 391 | 1:09.84 | 1:09.62 | 1:08.56 | 4,156 | 3,940 | -2.05% | 94.80% |
| 2012 | 4,095 | 76,145,004 | 18,595 | 5.55% | 382 | 1:09.76 | 1:08.94 | 1:08.98 | 4,073 | 3,938 | -2.00% | 96.69% |
| 2013 | 4,034 | 79,451,112 | 19,695 | 5.92% | 385 | 1:33.39 | 01:27.0 | 1:25.40 | 4,031 | 3,884 | -1.03% | 96.35% |
| 2014 | 3,941 | 79,631,636 | 20,206 | 2.59% | 387 | 1:09.98 | 1:09.72 | 1:10.85 | 3,940 | 3,798 | -2.26% | 96.40% |
| 2015 | 3,933 | 81,939,706 | 20,834 | 3.11% | 398 | 1:10.40 | 1:09.66 | 1:10.41 | 3,934 | 3,787 | -0.15% | 96.26% |
| 2016 | 3,894 | 85,191,053 | 21,878 | 5.01% | 418 | 1:09.20 | 1:09.22 | 1:10.11 | 3,894 | 3,742 | -1.02% | 96.10% |

Sources: District records

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

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| District Building | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Memorial | | | | | | | | | | |
| Square Feet | 48,600 | 48,600 | 49,250 | 49,250 | 49,250 | 49,250 | 49,250 | 49,250 | 49,250 | 49,250 |
| Capacity (students) | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 | 365 |
| Enrollment | 333 | 336 | 336 | 334 | 344 | 318 | 317 | 319 | 340 | 307 |
| Midland | | | | | | | | | | |
| Square Feet | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 | 38,750 |
| Capacity (students) | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 |
| Enrollment * | 280 | 271 | 271 | 244 | 261 | 231 | 231 | 237 | 236 | 229 |
| Stony Lane | | | | | | | | | | |
| Square Feet | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 | 30,700 |
| Capacity (students) | 270 | 270 | 270 | 270 | 270 | 270 | 270 | 270 | 270 | 270 |
| Enrollment | 246 | 247 | 247 | 219 | 218 | 201 | 201 | 206 | 196 | 201 |
| Ridge Ranch | | | | | | | | | | |
| Square Feet | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 | 46,430 |
| Capacity (students) | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 |
| Enrollment | 390 | 380 | 380 | 382 | 365 | 347 | 350 | 315 | 297 | 327 |
| Parkway | | | | | | | | | | |
| Square Feet | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 | 52,000 |
| Capacity (students) | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 | 476 |
| Enrollment | 361 | 351 | 351 | 274 | 245 | 273 | 255 | 251 | 267 | 289 |
| Middle School | | | | | | | | | | |
| East Brook | | | | | | | | | | |
| Square Feet | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 | 115,971 |
| Capacity (students) | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 |
| Enrollment | 610 | 634 | 634 | 649 | 641 | 627 | 629 | 608 | 652 | 618 |
| West Brook | | | | | | | | | | |
| Square Feet | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 |
| Capacity (students) | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 |
| Enrollment | 708 | 718 | 718 | 738 | 704 | 671 | 674 | 627 | 624 | 620 |
| High School | | | | | | | | | | |
| Square Feet | 273,500 | 273,500 | 297,950 | 297,950 | 297,950 | 297,950 | 297,950 | 297,950 | 297,950 | 297,950 |
| Capacity (students) | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 |
| Enrollment | 1,428 | 1,427 | 1,427 | 1,332 | 1,318 | 1,288 | 1,288 | 1,272 | 1,322 | 1,303 |

Number of Schools at June 30, 2016

Elementary = 5
Middle School = 2
Senior High School = 1

Source: District Records

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

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

128

| <u>School Facilities</u> | <u>Project Nos.</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Memorial School | N/A | \$ 42,240 | \$ 46,510 | \$ 31,592 | \$ 53,384 | \$ 55,074 | \$ 85,422 | \$ 112,602 | \$ 121,064 | \$ 117,535 | \$ 132,273 |
| Midland School | N/A | 22,591 | 27,772 | 22,768 | 42,354 | 43,695 | 77,537 | 37,519 | 40,339 | 39,163 | 44,074 |
| Parkway School | N/A | 75,933 | 68,243 | 36,463 | 39,284 | 40,528 | 98,642 | 25,832 | 27,773 | 26,963 | 30,344 |
| Ridge Ranch School | N/A | 33,269 | 25,680 | 43,033 | 59,486 | 61,370 | 67,525 | 82,690 | 88,904 | 86,313 | 97,136 |
| Stony Lane School | N/A | 23,933 | 27,896 | 33,195 | 48,106 | 49,629 | 53,207 | 33,753 | 36,289 | 35,231 | 39,648 |
| Paramus High School | N/A | 1,418,111 | 1,055,632 | 1,030,870 | 1,240,865 | 1,280,155 | 827,419 | 1,344,475 | 1,445,512 | 1,403,379 | 1,579,351 |
| East Brook Middle School | N/A | 85,938 | 107,389 | 89,619 | 94,357 | 97,345 | 179,886 | 92,996 | 99,985 | 97,071 | 109,243 |
| West Brook Middle School | N/A | <u>205,204</u> | <u>218,248</u> | <u>141,018</u> | <u>147,418</u> | <u>152,086</u> | <u>346,612</u> | <u>162,072</u> | <u>174,252</u> | <u>169,173</u> | <u>190,386</u> |
| Total School Facilities | | <u>\$ 1,907,219</u> | <u>\$ 1,577,370</u> | <u>\$ 1,428,558</u> | <u>\$ 1,725,254</u> | <u>\$ 1,779,882</u> | <u>\$ 1,736,250</u> | <u>\$ 1,891,939</u> | <u>\$ 2,034,118</u> | <u>\$ 1,974,828</u> | <u>\$ 2,222,455</u> |

Source: District Records

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

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy | | |
| Property - Building & Contents | \$ 95,128,109 | \$ 5,000 |
| General Liability (Aggregate) | 2,000,000 | |
| Environmental Impairment Liability | 4,000,000 | 15,000 |
| Business Automobile Liability | 1,000,000 | |
| Excess Liability (Each Occurrence and Aggregate) | 9,000,000 | |
| Educator's Legal Liability | 1,000,000 | |
| Umbrella Excess (Each Occurrence and Aggregate) | 50,000,000 | |
| Cyber Liability (Aggregate) | 4,000,000 | |
| Public Official Bonds - The Hartford Insurance Group | | |
| Steven Cea | 250,000 | |

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

INDEPENDENT AUDITOR’S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Paramus Board of Education’s basic financial statements and have issued our report thereon dated November 2, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Paramus Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.

Paramus Board of Education's Response to Finding

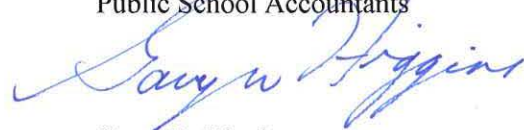
The Paramus Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Paramus Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly,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

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 2, 2016



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

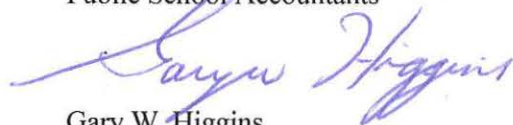
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus 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 November 2, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 2, 2016

PARAMUS 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 | Federal FAIN Number | Grant or State Project Number | Award Amount | Grant Period | June 30, 2015 | | | | June 30, 2016 | | | MEMO GAAP Receivable | |
|---|---------------------------|------------------------|----------------------------------|-----------------|-----------------|------------------------|---------------------|-------------------------------------|----------------------------------|------------------|---------------------------|---------------------------------------|----------------------------|------------------------------------|
| | | | | | | Accounts Receivable | Unearned Revenue | Accounts Receivable Carryover | Unearned Revenue Carryover | Cash Received | Budgetary Expenditures | Accounts Receivable Adjustments | | Unearned Revenue Adjustments |
| U.S. Department of Education Passed-through State Department of Education General Fund | | | | | | | | | | | | | | |
| Medicaid Reimbursement | 93.778 | | N/A | \$ 18,773 | 7/1/14-6/30/15 | \$ (2,490) | | | | \$ 2,490 | | | | |
| Medicaid Reimbursement | 93.778 | 1605NJ5MAP | N/A | 63,378 | 7/1/15-6/30/16 | - | - | - | - | 34,037 | \$ 63,378 | - | - | \$ (29,341) |
| Total General Fund | | | | | | (2,490) | - | - | - | 36,527 | 63,378 | - | - | (29,341) |
| U.S. Department of Education Passed-through State Department of Education Special Revenue Fund | | | | | | | | | | | | | | |
| I.D.E.A. Part B | | | | | | | | | | | | | | |
| Basic Regular | 84.027 | H027A150100 | FT393016 | 1,476,852 | 7/1/15-6/30/16 | | | (180,583) | 65 | 1,232,298 | 1,401,663 | | (425,137) | 75,254 |
| Basic Regular, Carryover | 84.027 | | FT393015 | 1,416,009 | 7/1/14-6/30/15 | (180,583) | 65 | 180,583 | (65) | | | | | |
| Preschool | 84.173 | H173A150114 | PS393016 | 33,046 | 7/1/15-6/30/16 | | | (32,658) | 7,168 | 55,296 | 32,961 | | (10,408) | 7,253 |
| Preschool, Carryover | 84.173 | | PS393015 | 31,164 | 7/1/14-6/30/15 | (32,658) | 7,168 | 32,658 | (7,168) | | | | | |
| Total Special Education Cluster (IDEA) | | | | | | | | | | | 1,434,624 | | | |
| No Child Left Behind | | | | | | | | | | | | | | |
| Title I | 84.010A | S010A150030 | NCLB393016 | 319,058 | 7/1/15-6/30/16 | | | \$ (201,165) | \$ 39,409 | 365,684 | 290,183 | | (154,339) | \$ 68,282 |
| Title I c/o | 84.010A | | NCLB393015 | 279,548 | 7/1/14-6/30/15 | (201,165) | \$ 39,409 | 201,165 | (39,409) | | | | | |
| Title II Part A | 84.367A | S367A150029 | NCLB393016 | 108,438 | 7/1/15-6/30/16 | | | (145,785) | 74,605 | 119,030 | 89,006 | | (135,193) | 94,037 |
| Title II Part A c/o | 84.367A | | NCLB393015 | 109,405 | 7/1/14-6/30/15 | (145,785) | 74,605 | 145,785 | (74,605) | | | | | |
| Title III | 84.365A | S365A150030 | NCLB393016 | 39,107 | 7/1/15-6/30/16 | | | (26,439) | 18,918 | 22,623 | 24,968 | | (42,923) | 33,057 |
| Title III c/o | 84.365A | | NCLB393015 | 38,363 | 7/1/14-6/30/15 | (26,439) | 18,918 | 26,439 | (18,918) | | | | | |
| Title III - Immigrant | 84.365A | S365A150030 | NCLB393016 | 36,823 | 7/1/15-6/30/16 | | | (37,495) | 36,274 | 6,712 | 6,260 | | (67,606) | 66,837 |
| Title III - Immigrant c/o | 84.365A | | NCLB393015 | 37,550 | 7/1/14-6/30/15 | (37,495) | 36,274 | 37,495 | (36,274) | | | | | |
| Total Special Revenue Fund | | | | | | (624,125) | 176,439 | - | - | 1,801,643 | 1,845,043 | | | (835,806) |
| U.S. Department of Education Passed-through State Department of Education Enterprise Fund | | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 16161NJ304N1095 | N/A | | | | | | | | | | | |
| Non-Cash Assistance (Food Distribution) | | | | 46,370 | 7/1/15-6/30/16 | | | | | 46,370 | 45,632 | | | 738 |
| Non-Cash Assistance (Food Distribution) | | | | 30,722 | 7/1/14-6/30/15 | | | | | | 572 | | | |
| Cash Assistance | | | | 87,927 | 7/1/15-6/30/16 | | | | | 72,225 | 87,927 | | (15,702) | |
| Cash Assistance | | | | 86,344 | 7/1/14-6/30/15 | (5,907) | | | | 5,907 | | | | |
| Special Milk Program | 10.556 | 16161NJ304N1095 | N/A | 18,968 | 7/1/15-6/30/16 | | | | | 14,923 | 18,968 | | (4,045) | |
| Special Milk Program | 10.556 | | N/A | 22,325 | 7/1/14-6/30/15 | (2,338) | | | | 2,338 | | | | |
| Total Child Nutrition Cluster | | | | | | (8,245) | 572 | - | - | 141,763 | 153,099 | | | (19,747) |
| Total Federal Financial Awards | | | | | | \$ (634,860) | \$ 177,011 | \$ - | \$ - | \$ 1,979,933 | \$ 2,061,520 | \$ - | \$ - | \$ (884,894) |

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

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

| State Grantor/Program Title | Project Number | Amount | Period | Balance July 1, 2015 | Carryover Amount | Cash Received | Cash Expenditures | Adjustments | Refund of Prior Balance | Deferred Revenue June 30, 2016 | (Accounts Receivable) | Due to Grantor June 30, 2016 | Memo | | |
|--|---------------------|--------------|----------------|-------------------------|---------------------|------------------|----------------------|-------------|-------------------------------|--------------------------------------|--------------------------|------------------------------------|--------------------|-------------------------------------|--|
| | | | | | | | | | | | | | GAAP Receivable | Cumulative Total Expenditures | |
| State Department of Education | | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | | |
| Special Education Categorical Aid | 16-495-034-5120-089 | \$ 1,670,173 | 7/1/15-6/30/16 | | | \$ 1,472,911 | \$ 1,670,173 | | | \$ (97,262) | | \$ 1,670,173 | | | |
| Special Education Categorical Aid | 15-495-034-5120-089 | 1,670,173 | 7/1/14-6/30/15 | \$ (114,032) | | 114,032 | | | | | | | | | |
| Security Aid | 16-495-034-5120-084 | 60,553 | 7/1/15-6/30/16 | (4,133) | | 57,007 | 60,553 | | | (5,256) | | 60,553 | | | |
| Security Aid | 15-495-034-5120-084 | 60,553 | 7/1/14-6/30/15 | (4,133) | | 4,133 | | | | | | | | | |
| PARCC Readiness | 16-495-034-5120-098 | 38,180 | 7/1/15-6/30/16 | (2,607) | | 35,957 | 38,180 | | | (2,223) | | 38,180 | | | |
| PARCC Readiness | 15-495-034-5120-098 | 38,180 | 7/1/14-6/30/15 | (2,607) | | 2,607 | | | | | | | | | |
| Per Pupil Growth Aid | 16-495-034-5120-097 | 38,180 | 7/1/15-6/30/16 | (2,607) | | 35,957 | 38,180 | | | (2,223) | | 38,180 | | | |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 38,180 | 7/1/14-6/30/15 | (2,607) | | 2,607 | | | | | | | | | |
| Total State Aid Public Cluster | | | | | | 1,807,056 | | | | | | | | | |
| Transportation Aid | 16-495-034-5120-014 | 193,920 | 7/1/15-6/30/16 | (13,240) | | 182,627 | 193,920 | | | (11,293) | | 193,920 | | | |
| Transportation Aid | 15-495-034-5120-014 | 193,920 | 7/1/14-6/30/15 | (13,240) | | 13,240 | | | | | | | | | |
| NonPublic Transportation Aid | N/A | 39,725 | 7/1/15-6/30/16 | (39,214) | | 39,214 | 39,725 | | | (39,725) | | 39,725 | | | |
| NonPublic Transportation Aid | N/A | 39,214 | 7/1/14-6/30/15 | (39,214) | | | | | | | | | | | |
| Extraordinary Special Ed. Costs Aid | 16-100-034-5120-044 | 486,210 | 7/1/15-6/30/16 | (618,600) | | 618,600 | 486,210 | | | (486,210) | | 486,210 | | | |
| Extraordinary Special Ed. Costs Aid | 15-100-034-5120-473 | 618,600 | 7/1/14-6/30/15 | (618,600) | | | | | | | | | | | |
| One-Behalf TPAP Pension and Annuity Aid- | | | | | | | | | | | | | | | |
| Normal Cost & Accrued Liability | 16-495-034-5094-002 | 2,266,699 | 7/1/15-6/30/16 | | | 2,266,699 | 2,266,699 | | | | | 2,266,699 | | | |
| NCEJ | 16-495-034-5094-004 | 112,912 | 7/1/15-6/30/16 | | | 112,912 | 112,912 | | | | | 112,912 | | | |
| Post Retirement Medical Contributions | 16-495-034-5094-001 | 2,833,461 | 7/1/15-6/30/16 | | | 2,833,461 | 2,833,461 | | | | | 2,833,461 | | | |
| TPAP Social Security Contributions | 16-495-034-5094-003 | 2,164,781 | 7/1/15-6/30/16 | (104,889) | | 2,059,302 | 2,164,781 | | | (108,479) | | 2,164,781 | | | |
| TPAP Social Security Contributions | 15-495-034-5094-003 | 2,175,251 | 7/1/14-6/30/15 | (104,889) | | 104,889 | | | | | | | | | |
| Total General Fund | | | | (899,322) | | 10,053,155 | 9,904,774 | | | | (750,941) | | 9,904,774 | | |
| Special Revenue Fund | | | | | | | | | | | | | | | |
| NJ Nonpublic Aid | | | | | | | | | | | | | | | |
| Textbook | 16-100-034-5120-064 | 225,319 | 7/1/15-6/30/16 | | | 225,319 | 225,746 | | | | | \$ 1,573 | | | |
| Textbook | 15-100-034-5120-064 | 235,818 | 7/1/14-6/30/15 | 5,110 | | | | | \$ 5,110 | | | | | | |
| Nursing | 16-100-034-5120-070 | 386,730 | 7/1/15-6/30/16 | | | 386,730 | 384,070 | | | | | 2,660 | | | |
| Nursing | 15-100-034-5120-070 | 405,580 | 7/1/14-6/30/15 | 1,658 | | | | | 1,658 | | | | | | |
| Security | 16-100-034-5120-509 | 107,425 | 7/1/15-6/30/16 | | | 107,425 | 106,779 | | | | | 646 | | | |
| Security | 16-100-034-5120-573 | 102,596 | 7/1/15-6/30/16 | | | 102,596 | 99,775 | | | | | 2,821 | | | |
| Technology | 15-100-034-5120-373 | 126,656 | 7/1/14-6/30/15 | 5,119 | | | | | 5,119 | | | | | | |
| Auxiliary | 16-100-034-5120-067 | 346,111 | 7/1/15-6/30/16 | | | 346,111 | 338,074 | | | | | 8,037 | | | |
| Compensatory Education | 15-100-034-5120-067 | 341,747 | 7/1/14-6/30/15 | 7,795 | | | | | 7,795 | | | | | | |
| ESL | 16-100-034-5120-067 | 46,589 | 7/1/15-6/30/16 | | | 46,589 | 24,243 | | | | | 22,346 | | | |
| ESL | 15-100-034-5120-067 | 46,589 | 7/1/14-6/30/15 | 9,136 | | | | | 9,136 | | | | | | |
| Home Instruction | 16-100-034-5120-067 | 8,744 | 7/1/15-6/30/16 | | | | 8,744 | | | | | | | | |
| Home Instruction | 15-100-034-5120-067 | 2,159 | 7/1/14-6/30/15 | (2,159) | | 2,159 | | | | | | | | | |
| Transportation | 16-100-034-5120-068 | 13,175 | 7/1/15-6/30/16 | | | 13,175 | 6,567 | | | | | 6,588 | | | |
| Handicapped | | | | | | | | | | | | | | | |
| Supplementary Instruction | 16-100-034-5120-066 | 262,795 | 7/1/15-6/30/16 | | | 262,795 | 261,682 | | | | | 1,113 | | | |
| Supplementary Instruction | 15-100-034-5120-066 | 254,714 | 7/1/14-6/30/15 | 7,220 | | | | | 7,220 | | | | | | |
| Examination and Classification | 16-100-034-5120-066 | 406,887 | 7/1/15-6/30/16 | | | 406,887 | 410,785 | | | | | 50,995 | | | |
| Examination and Classification | 15-100-034-5120-066 | 406,887 | 7/1/14-6/30/15 | 18,905 | | | | | 18,905 | | | | | | |
| Corrective Speech | 16-100-034-5120-066 | 248,264 | 7/1/15-6/30/16 | | | 248,264 | 212,613 | | | | | 52,421 | | | |
| Corrective Speech | 15-100-034-5120-066 | 248,264 | 7/1/14-6/30/15 | 10,337 | | | | | 10,337 | | | | | | |
| Total Special Revenue Fund | | | | 63,119 | | 2,219,711 | 2,077,098 | | | | (8,744) | 149,198 | | | |

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

| State Grantor/Program Title | Project Number | Amount | Period | Balance July 1, 2015 | Carryover Amount | Cash Received | Cash Expenditures | Adjustments | Refund of Prior Balance | Deferred Revenue June 30, 2016 | (Accounts Receivable) | Due to Grantor June 30, 2016 | Memo | | |
|---|----------------------|-----------|----------------|-------------------------|---------------------|------------------|----------------------|-------------|-------------------------------|--------------------------------------|--------------------------|------------------------------------|--------------------|-------------------------------------|----------------------------|
| | | | | | | | | | | | | | GAAP Receivable | Cumulative Total Expenditures | |
| State Department of Education | | | | | | | | | | | | | | * | * |
| State Department of Education Schools Development Authority Capital Projects Fund | | | | | | | | | | | | | | * | * |
| HS & Board Office HVAC Controls | 3930-050-14-1007-G04 | 148,950 | 7/1/14-6/30/15 | \$ (51,284) | | \$ 51,284 | | | | | | | | * | * |
| HS Interior Handicapped Ramp | 3930-050-14-1003-G04 | 49,200 | 7/1/14-6/30/15 | - | | - | \$ 4,080 | | | | \$ (4,080) | | | * | \$ (4,080) \$ 4,080 |
| Total Capital Projects Fund | | | | (51,284) | | 51,284 | 4,080 | | | | (4,080) | | | * | (4,080) 4,080 |
| Debt Service Fund | | | | | | | | | | | | | | * | * |
| Debt Service State Support | 16-495-034-5120-075 | 234,467 | 7/1/15-6/30/16 | - | | 234,467 | 234,467 | | | | | | | * | - 234,467 |
| Total Debt Service Fund | | | | - | | 234,467 | 234,467 | | | | | | | * | - 234,467 |
| State Department of Agriculture | | | | | | | | | | | | | | * | * |
| Enterprise Fund | | | | | | | | | | | | | | * | * |
| State School Lunch Program | 16-100-010-3350-023 | 5,403 | 7/1/15-6/30/16 | | | 4,452 | 5,403 | | | | (951) | | | * | (951) 5,403 |
| State School Lunch Program | 15-100-010-3350-023 | 5,663 | 7/1/14-6/30/15 | \$ (377) | | 377 | | | | | | | | * | - - |
| Total Enterprise Fund | | | | (377) | | 4,829 | 5,403 | | | | (951) | | | * | (951) 5,403 |
| Total | | | | \$ (887,864) | \$ - | \$ 12,563,446 | \$ 12,225,822 | \$ - | \$ 65,278 | \$ - | \$ (764,716) | \$ 149,198 | | * | \$ (161,979) \$ 12,225,822 |
| Less On-Behalf TPAF Pension and Annuity Aid | | | | | | | | | | | | | | * | * |
| Normal Cost & Accrued Liability | 16-495-034-5094-002 | 2,266,699 | 7/1/15-6/30/16 | | | 2,266,699 | 2,266,699 | | | | | | | * | - 2,266,699 |
| NCGI | 16-495-034-5094-004 | 112,912 | 7/1/15-6/30/16 | | | 112,912 | 112,912 | | | | | | | * | - 112,912 |
| Post Retirement Medical Contributions | 16-495-034-5094-001 | 2,833,461 | 7/1/15-6/30/16 | | | 2,833,461 | 2,833,461 | | | | | | | * | - 2,833,461 |
| Total for State Financial Assistance Determination | | | | \$ (887,864) | \$ - | \$ 7,350,374 | \$ 7,012,750 | \$ - | \$ 65,278 | \$ - | \$ (764,716) | \$ 149,198 | | * | \$ (161,979) \$ 7,012,750 |

**PARAMUS 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 Paramus Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$152,482 for the general fund and an increase of \$13,472 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-----------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 63,378 | \$ 10,057,256 | \$ 10,120,634 |
| Special Revenue Fund | 1,869,475 | 2,071,860 | 3,941,335 |
| Capital Projects Fund | | 4,080 | 4,080 |
| Debt Service Fund | | 234,467 | 234,467 |
| Food Service Fund | <u>153,099</u> | <u>5,403</u> | <u>158,502</u> |
| Total Awards Financial Assistance | <u>\$ 2,085,952</u> | <u>\$ 12,373,066</u> | <u>\$ 14,459,018</u> |

**PARAMUS BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$2,164,781 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 \$2,379,611 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,833,461 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 9 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.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| <u>84.027</u> | <u>IDEA - Basic</u> |
| <u>84.173</u> | <u>IDEA - Preschool</u> |
| _____ | _____ |
| _____ | _____ |

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

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

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2016-001

Our audit of the DRTRS revealed the following:

- Thirty one (31) special education public school students were incorrectly reported as regular public school students.
- Nine (9) regular early childhood center students were incorrectly reported as special education students with transportation needs.
- One (1) special education student was declassified and should have been reported as a regular education student.
- Two (2) IEP's for special education students with special needs did not indicate transportation as a related service.

Criteria or specific requirement:

State Department of Education's Audit Program.

Condition:

See Finding.

Context

See Finding.

Effect

Students were not properly reported on the District's DRTRS report for the 2015/16 school year.

Cause

Unknown.

Recommendation

Internal controls over DRTRS reporting be reviewed and cleared.

Management's Response

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

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

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

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

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**PARAMUS BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 04-04.

STATUS OF PRIOR YEAR FINDINGS

THERE WERE NONE.