

**UPPER SADDLE RIVER BOARD OF EDUCATION**  
**UPPER SADDLE RIVER, NEW JERSEY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Upper Saddle River Board of Education**

**Upper Saddle River, New Jersey**

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

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

# Upper Saddle River Schools

## Administrative Offices

395 West Saddle River Road  
Upper Saddle River, New Jersey 07458  
201-961-6500 (voice) ~ 201-934-4923 (fax)



Dr. Monica M. Browne  
Superintendent of Schools

Dana Imbasciani  
Board Secretary/Business Administrator

September 15, 2016

Honorable President and  
Members of the Board of Education  
Upper Saddle River Board of Education  
Upper Saddle River, NJ 07458

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis and basic financial statements including the district-wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the State Treasury OMB Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



## 1. REPORTING ENTITY AND ITS SERVICES:

The Upper Saddle River Board of Education is an independent reporting entity. All funds of the District are included in this report. The Upper Saddle River Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade Levels K through 8. The District completed the 2015/2016 fiscal year with an enrollment of 1,224, which is 25 students less than the previous year's enrollment. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2015/2016	1,224	(2.00%)
2014/2015	1,249	(3.62%)
2013/2014	1,298	(3.71%)
2012/2013	1,348	(0.4%)
2011/2012	1,354	(1.8%)
2010/2011	1,379	(0.5%)
2009/2010	1,386	0.2%
2008/2009	1,383	0.2%
2007/2008	1,379	2.2%
2006/2007	1,348	(1.7%)

## 2. ECONOMIC CONDITION AND OUTLOOK:

Development and expansion in the Upper Saddle River area has increased this year. The Upper Saddle River area is expected to continue to prosper.

## 3. MAJOR INITIATIVES:

The district committed to the following new programs/goals:

- Support for students in the area of language arts continued with all classroom and special education teachers participating in ongoing sessions to ensure that our curriculum and classroom practices meet the expectations of the Core Curriculum Content Standards – NJ (CCCS). In addition, Basic Skills Instruction (BSI) was provided for all students in grades K - 2 who were not on track to meeting the locally developed benchmarks. Students in grades 3-8 who needed additional targeted instruction to meet the CCCS were provided with support in the form of an additional teacher for the 2015-2016 school year.
- Support for students in mathematics was provided in the form of professional development for all classroom and special education teachers in order to ensure that our programs meet the expectations of the CCCS. In addition, BSI was provided for all students in grades kindergarten - 2 who were not on track to meeting the locally developed benchmarks. Students in grades 3-8 who needed additional targeted instruction to meet the Common Core State Standards were provided with support in the form of an additional teacher for the 2015-2016 school year.

- Support for teachers in science was provided in the form of professional development and curriculum writing sessions for all teachers of science in anticipation of the implementation of the Next Generation Science Standards (NGSS) in grades 6-8 for the 2016-2017 school year and in grades K-5 in 2017-2018.
- The district continued its commitment to small elementary class size by maintaining an average of 18.56 students in all classes grades K-5.
- Given the expansion of the World Language program during the 2015-2016 school year to include a full-time teacher of Spanish for students in grades K-2, a comprehensive review of the scope and sequence of the Spanish curriculum K-8 was undertaken and revisions implemented to reflect the additional instructional time.
- The goals of the strategic plan continued to be addressed during the 2015-2016 school year through the work of four sub-committees. The initiatives focusing on student wellness included several speakers and an expanded Wellness Fair.

**4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

**5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either restriction or assigned fund balance at June 30, 2016.

**6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB).

**7. CASH MANAGEMENT:**

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

**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, and fidelity bonds.

**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. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the State Treasury OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related 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 Upper Saddle River Board of Education for the 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,

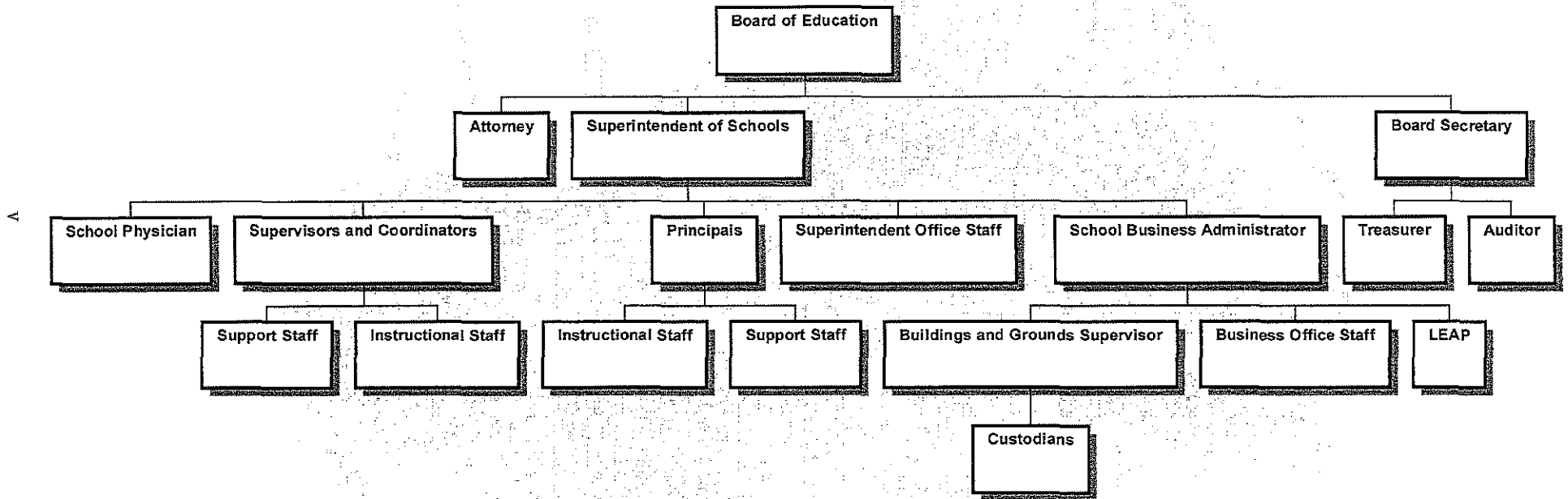


Monica M. Browne  
Superintendent of Schools



Dana Imbasciani  
Board Secretary/Business Administrator

# Upper Saddle River Schools Organizational Chart



**UPPER SADDLE RIVER BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jennifer Johnston, President	2017
Kenneth Amano, Vice President	2017
Karen Fusaro	2018
Susan Gandara	2018
Elizabeth Pittman	2016
Marc Prisco	2018
David Verducci	2016

Other Officials

Monica Browne, Superintendent

Dana Imbasciani, Business Administrator/Board Secretary

Jennifer Pfohl, Treasurer

**UPPER SADDLE RIVER BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Auditor**

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

**Attorney**

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

**Official Depository**

Capital One  
1300 Route 17 North  
Ramsey, NJ 07446

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Upper Saddle River Board of Education  
Upper Saddle River, 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 Upper Saddle River 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 Upper Saddle River 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 Upper Saddle River Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 Upper Saddle River Board of Education.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2016 on our consideration of the Upper Saddle River 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 Upper Saddle River Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
September 15, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Upper Saddle River Board of Education

## Management's Discussion and Analysis

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year are as follows:

- The assets and deferred outflows of resources of the Upper Saddle River Board of Education exceeded its liabilities and deferred inflows at the close of the fiscal year by \$7,672,801 (net position).
- The District's total net position increased \$1,100,144.
- Overall district revenues were \$29,186,776. General revenues accounted for \$22,223,182 or 76% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,963,594 or 24% of total revenues.
- The school district had \$27,683,729 in expenses for governmental activities; only \$6,525,409 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,066,123. Of this amount, \$391,695 is available for spending at the District's discretion (unreserved/undesignated fund balance – General Fund).
- The General Fund unassigned budgetary basis fund balance at June 30, 2016 was \$730,463, which represents a decrease of \$57,105 compared to the ending unassigned budgetary basis fund balance at June 30, 2015 of \$787,568.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Upper Saddle River Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the Upper Saddle River Board of Education's operation in more detail than the district-wide statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The schedule below summarizes the major features of the Upper Saddle River Board of Education's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, and food service	Activities the district operates similar to private businesses
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred Inflows/outflows of resources and liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and deferred inflows of resources and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resource and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

### District-Wide Statements

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

## District-Wide Statements (Continued)

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

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

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

- **Governmental activities-** Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- **Business-type activities-** The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund, LEAP Program and Quad Tech Programs are included here.

## Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The district has three kinds of funds:

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

## Fund Financial Statements (Continued)

- *Fiduciary funds*- The District is the trustee, or fiduciary, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE UPPER SADDLE RIVER BOARD OF EDUCATION AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Below is a summary of the school district's net position as of June 30, 2016 along with comparative data for June 30, 2015.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other Assets	\$ 5,251,229	\$ 4,743,822	\$ 124,284	\$ 88,313	\$ 5,375,513	\$ 4,832,135
Capital Assets	14,533,133	14,753,040	-	723	14,533,133	14,753,763
<b>Total Assets</b>	<u>19,784,362</u>	<u>19,496,862</u>	<u>124,284</u>	<u>89,036</u>	<u>19,908,646</u>	<u>19,585,898</u>
<b>Deferred Outflows of Resources</b>	<u>1,584,826</u>	<u>1,091,266</u>	<u>-</u>	<u>-</u>	<u>1,584,826</u>	<u>1,091,266</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>21,369,188</u>	<u>20,588,128</u>	<u>124,284</u>	<u>89,036</u>	<u>21,493,472</u>	<u>20,677,164</u>
<b>Liabilities</b>						
Long-Term Liabilities	13,070,020	13,554,626			13,070,020	13,554,626
Other Liabilities	221,530	197,893	-	427	221,530	198,320
<b>Total Liabilities</b>	<u>13,291,550</u>	<u>13,752,519</u>	<u>-</u>	<u>427</u>	<u>13,291,550</u>	<u>13,752,946</u>
<b>Deferred Inflows of Resources</b>	<u>529,121</u>	<u>351,561</u>	<u>-</u>	<u>-</u>	<u>529,121</u>	<u>351,561</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>13,820,671</u>	<u>14,104,080</u>	<u>-</u>	<u>427</u>	<u>13,820,671</u>	<u>14,104,507</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	8,984,318	8,157,043		723	8,984,318	8,157,766
Restricted	2,084,052	1,701,918			2,084,052	1,701,918
Unrestricted	(3,519,853)	(3,374,913)	124,284	87,886	(3,395,569)	(3,287,027)
<b>Total Net Position</b>	<u>\$ 7,548,517</u>	<u>\$ 6,484,048</u>	<u>\$ 124,284</u>	<u>\$ 88,609</u>	<u>\$ 7,672,801</u>	<u>\$ 6,572,657</u>

Below is a schedule of changes in net position for fiscal year ended June 30, 2016, along with comparative data for the prior fiscal year.

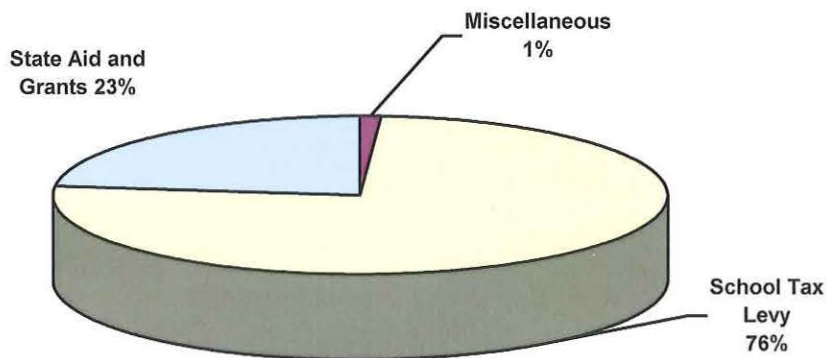
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 196,405	\$ 168,288	\$ 438,185	\$ 311,378	\$ 634,590	\$ 479,666
Operating Grants and Contributions	6,329,004	5,148,326			6,329,004	5,148,326
Capital Grants and Contributions		98,156			-	98,156
General Revenues						
Property Taxes	21,806,063	21,382,382			21,806,063	21,382,382
State Aid - Formula Grants	330,927	306,573			330,927	306,573
Investment Earnings	12,792	10,154	393	343	13,185	10,497
Miscellaneous	73,007	22,503	-	-	73,007	22,503
<b>Total Revenues</b>	<u>28,748,198</u>	<u>27,136,382</u>	<u>438,578</u>	<u>311,721</u>	<u>29,186,776</u>	<u>27,448,103</u>
<b>Expenses</b>						
Instruction						
Regular	12,492,130	11,680,775			12,492,130	11,680,775
Special Education	3,647,796	3,665,144			3,647,796	3,665,144
Other Instruction	432,817	187,415			432,817	187,415
School Sponsored Activities and Ath.	144,582	158,503			144,582	158,503
Support Services						
Student and Instruction Related Serv.	4,344,731	4,117,637			4,344,731	4,117,637
General Administrative Services	670,222	713,830			670,222	713,830
School Administrative Services	1,389,737	1,341,332			1,389,737	1,341,332
Plant Operations and Maintenance	3,279,385	3,116,097			3,279,385	3,116,097
Pupil Transportation	451,862	450,242			451,862	450,242
Business Services	614,330	582,981			614,330	582,981
Food Services			9,058	14,531	9,058	14,531
LEAP Program			47,275	43,000	47,275	43,000
QUAD Tech Program			346,570	249,687	346,570	249,687
Interest on Long-Term Debt	216,137	253,353	-	-	216,137	253,353
Loss on Disposal of Capital Assets	-	67,206	-	-	-	67,206
<b>Total Expenses</b>	<u>27,683,729</u>	<u>26,334,515</u>	<u>402,903</u>	<u>307,218</u>	<u>28,086,632</u>	<u>26,641,733</u>
Change in Net Position	1,064,469	801,867	35,675	4,503	1,100,144	806,370
Net Position, Beginning of Year	<u>6,484,048</u>	<u>5,682,181</u>	<u>88,609</u>	<u>84,106</u>	<u>6,572,657</u>	<u>5,766,287</u>
Net Position, End of Year	<u>\$ 7,548,517</u>	<u>\$ 6,484,048</u>	<u>\$ 124,284</u>	<u>\$ 88,609</u>	<u>\$ 7,672,801</u>	<u>\$ 6,572,657</u>



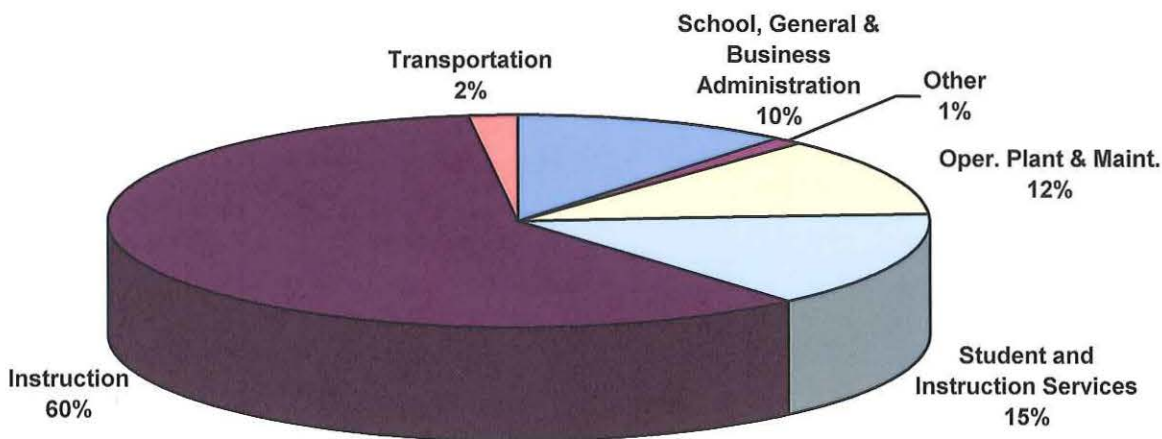
**Governmental Activities.** The District's total revenues were \$28,748,198. The local share of the revenues, that included property taxes, tuition, interest, and miscellaneous revenue, amounted to \$22,088,267 or 77% of total revenues. Funding from state and federal sources amounted to \$6,659,931 or 23%.

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$16,717,325 (60%) and student and other support services totaled \$10,750,267 (39%) of total expenditures.

Revenues by Sources – Governmental Activities



Expenditures by Function



**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2016 and 2015**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Instruction				
Regular	\$ 12,492,130	\$ 11,680,775	\$ 9,061,187	\$ 8,966,049
Special Education	3,647,796	3,665,144	2,350,649	2,180,382
Other Instruction	432,817	187,415	256,110	173,701
School Sponsored Activities and Athletics	144,582	158,503	144,582	158,503
Support Services				
Student and Instruction Related Svcs.	4,344,731	4,117,637	3,242,788	3,459,679
General Administrative Services	670,222	713,830	597,689	629,654
School Administrative Services	1,389,737	1,341,332	1,115,895	1,112,185
Plant Operations and Maintenance	3,279,385	3,116,097	3,233,524	2,997,950
Pupil Transportation	451,862	450,242	407,965	404,378
Business Services	614,330	582,981	531,794	516,705
Interest on Long-Term Debt	216,137	253,353	216,137	253,353
 Total Governmental Activities	 <u>\$ 27,683,729</u>	 <u>\$ 26,267,309</u>	 <u>\$ 21,158,320</u>	 <u>\$ 20,852,539</u>

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2016 was \$402,903. These costs were funded by program fees, charges for services, and investment earnings of \$438,578.

**General Fund**

The following schedule presents a summary of General Fund (GAAP Basis) revenues.

	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources:				
Property Taxes	\$ 20,893,623	\$ 20,483,944	\$ 409,679	2.0%
Tuition	196,405	168,288	28,117	16.7%
Interest Earnings	12,792	10,154	2,638	26.0%
Miscellaneous	73,007	22,503	50,504	224.4%
Intergovernmental				
State Sources	<u>3,138,705</u>	<u>2,768,801</u>	<u>369,904</u>	13.4%
 Total Revenues	 <u>\$ 24,314,532</u>	 <u>\$ 23,453,690</u>	 <u>\$ 860,842</u>	 <u>3.7%</u>

The following schedule presents a summary of General Fund (GAAP Basis) expenditures.

	<b>Fiscal Year Ended June 30, 2016</b>	<b>Fiscal Year Ended June 30, 2015</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 14,139,398	\$ 13,835,506	\$ 303,892	2.20%
Support Services	9,175,492	9,030,853	144,639	1.60%
Debt Service	51,359	51,335	24	0.05%
Capital Outlay	<u>83,344</u>	<u>304,031</u>	<u>(220,687)</u>	-72.59%
 Total Expenditures	 <u>\$ 23,449,593</u>	 <u>\$ 23,221,725</u>	 <u>\$ 227,868</u>	 <u>0.98%</u>

**Capital Assets.** At June 30, 2016 and 2015, the school district had invested in land, buildings, furniture, machinery and equipment as stated below:

	<b>Governmental Activities</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
Land	\$ 100,820	\$ 100,820
Construction in Progress	79,109	
Buildings	20,971,918	20,971,918
Improvements Other Than Buildings	3,201,068	2,887,946
Machinery and Equipment	<u>2,424,522</u>	<u>2,339,463</u>
 Total	 26,777,437	 26,300,147
Less: Accumulated Depreciation	<u>(12,244,304)</u>	<u>(11,547,107)</u>
 Total	 <u>\$ 14,533,133</u>	 <u>\$ 14,753,040</u>

**Debt Administration.** As of June 30, 2016 and 2015 the school district had long-term debt and outstanding long-term liabilities as follows:

	<b><u>2016</u></b>	<b><u>2015</u></b>
Serial Bonds Payable, net	\$ 5,688,469	\$ 6,758,753
Obligation Under Capital Leases	141,420	186,422
Compensated Absences Payable	767,843	710,233
Net Pension Liability	<u>6,472,288</u>	<u>5,899,218</u>
 Total	 <u>\$ 13,070,020</u>	 <u>\$ 13,554,626</u>

## **General Fund Budgetary Highlights**

Over the course of the year, the District amended the annual operating budget in order to prevent over-expenditures in specific line item accounts. These budget revisions were related to:

- Salary accounts were adjusted to reflect changes in staff assignments, retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Unanticipated costs for related services for special education students.
- TPAF, which is the state's contribution to the pension funds and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dana Imbasciani, School Business Administrator/Board Secretary, Upper Saddle River Board of Education, 395 West Saddle River Road, Upper Saddle River, New Jersey 07458.

**FINANCIAL STATEMENTS**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,892,786	\$ 140,489	\$ 5,033,275
Receivables, net	342,238		342,238
Internal Balances	16,205	(16,205)	-
Capital Assets			
Not Being Depreciated	179,929		179,929
Being Depreciated, Net	<u>14,353,204</u>	<u>-</u>	<u>14,353,204</u>
Total Assets	<u>19,784,362</u>	<u>124,284</u>	<u>19,908,646</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding Bonds	281,074		281,074
Deferred Amounts on Net Pension Liability	<u>1,303,752</u>	<u>-</u>	<u>1,303,752</u>
Total Deferred Outflows of Resources	<u>1,584,826</u>	<u>-</u>	<u>1,584,826</u>
Total Assets and Deferred Outflows of Resources	<u>21,369,188</u>	<u>124,284</u>	<u>21,493,472</u>
<b>LIABILITIES</b>			
Accrued Interest Payable	36,424		36,424
Accounts Payable	29,503		29,503
Unearned Revenue	155,603		155,603
Noncurrent Liabilities			
Due Within One Year	1,135,125		1,135,125
Due Beyond One Year	<u>11,934,895</u>	<u>-</u>	<u>11,934,895</u>
Total Liabilities	<u>13,291,550</u>	<u>-</u>	<u>13,291,550</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>529,121</u>	<u>-</u>	<u>529,121</u>
Total Deferred Inflows of Resources	<u>529,121</u>	<u>-</u>	<u>529,121</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,820,671</u>	<u>-</u>	<u>13,820,671</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,984,318	-	8,984,318
Restricted for:			
Capital Projects	2,084,052		2,084,052
Unrestricted	<u>(3,519,853)</u>	<u>124,284</u>	<u>(3,395,569)</u>
Total Net Position	<u>\$ 7,548,517</u>	<u>\$ 124,284</u>	<u>\$ 7,672,801</u>

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

**UPPER SADDLE RIVER 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	\$ 12,492,130	\$ 196,405	\$ 3,234,538		\$ (9,061,187)		\$ (9,061,187)
Special Education	3,647,796		1,297,147		(2,350,649)		(2,350,649)
Other Instruction	432,817		176,707		(256,110)		(256,110)
School Sponsored Activities and Athletics	144,582				(144,582)		(144,582)
Support Services:							
Student and Instruction Related Services	4,344,731		1,101,943		(3,242,788)		(3,242,788)
General Administrative Services	670,222		72,533		(597,689)		(597,689)
School Administrative Services	1,389,737		273,842		(1,115,895)		(1,115,895)
Plant Operations and Maintenance	3,279,385		45,861		(3,233,524)		(3,233,524)
Pupil Transportation	451,862		43,897		(407,965)		(407,965)
Business and Other Support Services	614,330		82,536		(531,794)		(531,794)
Interest on Long-Term Debt	216,137	-	-	-	(216,137)	-	(216,137)
<b>Total Governmental Activities</b>	<b>27,683,729</b>	<b>196,405</b>	<b>6,329,004</b>	<b>-</b>	<b>(21,158,320)</b>	<b>-</b>	<b>(21,158,320)</b>
Business-Type Activities:							
Food Service	9,058	7,738			-	\$ (1,320)	(1,320)
LEAP Program	47,275	60,639				13,364	13,364
Quad Tech Program	346,570	369,808				23,238	23,238
<b>Total Business-Type Activities</b>	<b>402,903</b>	<b>438,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,282</b>	<b>35,282</b>
<b>Total Primary Government</b>	<b>\$ 28,086,632</b>	<b>\$ 634,590</b>	<b>\$ 6,329,004</b>	<b>\$ -</b>	<b>(21,158,320)</b>	<b>35,282</b>	<b>(21,123,038)</b>
General Revenues:							
Taxes:							
Property Taxes, levied for general purposes, net					20,893,623		20,893,623
Property Taxes Levied for Debt Service					912,440		912,440
State Aid Restricted for Debt Service					305,387		305,387
Unrestricted State Aid					25,540		25,540
Investment Earnings					12,792	393	13,185
Miscellaneous Income					73,007	-	73,007
<b>Total General Revenues</b>					<b>22,222,789</b>	<b>393</b>	<b>22,223,182</b>
Change in Net Position					1,064,469	35,675	1,100,144
Net Position, Beginning of Year					6,484,048	88,609	6,572,657
Net Position, End of Year					<b>\$ 7,548,517</b>	<b>\$ 124,284</b>	<b>\$ 7,672,801</b>

**FUND FINANCIAL STATEMENTS**



**UPPER SADDLE RIVER BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,204,338	\$ 2,064	\$ 686,383	\$ 1	\$ 4,892,786
Receivables, Net	8,526	79,085	253,759		341,370
Due from Other Funds	<u>87,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,774</u>
 Total Assets	 <u>\$ 4,300,638</u>	 <u>\$ 81,149</u>	 <u>\$ 940,142</u>	 <u>\$ 1</u>	 <u>\$ 5,321,930</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 55	\$ 10,448	\$ 19,000		\$ 29,503
Due to Other Funds		70,701			70,701
Unearned Revenue	<u>-</u>	<u>-</u>	<u>155,603</u>	<u>-</u>	<u>155,603</u>
 Total Liabilities	 <u>55</u>	 <u>81,149</u>	 <u>174,603</u>	 <u>-</u>	 <u>255,807</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's (2016/17) Budget	1,094,431				1,094,431
Excess Surplus	1,000,939				1,000,939
Capital Reserve	1,018,513				1,018,513
Capital Reserve - Designated for Subsequent Year's (2016/17) Budget	300,000				300,000
Capital Projects			765,539		765,539
Debt Service				\$ 1	1
Assigned Fund Balance					
Designated for Subsequent Year's (2016/17) Budget	321,189				321,189
Encumbrances	173,816				173,816
Unassigned Fund Balance					
General Fund	<u>391,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,695</u>
 Total Fund Balances	 <u>4,300,583</u>	 <u>-</u>	 <u>765,539</u>	 <u>1</u>	 <u>5,066,123</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,300,638</u>	 <u>\$ 81,149</u>	 <u>\$ 940,142</u>	 <u>\$ 1</u>	

**UPPER SADDLE RIVER BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

<b>Total Fund Balances (Exhibit B-1)</b>		5,066,123
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$26,777,437 and the accumulated depreciation is \$12,244,304.</p>		14,533,133
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		281,074
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$ 1,303,752	
Deferred Inflows of Resources	<u>(529,121)</u>	774,631
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(36,424)
<p>Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 2).</p>		<u>(13,070,020)</u>
Net position of governmental activities		<u>\$ 7,548,517</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 20,893,623			\$ 912,440	\$ 21,806,063
Interest	12,792				12,792
Tuition	196,405				196,405
Miscellaneous	73,007	\$ 123,340	-	-	196,347
Total Local Sources	<u>21,175,827</u>	<u>123,340</u>	<u>-</u>	<u>912,440</u>	<u>22,211,607</u>
State Sources	3,138,705			305,387	3,444,092
Federal Sources	-	358,517	-	-	358,517
Total Revenues	<u>24,314,532</u>	<u>481,857</u>	<u>-</u>	<u>1,217,827</u>	<u>26,014,216</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	10,615,912	86,460			10,702,372
Special Education Instruction	3,086,521	262,170			3,348,691
Other Instruction	298,607	80,609			379,216
School Sponsored Activities and Athletics	138,358				138,358
Support Services :					
Student and Instruction Related Services	3,789,373	19,808			3,809,181
General Administrative Services	622,242				622,242
School Administrative Services	1,164,936				1,164,936
Plant Operations and Maintenance	2,593,102	25,900			2,619,002
Pupil Transportation	451,862				451,862
Business and Other Support Services	553,977				553,977
Debt Service:					
Principal	45,002			1,022,718	1,067,720
Interest and Other Charges	6,357			195,108	201,465
Capital Outlay	83,344	6,910	\$ 387,036	-	477,290
Total Expenditures	<u>23,449,593</u>	<u>481,857</u>	<u>387,036</u>	<u>1,217,826</u>	<u>25,536,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>864,939</u>	<u>-</u>	<u>(387,036)</u>	<u>1</u>	<u>477,904</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In			619,170		619,170
Transfer Out	(619,170)	-	-	-	(619,170)
Total Other Financing Sources and Uses	<u>(619,170)</u>	<u>-</u>	<u>619,170</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	245,769	-	232,134	1	477,904
Fund Balance, Beginning of Year	4,054,814	-	533,405	-	4,588,219
Fund Balance, End of Year	<u>\$ 4,300,583</u>	<u>\$ -</u>	<u>\$ 765,539</u>	<u>\$ 1</u>	<u>\$ 5,066,123</u>

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

**UPPER SADDLE RIVER BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 477,904**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	\$ (697,197)	
Capital Outlay	<u>477,290</u>	
		(219,907)

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

Principal Repayments		
Capital Leases	45,002	
General Obligation Bonds	<u>1,022,718</u>	
		1,067,720

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 the governmental funds.

Amortization of Deferred Charge on Refunding Bonds	(68,104)	
Amortization of Premium	<u>47,566</u>	
		(20,538)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 5,866

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

Net Increase in Compensated Absences	(57,610)	
Increase in Pension Expense	<u>(188,966)</u>	
		<u>(246,576)</u>

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,064,469**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

	<b>Business-Type            Activities</b>
	<b>Other Nonmajor            Enterprise Funds</b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 140,489
Capital Assets	
Furniture, Machinery, and Equipment	4,650
Less: Accumulated Depreciation	(4,650)
Total Capital Assets	-
Total Assets	140,489
<b>LIABILITIES</b>	
Current Liabilities	
Due to Other Funds	16,205
Total Current Liabilities	16,205
<b>NET POSITION</b>	
Unrestricted	124,284
Total Net Position	\$ 124,284

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

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

	<u>Business-Type Activities Other Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 7,738
Program Fees	430,447
	438,185
<b>OPERATING EXPENSES</b>	
Salaries and Wages	348,576
Personnel Services - Employee Benefits	28,250
Cost of Sales	5,335
Other Purchased Services	14,422
Supplies and Materials	3,947
Miscellaneous	1,650
Depreciation Expense	723
	402,903
Total Operating Expenses	402,903
Operating Income	35,282
<b>NONOPERATING REVENUES</b>	
Interest Revenue	393
	393
Total Nonoperating Revenues	393
Change in Net Position	35,675
Net Position, Beginning of Year	88,609
Net Position, End of Year	\$ 124,284

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

**UPPER SADDLE RIVER BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Business-Type Activities</b>
	<b>Other Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from Customers	\$ 438,185
Payments to Employees	(360,621)
Payments to Suppliers for Goods and Services	(25,781)
Net Cash Provided by Operating Activities	51,783
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Payments to Other Funds	(21,595)
Net Cash (Used by) Noncapital Financing Activities	(21,595)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	393
Net Cash Provided by Investing Activities	393
Net Change in Cash and Cash Equivalents	30,581
Cash and Cash Equivalents, Beginning of Year	109,908
Cash and Cash Equivalents, End of Year	\$ 140,489
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH    PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 35,282
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	723
Increase/(Decrease) in Due to Other Funds	16,205
Increase/(Decrease) in Accounts Payable	(427)
Total Adjustments	16,501
Net Cash Provided by Operating Activities	\$ 51,783

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

**UPPER SADDLE RIVER BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 115,827	\$ 33,440	\$ 562,672
Total Assets	<u>115,827</u>	<u>33,440</u>	<u>\$ 562,672</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 34,287
Accrued Salaries and Wages			469,835
Other Liabilities			6,629
Due to Student Groups			51,053
Due to Other Funds			868
Due to State of New Jersey	<u>2,881</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,881</u>	<u>-</u>	<u>\$ 562,672</u>
<b>NET POSITION</b>			
Held In Trust For Unemployment Compensation Claims and Other Purposes	<u>\$ 112,946</u>	<u>\$ 33,440</u>	

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



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

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose <u>Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Board Contribution	\$ 8,229	
Employee Contribution	30,455	
Investment Earnings		
Interest	<u>362</u>	\$ <u>115</u>
 Total Additions	 <u>39,046</u>	 <u>115</u>
<b>DEDUCTIONS</b>		
Unemployment Compensation Claims	<u>22,421</u>	<u>-</u>
 Total Deductions	 <u>22,421</u>	 <u>-</u>
 Change in Net Position	 16,625	 115
Net Position, Beginning of Year	<u>96,321</u>	<u>33,325</u>
Net Position, End of Year	<u>\$ 112,946</u>	<u>\$ 33,440</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

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

**B. New Accounting Standards**

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

- GASB No. 72, *Fair Value Measurement and Application*, 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.

**UPPER SADDLE RIVER 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.

UPPER SADDLE RIVER 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 funds to be major funds and all of its enterprise funds to be nonmajor 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.

**UPPER SADDLE RIVER 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)**

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

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

The *learning enrichment activities program (LEAP) fund* accounts for the activities of the District's learning enrichment program which provides students with various enrichment activities offered in the fall and winter.

The *quad technology program* accounts for the activities of the District's quad technology program which provides technology services to the Northern Highlands, Ho-Ho-Kus, Allendale and Upper Saddle River school districts.

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 private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

**Reclassifications**

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

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

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

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

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

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

Food Service Fund inventories, 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.

**UPPER SADDLE RIVER 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***

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

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

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

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



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

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

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

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

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

***6. Compensated Absences***

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

***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. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

UPPER SADDLE RIVER 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)

8. *Long-Term Obligations (Continued)*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

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 Budget* - 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.

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

UPPER SADDLE RIVER 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.

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

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, interest earnings and miscellaneous revenues.

2. *Property Taxes*

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

**UPPER SADDLE RIVER 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, the LEAP Program Enterprise Fund, and the Quad Technology 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.

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ 5,486,749
Issuance Premium (to be amortized as interest expense)	201,720
Capital Leases Payable	141,420
Compensated Absences	767,843
Net Pension Liability	<u>6,472,288</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 13,070,020</u>

**UPPER SADDLE RIVER 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. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption.

Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 6, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$331,184. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**UPPER SADDLE RIVER 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	\$ 1,168,513
Increased by	
Transfer Authorized by Board Resolution	<u>450,000</u>
	1,618,513
Withdrawals	
Budgeted Withdrawal	<u>300,000</u>
Balance, June 30, 2016	<u>\$ 1,318,513</u>

**Analysis of Balance**

Designated for Subsequent Year's (2016/17) Budget	\$ 300,000
Capital Reserve	<u>1,018,513</u>
	<u>\$ 1,318,513</u>

**C. Transfers to Capital Outlay**

During the 2015/2016 school year, the district transferred \$5,195 to the non-equipment capital outlay accounts.

**D. 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 \$2,095,370. Of this amount, \$1,094,431 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,000,939 will be appropriated in the 2017/2018 original budget certified for taxes.

**UPPER SADDLE RIVER 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 \$5,745,214 and bank and brokerage firm balances of the Board's deposits amounted to \$6,700,265. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>6,700,265</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's had no deposits exposed to custodial credit risk.

**Investments**

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

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

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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 8,526		\$ 253,759	\$ 262,285
Federal	<u>-</u>	<u>\$ 79,085</u>	<u>-</u>	<u>79,085</u>
Gross Receivables	8,526	79,085	253,759	341,370
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 8,526</u>	<u>\$ 79,085</u>	<u>\$ 253,759</u>	<u>\$ 341,370</u>

**C. Unearned Revenue**

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

Capital Projects Fund	
Unrealized School Facilities Grants	<u>\$155,603</u>
Total Unearned Revenue for Governmental Funds	<u>\$155,603</u>



**UPPER SADDLE RIVER 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**

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

	Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 100,820			\$ 100,820
Construction In Progress	-	\$ 79,109	-	79,109
Total Capital Assets, Not Being Depreciated	<u>100,820</u>	<u>79,109</u>	<u>-</u>	<u>179,929</u>
Capital Assets, Being Depreciated:				
Buildings	20,971,918			20,971,918
Improvements Other Than Buildings	2,887,946	313,122		3,201,068
Machinery and Equipment	2,339,463	85,059	-	2,424,522
Total Capital Assets Being Depreciated	<u>26,199,327</u>	<u>398,181</u>	<u>-</u>	<u>26,597,508</u>
Less Accumulated Depreciation for:				
Buildings	(8,676,789)	(287,838)		(8,964,627)
Improvements Other Than Buildings	(1,246,346)	(263,160)		(1,509,506)
Machinery and Equipment	(1,623,972)	(146,199)	-	(1,770,171)
Total Accumulated Depreciation	<u>(11,547,107)</u>	<u>(697,197)</u>	<u>-</u>	<u>(12,244,304)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,652,220</u>	<u>(299,016)</u>	<u>-</u>	<u>14,353,204</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,753,040</u>	<u>\$ (219,907)</u>	<u>\$ -</u>	<u>\$ 14,533,133</u>

**UPPER SADDLE RIVER 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>
<b>Business-Type Activities:</b>				
Food Service Enterprise Fund				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 4,650	-	-	\$ 4,650
Total Capital Assets, Being Depreciated	<u>4,650</u>	<u>-</u>	<u>-</u>	<u>4,650</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(3,927)</u>	\$ (723)	-	<u>(4,650)</u>
Total Accumulated Depreciation	<u>(3,927)</u>	<u>(723)</u>	<u>-</u>	<u>(4,650)</u>
Total Capital Assets, Being Depreciated, Net	<u>723</u>	<u>(723)</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ 723</u>	<u>\$ (723)</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 18,354
Support Services	
Support Services-Students	38,600
School Administration	58,585
Operations and Maintenance of Plant	<u>581,658</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 697,197</u>

**Business-Type Activities**

Food Service Fund	<u>\$ 723</u>
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**UPPER SADDLE RIVER 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)**

**Construction and Other Significant Commitments**

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

<u>Project</u>	<u>Remaining Commitment</u>
Partial Window Replacement at Cavallini Middle School - Phase III	\$ 238,772
Emergency Generator at Cavallini Middle School	<u>266,289</u>
	<u>\$ 505,061</u>

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

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

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 70,701
General Fund	Agency Fund	868
General Fund	Other Nonmajor Enterprise Fund - LEAP Program	<u>16,205</u>
Total		<u>\$ 87,774</u>

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

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

**UPPER SADDLE RIVER 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 (Continued)**

**Interfund Transfers**

	<u>Transfer In:</u>
	Capital
	<u>Projects</u>
Transfer Out:	
General Fund	\$ <u>619,170</u>

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

**F. Leases**

**Capital Leases**

The District is leasing copiers totaling \$233,026 under capital leases. The leases are for terms of 5 years.

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

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 51,360
2018	51,360
2019	33,420
2020	<u>13,925</u>
Total Minimum Lease Payments	150,065
Less: Amount Representing Interest	<u>(8,645)</u>
Present Value of Minimum Lease Payments	<u>\$ 141,420</u>

**UPPER SADDLE RIVER 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. Long-Term Debt**

**General Obligation Bonds**

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

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

\$6,480,000, 2004 Refunding Bonds, due in annual installments of \$645,000 to \$690,000 through December 15, 2019, interest at 3.75% to 4.00%	\$2,680,000
\$715,775, 2009 School Bonds, due in annual installments of \$47,718 to \$47,719 through December 15, 2023, interest at 1.21%	381,749
\$3,255,000, 2012 Refunding Bonds, due in annual installments of \$225,000 to \$380,000 through July 15, 2023, interest at 2.00% to 4.00%	<u>2,425,000</u>
Total	<u>\$ 5,486,749</u>

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

**Governmental Activities:**

<u>Fiscal Year Ending June 30</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,057,718	\$ 157,362	\$ 1,215,080
2018	1,082,718	119,372	1,202,090
2019	1,107,718	81,901	1,189,619
2020	1,117,718	42,948	1,160,666
2021	272,719	19,496	292,215
2022-2024	<u>848,158</u>	<u>23,948</u>	<u>872,106</u>
	<u>\$ 5,486,749</u>	<u>\$ 445,027</u>	<u>\$ 5,931,776</u>

**UPPER SADDLE RIVER 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. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

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

3% of Equalized Valuation Basis (Municipal)	\$ 82,713,770
Less: Net Debt	<u>5,486,749</u>
Remaining Borrowing Power	<u>\$ 77,227,021</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Serial Bonds Payable	\$ 6,509,467		\$ 1,022,718	\$ 5,486,749	\$ 1,057,718
Add:					
Unamortized Premium	<u>249,286</u>	-	<u>47,566</u>	<u>201,720</u>	-
	6,758,753	-	1,070,284	5,688,469	1,057,718
Capital Leases Payable	186,422		45,002	141,420	46,756
Compensated Absences	710,233	\$ 88,261	30,651	767,843	30,651
Net Pension Liability	<u>5,899,218</u>	<u>1,009,917</u>	<u>436,847</u>	<u>6,472,288</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 13,554,626</u>	<u>\$ 1,098,178</u>	<u>\$ 1,582,784</u>	<u>\$ 13,070,020</u>	<u>\$ 1,135,125</u>

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

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

**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). 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.

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

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

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

Fiscal Year Ended <u>June 30,</u>	Board <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2016	\$ 8,229	\$ 30,455	\$ 22,421	\$ 112,946
2015	46,524	29,062	49,307	96,321
2014	38,531	28,317	53,784	69,749

**UPPER SADDLE RIVER 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.



**UPPER SADDLE RIVER 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](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

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

**Investment Valuation**

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

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

**UPPER SADDLE RIVER 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 47.9 percent and \$22.4 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

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

**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.

**UPPER SADDLE RIVER 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:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 247,881	\$ 709,316	\$ 8,039
2015	248,869	482,374	8,700
2014	222,312	382,792	7,261

For fiscal years 2015/2016 and 2014/2015, the state contributed \$709,316 and \$482,374, 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 \$382,792 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 \$695,596 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 \$6,472,288 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 .02883 percent, which was a decrease of .00267 percent from its proportionate share measured as of June 30, 2014 of .03150 percent.

**UPPER SADDLE RIVER 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)**

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$436,847 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>2016</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 154,406	
Changes of Assumptions	695,072	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 104,062
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>454,274</u>	<u>425,059</u>
Total	<u>\$ 1,303,752</u>	<u>\$ 529,121</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	\$ 146,268
2018	146,268
2019	146,268
2020	234,158
2021	<u>101,669</u>
	<u>\$ 774,631</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**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:

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.

UPPER SADDLE RIVER 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 4.90%.

**UPPER SADDLE RIVER 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)**

***Discount Rate (Continued)***

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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,044,262</u>	<u>\$ 6,472,288</u>	<u>\$ 5,154,356</u>

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

***Pension Plan Fiduciary Net Position***

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

**UPPER SADDLE RIVER 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 \$3,443,298 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 \$56,392,957. 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 .08922 percent, which was a decrease of .00127 percent from its proportionate share measured as of June 30, 2014 of .09049 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.

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 Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

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



**UPPER SADDLE RIVER BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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%

**UPPER SADDLE RIVER 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 4.13%.

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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>(3.13%)</u></b>	<b>Current Discount Rate <u>(4.13%)</u></b>	<b>1% Increase <u>(5.13%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>67,020,922</u>	\$ <u>56,392,957</u>	\$ <u>47,236,330</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.

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

**E. Post-Retirement Medical Benefits**

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

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

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

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

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

**UPPER SADDLE RIVER 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.

**UPPER SADDLE RIVER 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 \$844,600, \$765,770 and \$627,635 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.

**F. Subsequent Events**

On July 21, 2016, the District entered into a lease agreement to finance the acquisition of 914 chromebooks. The principal amount of the lease purchase is \$513,500. The lease term is for three years with an interest rate of 1.699%.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 20,893,623		\$ 20,893,623	\$ 20,893,623	
Tuition from Individuals	162,500		162,500	196,405	\$ 33,905
Interest on Capital Reserve	300		300	-	(300)
Interest on Deposits				12,792	12,792
Miscellaneous	97,000	-	97,000	73,007	(23,993)
Total Local Sources	<u>21,153,423</u>	<u>-</u>	<u>21,153,423</u>	<u>21,175,827</u>	<u>22,404</u>
State Sources					
Special Education Aid	451,270		451,270	451,270	
Security Aid	19,961		19,961	19,961	
Transportation Aid	35,371		35,371	35,371	
PARCC Readiness Aid	12,770		12,770	12,770	
Per Pupil Growth Aid	12,770		12,770	12,770	
Nonpublic School Transportation				8,526	8,526
Extraordinary Aid				285,552	285,552
On-behalf TPAF (Non-Budget)					
Pension Contribution - Normal Cost				675,659	675,659
NCGI Premium				33,657	33,657
Post Retirement Medical Benefits				844,600	844,600
Social Security Contribution	-	-	-	695,596	695,596
Total State Sources	<u>532,142</u>	<u>-</u>	<u>532,142</u>	<u>3,075,732</u>	<u>2,543,590</u>
Total Revenues	<u>21,685,565</u>	<u>-</u>	<u>21,685,565</u>	<u>24,251,559</u>	<u>2,565,994</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	582,800	\$ 2,729	585,529	585,529	-
Grades 1-5	3,186,329	36,999	3,223,328	3,223,328	-
Grades 6-8	2,625,870	(39,728)	2,586,142	2,482,586	103,556
Regular Programs - Home Instruction					
Salaries of Teachers	5,000		5,000	1,925	3,075
Purchased Prof. - Ed. Services	6,450	1,128	7,578	630	6,948
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	208,100	-	208,100	200,656	7,444
Other Purchased Services	500	-	500	193	307
General Supplies	789,145	31,345	820,490	669,427	151,063
Textbooks	21,850	228	22,078	21,254	824
Total Instruction Regular Programs	<u>7,426,044</u>	<u>32,701</u>	<u>7,458,745</u>	<u>7,185,528</u>	<u>273,217</u>
Learning and/or Language Disabilities					
Salaries of Teachers	125,900	-	125,900	125,850	50
General Supplies	5,650	-	5,650	3,897	1,753
Total Learning and/or Language Disabilities	<u>131,550</u>	<u>-</u>	<u>131,550</u>	<u>129,747</u>	<u>1,803</u>
Resource Room					
Salaries of Teachers	753,900	-	753,900	727,750	26,150
Other Salaries for Instruction	314,900	-	314,900	281,046	33,854
General Supplies	17,500	(437)	17,063	16,713	350
Textbooks	1,275	(1,200)	75	-	75
Total Resource Room	<u>1,087,575</u>	<u>(1,637)</u>	<u>1,085,938</u>	<u>1,025,509</u>	<u>60,429</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	104,600	54,325	158,925	133,584	25,341
General Supplies	950	2,586	3,536	3,526	10
Total Preschool Disabilities - Part Time	<u>105,550</u>	<u>56,911</u>	<u>162,461</u>	<u>137,110</u>	<u>25,351</u>



UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 10,000	-	\$ 10,000	\$ 7,080	\$ 2,920
Purchased Professional - Educational Services	109,580	(35,335)	74,245	40,702	33,543
Total Home Instruction	119,580	(35,335)	84,245	47,782	36,463
Total Special Education	1,444,255	19,939	1,464,194	1,340,148	124,046
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	131,900	-	131,900	126,133	5,767
General Supplies	2,400	359	2,759	2,542	217
Total Basic Skills/Remedial	134,300	359	134,659	128,675	5,984
Bilingual Education					
Salaries of Teachers	34,300	34,125	68,425	65,979	2,446
General Supplies	1,000	780	1,780	1,780	-
Total Bilingual Education	35,300	34,905	70,205	67,759	2,446
School Sponsored Co/Extra Curricular Activities					
Salaries	60,900	-	60,900	39,973	20,927
Supplies and Materials	11,200	-	11,200	8,498	2,702
Total School Sponsored Co/Extra Curricular Activities	72,100	-	72,100	48,471	23,629
School Sponsored Athletics - Instruction					
Salaries	50,100	-	50,100	40,650	9,450
Purchased Services	6,270	-	6,270	1,948	4,322
Supplies and Materials	9,925	(2,000)	7,925	7,094	831
Total School Sponsored Athletics	66,295	(2,000)	64,295	49,692	14,603
Total - Instruction	9,178,294	85,904	9,264,198	8,820,273	443,925
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State-Special	759,483	57,686	817,169	817,169	-
Tuition to Priv. Sch. For Disabled Within the State	506,312	(112,011)	394,301	260,297	134,004
Total Undistributed Expenditures - Instruction	1,265,795	(54,325)	1,211,470	1,077,466	134,004
Health Services					
Salaries	224,500	3,513	228,013	227,988	25
Purchased Professional and Technical Services	1,800	-	1,800	1,800	-
Supplies and Materials	13,900	(2,409)	11,491	11,254	237
Total Health Services	240,200	1,104	241,304	241,042	262
Speech, OT, PT & Related Services					
Salaries	355,500	-	355,500	349,766	5,734
Purchased Professional - Educational Services	192,600	21,654	214,254	162,725	51,529
Supplies and Materials	1,000	-	1,000	862	138
Total Speech, OT, PT & Related Services	549,100	21,654	570,754	513,353	57,401
Other Support Services - Students - Extraordinary Svcs					
Salaries	180,000	(15,084)	164,916	135,540	29,376
Total Other Support Services - Students - Extraordinary Services	180,000	(15,084)	164,916	135,540	29,376

UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Guidance					
Salaries of Other Professional Staff	\$ 285,200	-	\$ 285,200	\$ 283,294	\$ 1,906
Salaries of Secretarial and Clerical Assistants	95,980	\$ (2,000)	93,980	92,972	1,008
Supplies and Materials	8,450	-	8,450	6,311	2,139
<b>Total Guidance</b>	<b>389,630</b>	<b>(2,000)</b>	<b>387,630</b>	<b>382,577</b>	<b>5,053</b>
Child Study Team					
Salaries of Other Professional Staff	639,000	(101)	638,899	588,004	50,895
Salaries of Secretarial and Clerical Assistants	51,500	101	51,601	51,580	21
Purchased Professional - Educational Services	20,000	-	20,000	13,945	6,055
Other Purchased Prof. and Technical Services	30,000	2,470	32,470	14,450	18,020
Other Purchased Services	1,000	-	1,000	996	4
Supplies and Materials	21,700	-	21,700	16,906	4,794
Other Objects	3,600	-	3,600	2,769	831
<b>Total Child Study Team</b>	<b>766,800</b>	<b>2,470</b>	<b>769,270</b>	<b>688,650</b>	<b>80,620</b>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	86,600	25,775	112,375	112,375	-
Purchased Prof. - Ed. Services	75,000	2,082	77,082	77,082	-
Supplies and Materials	5,000	(459)	4,541	4,200	341
<b>Total Improvement of Instructional Services</b>	<b>166,600</b>	<b>27,398</b>	<b>193,998</b>	<b>193,657</b>	<b>341</b>
Educational Media Services/School Library					
Salaries	224,300	-	224,300	168,693	55,607
Salaries of Technology Coordinators	148,700	-	148,700	147,802	898
Supplies and Materials	42,455	1,579	44,034	41,707	2,327
<b>Total Educational Media Services/School Library</b>	<b>415,455</b>	<b>1,579</b>	<b>417,034</b>	<b>358,202</b>	<b>58,832</b>
Instructional Staff Training Services					
Salaries of Other Professional Staff	24,600	5,638	30,238	30,238	-
Purchased Prof. - Ed. Services	135,125	(53,146)	81,979	58,634	23,345
Other Purchased Professional and Tech Services	73,000	(10,333)	62,667	34,943	27,724
Other Purchased Services	12,350	443	12,793	5,477	7,316
Supplies and Materials	4,275	-	4,275	1,794	2,481
Other Objects	1,149	-	1,149	199	950
<b>Total Instructional Staff Training Services</b>	<b>250,499</b>	<b>(57,398)</b>	<b>193,101</b>	<b>131,285</b>	<b>61,816</b>
Support Services General Administration					
Salaries	243,300	-	243,300	242,455	845
Legal Services	50,000	(6,992)	43,008	23,130	19,878
Audit Fees	30,000	20,400	50,400	23,205	27,195
Architectural/Engineering Services	20,000	(4,761)	15,239	501	14,738
Other Purchased Professional Service	20,000	19,242	39,242	30,242	9,000
Purchased Technical Services	37,350	22,611	59,961	59,961	-
Communications/Telephone	105,779	(17,152)	88,627	62,750	25,877
BOE Other Purchased Services	12,000	(647)	11,353	4,035	7,318
Miscellaneous Purchased Services	25,000	(3,303)	21,697	19,797	1,900
General Supplies	22,600	(1,934)	20,666	10,181	10,485
Miscellaneous Expenditures	31,950	-	31,950	23,612	8,338
<b>Total Support Services General Administration</b>	<b>597,979</b>	<b>27,464</b>	<b>625,443</b>	<b>499,869</b>	<b>125,574</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	565,100	(2,645)	562,455	547,441	15,014
Salaries of Secretarial and Clerical Assistants	176,200	-	176,200	174,560	1,640
Other Purchased Services	57,450	6,373	63,823	62,452	1,371
Supplies and Materials	48,300	986	49,286	45,964	3,322
Other Objects	5,700	2,229	7,929	7,699	230
<b>Total Support Services School Administration</b>	<b>852,750</b>	<b>6,943</b>	<b>859,693</b>	<b>838,116</b>	<b>21,577</b>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 351,500	-	\$ 351,500	\$ 350,464	\$ 1,036
Purchased Technical Services	10,500	-	10,500	10,056	444
Miscellaneous Purchased Services	1,500	-	1,500	800	700
General Supplies	10,000	-	10,000	9,253	747
Miscellaneous Expenditures	5,550	-	5,550	3,187	2,363
Total Central Services	<u>379,050</u>	<u>-</u>	<u>379,050</u>	<u>373,760</u>	<u>5,290</u>
Required Maintenance for School Facilities					
Salaries	92,000	\$ (1,226)	90,774	90,774	
Cleaning, Repair, and Maint. Services	409,100	23,157	432,257	412,257	20,000
General Supplies	5,800	50,065	55,865	34,140	21,725
Total Required Maintenance of School Facilities	<u>506,900</u>	<u>71,996</u>	<u>578,896</u>	<u>537,171</u>	<u>41,725</u>
Custodial Services					
Salaries	992,800	(39,649)	953,151	929,040	24,111
Cleaning, Repair, and Maintenance Services	49,500	(9,584)	39,916	33,988	5,928
Other Purchase Property Services	1,000	304	1,304	1,119	185
Insurance	135,000	(7,314)	127,686	126,820	866
Miscellaneous Purchased Services		399	399	399	-
General Supplies	146,500	4,433	150,933	146,621	4,312
Energy (Natural Gas)	135,000	(31,593)	103,407	96,636	6,771
Energy (Electricity)	235,000	(27,884)	207,116	207,116	-
Energy (Oil)	4,000	-	4,000	525	3,475
Other Objects	8,825	(399)	8,426	5,239	3,187
Total Custodial Services	<u>1,707,625</u>	<u>(111,287)</u>	<u>1,596,338</u>	<u>1,547,503</u>	<u>48,835</u>
Student Transportation Services					
Contracted Services - Aid in Lieu Payments - Non Public Schools	50,000	-	50,000	40,310	9,690
Contracted Services (Than Between Home & School) - Vendors	135,000	-	135,000	116,349	18,651
Contracted Services (Other Than Between Home & School) - Vendors	32,000	-	32,000	27,648	4,352
Contracted Services (Special Education) - Joint Agreement	325,000	-	325,000	267,555	57,445
Total Student Transportation Services	<u>542,000</u>	<u>-</u>	<u>542,000</u>	<u>451,862</u>	<u>90,138</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	260,000	1,684	261,684	261,684	-
Other Retirement Contributions - PERS	296,000	(13,684)	282,316	247,881	34,435
Other Retirement Contributions - DCRP		12,000	12,000	8,039	3,961
Unemployment Compensation	75,000	-	75,000	8,229	66,771
Workmen's Compensation	130,000	-	130,000	105,676	24,324
Health Benefits	3,886,471	(2,197)	3,884,274	3,651,347	232,927
Tuition Reimbursement	65,000	3,029	68,029	63,621	4,408
Total Unallocated Benefits-Employee Benefits	<u>4,712,471</u>	<u>832</u>	<u>4,713,303</u>	<u>4,346,477</u>	<u>366,826</u>
On-behalf TPAF (Non-Budget)					
Pension Contribution - Normal Cost				675,659	(675,659)
NCCI Premium				33,657	(33,657)
Post Retirement Medical Benefits				844,600	(844,600)
Social Security Contr.	-	-	-	695,596	(695,596)
Total TPAF - On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,249,512</u>	<u>(2,249,512)</u>
Total Undistributed Expenditures	<u>13,522,854</u>	<u>(78,654)</u>	<u>13,444,200</u>	<u>14,566,042</u>	<u>(1,121,842)</u>
Total Current Expenditures	<u>22,701,148</u>	<u>7,250</u>	<u>22,708,398</u>	<u>23,386,315</u>	<u>(677,917)</u>

UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	\$ 300	-	\$ 300	-	\$ 300
<b>Equipment</b>					
Undistributed Expenditures - Instruction	32,500	-	32,500	\$ 32,038	462
Undistributed Expenditures - School Administration		\$ 15,149	15,149	15,149	
Undistributed Expenditures - Custodial	10,000	(3,104)	6,896	6,896	
Undistributed Expenditures - Support Services	-	4,000	4,000	4,000	-
Total Undistributed Expenditures	42,500	16,045	58,545	58,083	462
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	-	5,195	5,195	5,195	-
Architectural/Engineering Services	60,000	(60,000)	-	-	-
Land and Improvements	215,000	(215,000)	-	-	-
Total Facilities Acquisition and Construction Services	275,000	(269,805)	5,195	5,195	-
Total Capital Outlay	317,800	(253,760)	64,040	63,278	762
Total General Fund Expenditures	23,018,948	(246,510)	22,772,438	23,449,593	(677,155)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,333,383)	246,510	(1,086,873)	801,966	1,888,839
Other Financing Sources and (Uses) Transfers Out	(300,000)	(319,170)	(619,170)	(619,170)	-
Total Other Financing Sources	(300,000)	(319,170)	(619,170)	(619,170)	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,633,383)	(72,660)	(1,706,043)	182,796	1,888,839
Fund Balances, Beginning of Year	4,456,555	-	4,456,555	4,456,555	-
Fund Balances, End of Year	\$ 2,823,172	\$ (72,660)	\$ 2,750,512	\$ 4,639,351	\$ 1,888,839
<b>Recapitulation</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Designated for Subsequent Year's (2016/17) Budget				\$ 1,094,431	
Excess Surplus				1,000,939	
Capital Reserve				1,018,513	
Capital Reserve - Designated for Subsequent Year's (2016/17) Budget				300,000	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's (2016/17) Budget				321,189	
Encumbrances				173,816	
Unassigned Fund Balance				730,463	
				4,639,351	
Reconciliation to Governmental Fund Statements (GAAP) 2015/2016 State Aid Payments Not Recognized on a GAAP Basis				338,768	
Fund Balance per Governmental Funds (GAAP)				\$ 4,300,583	

**UPPER SADDLE RIVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources		\$ 123,340	\$ 123,340	\$ 123,340	
Intergovernmental					
Federal	\$ 230,000	135,184	365,184	358,517	\$ (6,667)
Total Revenues	<u>230,000</u>	<u>258,524</u>	<u>488,524</u>	<u>481,857</u>	<u>(6,667)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		60,871	60,871	60,871	-
Supplies and Materials	-	86,460	86,460	86,460	-
Total Instruction	<u>-</u>	<u>147,331</u>	<u>147,331</u>	<u>147,331</u>	<u>-</u>
Support Services					
Other Salaries for Instruction	215,000	47,170	262,170	262,170	-
Employee Benefits		19,738	19,738	19,738	
Purchased Professional/Educational Services	15,000	5,907	20,907	14,240	6,667
Cleaning, Repairs and Maintenance		19,396	19,396	19,396	
General Supplies	-	12,072	12,072	12,072	-
Total Support Services	<u>230,000</u>	<u>104,283</u>	<u>334,283</u>	<u>327,616</u>	<u>6,667</u>
Facilities Acquisition and Construction Services					
Non-Instructional Equipment	-	6,910	6,910	6,910	-
Total Facilities Acq. and Construction Svcs	<u>-</u>	<u>6,910</u>	<u>6,910</u>	<u>6,910</u>	<u>-</u>
Total Expenditures	<u>230,000</u>	<u>258,524</u>	<u>488,524</u>	<u>481,857</u>	<u>6,667</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
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. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/Inflows of Resources</b>		
Actual Revenues (budgetary basis)		
budgetary comparison schedule	\$ 24,251,559	\$ 481,857
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	(338,768)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes - Prior Year	<u>401,741</u>	<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 24,314,532</u>	<u>\$ 481,857</u>
<b>Uses/Outflows of Resources</b>		
Actual expenditures (budgetary basis)		
(Exhibits C-1 and C-2)	<u>\$ 23,449,593</u>	<u>\$ 481,857</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,449,593</u>	<u>\$ 481,857</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**UPPER SADDLE RIVER 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)	0.02883 %	0.03150 %	0.02806 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,472,288	\$ 5,899,218	\$ 5,362,966
District's Covered-Employee Payroll	\$ 2,029,156	\$ 2,026,624	\$ 1,990,254
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	319%	291%	269%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

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



**UPPER SADDLE RIVER 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	\$ 247,881	\$ 248,869	\$ 222,312
Contributions in Relation to the Contractually Required Contributions	<u>247,881</u>	<u>248,869</u>	<u>222,312</u>
Contribution Deficiency (Excess)	-	-	-
District's Covered- Employee Payroll	\$ 2,029,156	\$ 2,026,624	\$ 1,990,254
Contributions as a Percentage of Covered-Employee Payroll	12.22%	12.28%	11.17%

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.

**UPPER SADDLE RIVER 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)	- %	- %	- %
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>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
Total	<u>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
District's Covered-Employee Payroll	\$ 9,185,713	\$ 9,006,986	\$ 9,071,340
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.

**UPPER SADDLE RIVER 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 contributions are presented in Note 5.

**SPECIAL REVENUE FUND**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>N.C.L.B.</u>		<u>I.D.E.I.A. Part B</u>		<u>Donations</u>	
	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Basic</u>	<u>Preschool</u>	<u>Miscellaneous Donations</u>	<u>Total</u>
<b>REVENUES</b>						
Local Sources					\$ 123,340	\$ 123,340
Intergovernmental						
Federal	\$ 80,609	\$ 15,738	\$ 249,656	\$ 12,514	-	358,517
Total Revenues	<u>80,609</u>	<u>15,738</u>	<u>249,656</u>	<u>12,514</u>	<u>123,340</u>	<u>481,857</u>
<b>EXPENDITURES</b>						
Instruction						
Salaries of Teachers	60,871	-	-	-		60,871
Supplies and Materials	-	-	-	-	86,460	86,460
Total Support Services	<u>60,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,460</u>	<u>147,331</u>
Support Services						
Other Salaries for Instruction			249,656	12,514		262,170
Employee Benefits	19,738					19,738
Purchased Prof. Ed. Services		14,240				14,240
Cleaning, Repairs and Maintenance					19,396	19,396
General Supplies	-	1,498	-	-	10,574	12,072
Total Support Services	<u>19,738</u>	<u>15,738</u>	<u>249,656</u>	<u>12,514</u>	<u>29,970</u>	<u>327,616</u>
Facilities Acquisition and Construction Services						
Non-Instructional Equipment	-	-	-	-	6,910	6,910
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,910</u>	<u>6,910</u>
Total Expenditures	<u>80,609</u>	<u>15,738</u>	<u>249,656</u>	<u>12,514</u>	<u>123,340</u>	<u>481,857</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures						
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CAPITAL PROJECTS FUND**

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

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance June 30, 2016</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Replace Curtain Wall and Partial Window Replacement at Cavallini Middle School	\$ 634,398	\$ 245,390		\$ 389,008
Partial Window Replacement at Cavallini Middle School - Phase II	300,000	-	\$ 272,927	27,073
Partial Window Replacement at Cavallini Middle School - Phase III	266,900		28,128	238,772
Emergency Generator at Cavallini Middle School	<u>352,270</u>	<u>-</u>	<u>85,981</u>	<u>266,289</u>
	<u>\$ 1,553,568</u>	<u>\$ 245,390</u>	<u>\$ 387,036</u>	921,142
 <b><u>Reconciliation to GAAP Basis</u></b>				
Less:				
Unearned Revenue				<u>155,603</u>
Fund Balance, June 30, 2016-GAAP Basis				<u>\$ 765,539</u>
 <b><u>Recapitulation of Fund Balance</u></b>				
Restricted for Capital Projects:				
Encumbrances				\$ 505,061
Available for Capital Projects				<u>260,478</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 765,539</u>

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

**Revenues and Other Financing Sources**

Other Financing Sources	
Transfer from Capital Outlay	\$ 319,170
Transfer from Capital Reserve	<u>300,000</u>
 Total Revenues and Other Financing Sources	 <u>619,170</u>

**Expenditures**

Architect/Engineering Fees	66,536
Construction Services	<u>320,500</u>
 Total Expenditures	 <u>387,036</u>

Excess Revenues Over Expenditures	232,134
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Fund Balance, Beginning of Year	<u>689,008</u>
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Fund Balance, End of Year	<u>\$ 921,142</u>
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Fund Balance Budgetary Basis	\$ 921,142
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Less: Unearned Revenue	<u>155,603</u>
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Fund Balance GAAP Basis	<u>\$ 765,539</u>
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**UPPER SADDLE RIVER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
REPLACE CURTAIN WALL AND PARTIAL WINDOW REPLACEMENT AT CAVALLINI MIDDLE SCHOOL  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
SDA Grant	\$ 253,759		\$ 253,759	\$ 253,759
Transfer from Capital Outlay	225,000		225,000	225,000
Transfer from Capital Reserve	155,639	-	155,639	155,639
	<u>634,398</u>	<u>-</u>	<u>634,398</u>	<u>634,398</u>
Total Revenues				
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Construction Services	245,390	-	245,390	634,398
	<u>245,390</u>	<u>-</u>	<u>245,390</u>	<u>634,398</u>
Total Expenditures and Other Financing Uses				
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 389,008</u>	<u>\$ -</u>	<u>\$ 389,008</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	#5330-050-14-1001
Grant Date	May 21, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
SDA Grant Authorized	\$ 253,759
Capital Outlay	225,000
Capital Reserve	155,639
Original Authorized Cost	634,398
Increase/(Decrease)	
Revised Authorized Cost	634,398

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	38.68%
Original Target Completion Date	June 30, 2015
Revised Completion Date	June 30, 2015

**UPPER SADDLE RIVER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
PARTIAL WINDOW REPLACEMENT AT CAVALLINI MIDDLE SCHOOL - Phase II  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from Capital Reserve	\$ 300,000	-	\$ 300,000	\$ 300,000
Total Revenues	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Architect and Engineering Fees		\$ 6,427	6,427	6,437
Construction Services	-	<u>266,500</u>	<u>266,500</u>	<u>293,563</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>272,927</u>	<u>272,927</u>	<u>300,000</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 300,000</u>	<u>\$ (272,927)</u>	<u>\$ 27,073</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
SDA Grant Authorized	N/A
Capital Outlay	
Capital Reserve	\$ 300,000
Original Authorized Cost	300,000
Increase/(Decrease)	
Revised Authorized Cost	300,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	90.98%
Original Target Completion Date	June 30, 2016
Revised Completion Date	June 30, 2016

**UPPER SADDLE RIVER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
PARTIAL WINDOW REPLACEMENT AT CAVALLINI MIDDLE SCHOOL - Phase III  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from Capital Reserve	-	\$ 266,900	\$ 266,900	\$ 266,900
Total Revenues	-	266,900	266,900	266,900
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Architect and Engineering Fees		28,128	28,128	31,500
Construction Services	-	-	-	235,400
Total Expenditures and Other Financing Uses	-	28,128	28,128	266,900
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 238,772	\$ 238,772	\$ -
Additional Project Information:				
Project Number		N/A		
SDA Grant Authorized		N/A		
Capital Reserve	\$	300,000		
Original Authorized Cost	\$	300,000		
Increase/(Decrease)		(33,100)		
Revised Authorized Cost		266,900		
Percentage Increase Over Original Authorized Cost		-11.03%		
Percentage Completion		10.54%		
Original Target Completion Date		December 31, 2016		
Revised Completion Date		December 31, 2016		

**UPPER SADDLE RIVER BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
EMERGENCY GENERATOR PROJECT AT CAVALLINI MIDDLE SCHOOL  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from Capital Outlay		\$ 319,170	\$ 319,170	\$ 319,170
Transfer from Capital Reserve	-	33,100	33,100	33,100
Total Revenues	-	352,270	352,270	352,270
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Architect and Engineering Fees		31,981	31,981	41,000
Construction Services	-	54,000	54,000	311,270
Total Expenditures and Other Financing Uses	-	85,981	85,981	352,270
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 266,289	\$ 266,289	\$ -
Additional Project Information:				
Project Number		N/A		
SDA Grant Authorized		N/A		
Capital Outlay	\$	319,170		
Capital Reserve		33,100		
Original Authorized Cost	\$	256,000		
Increase/(Decrease)		96,270		
Revised Authorized Cost		352,270		
Percentage Increase Over Original Authorized Cost		37.61%		
Percentage Completion		24.41%		
Original Target Completion Date		December 31, 2016		
Revised Completion Date		December 31, 2016		

**ENTERPRISE FUNDS**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total NonMajor Enterprise Funds</u>
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 1,086	\$ 116,165	\$ 23,238	\$ 140,489
Capital Assets				
Furniture, Machinery, and Equipment	4,650			4,650
Less: Accumulated Depreciation	<u>(4,650)</u>	<u>-</u>	<u>-</u>	<u>(4,650)</u>
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,086</u>	<u>116,165</u>	<u>23,238</u>	<u>140,489</u>
<b>LIABILITIES</b>				
Current Liabilities				
Due to Other Funds		16,205		16,205
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>-</u>	<u>16,205</u>	<u>-</u>	<u>16,205</u>
<b>NET POSITION</b>				
Unrestricted	<u>1,086</u>	<u>99,960</u>	<u>23,238</u>	<u>124,284</u>
Total Net Position	<u>\$ 1,086</u>	<u>\$ 99,960</u>	<u>\$ 23,238</u>	<u>\$ 124,284</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total NonMajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Daily Sales	\$ 7,738			\$ 7,738
Program Fees	-	\$ 60,639	\$ 369,808	430,447
	<u>7,738</u>	<u>60,639</u>	<u>369,808</u>	<u>438,185</u>
Total Operating Revenues				
<b>OPERATING EXPENSES</b>				
Salaries and Wages	3,000	29,630	315,946	348,576
Personnel Services - Employee Benefits			28,250	28,250
Cost of Sales	5,335			5,335
Other Purchase Services		13,698	724	14,422
Supplies and Materials		3,947		3,947
Miscellaneous			1,650	1,650
Depreciation Expense	723	-	-	723
	<u>9,058</u>	<u>47,275</u>	<u>346,570</u>	<u>402,903</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(1,320)</u>	<u>13,364</u>	<u>23,238</u>	<u>35,282</u>
<b>NONOPERATING REVENUES</b>				
Interest Revenue	17	376	-	393
	<u>17</u>	<u>376</u>	<u>-</u>	<u>393</u>
Total Nonoperating Revenues				
Change in Net Position	(1,303)	13,740	23,238	35,675
Net Position, Beginning of Year	<u>2,389</u>	<u>86,220</u>	<u>-</u>	<u>88,609</u>
Net Position, End of Year	<u>\$ 1,086</u>	<u>\$ 99,960</u>	<u>\$ 23,238</u>	<u>\$ 124,284</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total NonMajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from Customers	\$ 7,738	\$ 60,639	\$ 369,808	\$ 438,185
Payments for Employees Salaries	(3,000)	(13,425)	(344,196)	(360,621)
Payments to Suppliers for Goods and Services	<u>(5,762)</u>	<u>(17,645)</u>	<u>(2,374)</u>	<u>(25,781)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(1,024)</u>	<u>29,569</u>	<u>23,238</u>	<u>51,783</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments to Other Funds	<u>-</u>	<u>-</u>	<u>(21,595)</u>	<u>(21,595)</u>
Net Cash (Used by) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(21,595)</u>	<u>(21,595)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	<u>17</u>	<u>376</u>	<u>-</u>	<u>393</u>
Net Cash Provided by Investing Activities	<u>17</u>	<u>376</u>	<u>-</u>	<u>393</u>
Net Change in Cash and Cash Equivalents	(1,007)	29,945	1,643	30,581
Cash and Cash Equivalents, Beginning of Year	<u>2,093</u>	<u>86,220</u>	<u>21,595</u>	<u>109,908</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,086</u>	<u>\$ 116,165</u>	<u>\$ 23,238</u>	<u>\$ 140,489</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	<u>\$ (1,320)</u>	<u>\$ 13,364</u>	<u>\$ 23,238</u>	<u>\$ 35,282</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities				
Change in Assets and Liabilities				
Depreciation	723			723
Increase/(Decrease) in Due to Other Funds		16,205		16,205
Increase/(Decrease) in Accounts Payable	<u>(427)</u>	<u>-</u>	<u>-</u>	<u>(427)</u>
Total Adjustments	<u>296</u>	<u>16,205</u>	<u>-</u>	<u>16,501</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (1,024)</u>	<u>\$ 29,569</u>	<u>\$ 23,238</u>	<u>\$ 51,783</u>



**FIDUCIARY FUNDS**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Student</u> <u>Activity</u>	<u>Agency</u> <u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 51,053	\$ 511,619	\$ 562,672
Total Assets	<u>\$ 51,053</u>	<u>\$ 511,619</u>	<u>\$ 562,672</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 34,287	\$ 34,287
Accrued Salaries and Wages		469,835	469,835
Other Liabilities		6,629	6,629
Due to Other Funds		868	868
Due to Student Groups	<u>\$ 51,053</u>	<u>-</u>	<u>51,053</u>
Total Liabilities	<u>\$ 51,053</u>	<u>\$ 511,619</u>	<u>\$ 562,672</u>

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

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

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

<u>School</u>	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
Bogert	\$ 13,288	\$ 32,644	\$ 32,574	\$ 13,358
Reynolds	15,972	22,273	19,560	18,685
Cavallini	<u>20,141</u>	<u>53,517</u>	<u>54,648</u>	<u>19,010</u>
Total	<u>\$ 49,401</u>	<u>\$ 108,434</u>	<u>\$ 106,782</u>	<u>\$ 51,053</u>

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

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
<b>ASSETS</b>				
Cash	<u>\$ 499,315</u>	<u>\$ 15,343,496</u>	<u>\$ 15,331,192</u>	<u>\$ 511,619</u>
Totals	<u>\$ 499,315</u>	<u>\$ 15,343,496</u>	<u>\$ 15,331,192</u>	<u>\$ 511,619</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 41,672	\$ 7,021,537	\$ 7,028,922	\$ 34,287
Accrued Salaries and Wages	450,692	8,321,413	8,302,270	469,835
Due to Other Funds	345	523		868
Other Liabilities	<u>6,606</u>	<u>23</u>	<u>-</u>	<u>6,629</u>
Totals	<u>\$ 499,315</u>	<u>\$ 15,343,496</u>	<u>\$ 15,331,192</u>	<u>\$ 511,619</u>

**LONG-TERM DEBT**

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

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<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>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	12/15/2004	\$ 6,480,000	12/15/2016	\$ 645,000	3.750 %	\$ 3,310,000			
			12/15/2017	665,000	3.750				
			12/15/2018	680,000	3.875				
			12/15/2019	690,000	4.000				
							\$ 630,000	\$ 2,680,000	
School Bonds (BCIA)	7/7/2009	715,775	12/15/2016-2018	47,718	1.21	429,467		47,718	381,749
			12/15/2019-2023	47,719					
Refunding Bonds	11/29/2012	3,255,000	7/15/2016	365,000	4.00	2,770,000			
			7/15/2017	370,000	3.00				
			7/15/2018-2019	380,000	3.00				
			7/15/2020	225,000	3.00				
			7/15/2021	230,000	2.00				
			7/15/2022	235,000	2.00				
			7/15/2023	240,000	2.00				
							345,000	2,425,000	
						\$ 6,509,467	\$ -	\$ 1,022,718	\$ 5,486,749

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 912,440		\$ 912,440	\$ 912,440	
State Sources					
Debt Service Aid	305,387	-	305,387	305,387	-
Total Revenues	<u>1,217,827</u>	<u>-</u>	<u>1,217,827</u>	<u>1,217,827</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,022,719		1,022,719	1,022,718	\$ 1
Interest	195,108	-	195,108	195,108	-
Total Expenditures	<u>1,217,827</u>	<u>-</u>	<u>1,217,827</u>	<u>1,217,826</u>	<u>1</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	1	1
Other Financing Sources					
Transfer In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	1	1
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Recapitulation of Fund Balance: Restricted for Debt Service				<u>\$ 1</u>	

**UPPER SADDLE RIVER BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2016</u>
2013- Copiers	Various	80,724	\$ 50,463		\$ 16,116	\$ 34,347
2014-Copiers	Various	152,302	<u>135,959</u>	<u>\$ -</u>	<u>28,886</u>	<u>107,073</u>
			<u>\$ 186,422</u>	<u>\$ -</u>	<u>\$ 45,002</u>	<u>\$ 141,420</u>

## STATISTICAL SECTION

This part of the Upper Saddle River 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.



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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					(1)					
Governmental Activities										
Net Investment in Capital Assets	\$ 3,684,903	\$ 3,916,045	\$ 4,595,911	\$ 4,749,158	\$ 5,005,659	\$ 5,440,930	\$ 6,875,092	\$ 7,438,818	\$ 8,157,043	\$ 8,984,318
Restricted	339,147	339,755	240,942	248,520	894,298	1,688,399	1,090,083	1,500,463	1,701,918	2,084,052
Unrestricted	539,766	486,551	458,871	1,100,250	1,236,119	1,852,310	2,059,799	2,105,866	(3,374,913)	(3,519,853)
Total Governmental Activities Net Position	<u>\$ 4,563,816</u>	<u>\$ 4,742,351</u>	<u>\$ 5,295,724</u>	<u>\$ 6,097,928</u>	<u>\$ 7,136,076</u>	<u>\$ 8,981,639</u>	<u>\$ 10,024,974</u>	<u>\$ 11,045,147</u>	<u>\$ 6,484,048</u>	<u>\$ 7,548,517</u>
Business-Type Activities										
Investment in Capital Assets	\$ 3,645	\$ 3,328	\$ 3,011	\$ 2,694	\$ 4,443	\$ 3,513	\$ 2,583	\$ 1,653	\$ 723	
Unrestricted	1,159	833	5,438	41,754	43,003	52,656	67,729	82,453	87,886	\$ 124,284
Total Business-Type Activities Net Assets	<u>\$ 4,804</u>	<u>\$ 4,161</u>	<u>\$ 8,449</u>	<u>\$ 44,448</u>	<u>\$ 47,446</u>	<u>\$ 56,169</u>	<u>\$ 70,312</u>	<u>\$ 84,106</u>	<u>\$ 88,609</u>	<u>\$ 124,284</u>
District-Wide										
Net Investment in Capital Assets	\$ 3,688,548	\$ 3,919,373	\$ 4,598,922	\$ 4,751,852	\$ 5,010,102	\$ 5,444,443	\$ 6,877,675	\$ 7,440,471	\$ 8,157,766	\$ 8,984,318
Restricted	339,147	339,755	240,942	248,520	894,298	1,688,399	1,090,083	1,500,463	1,701,918	2,084,052
Unrestricted	540,925	487,384	464,309	1,142,004	1,279,122	1,904,966	2,127,528	2,188,319	(3,287,027)	(3,395,569)
Total District Net Position	<u>\$ 4,568,620</u>	<u>\$ 4,746,512</u>	<u>\$ 5,304,173</u>	<u>\$ 6,142,376</u>	<u>\$ 7,183,522</u>	<u>\$ 9,037,808</u>	<u>\$ 10,095,286</u>	<u>\$ 11,129,253</u>	<u>\$ 6,572,657</u>	<u>\$ 7,672,801</u>

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

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

	Fiscal Year Ended June 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 9,056,227	\$ 9,637,823	\$ 9,086,495	\$ 9,399,908	\$ 9,271,906	\$ 8,964,853	\$ 9,881,525	\$ 10,113,325	\$ 11,680,775	\$ 12,492,130
Special Education	3,151,899	3,388,312	3,413,326	3,628,533	3,409,545	3,346,003	3,368,583	3,201,829	3,665,144	3,647,796
Other Instruction	229,509	212,034	249,749	247,671	131,803	124,623	137,514	168,694	187,415	432,817
School Sponsored Activities And Athletics	93,854	110,284	107,340	112,202	124,692	139,724	110,029	140,718	158,503	144,582
Support Services:										
Student And Instruction Related Services	2,763,917	2,883,730	2,903,425	3,016,212	2,972,735	3,206,907	3,490,179	3,646,526	4,117,637	4,344,731
General Administration	614,799	692,752	614,368	362,959	684,539	550,256	728,332	704,781	713,830	670,222
School Administrative Services	1,020,128	1,023,266	1,027,017	1,071,839	1,127,290	1,163,359	1,217,660	1,166,331	1,341,332	1,389,737
Plant Operations And Maintenance	2,512,371	2,478,070	2,492,157	2,660,729	2,800,157	2,852,597	2,936,625	2,948,702	3,116,097	3,279,385
Pupil Transportation	479,721	551,772	588,412	545,657	462,360	462,418	416,143	387,319	450,242	451,862
Business And Other Support Services	392,728	408,931	438,273	481,288	490,719	512,838	523,520	544,643	582,981	614,330
Interest On Long-Term Debt	495,927	449,997	417,104	349,943	301,379	475,877	416,959	412,023	253,353	216,137
<b>Total Governmental Activities Expenses</b>	<b>20,811,080</b>	<b>21,836,971</b>	<b>21,337,666</b>	<b>22,276,941</b>	<b>21,977,125</b>	<b>21,799,455</b>	<b>23,227,069</b>	<b>23,434,891</b>	<b>26,267,309</b>	<b>27,683,729</b>
Business-Type Activities:										
Food Service	9,329	10,113	17,223	8,677	17,269	12,512	12,630	10,099	14,531	9,058
LEAP Program				48,840	44,208	35,264	41,843	37,253	43,000	47,275
QUAD Tech Program									249,687	346,570
<b>Total Business-Type Activities Expense</b>	<b>9,329</b>	<b>10,113</b>	<b>17,223</b>	<b>57,517</b>	<b>61,477</b>	<b>47,776</b>	<b>54,473</b>	<b>47,352</b>	<b>307,218</b>	<b>402,903</b>
<b>Total District Expenses</b>	<b>\$ 20,820,409</b>	<b>\$ 21,847,084</b>	<b>\$ 21,354,889</b>	<b>\$ 22,334,458</b>	<b>\$ 22,038,602</b>	<b>\$ 21,847,231</b>	<b>\$ 23,281,542</b>	<b>\$ 23,482,243</b>	<b>\$ 26,574,527</b>	<b>\$ 28,086,632</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Regular Education	\$ 56,929	\$ 69,920	\$ 59,475	\$ 69,807	\$ 141,746	\$ 214,800	\$ 206,385	\$ 174,405	\$ 135,475	\$ 196,405
Special Education	55,856	43,985	14,013	3,346	2,640	40,352	-	37,500	32,813	
Operating Grants And Contributions	2,962,612	3,017,293	2,404,328	2,884,663	1,911,075	2,529,151	2,945,486	2,734,848	5,148,326	6,329,004
Capital Grants And Contributions	-	37,384	-	-	-	-	-	-	98,156	
<b>Total Governmental Activities Program Revenues</b>	<b>3,075,397</b>	<b>3,168,582</b>	<b>2,477,816</b>	<b>2,957,816</b>	<b>2,055,461</b>	<b>2,784,303</b>	<b>3,151,871</b>	<b>2,946,753</b>	<b>5,414,770</b>	<b>6,525,409</b>
Business-Type Activities:										
Charges For Services:										
Food Service	2,926	3,020	13,980	13,879	12,973	11,692	12,203	11,079	10,155	7,738
LEAP Program				59,793	53,737	44,515	56,030	49,615	51,536	60,639
QUAD Tech Program									249,687	369,808
Operating Grants And Contributions	5,267	6,397	7,426							
<b>Total Business Type Activities Program Revenues</b>	<b>8,193</b>	<b>9,417</b>	<b>21,406</b>	<b>73,672</b>	<b>66,710</b>	<b>56,207</b>	<b>68,233</b>	<b>60,694</b>	<b>311,378</b>	<b>438,185</b>
<b>Total District Program Revenues</b>	<b>\$ 3,083,590</b>	<b>\$ 3,177,999</b>	<b>\$ 2,499,222</b>	<b>\$ 3,031,488</b>	<b>\$ 2,122,171</b>	<b>\$ 2,840,510</b>	<b>\$ 3,220,104</b>	<b>\$ 3,007,447</b>	<b>\$ 5,726,148</b>	<b>\$ 6,963,594</b>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (17,735,683)	\$ (18,668,389)	\$ (18,859,850)	\$ (19,319,125)	\$ (19,921,664)	\$ (19,015,152)	\$ (20,075,198)	\$ (20,488,138)	\$ (20,852,539)	\$ (21,158,320)
Business-Type Activities	(1,136)	(696)	4,183	16,155	5,233	8,431	13,760	13,342	4,160	35,282
<b>Total District-Wide Net Expense</b>	<u>\$ (17,736,819)</u>	<u>\$ (18,669,085)</u>	<u>\$ (18,855,667)</u>	<u>\$ (19,302,970)</u>	<u>\$ (19,916,431)</u>	<u>\$ (19,006,721)</u>	<u>\$ (20,061,438)</u>	<u>\$ (20,474,796)</u>	<u>\$ (20,848,379)</u>	<u>\$ (21,123,038)</u>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes										
Levied For General Purposes	\$ 16,723,037	\$ 17,560,199	\$ 18,262,609	\$ 18,670,605	\$ 19,378,221	\$ 19,422,319	\$ 19,713,654	\$ 20,082,298	\$ 20,483,944	\$ 20,893,623
Levied For Debt Service	737,134	755,836	752,059	1,078,388	952,599	1,060,039	980,396	915,295	898,438	912,440
Unrestricted Grants And Contributions	104,502	127,106	42,448					32	22,986	25,540
State Aid Restricted For Debt Service	293,149	292,640	291,741	290,479	415,494	293,733	324,124	321,062	283,587	305,387
Donations Of Capital Assets								10,000		
Investment Earnings	155,911	98,659	29,130	24,375	23,168	8,672	12,321	13,995	10,154	12,792
Miscellaneous Income	2,112	12,484	35,236	57,482	190,330	75,952	88,038	165,629	22,503	73,007
Loss on Disposal of Capital Assets									(67,206)	
<b>Total Governmental Activities</b>	<u>18,015,845</u>	<u>18,846,924</u>	<u>19,413,223</u>	<u>20,121,329</u>	<u>20,959,812</u>	<u>20,860,715</u>	<u>21,118,533</u>	<u>21,508,311</u>	<u>21,654,406</u>	<u>22,222,789</u>
Business-Type Activities:										
Miscellaneous Income	1,000									
Investment Earnings	72	53	105	373	459	292	383	452	343	393
Loss on Disposal of Asset					(2,694)					
<b>Total Business-Type Activities</b>	<u>1,072</u>	<u>53</u>	<u>105</u>	<u>373</u>	<u>(2,235)</u>	<u>292</u>	<u>383</u>	<u>452</u>	<u>343</u>	<u>393</u>
<b>Total District-Wide</b>	<u>\$ 18,016,917</u>	<u>\$ 18,846,977</u>	<u>\$ 19,413,328</u>	<u>\$ 20,121,702</u>	<u>\$ 20,957,577</u>	<u>\$ 20,861,007</u>	<u>\$ 21,118,916</u>	<u>\$ 21,508,763</u>	<u>\$ 21,654,749</u>	<u>\$ 22,223,182</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ 280,162	\$ 178,535	\$ 553,373	\$ 802,204	\$ 1,038,148	\$ 1,845,563	\$ 1,043,335	\$ 1,020,173	\$ 801,867	\$ 1,064,469
Business-Type Activities	(64)	(643)	4,288	16,528	2,998	8,723	14,143	13,794	4,503	35,675
<b>Total District</b>	<u>\$ 280,098</u>	<u>\$ 177,892</u>	<u>\$ 557,661</u>	<u>\$ 818,732</u>	<u>\$ 1,041,146</u>	<u>\$ 1,854,286</u>	<u>\$ 1,057,478</u>	<u>\$ 1,033,967</u>	<u>\$ 806,370</u>	<u>\$ 1,100,144</u>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 994,438	\$ 918,278	\$ 1,103,287	\$ 1,255,044						
Unreserved	417,472	441,122	460,211	684,482						
Restricted					\$ 1,780,231	\$ 3,087,116	\$ 3,009,269	\$ 3,229,617	\$ 3,337,281	\$ 3,413,883
Committed					83,317	47,949	54,900	98,877		
Assigned					280,897	492,484	246,750	294,684	331,706	495,005
Unassigned					398,410	360,900	370,623	376,056	385,827	391,695
<b>Total General Fund</b>	<b>\$ 1,411,910</b>	<b>\$ 1,359,400</b>	<b>\$ 1,563,498</b>	<b>\$ 1,939,526</b>	<b>\$ 2,542,855</b>	<b>\$ 3,988,449</b>	<b>\$ 3,681,542</b>	<b>\$ 3,999,234</b>	<b>\$ 4,054,814</b>	<b>\$ 4,300,583</b>
All Other Governmental Funds										
Reserved	\$ 18,000	\$ 1,182	\$ 1,681,435	\$ 26,945						
Unreserved	95,780	102,190	(2,000,116)	245,212						
Restricted					\$ 239,658	\$ 189,660	\$ 135,931	\$ 401,950	\$ 533,405	\$ 765,540
Assigned	-	-	-	-	5,901	50,000	50,000	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 113,780</b>	<b>\$ 103,372</b>	<b>\$ (318,681)</b>	<b>\$ 272,157</b>	<b>\$ 245,559</b>	<b>\$ 239,660</b>	<b>\$ 185,931</b>	<b>\$ 401,950</b>	<b>\$ 533,405</b>	<b>\$ 765,540</b>

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Property Tax Levy	\$ 17,460,171	\$ 18,316,035	\$ 19,014,668	\$ 19,748,993	\$ 20,330,820	\$ 20,482,358	\$ 20,694,050	\$ 20,997,593	\$ 21,382,382	\$ 21,806,063
Tuition Charges	112,785	113,905	73,488	73,153	144,386	255,152	206,385	211,905	168,288	196,405
Interest Earnings	155,911	98,659	29,130	24,375	23,168	8,672	12,321	13,995	10,154	12,792
Miscellaneous	2,112	12,484	35,236	57,482	190,330	75,952	88,038	165,629	22,503	196,347
State Sources	3,098,164	3,158,517	2,445,501	2,654,958	2,012,287	2,497,619	2,992,555	2,759,351	3,150,544	3,444,092
Federal Sources	262,099	278,522	293,016	520,184	314,282	325,265	277,055	296,591	282,573	358,517
<b>Total Revenue</b>	<b>21,091,242</b>	<b>21,978,122</b>	<b>21,891,039</b>	<b>23,079,145</b>	<b>23,015,273</b>	<b>23,645,018</b>	<b>24,270,404</b>	<b>24,445,064</b>	<b>25,016,444</b>	<b>26,014,216</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	9,035,154	9,471,914	9,109,569	9,397,296	9,179,194	8,924,721	9,857,895	10,034,942	10,367,659	10,702,372
Special Education Instruction	3,149,779	3,368,015	3,421,222	3,640,286	3,387,021	3,338,815	3,370,370	3,192,598	3,417,671	3,348,691
Other Instruction	229,509	212,034	249,749	247,671	131,803	124,623	137,514	167,472	179,429	379,216
School Sponsored Activities And Athletics	109,704	110,284	107,340	112,202	124,692	139,724	110,029	140,718	153,320	138,358
<b>Support Services:</b>										
Student And Inst. Related Services	2,748,195	2,869,296	2,897,483	2,991,137	2,971,734	3,186,664	3,467,674	3,620,140	3,719,730	3,809,181
General Administration	614,799	692,752	607,102	562,959	555,877	561,769	659,707	712,047	665,072	622,242
School Administrative Services	1,094,480	1,004,384	994,366	1,040,713	1,083,194	1,127,850	1,178,980	1,158,298	1,156,880	1,164,936
Plant Operations And Maintenance	2,163,889	2,122,342	2,114,466	2,171,496	2,334,303	2,364,146	2,355,724	2,401,832	2,506,379	2,619,002
Pupil Transportation	479,721	551,772	588,412	545,657	462,360	462,418	416,143	387,319	450,242	451,862
Business And Other Support Services	392,758	408,517	438,332	467,745	489,713	512,351	526,007	534,016	532,550	553,977
Capital Outlay	373,711	62,674	605,117	3,064,992	309,920	185,821	1,221,990	109,674	549,421	477,290
<b>Debt Service:</b>										
Principal	610,943	747,757	698,237	913,518	943,036	972,656	1,006,400	1,051,032	1,042,500	1,067,720
Bond Issuance Costs				93,909			68,625			
Advance Refunding Escrow										
Interest And Other Charges	440,843	419,299	386,265	506,703	478,015	439,587	373,330	401,265	240,858	201,465
<b>Total Expenditures</b>	<b>21,443,485</b>	<b>22,041,040</b>	<b>22,217,660</b>	<b>25,756,284</b>	<b>22,450,862</b>	<b>22,341,145</b>	<b>24,750,388</b>	<b>23,911,353</b>	<b>24,981,711</b>	<b>25,536,312</b>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(352,243)	(62,918)	(326,621)	(2,677,139)	564,411	1,303,873	(479,984)	533,711	34,733	477,904
<b>Other Financing Sources (Uses)</b>										
Original Issue Premium							284,828			
Capital Leases (Non-Budgeted)	75,241		108,666	80,575	12,320	135,822	80,724		152,302	
Bond Proceeds				3,563,430						
Proceeds From Refunding							3,255,000			
Payments To Escrow Agent							(3,501,204)			
Transfers In				7,653	239,646			380,639	328,687	619,170
Transfers Out				(7,653)	(239,646)			(380,639)	(328,687)	(619,170)
<b>Total Other Financing Sources (Uses)</b>	<b>75,241</b>	<b>-</b>	<b>108,666</b>	<b>3,644,005</b>	<b>12,320</b>	<b>135,822</b>	<b>119,348</b>	<b>-</b>	<b>152,302</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ (277,002)</b>	<b>\$ (62,918)</b>	<b>\$ (217,955)</b>	<b>\$ 966,866</b>	<b>\$ 576,731</b>	<b>\$ 1,439,695</b>	<b>\$ (360,636)</b>	<b>\$ 533,711</b>	<b>\$ 187,035</b>	<b>\$ 477,904</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>4.99%</b>	<b>5.31%</b>	<b>5.02%</b>	<b>6.26%</b>	<b>6.42%</b>	<b>6.37%</b>	<b>5.86%</b>	<b>6.10%</b>	<b>5.25%</b>	<b>5.06%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

**UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30</b>	<b><u>Tuition</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Interlocal Payroll Service</u></b>	<b><u>Energy Rebate</u></b>	<b><u>Rental</u></b>	<b><u>Misc.</u></b>	<b><u>Total</u></b>
2007	\$ 112,785	\$ 155,583			\$ 1,840	\$ 272	\$ 270,480
2008	113,905	98,429			1,730	10,754	224,818
2009	73,488	29,081				35,236	137,805
2010	73,153	24,375	\$ 22,000			35,482	155,010
2011	144,386	23,168		\$ 144,663		45,667	357,884
2012	255,152	8,672		58,790	4,358	12,804	339,776
2013	206,385	12,321		38,500	2,790	46,748	306,744
2014	211,905	13,995		23,100	-	142,529	391,529
2015	168,288	10,154			465	22,038	200,945
2016	196,405	12,792			1,140	71,867	282,204

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 17,674,000	\$ 1,891,001,200	\$ 192,842,800	\$ 6,217,700	\$ 18,551,000	\$ 2,126,286,700	\$ 1,559,008	\$ 2,127,845,708	\$ 2,988,054,255	\$ 0.841
2008	18,827,700	1,935,156,800	195,207,300	6,217,700	18,551,000	2,173,960,500	1,599,169	2,175,559,669	3,155,404,809	0.858
2009	16,559,700	1,959,049,800	194,907,300	6,217,700	18,551,000	2,195,285,500	1,801,944	2,197,087,444	3,208,779,034	0.882
2010	16,017,500	1,969,127,300	180,407,600	6,217,700	18,551,000	2,190,321,100	1,890,346	2,192,211,446	3,081,471,003	0.914
2011	16,079,800	1,975,814,000	174,353,200	6,217,000	18,551,000	2,191,015,000	1,972,027	2,191,015,700	2,954,810,904	0.931
2012	15,715,400	1,982,729,000	171,623,500	6,217,700	18,551,000	2,194,836,600	1,998,282	2,196,834,882	2,920,759,989	0.938
2013	16,726,500	1,986,761,100	171,223,500	6,217,700	18,551,000	2,199,479,800	100,000	2,199,579,800	2,827,191,218	0.948
2014	15,437,400	1,996,173,700	171,223,500	6,217,700	18,551,000	2,207,603,300	100,000	2,207,703,300	2,794,042,727	0.960
2015	15,472,600	2,002,788,500	171,123,500	6,217,700	18,551,000	2,214,153,300	100,000	2,214,253,300	2,757,653,408	0.975
2016	16,007,400	2,013,563,300	170,132,500	6,217,700	18,551,000	2,224,471,900	100,000	2,224,571,900	2,767,210,718	0.990

Source: County Abstract of Ratables

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

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

Calendar Year	<u>Overlapping Rates</u>				Total Direct and Overlapping Tax Rate
	Local School	Regional High School	Municipality	County	
2007	\$ 0.841	\$ 0.497	\$ 0.331	\$ 0.251	\$ 1.920
2008	0.858	0.495	0.344	0.268	1.965
2009	0.882	0.497	0.351	0.281	2.011
2010	0.914	0.505	0.362	0.276	2.057
2011	0.931	0.536	0.370	0.280	2.117
2012	0.938	0.540	0.367	0.293	2.138
2013	0.948	0.557	0.364	0.296	2.165
2014	0.960	0.567	0.375	0.296	2.198
2015	0.975	0.590	0.374	0.299	2.238
2016	0.990	0.600	0.375	0.306	2.271

Source: Abstract of Ratables, County Board of Taxation



**UPPER SADDLE RIVER BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2016	
	Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty, LP	\$ 42,367,500	1.90%
Mountainview Realty, LLC	16,000,000	0.72%
Upper Saddle River Developers, LLC	10,600,600	0.48%
Whitney Associates	8,353,800	0.38%
USR Developers, LLC %Pinnacle	7,950,400	0.36%
GAGA Realty	7,500,000	0.34%
Porven Real Estate, Inc	6,421,500	0.29%
Upper Saddle River Project LLC	6,071,000	0.27%
Birdie Investments, LLC	5,580,300	0.25%
2 Park Way Assoc., LLC	4,200,000	0.19%
	<u>\$ 115,045,100</u>	<u>5.17%</u>

	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty, LP	\$ 65,000,000	3.05%
Mountainview Realty, LLC	18,664,500	0.88%
Upper Saddle River Developers, LLC	10,600,600	0.50%
Pentek Management Corp.	8,600,000	0.40%
Whitney Associates	8,353,800	0.39%
USR Developers, LLC % Pinnacle	7,950,400	0.37%
Skymark Holdings	6,484,800	0.30%
Clinton D. Carlough Properties, LP	5,994,900	0.28%
Birdie Investments, LLC	5,580,300	0.26%
2 Parkway Assoc., LLC	5,273,200	0.25%
	<u>\$ 142,502,500</u>	<u>6.70%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 17,460,171	\$ 17,460,171	100.00%	N/A
2008	18,316,035	18,316,035	100.00%	N/A
2009	19,014,668	19,014,668	100.00%	N/A
2010	19,748,993	19,748,993	100.00%	N/A
2011	20,330,820	20,330,820	100.00%	N/A
2012	20,482,358	20,482,358	100.00%	N/A
2013	20,694,050	20,694,050	100.00%	N/A
2014	20,997,593	20,997,593	100.00%	N/A
2015	21,382,382	21,382,382	100.00%	N/A
2016	21,806,063	21,806,063	100.00%	N/A

Source: Board's financial statements

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

Fiscal Year Ended June 30,	Governmental Activities			Total School District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Loans			
2007	\$ 9,612,000	\$ 208,152	\$ 326,699	\$ 10,146,851	8,388	\$ 1,210
2008	9,017,000	97,630	284,464	9,399,094	8,412	1,117
2009	8,397,000	171,663	240,860	8,809,523	8,480	1,039
2010	11,138,906	205,239	195,865	11,540,010	8,220	1,404
2011	10,286,319	148,937	149,372	10,584,628	8,281	1,278
2012	9,406,406	179,919	101,305	9,687,630	8,317	1,165
2013	8,462,965	188,734	51,542	8,703,241	8,351	1,042
2014	7,507,185	145,024	-	7,652,209	8,339	918
2015	6,509,467	186,422	-	6,695,889	8,379	799
2016	5,486,749	141,420		5,628,169	8,379 (Est.)	672

**UPPER SADDLE RIVER 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 of Property	Per Capita
	General Obligation Bonds	Intergovernmental Loan	Deductions			
2007	\$ 9,612,000	\$ 326,699		\$ 9,938,699	0.46%	\$ 1,185
2008	9,017,000	284,464		9,301,464	0.42%	1,106
2009	8,397,000	240,860		8,637,860	0.39%	1,019
2010	11,138,906	195,865		11,334,771	0.52%	1,379
2011	10,286,319	149,372		10,435,691	0.48%	1,260
2012	9,406,406	101,305		9,507,711	0.43%	1,143
2013	8,462,965	51,542		8,514,507	0.39%	1,020
2014	7,507,185	-		7,507,185	0.34%	900
2015	6,509,467	-		6,509,467	0.29%	777
2016	5,486,749	-		5,486,749	0.25%	655

UPPER SADDLE RIVER BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)

Gross Debt

Municipal Debt:	
Upper Saddle River Board of Education	\$ 5,486,749
Northern Highlands Regional High School - Upper Saddle River's Share (1)	6,301,401
Borough of Upper Saddle River (1)	<u>12,951,321</u>
	24,739,471
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2)	<u>16,157,665</u>
Total Direct and Overlapping Debt	<u>\$ 40,897,136</u>

Source:  
(1) Borough of Upper Saddle River's 2015 Annual Debt Statement  
(2) Bergen County's 2015 Annual Debt Statement

**UPPER SADDLE RIVER BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 78,676,965	\$ 86,030,642	\$ 91,873,015	\$ 93,268,506	\$ 91,944,079	\$ 89,331,539	\$ 86,686,851	\$ 85,012,947	\$ 83,375,789	\$ 82,713,770
Total Net Debt Applicable to Limit	9,938,699	9,301,464	12,201,290	11,334,771	10,435,691	9,507,711	8,514,507	7,507,185	6,509,467	5,486,749
Legal Debt Margin	<u>\$ 68,738,266</u>	<u>\$ 76,729,178</u>	<u>\$ 79,671,725</u>	<u>\$ 81,933,735</u>	<u>\$ 81,508,388</u>	<u>\$ 79,823,828</u>	<u>\$ 78,172,344</u>	<u>\$ 77,505,762</u>	<u>\$ 76,866,322</u>	<u>\$ 77,227,021</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.63%	10.81%	13.28%	12.15%	11.35%	10.64%	9.82%	8.83%	7.81%	6.63%

**Legal Debt Margin Calculation June 30, 2016**

Equalized Valuation Basis	
2015	\$ 2,749,134,964
2014	2,744,068,738
2013	<u>2,778,173,298</u>
	<u>\$ 8,271,377,000</u>
Average Equalized Valuation of Taxable Property	\$ 2,757,125,667
Debt Limit (3 % of average equalization value)	82,713,770
Total Net Debt Applicable to Limit	<u>5,486,749</u>
Legal Debt Margin	<u>\$ 77,227,021</u>

**UPPER SADDLE RIVER 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	8,388	\$ 68,147	3.9%
2008	8,412	68,548	5.0%
2009	8,480	64,571	9.0%
2010	8,220	65,275	9.2%
2011	8,281	68,244	9.0%
2012	8,317	71,380	9.2%
2013	8,351	70,498	6.0%
2014	8,339	73,536	4.1%
2015	8,379	73,536 (Est)	3.3%
2016	8,379 (Est.)	73,536 (Est.)	3.3% (Est.)

Source: New Jersey State Department of Education

UPPER SADDLE RIVER BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

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

INFORMATION NOT AVAILABLE



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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	92	91	92	90	88	88	88	89	89	89
Special Education	43	43	44	44	44	44	44	45	45	46
Other Special Education	3	2	4	4	4	4	4	4	4	4
Support Services:										
Student & Instruction Related Services	21	21	23	22	29	30	30	33	34	35
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services	9	9	9	9	9	9	9	9	9	9
Other Administrative Services										
Central Services	4	4	4	4	4	4	4	4	4	4
Plant Operations And Maintenance	19	19	19	19	18	18	18	22	22	22
<b>Total</b>	<b>193</b>	<b>191</b>	<b>197</b>	<b>194</b>	<b>198</b>	<b>199</b>	<b>199</b>	<b>208</b>	<b>209</b>	<b>211</b>

Source: District Personnel Records

UPPER SADDLE RIVER BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2007	1,354	\$ 20,017,988	\$ 14,784	10.48%	138	19/1	24/1	1,348	1,295	-1.68%	96.07%
2008	1,384	20,811,310	15,037	1.71%	140	19.8/1	24.9/1	1,379	1,321	2.30%	95.79%
2009	1,384	20,528,041	14,832	-1.36%	140	19/1	25/1	1,383	1,330	0.29%	96.17%
2010	1,391	21,177,162	15,224	2.64%	138	19/1	24.6/1	1,386	1,333	0.22%	96.18%
2011	1,374	20,719,891	15,080	-0.95%	136	20/1	25/1	1,379	1,334	-0.51%	96.74%
2012	1,339	20,743,081	15,491	2.73%	136	20/1	24.9/1	1,354	1,313	-1.81%	96.97%
2013	1,336	22,080,043	16,527	6.68%	139	19.3/1	25.7/1	1,348	1,293	-0.44%	95.92%
2014	1,308	22,349,382	17,087	3.39%	139.5	19/1	24.6/1	1,298	1,244	-3.71%	95.84%
2015	1,248	23,148,932	18,549	8.56%	140.5	18/1	24/1	1,249	1,201	-3.78%	96.16%
2016	1,223	23,789,837	19,452	4.87%	141.5	17.7/1	23.6/1	1,224	1,177	-2.00%	96.16%

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.

UPPER SADDLE RIVER BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Building</b>										
<u>Elementary</u>										
Robert Reynolds Elementary (1960)										
Square Feet	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503
Capacity (students)	421	421	421	421	421	421	421	421	421	421
Enrollment	436	436	447	461	461	426	399	369	369	370
Edith Bogert Elementary (1950)										
Square Feet	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	448	448	449	462	462	453	458	453	426	391
<u>Middle School</u>										
Square Feet	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704
Capacity (students)	452	452	452	452	452	452	452	452	452	452
Enrollment	463	463	475	468	468	473	490	468	479	472
<u>Other</u>										
Administration Building										
Square Feet	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372
Science Center										
Square Feet	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Number of Schools at June 30, 2016										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District Office

Note: Year of original construction is shown in parenthesis. Enrollment is based on the annual October district count.

UPPER SADDLE RIVER BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)

	Fiscal Year 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>
<b>School Facilities</b>										
Cavallini School	\$ 157,968	\$ 109,155	\$ 125,318	\$ 127,810	\$ 153,307	\$ 170,798	\$ 158,731	\$ 135,966	\$ 214,002	\$ 199,098
Bogert School	162,740	119,015	112,224	99,361	169,777	93,681	171,686	147,403	139,909	149,140
Reynolds School	165,364	130,963	129,144	107,860	167,823	174,306	177,755	155,164	117,756	160,886
Administration	<u>15,032</u>	<u>21,654</u>	<u>16,601</u>	<u>26,273</u>	<u>18,490</u>	<u>26,020</u>	<u>25,810</u>	<u>22,016</u>	<u>28,742</u>	<u>28,047</u>
Grand Total	<u>\$ 501,104</u>	<u>\$ 380,787</u>	<u>\$ 383,287</u>	<u>\$ 361,304</u>	<u>\$ 509,397</u>	<u>\$ 464,805</u>	<u>\$ 533,982</u>	<u>\$ 460,549</u>	<u>\$ 500,409</u>	<u>\$ 537,171</u>

Source: District Records

**UPPER SADDLE RIVER BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b><u>School Package Policy - Selective Insurance Group</u></b>		
Property Blanket Building & Contents	\$47,190,831	\$5,000
Comprehensive General Liability		
General Aggregate	2,000,000	
Products Completed Operations	2,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Fire Legal Liability	1,000,000	
Medical expense	5,000	
<b><u>Commercial Automobile Policy - Selective Insurance Group</u></b>	1,000,000	1,000 (Comp/Collision)
<b><u>Excess Liability Policy - American Alternative Ins. Co.</u></b>	9,000,000	
<b><u>Excess Liability Policy - Firemen's Fund</u></b>	50,000,000	
	(Shared limit among all Boards)	
<b><u>Boiler &amp; Machinery - Selective Insurance Company</u></b>	47,190,831	5,000
<b><u>Bonds- RLI Surety</u></b>		
Public Official Bond - Bus. Admin	50,000	
Public Official Bond - Treasurer of School Monies	250,000	
<b><u>Environmental Impairment Liability - American Safety</u></b>	20,000,000	
	(Group Aggregate)	
Each Impairment:	2,000,000	15,000
Aggregate Per Impairment:	4,000,000	
<b><u>School Board Legal Liability - Darwin National</u></b>	1,000,000	5,000
Employment Related Practices Liability	1,000,000	15,000
<b><u>Crime - Selective Insurance Company</u></b>		
Employee Dishonesty	100,000 per employee 400,000 per loss	5,000 100,000
Forgery & Alteration	50,000	1,000
<b><u>Workers' Compensation- Star Insurance Company</u></b>		
Each Accident	1,000,000	
Each Employee (Disease)	1,000,000	
Policy Limit (Disease)	1,000,000	
Employers Liability Retained Limit	500,000	

Source: School Insurance 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  
Upper Saddle River Board of Education  
Upper Saddle River, 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 Upper Saddle River 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 Upper Saddle River Board of Education's basic financial statements and have issued our report thereon dated September 15, 2016.

***Internal Control Over Financial Reporting***

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

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

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


### ***Compliance and Other Matters***

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Upper Saddle River Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated September 15, 2016.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upper Saddle River 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 Upper Saddle River 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 J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
September 15, 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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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF 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  
Upper Saddle River Board of Education  
Upper Saddle River, New Jersey

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

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

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


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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Saddle River 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 September 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
September 15, 2016

UPPER SADDLE RIVER 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	Grant Period	Balance at July 1, 2015					Balance at June 30, 2016				Memo GAAP Receivable	
					Award Amount	(Accounts Receivable)	Unearned Revenue	(A/R) Carryover Amount	Def. Rev. Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue		Due to Grantor
U.S. Department of Education Passed-Through State Department of Education Special Revenue Fund															
N.C.L.B. Title I	84.010A	S010A150030	NCLB533016	7/1/15-6/30/16	\$ 80,609	-	-	-	-	\$ 66,103	\$ 80,609	\$ (14,506)	-	-	\$ (14,506)
Total N.C.L.B. Title I						-	-	-	-	66,103	80,609	(14,506)	-	-	(14,506)
N.C.L.B. Title II	84.367A	S367A150029	NCLB533016	7/1/15-6/30/16	22,405					3,850	15,738	(18,555)	\$ 6,667		(11,888)
N.C.L.B. Title II	84.367A		NCLB533015	7/1/14-6/30/15	22,547	\$ (10,147)	-	-	-	10,147	-	-	-	-	-
Total N.C.L.B. Title II						(10,147)	-	-	-	13,997	15,738	(18,555)	6,667	-	(11,888)
I.D.E.I.A Part B, Basic	84.027A	H027A150100	IDEA533016	7/1/15-6/30/16	249,656					199,452	249,656	(50,204)			(50,204)
I.D.E.I.A Part B, Preschool	84.173A	H173A150114	IDEA533016	7/1/15-6/30/16	12,514					10,027	12,514	(2,487)			(2,487)
Total I.D.E.I.A.						-	-	-	-	209,479	262,170	(52,691)	-	-	(52,691)
Total Special Revenue Fund						(10,147)	-	-	-	289,579	358,517	(85,752)	6,667	-	(79,085)
Total Federal Awards						\$ (10,147)	\$ -	\$ -	\$ -	\$ 289,579	\$ 358,517	\$ (85,752)	\$ 6,667	\$ -	\$ (79,085)

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

FAIN numbers are only applicable for current year grant awards.

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance, July 1, 2015					Balance, June 30, 2016				MEMO		
			Award Received	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 451,270					\$ 406,141	\$ 451,270		\$ (45,129)		*	\$ 451,270
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	451,270	\$ (45,129)				45,129					*	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	19,961					17,965	19,961		(1,996)		*	19,961
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	19,961	(1,996)				1,996					*	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	12,770					11,493	12,770		(1,277)		*	12,770
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	12,770	(1,277)				1,277					*	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	12,770					11,493	12,770		(1,277)		*	12,770
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	12,770	(1,277)				1,277					*	
<b>Total State Aid Public</b>				<b>(49,679)</b>				<b>496,771</b>	<b>496,771</b>		<b>(49,679)</b>			<b>496,771</b>
<b>Extraordinary Aid</b>														
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	285,552						285,552		(285,552)		*	285,552
Extraordinary Aid	15-100-034-5120-044	7/1/14-6/30/15	348,525	(348,525)				348,525					*	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	35,371					31,834	35,371		(3,537)		*	35,371
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	35,371	(3,537)				3,537					*	
Non Public Transportation Reimb.	N/A	7/1/15-6/30/16	8,526						8,526		(8,526)		*	8,526
Non Public Transportation Reimb.	N/A	7/1/14-6/30/15	10,440	(10,440)				10,440					*	
<b>TPAF Pension</b>														
Normal Cost	15-495-034-5094-002	7/1/15-6/30/16	675,659					675,659	675,659				*	675,659
NCGI Premium	15-495-034-5094-004	7/1/15-6/30/16	33,657					33,657	33,657				*	33,657
Post Retirement Medical	15-495-034-5094-001	7/1/15-6/30/16	844,600					844,600	844,600				*	844,600
TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	695,596					695,596	695,596				*	695,596
TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	691,129	(35,008)				35,008					*	
<b>Total General Fund</b>				<b>(447,189)</b>				<b>3,175,627</b>	<b>3,075,732</b>		<b>(347,294)</b>			<b>3,075,732</b>
<b>Debt Service Fund</b>														
Type II Debt Service Aid	16-495-034-5120-075	7/1/15-6/30/16	305,387					305,387	305,387				*	305,387
<b>Total Debt Service Fund</b>								<b>305,387</b>	<b>305,387</b>					<b>305,387</b>
<b>State Economic Development Authority</b>														
<b>Educational Facilities Construction and Financing Act</b>														
<b>Capital Projects Fund</b>														
Replace Curtain Wall and Partial Window Replacement at Cavallini Middle School	5330-050-14-1001	N/A	253,759	(253,759)	\$ 155,603						(253,759)	\$ 155,603		(253,759) 98,156
<b>Total Capital Projects Fund</b>				<b>(253,759)</b>	<b>155,603</b>						<b>(253,759)</b>	<b>155,603</b>		<b>(253,759) 98,156</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>(750,627)</b>	<b>155,603</b>			<b>3,977,785</b>	<b>3,381,119</b>		<b>(650,732)</b>	<b>155,603</b>		<b>(262,285) 3,479,275</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Major Program Determination</b>														
TPAF Pension Contributions - Normal Cost	16-495-034-5094-002	7/1/15-6/30/16						(675,659)	(675,659)				*	
TPAF Pension - NCGI Premiums	16-495-034-5094-004	7/1/15-6/30/16						(33,657)	(33,657)				*	
TPAF Post Retirement Medical Contributions	16-495-034-5094-001	7/1/15-6/30/16						(844,600)	(844,600)				*	
<b>Total State Financial Assistance for Major Program Determination</b>				<b>\$ (750,627)</b>	<b>\$ 155,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,423,869</b>	<b>\$ 1,827,203</b>	<b>\$ -</b>	<b>\$ (650,732)</b>	<b>\$ 155,603</b>	<b>\$ -</b>	<b>\$ (262,285) 3,479,275</b>



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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting. This 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 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 \$62,973 for the general fund. See the Notes to the 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		\$ 3,138,705	\$ 3,138,705
Special Revenue Fund	\$ 358,517		358,517
Debt Service Fund	-	305,387	305,387
	<u>358,517</u>	<u>3,444,092</u>	<u>3,802,609</u>
Total Financial Assistance	<u>\$ 358,517</u>	<u>\$ 3,444,092</u>	<u>\$ 3,802,609</u>

**UPPER SADDLE RIVER 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**

TPAF Social Security contributions in the amount of \$695,596 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 \$709,316 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$844,600 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

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

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

**Federal Awards Section** Not Applicable



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

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

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

Internal Control over compliance:

1) Material weakness(es) identified?  yes  no

2) Were significant deficiencies identified that were not considered to be material weaknesses?  yes  none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?  yes  no

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>16-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<hr/>	<hr/>
<hr/>	<hr/>
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**UPPER SADDLE RIVER 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, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

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

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

There are none.

**UPPER SADDLE RIVER BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.