

ELMWOOD PARK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Elmwood Park, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Elmwood Park Board of Education

Elmwood Park, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

Business Office

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INTRODUCTORY SECTION

ELMWOOD PARK PUBLIC SCHOOLS

OFFICE OF THE BOARD SECRETARY/BUSINESS ADMINISTRATOR

Anthony Grieco
Superintendent
of Schools

60 EAST 53RD STREET
ELMWOOD PARK, NEW JERSEY 07407
TELEPHONE (201) 796-8700
Fax (201) 625-6370

John DiPaola
Business Administrator/
Board Secretary

October 19, 2017

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Elmwood Park Board of Education (the Board) for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation (including all disclosures) rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Every district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the related U.S. Uniform Guidance and the State Treasury OMB Circular 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Our District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed FY 2016/2017 with an average daily enrollment of 2,572. The following Average Daily Enrollment figures, reported in the School Summary Register, detail the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2016/17	2,572	.015%
2015/16	2,533	.0008%
2014/15	2,531	.0016%
2013/14	2,527	-0.41%
2012/13	2,537	2.24%
2011/12	2,482	3.31%
2010/11	2,402	3.94%
2009/10	2,311	0.57%
2008/09	2,298	3.89%
2007/08	2,212	3.75%

2. ECONOMIC CONDITION AND OUTLOOK

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

The District's General Fund was in a deficit position at the end of the 2010-2011 and 2011-2012 school years. The District obtained a state aid advance loan in 2012-2013 in the amount of \$2,214,497, which is being repaid over ten years. This loan was reflected as budgetary revenue pursuant to N.J.S.A. 18A:7A-56, and as another financing source on the GAAP basis governmental fund statements. For purposes of the District-wide statements, the loan is reflected as a long-term liability of governmental activities at year end.

3. MAJOR INITIATIVES

The Elmwood Park School District strives to meet the educational challenges of the various student population through a series of ambitious curriculum initiatives. Planning is based upon a long range District Professional Development Plan (2015-2018), which encompasses the growth of general education students, ELL/ ESL, students with IEPs and other specific initiatives based on NJDOE mandates. Curriculum advances and enhancements include the areas of English Language Arts, mathematics, Foreign Language, 21st Century Skills, technology, social studies, and science.

In-service professional development training is provided to all staff members to continue the progress of rigorous instruction, implementation of effective assessments, and the application of 21st century technology. The district also continues to offer frequent PLC articulation time throughout the school year, after-school hours and during summer recess. The Quality School Assurance Continuum addresses this area.

In addition to technology, in-service training has focused on guided reading, readers and writers workshop, mathematics workshop, and specific technological platforms to assist in PARCC preparation at all levels. Professional Development has also thoroughly addressed the assimilation of NGSS and NJ Student Learning Standards. District in-service days has focused on a diversified curriculum meeting the needs of each type of learner, as well as establishing Professional Learning Communities for our teachers throughout the district.

4. INTERNAL ACCOUNTING CONTROLS

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for FY 2016/2017 is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2017.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

On June 30, 2017, the District had \$27,705,000 outstanding in General Obligation Bonds. The proceeds of these bonds were used to provide funds for major capital improvements to the District's buildings and grounds.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

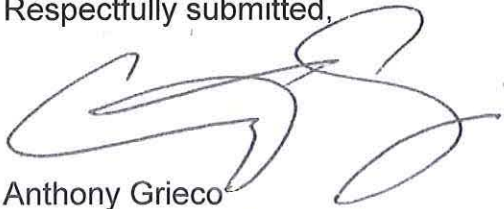
Independent Audit. State statute requires an annual audit by an independent certified public accountant or registered municipal accountant. The Board's Finance Committee selected the accounting firm of Lerch Vinci & Higgins, LLP, CPA's. In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and 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 reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS

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

Respectfully submitted,



Anthony Grieco
Superintendent of Schools
Elmwood Park Public Schools

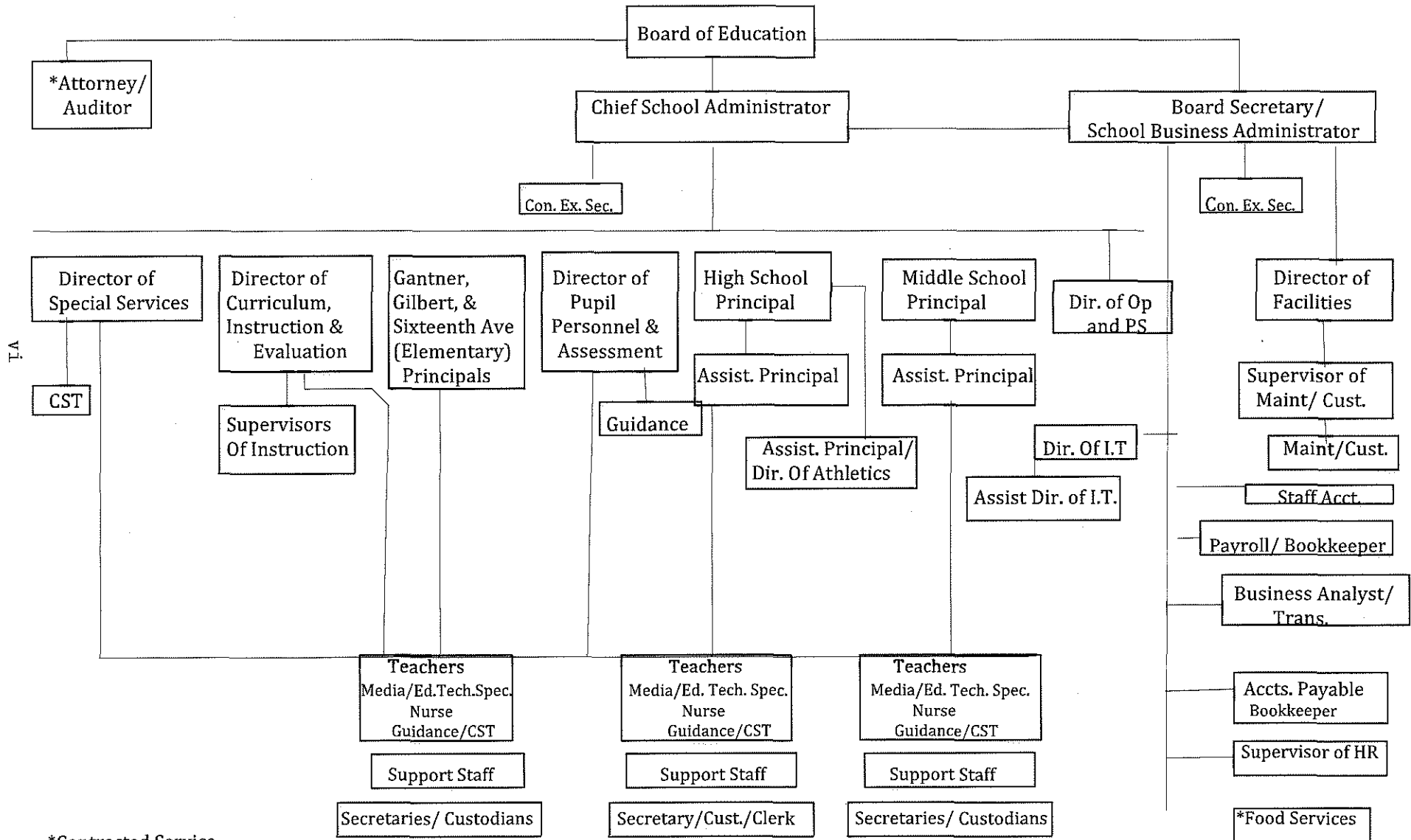


John DiPaola
Business Administrator/Board Secretary
Elmwood Park Public Schools

Elmwood Park
Board of Education

POLICY

1110 Organizational Chart



*Contracted Service

ELMWOOD PARK SCHOOL DISTRICT
ELMWOOD Park, New Jersey

ROSTER OF OFFICIAL

June 30, 2017

Members of the Board of Education

Term Expires December 31

Jeanne Freitag, President	2018
Daniel Altamar, Vice President	2018
Frank Caramagna	2019
Douglas DeMatteo	2017
Louise Gerardi	2019
George Luke	2018
James Monaco	2019
Kathleen Policano	2017
Doris Wechtler	2017

Other Officials

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

ELMWOOD PARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2017

ARCHITECT

DiCara Rubino
30 Galesi Drive
Wayne, New Jersey 07470

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2017 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 from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

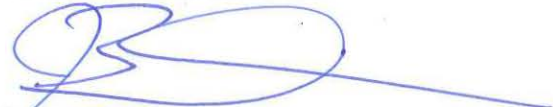
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2017 on our consideration of the Elmwood Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elmwood Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Elmwood Park Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 19, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

As management of the Elmwood Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Elmwood Park Board of Education for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-2017 fiscal year include the following:

- The assets and deferred outflows of resources of the Elmwood Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,875,617. (Net Position)
- The District's total net position increased by \$1,591,183 or 14%.
- Overall District revenues were \$51,062,485. General revenues accounted for \$36,989,937 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,072,548 or 28% of total revenues.
- The school district had \$48,503,066 in expenses for governmental activities; only \$13,052,123 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$36,989,937 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 \$5,277,211. Of this amount, \$3,712,256 is restricted for capital projects, \$1,444,570 is restricted for required maintenance of District facilities, \$776 is restricted for other purposes and \$31,442 is assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$88,167.
- The General Fund fund balance at June 30, 2017 was \$4,090,349, an increase of \$833,394 compared to the ending fund balance at June 30, 2016 of \$3,256,955.
- The General Fund unassigned budgetary fund balance at June 30, 2017 was \$572,855, which represents an increase of \$7,382 when compared to the ending unassigned budgetary fund balance at June 30, 2016 of \$565,473.
- The District's total outstanding long-term liabilities increased by \$273,685 during the current fiscal year.

ELMWOOD PARK BOARD OF EDUCATION

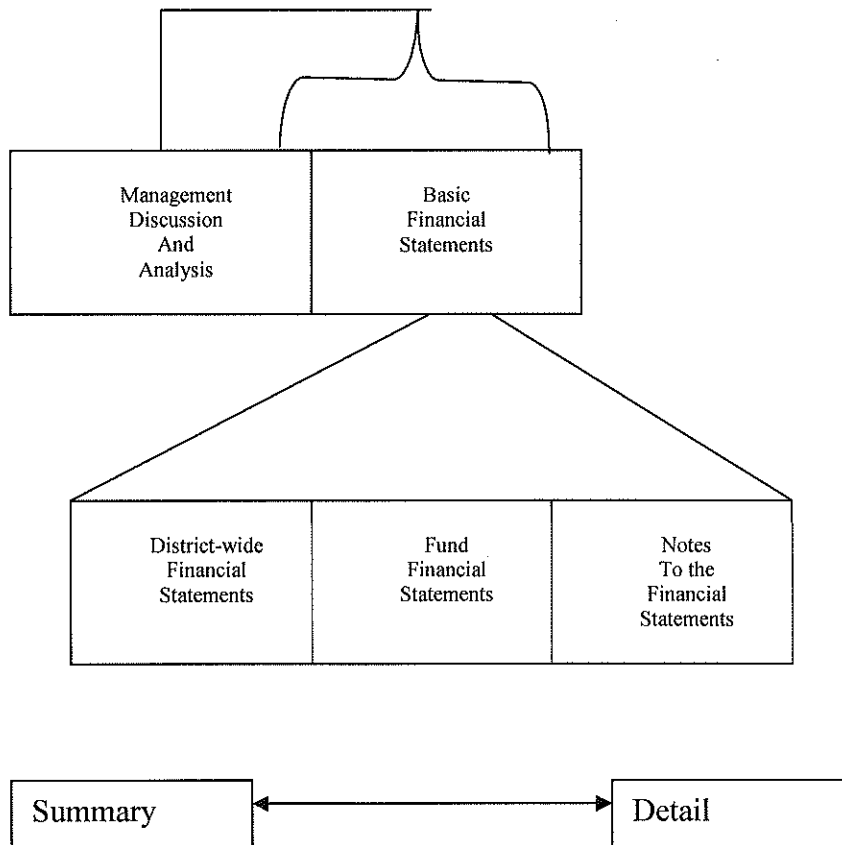
Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$12,875,617 and \$11,284,434 on June 30, 2017 and 2016, respectively as follows:

**Net Position
As of June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 6,325,903	\$ 6,514,618	\$ 373,575	\$ 301,515	\$ 6,699,478	\$ 6,816,133
Capital Assets	47,223,897	47,234,531	79,223	23,456	47,303,120	47,257,987
Total Assets	<u>53,549,800</u>	<u>53,749,149</u>	<u>452,798</u>	<u>324,971</u>	<u>54,002,598</u>	<u>54,074,120</u>
Total Deferred Outflows of Resources	<u>3,644,556</u>	<u>1,741,057</u>	<u>-</u>	<u>-</u>	<u>3,644,556</u>	<u>1,741,057</u>
Total Assets and Deferred Outflows of Resources	<u>57,194,356</u>	<u>55,490,206</u>	<u>452,798</u>	<u>324,971</u>	<u>57,647,154</u>	<u>55,815,177</u>
Liabilities						
Long-Term Liabilities	42,983,320	42,709,635	-	-	42,983,320	42,709,635
Other Liabilities	1,543,698	1,459,831	70,201	17,472	1,613,899	1,477,303
Total Liabilities	<u>44,527,018</u>	<u>44,169,466</u>	<u>70,201</u>	<u>17,472</u>	<u>44,597,219</u>	<u>44,186,938</u>
Deferred Inflows of Resources	<u>170,235</u>	<u>337,631</u>	<u>4,083</u>	<u>6,174</u>	<u>174,318</u>	<u>343,805</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,697,253</u>	<u>44,507,097</u>	<u>74,284</u>	<u>23,646</u>	<u>44,771,537</u>	<u>44,530,743</u>
Net Position						
Net Investment in Capital Assets	18,431,982	17,710,996	79,223	23,456	18,511,205	17,734,452
Restricted	3,970,740	3,091,934			3,970,740	3,091,934
Unrestricted	(9,905,619)	(9,819,821)	299,291	277,869	(9,606,328)	(9,541,952)
Total Net Position	<u>\$ 12,497,103</u>	<u>\$ 10,983,109</u>	<u>\$ 378,514</u>	<u>\$ 301,325</u>	<u>\$ 12,875,617</u>	<u>\$ 11,284,434</u>

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

The District's total net position of \$12,875,617 at June 30, 2017 represents a \$1,591,183 or 14%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2017 and 2016.

Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 124,088	\$ 197,399	\$ 431,474	\$ 423,462	\$ 555,562	\$ 620,861
Operating Grants and Contributions	12,918,625	10,694,109	588,951	566,237	13,507,576	11,260,346
Capital Grants and Contributions	9,410	77,000			9,410	77,000
General Revenues						
Property Taxes, Levied	35,363,955	34,076,336			35,363,955	34,076,336
State Aid - Unrestricted	1,382,357	1,401,836			1,382,357	1,401,836
Miscellaneous Income	243,625	225,603	-	-	243,625	225,603
Total Revenues	50,042,060	46,672,283	1,020,425	989,699	51,062,485	47,661,982
Expenses						
Instruction						
Regular	17,305,932	15,783,095			17,305,932	15,783,095
Special	10,436,257	9,663,299			10,436,257	9,663,299
Other Instruction	625,591	569,196			625,591	569,196
School Sponsored Activities and Athletics	672,594	613,296			672,594	613,296
Support Services						
Student and Instruction Related Services	6,667,445	5,600,381			6,667,445	5,600,381
General Administrative Services	1,256,669	1,272,670			1,256,669	1,272,670
School Administrative Services	3,438,947	2,890,800			3,438,947	2,890,800
Central Administrative Services	1,371,526	1,322,865			1,371,526	1,322,865
Plant Operations and Maintenance	3,754,899	3,669,476			3,754,899	3,669,476
Pupil Transportation	2,060,894	1,886,266			2,060,894	1,886,266
Interest on Long-Term Debt	912,312	913,382			912,312	913,382
Food Services			931,821	947,926	931,821	947,926
Summer Session	-	-	36,415	36,945	36,415	36,945
Total Expenses	48,503,066	44,184,726	968,236	984,871	49,471,302	45,169,597
Increase in Net Position before Transfers	1,538,994	2,487,557	52,189	4,828	1,591,183	2,492,385
Transfers	(25,000)	381,843	25,000	(381,843)	-	-
Increase (Decrease) in Net Position	1,513,994	2,869,400	77,189	(377,015)	1,591,183	2,492,385
Net Position, Beginning of Year	10,983,109	8,113,709	301,325	678,340	11,284,434	8,792,049
Net Position, End of Year	\$ 12,497,103	\$ 10,983,109	\$ 378,514	\$ 301,325	\$ 12,875,617	\$ 11,284,434

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$50,042,060 for the fiscal year ended June 30, 2017, property taxes of \$35,363,955 represented 71% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$14,310,392 and represented 29% of revenues. In addition, charges for services from tuition and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented less than 1% of revenues.

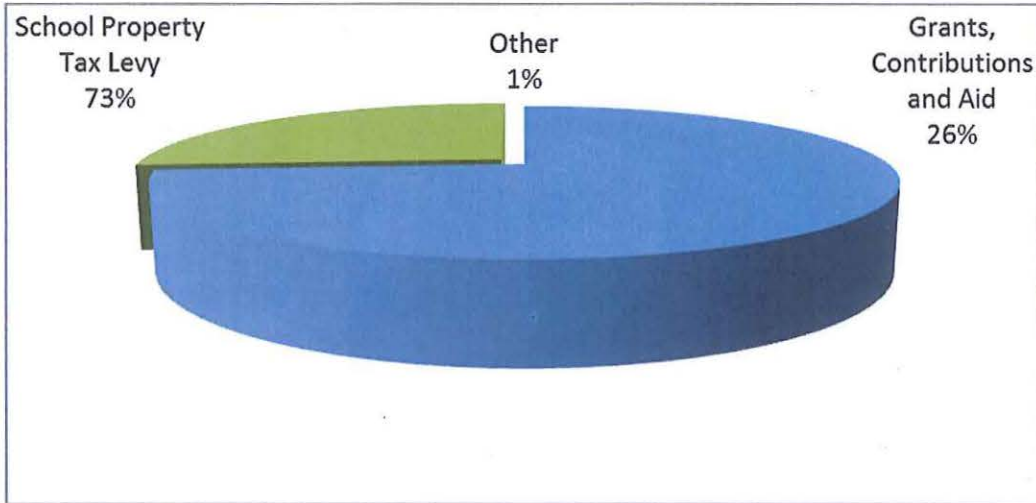
ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

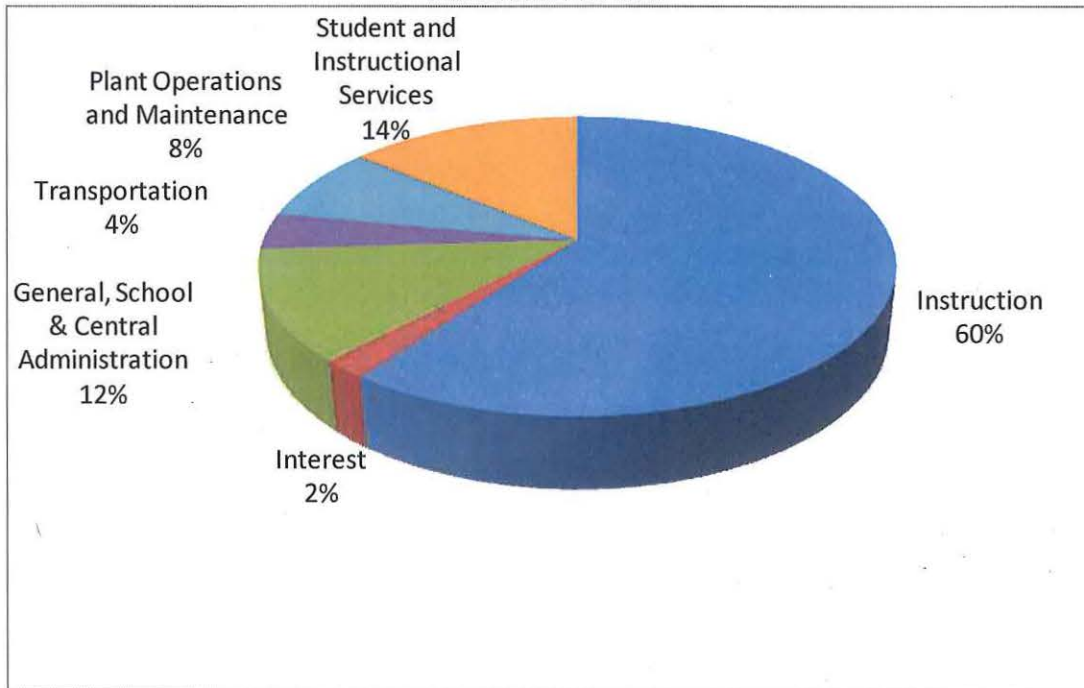
The total cost of all governmental activities programs and services was \$48,503,066 for the fiscal year ended June 30, 2017. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$29,040,374 (60%) of total expenses. Support services costs were \$18,550,380 (38%) of total expenses and interest on debt totaled \$912,312, (2%) of total expenses.

For fiscal year 2017, total governmental activities revenues exceeded expenses and transfers out increasing net position for governmental activities by \$1,513,994 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2017**



**Expenses by Use – Governmental Activities
For Fiscal Year 2017**



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

Total and Net Cost of Governmental Activities. The District's total cost of services was 48,503,066. After applying program revenues, derived from operating and capital grants and contributions of \$12,928,035, and charges for services of \$124,088, the net cost of services of the District is \$35,450,943 for the fiscal year ended June 30, 2017.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction:				
Regular	\$ 17,305,932	\$ 15,783,095	\$ 11,428,645	\$ 11,217,169
Special Education	10,436,257	9,663,299	6,500,261	5,805,061
Other Instruction	625,591	569,196	389,775	399,240
School Sponsored Activities and Athletics	672,594	613,296	672,594	613,296
Support Services:				
Student & Instruction Related Services	6,667,445	5,600,381	5,101,838	4,377,377
General Administrative Services	1,256,669	1,272,670	1,166,776	1,210,519
School Administrative Services	3,438,947	2,890,800	2,608,159	2,295,657
Central Administrative Services	1,371,526	1,322,865	1,360,654	1,315,348
Plant Operations and Maintenance	3,754,899	3,669,476	3,561,010	3,495,771
Pupil Transportation	2,060,894	1,886,266	1,863,481	1,719,372
Interest on Long Term Debt	912,312	913,382	797,750	767,408
Total	\$ 48,503,066	\$ 44,184,726	\$ 35,450,943	\$ 33,216,218

Business-Type Activities – The District's total business-type activities revenues were \$1,020,425 for the fiscal year ended June 30, 2017. Charges for services of \$431,474 accounted for 42% of total revenues and operating grants and contributions of \$588,951 accounted for 58% of total revenues. Transfers into the Business-Type Activities were \$25,000 and represented the general fund transfer to subsidize the summer session program operations.

Total cost of all business-type activities programs and services was \$968,236 for the fiscal year ended June 30, 2017. Food service expenses of \$931,821 represented 96% of total expense and the summer session program expenses of \$36,415 represented 4% of total expenses.

For fiscal year 2017, total business-type activities revenues and transfers in exceeded expenses, increasing net position by \$77,189 or 26% over the previous year.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,277,211 at June 30, 2017, a decrease of \$285,203 from last year's fund balance of \$5,562,414. The District restricted fund balances decreased \$235,062 while the unassigned fund balance of the governmental funds decreased \$15,864 at June 30, 2017. The decrease to the restricted fund balance was the result of expenditures incurred for the 2014 referendum project in the Capital Projects Fund.

Revenues for the District's governmental funds were \$44,521,044, while total expenditures were \$44,781,247 for the fiscal year ended June 30, 2017. Total financing uses of the District's governmental funds were \$25,000 for the fiscal year ended June 30, 2017.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources:				
Property Tax Levy	\$ 32,973,746	\$ 31,783,486	\$ 1,190,260	4%
Tuition and Fees	124,088	197,399	(73,311)	-37%
Miscellaneous	243,625	225,603	18,022	8%
State Sources	6,893,190	6,541,197	351,993	5%
Federal Sources	14,698	74,955	(60,257)	-80%
Total General Fund Revenues	<u>\$ 40,249,347</u>	<u>\$ 38,822,640</u>	<u>\$ 1,426,707</u>	4%

For fiscal year 2017, total General Fund revenues increased \$1,426,707 or 4% from the previous year. Property taxes increased \$1,190,260 or 4% to support increases in operating costs. As indicated, State aid increased \$351,993 or 5% mainly due to the increase of on behalf TPAF pension contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 22,884,848	\$ 21,832,708	\$ 1,052,140	5%
Support Services	15,570,044	14,675,741	894,303	6%
Debt Service	454,693	569,486	(114,793)	-20%
Capital Outlay	481,368	2,002,372	(1,521,004)	-76%
Total Expenditures	<u>\$ 39,390,953</u>	<u>\$ 39,080,307</u>	<u>\$ 310,646</u>	1%

ELMWOOD PARK BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017**

GENERAL FUND (Continued)

For fiscal year 2017, total General Fund expenditures increased \$310,646 or 1% from the previous year. Employee benefits out of district tuition costs and pupil transportation costs were the major factors for this increase in expenditures for the current fiscal year.

In fiscal year 2017 General Fund revenues exceeded expenditures and other financing uses by \$833,394. Therefore, the total fund balance at June 30, 2016 of \$3,256,955 increased to a fund balance of 4,090,349 at June 30, 2017. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from \$104,031 at June 30, 2016 to \$88,167 at June 30, 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2017, the District had \$47,223,897 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$79,223, for business type activity. The following is a comparison of the June 30, 2017 and 2016 balances:

**Capital Assets at June 30, 2017 and 2016
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Construction in Progress	3,784,467	7,914,233			3,784,467	7,914,233
Land Improvements	1,670,273	24,851			1,670,273	24,851
Buildings and Improvements	41,454,603	39,068,338			41,454,603	39,068,338
Furniture, Equipment and Vehicles	<u>302,764</u>	<u>215,319</u>	\$ 79,223	\$ 23,456	<u>381,987</u>	<u>238,775</u>
Total Capital Assets, Net	<u>\$ 47,223,897</u>	<u>\$ 47,234,531</u>	<u>\$ 79,223</u>	<u>\$ 23,456</u>	<u>\$ 47,303,120</u>	<u>\$ 47,257,987</u>

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

LONG TERM LIABILITIES

At June 30, 2017 the District had \$42,983,320 of total outstanding long term liabilities. Of this amount, \$30,391,071 is for serial bonds, \$1,294,497 is for state aid advance loan payable, \$114,388 is for capital leases, \$163,354 is for lease-purchase agreements, \$582,537 is for compensated absences, and \$10,437,473 is for net pension liability. For fiscal year 2016/2017 total outstanding long-term liabilities increased by \$273,685. The following is a comparison of the June 30, 2017 and 2016 balances:

**Outstanding Long-Term Debt
as of June 30, 2017 and 2016**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Serial Bonds (including unamortized premium)	\$ 30,391,071	\$ 32,200,803
State Aid Advance Loan Payable	1,294,497	1,524,497
Capital Leases	114,388	226,154
Lease-Purchase Agreements	163,354	267,676
Compensated Absences	582,537	925,285
Net Pension Liability	<u>10,437,473</u>	<u>7,565,220</u>
Total	<u>\$ 42,983,320</u>	<u>\$ 42,709,635</u>

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2017 General Fund budgetary revenues exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$856,640. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$7,382, from an unassigned fund balance of \$565,473 at June 30, 2016 to \$572,855 at June 30, 2017. In addition, the District increased its capital reserve \$233,535 to \$2,525,394 at June 30, 2017, of which \$800,000 was designated in the 2017-2018 budget for capital outlay projects. Also, the District increased its maintenance reserve \$650,000 to \$1,444,570 at June 30, 2017 of which \$145,000 was designated in the 2017-2018 budget for required maintenance for the school facilities projects.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2016-2018 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2016-2017. Budgeted expenditures in the General Fund increased approximately 2% to \$37,949,875 for fiscal year 2017-2018. Budgeted regular and special education instruction costs, as well as, employee benefit costs were the main factor for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,945,101	\$ 353,284	\$ 6,298,385
Receivables, Net	380,802	9,521	390,323
Inventory		10,770	10,770
Capital Assets, Not Being Depreciated	3,796,257	-	3,796,257
Capital Assets, Being Depreciated, Net	<u>43,427,640</u>	<u>79,223</u>	<u>43,506,863</u>
Total Assets	<u>53,549,800</u>	<u>452,798</u>	<u>54,002,598</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	526,682		526,682
Deferred Amounts on Net Pension Liability	<u>3,117,874</u>	-	<u>3,117,874</u>
Total Deferred Outflows of Resources	<u>3,644,556</u>	-	<u>3,644,556</u>
Total Assets and Deferred Outflows of Resources	<u>57,194,356</u>	<u>452,798</u>	<u>57,647,154</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,010,059	63,293	1,073,352
Payable to Other Governments	33,428		33,428
Accrued Interest Payable	495,006		495,006
Unearned Revenue	5,205	6,908	12,113
Noncurrent Liabilities			
Due Within One Year	1,935,373		1,935,373
Due Beyond One Year	<u>41,047,947</u>	-	<u>41,047,947</u>
Total Liabilities	<u>44,527,018</u>	<u>70,201</u>	<u>44,597,219</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	170,235		170,235
Deferred Commodities Revenue	-	4,083	4,083
Total Deferred Inflows of Resources	<u>170,235</u>	<u>4,083</u>	<u>174,318</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,697,253</u>	<u>74,284</u>	<u>44,771,537</u>
NET POSITION			
Net Investment in Capital Assets	18,431,982	79,223	18,511,205
Restricted for:			
Capital Projects	2,525,394		2,525,394
Plant Maintenance	1,444,570		1,444,570
Other Purposes	776		776
Unrestricted	<u>(9,905,619)</u>	<u>299,291</u>	<u>(9,606,328)</u>
Total Net Position	<u>\$ 12,497,103</u>	<u>\$ 378,514</u>	<u>\$ 12,875,617</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 17,305,932	\$ 58,322	\$ 5,809,555	\$ 9,410	\$ (11,428,645)		\$ (11,428,645)
Special Education	10,436,257	65,766	3,870,230		(6,500,261)		(6,500,261)
Other Instruction	625,591		235,816		(389,775)		(389,775)
School Sponsored Activities and Athletics	672,594				(672,594)		(672,594)
Support Services:							
Student & Instruction Related Services	6,667,445		1,565,607		(5,101,838)		(5,101,838)
General Administrative Services	1,256,669		89,893		(1,166,776)		(1,166,776)
School Administrative Services	3,438,947		830,788		(2,608,159)		(2,608,159)
Central Administrative Services	1,371,526		10,872		(1,360,654)		(1,360,654)
Plant Operations and Maintenance	3,754,899		193,889		(3,561,010)		(3,561,010)
Pupil Transportation	2,060,894		197,413		(1,863,481)		(1,863,481)
Interest on Long Term Debt	912,312	-	114,562	-	(797,750)	-	(797,750)
Total Governmental Activities	48,503,066	124,088	12,918,625	9,410	(35,450,943)	-	(35,450,943)
Business-Type Activities:							
Food Service	931,821	415,325	588,951			\$ 72,455	72,455
Summer Session Program	36,415	16,149	-	-	-	(20,266)	(20,266)
Total Business-Type Activities	968,236	431,474	588,951	-	-	52,189	52,189
Total Primary Government	\$ 49,471,302	\$ 555,562	\$ 13,507,576	\$ 9,410	(35,450,943)	52,189	(35,398,754)

ELMWOOD PARK BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 32,973,746		\$ 32,973,746
Levied for Debt Service	2,390,209		2,390,209
State Aid - Unrestricted	1,241,807		1,241,807
State Aid for Debt Service Principal	140,550		140,550
Interest Earnings	64,241		64,241
Miscellaneous Income	179,384		179,384
Transfers	(25,000)	25,000	-
 Total General Revenues and Transfers	<u>36,964,937</u>	<u>25,000</u>	<u>36,989,937</u>
 Change in Net Position	1,513,994	77,189	1,591,183
 Net Position, Beginning of Year	<u>10,983,109</u>	<u>301,325</u>	<u>11,284,434</u>
 Net Position, End of Year	<u>\$ 12,497,103</u>	<u>\$ 378,514</u>	<u>\$ 12,875,617</u>

FUND FINANCIAL STATEMENTS

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 4,769,421		\$ 1,175,680		\$ 5,945,101
Receivables From Other Governments	154,608	\$ 218,686			373,294
Other Receivables	2,535				2,535
Due from Other Funds	87,781	-	56,182	-	143,963
	<u>5,014,345</u>	<u>218,686</u>	<u>1,231,862</u>	<u>-</u>	<u>6,464,893</u>
Total Assets	<u>\$ 5,014,345</u>	<u>\$ 218,686</u>	<u>\$ 1,231,862</u>	<u>\$ -</u>	<u>\$ 6,464,893</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 662,493	\$ 97,245	\$ 45,000		\$ 804,738
Accrued Salaries and Wages	116,552				116,552
Compensated Absences Payable	88,769				88,769
Payable to State Government		33,428			33,428
Due to Other Funds	56,182	82,808			138,990
Unearned Revenue	-	5,205	-	-	5,205
	<u>923,996</u>	<u>218,686</u>	<u>45,000</u>	<u>-</u>	<u>1,187,682</u>
Fund Balances:					
Restricted					
Capital Reserve	1,725,394				1,725,394
Capital Reserve - Designated for Subsequent Year's Expenditures	800,000				800,000
Maintenance Reserve	1,299,570				1,299,570
Maintenance Reserve - Designated for Subsequent Year's Expenditures	145,000				145,000
State Aid Loan Repayment	776				776
Capital Projects			1,186,862		1,186,862
Assigned					
Year End Encumbrances	31,442				31,442
Unassigned	88,167	-	-	-	88,167
	<u>4,090,349</u>	<u>-</u>	<u>1,186,862</u>	<u>-</u>	<u>5,277,211</u>
Total Fund Balances	<u>4,090,349</u>	<u>-</u>	<u>1,186,862</u>	<u>-</u>	<u>5,277,211</u>
Total Liabilities and Fund Balances	<u>\$ 5,014,345</u>	<u>\$ 218,686</u>	<u>\$ 1,231,862</u>	<u>\$ -</u>	<u>\$ 6,464,893</u>

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

Total Fund Balances (Exhibit B-1)		\$ 5,277,211
<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 \$63,558,566 and the accumulated depreciation is \$16,334,669.</p>		47,223,897
<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>		526,682
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 3,117,874	
<p>Deferred Inflows of Resources</p>	<u>(170,235)</u>	
		2,947,639
<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>		(495,006)
<p>Long-term liabilities, are not due payable in the current period and therefore are not reported as liabilities in the funds</p>		
<p>General Obligation Bonds (including unamortized premium)</p>	30,391,071	
<p>State Aid Advance Loan Payable</p>	1,294,497	
<p>Capital Leases Payable</p>	114,388	
<p>Lease - Purchase Agreements</p>	163,354	
<p>Compensated Absences</p>	582,537	
<p>Net Pension Liability</p>	<u>10,437,473</u>	
		<u>(42,983,320)</u>
Total Net Assets of Governmental Activities (Exhibit A-1)		\$ <u>12,497,103</u>

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 32,973,746			\$ 2,390,209	\$ 35,363,955
Tuition	124,088				124,088
Miscellaneous	243,625	\$ 50,024	-	-	293,649
Total - Local Sources	33,341,459	50,024	-	2,390,209	35,781,692
State Sources	6,893,190	245,616		255,112	7,393,918
Federal Sources	14,698	1,330,736	-	-	1,345,434
Total Revenues	40,249,347	1,626,376	-	2,645,321	44,521,044
EXPENDITURES					
Current Expenditures					
Instruction					
Regular	13,056,469	692,879			13,749,348
Special Education	8,732,768	535,434			9,268,202
Other Instruction	480,301				480,301
School Sponsored Activities and Athletics	615,310				615,310
Support Services					
Student and Instruction Related Services	5,241,951	358,053			5,600,004
General Administrative Services	1,134,287				1,134,287
School Administrative Services	2,695,700				2,695,700
Central Administrative Services	1,194,069				1,194,069
Plant Operations and Maintenance	3,284,256				3,284,256
Pupil Transportation	2,019,781	30,600			2,050,381
Debt Service					
Principal	446,088			1,460,000	1,906,088
Interest	8,605			1,190,050	1,198,655
Capital Outlay	481,368	9,410	\$ 1,113,868	-	1,604,646
Total Expenditures	39,390,953	1,626,376	1,113,868	2,650,050	44,781,247
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	858,394	-	(1,113,868)	(4,729)	(260,203)
OTHER FINANCING SOURCES (USES)					
Transfers Out	(25,000)	-	-	-	(25,000)
Total Other Financing Sources	(25,000)	-	-	-	(25,000)
Net Change in Fund Balances	833,394	-	(1,113,868)	(4,729)	(285,203)
Fund Balance, Beginning of Year	3,256,955	-	2,300,730	4,729	5,562,414
Fund Balance, End of Year	\$ 4,090,349	\$ -	\$ 1,186,862	\$ -	\$ 5,277,211

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

**ELMWOOD PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (285,203)**

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

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

Capital Outlays	\$ 1,604,646	
Depreciation Expense	<u>(1,615,280)</u>	(10,634)

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

Principal Repayments:		
General Obligations Bonds	1,460,000	
Capital Leases/ Lease - Purchase Agreements	216,088	
State Aid Advance Loan Payable	<u>230,000</u>	1,906,088

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

Deferred Amounts on Refunding of Debt	(76,010)	
Original Issue Premium	<u>349,732</u>	273,722

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

Decrease in Compensated Absences	342,748	
Increase in Pension Expense	<u>(725,348)</u>	(382,600)

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

The decrease in accrued interest is an addition in the reconciliation. 12,621

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,513,994**

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

**ELMWOOD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Non-Major Summer Session Program	Total
ASSETS			
Cash and Cash Equivalents	\$ 322,922	\$ 30,362	\$ 353,284
Other Accounts Receivable, Net	9,521		9,521
Inventories	10,770	-	10,770
Total Current Assets	<u>343,213</u>	<u>30,362</u>	<u>373,575</u>
Capital Assets			
Equipment	318,757		318,757
Accumulated Depreciation	<u>(239,534)</u>	<u>-</u>	<u>(239,534)</u>
Total Capital Assets, Net	<u>79,223</u>	<u>-</u>	<u>79,223</u>
Total Assets	<u>422,436</u>	<u>30,362</u>	<u>452,798</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	60,722		60,722
Accrued Salaries		2,571	2,571
Unearned Revenue	6,908	-	6,908
Total Current Liabilities	<u>67,630</u>	<u>2,571</u>	<u>70,201</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	4,083	-	4,083
Total Liabilities and Deferred Inflow of Resources	<u>71,713</u>	<u>2,571</u>	<u>74,284</u>
NET POSITION			
Investment in Capital Assets	79,223		79,223
Unrestricted	<u>271,500</u>	<u>27,791</u>	<u>299,291</u>
Total Net Position	<u>\$ 350,723</u>	<u>\$ 27,791</u>	<u>\$ 378,514</u>

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

ELMWOOD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Summer	Total
		Session Program	
OPERATING REVENUES			
Local Sources			
Daily Sales - Reimbursable Programs	\$ 232,934		\$ 232,934
Daily Sales - Non-Reimbursable Programs	182,391		182,391
Program Fees	-	\$ 16,149	16,149
Total Operating Revenues	<u>415,325</u>	<u>16,149</u>	<u>431,474</u>
OPERATING EXPENSES			
Salaries and Benefits	359,632	36,415	396,047
Cost of Sales - Reimbursable Programs	369,479		369,479
Cost of Sales - Non-Reimbursable Programs	69,958		69,958
Purchase Technical Services	20,362		20,362
Supplies and Materials	31,653		31,653
Other Purchased Services	31,563		31,563
Management Fee	36,772		36,772
Miscellaneous Expense	6,625		6,625
Depreciation	5,777	-	5,777
Total Operating Expenses	<u>931,821</u>	<u>36,415</u>	<u>968,236</u>
Operating (Loss)	<u>(516,496)</u>	<u>(20,266)</u>	<u>(536,762)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	10,822		10,822
Federal Sources			
School Breakfast Program	39,202		39,202
National School Lunch Program	466,071		466,071
Food Distribution Program	72,856	-	72,856
Total Nonoperating Revenues	<u>588,951</u>	<u>-</u>	<u>588,951</u>
Income (Loss) Before Transfers	72,455	(20,266)	52,189
Transfers In	-	25,000	25,000
Change in Net Position	72,455	4,734	77,189
Total Net Position, Beginning of Year	<u>278,268</u>	<u>23,057</u>	<u>301,325</u>
Total Net Position, End of Year	<u>\$ 350,723</u>	<u>\$ 27,791</u>	<u>\$ 378,514</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Non-Major Summer Session Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 417,647	\$ 6,980	\$ 424,627
Cash Payments for Employees Salaries and Benefits	(359,632)	(33,844)	(393,476)
Cash Payments to Suppliers for Goods and Services	(432,321)	-	(432,321)
Net Cash (Used for) Operating Activities	(374,306)	(26,864)	(401,170)
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds		25,000	25,000
Cash Received from State and Federal Subsidy Reimbursements	516,095	-	516,095
Net Cash Provided by Noncapital Financing Activities	516,095	25,000	541,095
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(61,544)	-	(61,544)
Net Cash (Used For) Capital and Related Financing Activities	(61,544)	-	(61,544)
Net Increase (Decrease) in Cash and Cash Equivalents	80,245	(1,864)	78,381
Cash and Cash Equivalents, Beginning of Year	242,677	32,226	274,903
Cash and Cash Equivalents, End of Year	\$ 322,922	\$ 30,362	\$ 353,284
Reconciliation of Operating (Loss) to Net Cash			
(Used for) Operating Activities			
Operating (Loss)	\$ (516,496)	\$ (20,266)	(536,762)
Adjustments to Reconcile Operating (Loss)			
to Net Cash (Used for) Operating Activities			
Depreciation	5,777		5,777
Non-Cash Federal Assistance-Food Distribution Program	72,856		72,856
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	1,855		1,855
(Increase)/Decrease in Inventory	4,466		4,466
Increase/(Decrease) in Accounts Payable	58,860	2,571	61,431
Increase/(Decrease) in Unearned Revenue	467	(9,169)	(8,702)
Increase/(Decrease) in Deferred Commodities Revenue	(2,091)	-	(2,091)
Total Adjustments	142,190	(6,598)	135,592
Net Cash (Used For) Operating Activities	\$ (374,306)	\$ (26,864)	\$ (401,170)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 70,765		

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

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017**

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>756,868</u>
Total Assets	\$ <u>756,868</u>
LIABILITIES	
Due to Student Groups	\$ 116,882
Payroll Deductions and Withholdings	13
Accrued Salaries and Wages	8,101
Summer Savings Deposits	621,212
Flexible Spending Deposits	5,687
Due to Other Funds	<u>4,973</u>
Total Liabilities	\$ <u>756,868</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2017, the District adopted the following GASB statements as required:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

C. Basis of Presentation - Financial Statements

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

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.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 acquisition 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	50
Building Improvements	15-20
Machinery and Equipment	5-10
Vehicles	10

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount 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.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

6. Compensated Absences

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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*

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

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes

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

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

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

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

Unassigned Fund Balance – Represents fund balance that has not been restricted 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, and miscellaneous revenues.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

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 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 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.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$561,205. The increase was funded by additional fund balance (surplus) appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional unassigned fund balance appropriations of \$78,239 and restricted fund balance appropriation of \$125,000 from maintenance reserve.

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

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

B. Capital Reserve

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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, 2017 is as follows:

Balance, July 1, 2016		\$ 2,291,859
Increased by:		
Deposits Approved by Board Resolution	\$ 545,032	
Return of Unexpended Capital Outlay Appropriation Funded by Capital Reserve	<u>138,503</u>	
		<u>683,535</u>
		2,975,394
Decreased by:		
Withdrawals Approved by Board Resolution		<u>450,000</u>
Balance, June 30, 2017		<u>\$ 2,525,394</u>

Of the capital reserve balance at June 30, 2017, \$800,000 was designated and appropriated in the 2017/18 original budget certified for taxes. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

C. Maintenance Reserve

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

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 794,570
Increased by:		
Deposits Approved by Board Resolution	\$ 650,000	
Return of Unexpended Required Maintenance for School Facilities Appropriation Funded by Capital Reserve	<u>125,000</u>	
		<u>775,000</u>
		1,569,570
Decreased by:		
Withdrawals Approved by Board Resolution		<u>125,000</u>
Balance, June 30, 2017		<u>\$ 1,444,570</u>

Of the maintenance reserve balance at June 30, 2016, \$145,000 was designated and appropriated in the 2017/18 original budget certified for taxes. The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,102,483.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), 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.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$7,055,253 and bank and brokerage firm balances of the Board's deposits amounted to \$9,532,322. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>9,532,322</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2017, the Board had no outstanding investments.

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

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Local	\$ 14,928			\$ 14,928
State	139,680			139,680
Federal		\$ 218,686		218,686
Accounts	<u>2,535</u>	<u>-</u>	<u>\$ 9,521</u>	<u>12,056</u>
Gross Receivables	157,143	218,686	9,521	385,350
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 157,143</u>	<u>\$ 218,686</u>	<u>\$ 9,521</u>	<u>\$ 385,350</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 5,205</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790			\$ 11,790
Construction in Progress	7,914,233	\$ 1,113,868	(5,243,634)	3,784,467
Total Capital Assets, Not Being Depreciated	<u>7,926,023</u>	<u>1,113,868</u>	<u>(5,243,634)</u>	<u>3,796,257</u>
Capital Assets, Being Depreciated:				
Land Improvements	107,413	1,733,434		1,840,847
Building and Building Improvements	52,225,379	3,848,516		56,073,895
Machinery and Equipment	1,704,105	152,462	\$ (9,000)	1,847,567
Total Capital Assets Being Depreciated	<u>54,036,897</u>	<u>5,734,412</u>	<u>(9,000)</u>	<u>59,762,309</u>
Less Accumulated Depreciation for:				
Land Improvements	(82,562)	(88,012)		(170,574)
Buildings and Improvements	(13,157,041)	(1,462,251)		(14,619,292)
Machinery and Equipment	(1,488,786)	(65,017)	9,000	(1,544,803)
Total Accumulated Depreciation	<u>(14,728,389)</u>	<u>(1,615,280)</u>	<u>9,000</u>	<u>(16,334,669)</u>
Total Capital Assets, Being Depreciated, Net	<u>39,308,508</u>	<u>4,119,132</u>	<u>-</u>	<u>43,427,640</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,234,531</u>	<u>\$ 5,233,000</u>	<u>\$ (5,243,634)</u>	<u>\$ 47,223,897</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 257,213	\$ 61,544	-	\$ 318,757
Total Capital Assets Being Depreciated	<u>257,213</u>	<u>61,544</u>	<u>-</u>	<u>318,757</u>
Less Accumulated Depreciation for:				
Equipment	(233,757)	(5,777)	-	(239,534)
Total Accumulated Depreciation	<u>(233,757)</u>	<u>(5,777)</u>	<u>-</u>	<u>(239,534)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,456</u>	<u>55,767</u>	<u>-</u>	<u>79,223</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,456</u>	<u>\$ 55,767</u>	<u>\$ -</u>	<u>\$ 79,223</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

Governmental Activities:

Instruction

Regular	\$ 689,546
Special Education	231,689
Total Instruction	<u>921,235</u>

Support Services

Student and Instruction Related Services	222,652
General Administrative Services	29,829
School Administrative Services	153,393
Central Administrative Services	62,861
Plant Operations and Maintenance	221,636
Student Transportation	3,674
Total Support Services	<u>694,045</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,615,280</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 5,777</u>
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Total Depreciation Expense - Business-Type Activities	<u>\$ 5,777</u>
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**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Partial Window Replacement MS/HS	\$ 369,600

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 82,808
General Fund	Payroll Agency Fund	4,973
Capital Projects Fund	General Fund	56,182
Total		<u>\$ 143,963</u>

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

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>
	Summer Session Program <u>Fund</u>
Transfer Out:	
General Fund	\$ 25,000
	<hr/>
Total	\$ 25,000
	<hr/>

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

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$35,315. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 35,315
2019	35,315
2020	<hr/> 26,487
Total Minimum Lease Payments	\$ <hr/> 97,117

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing technology/network upgrades totaling \$275,000 under a capital lease. The lease is for a term of 5 years. In addition, the District is leasing Ipad's (supplies) totaling \$527,309 under lease purchase agreements for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ <u>275,000</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>	<u>Lease Purchase Agreement</u>	<u>Total</u>
2018	\$ 57,200	\$ 108,912	\$ 166,112
2019	<u>57,200</u>	<u>58,425</u>	<u>115,625</u>
Total Minimum Lease Payments	114,400	167,337	281,737
Less: Amount Representing Interest	<u>(12)</u>	<u>(3,983)</u>	<u>(3,995)</u>
Present Value of Minimum Lease Payments	<u>\$ 114,388</u>	<u>\$ 163,354</u>	<u>\$ 277,742</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 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, 2017 are comprised of the following issues:

\$9,290,000, 2014 Bonds, due in annual installments of \$350,000 to \$600,000 through August 1, 2034, interest at 1.50% to 5.00	\$8,645,000
\$21,275,000, 2014 Refunding Bonds, due in annual installments of \$1,135,000 to \$1,950,000 through August 1, 2029, interest at 2.00% to 5.00%	<u>19,060,000</u>
Total	<u>\$27,705,000</u>

State Aid Advance Loan Payable

In April 2013, the Board entered into a loan agreement with the State of New Jersey in the amount of \$2,214,497 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund at June 30, 2012. The State aid advance loan is being repaid annually by the school district through automatic reductions in the State aid provided to the school district each year. The term of the loan repayment is ten (10) years beginning in the 2013/2014 school year at a minimum amount of \$230,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2016/2017 school year.

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

Governmental Activities:

Year Ended June 30,	<u>Serial Bonds</u>		<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 1,485,000	\$ 1,164,250	\$ 230,000		\$ 2,879,250
2019	1,520,000	1,126,600	230,000		2,876,600
2020	1,575,000	1,072,300	230,000		2,877,300
2021	1,640,000	1,008,000	230,000		2,878,000
2022	1,715,000	932,325	230,000		2,877,325
2023-2027	9,865,000	3,257,375	144,497		13,266,872
2028-2032	8,105,000	968,900			9,073,900
2033-2035	<u>1,800,000</u>	<u>144,000</u>	<u>-</u>	<u>-</u>	<u>1,944,000</u>
Totals	<u>\$ 27,705,000</u>	<u>\$ 9,673,750</u>	<u>\$ 1,294,497</u>	<u>\$ -</u>	<u>\$ 38,673,247</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 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, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 83,368,272
Less: Net Debt Issued	<u>27,705,000</u>
Remaining Borrowing Power	<u>\$ 55,663,272</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds Payable	\$ 29,165,000		\$ 1,460,000	\$ 27,705,000	\$ 1,485,000
Add: Unamortized Premium	<u>3,035,803</u>	-	<u>349,732</u>	<u>2,686,071</u>	-
	32,200,803	-	1,809,732	30,391,071	1,485,000
Capital Leases	226,154		111,766	114,388	56,628
Lease Purchase Agreements	267,676		104,322	163,354	105,745
Compensated Absences	925,285		342,748	582,537	58,000
State Aid Advance Loan Payable	1,524,497		230,000	1,294,497	230,000
Net Pension Liability	<u>7,565,220</u>	<u>\$ 3,185,332</u>	<u>313,079</u>	<u>10,437,473</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 42,709,635</u>	<u>\$ 3,185,332</u>	<u>\$ 2,911,647</u>	<u>\$ 42,983,320</u>	<u>\$ 1,935,373</u>

For governmental activities, the liabilities for capital leases, lease-purchase agreements, compensated absences, state aid advance loan and net pension liability are generally liquidated by the general fund.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, 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, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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

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

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

Other Pension Funds

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% 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, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively 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>
2017	\$ 313,079	\$ 1,332,848	\$ 27,385
2016	289,739	928,399	19,227
2015	289,037	616,070	17,789

In addition for fiscal year 2016/2017 the District contributed \$2,241 for PERS and the State contributed \$4,773 for TPAF for Long Term Disability Insurance Premium (LTDD).

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 \$977,480 during the fiscal year ended June 30, 2017 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.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$10,437,473 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .03524 percent, which was an increase of .00154 percent from its proportionate share measured as of June 30, 2015 of .03370 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,038,427 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 194,105	
Changes of Assumptions	2,162,087	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	397,990	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>363,692</u>	<u>\$ 170,235</u>
Total	<u>\$ 3,117,874</u>	<u>\$ 170,235</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 686,152
2019	686,152
2020	686,152
2021	661,846
2022	<u>227,337</u>
	<u>\$ 2,947,639</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,853,864 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$91,219,332. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .11596 percent, which was an increase of .00201 percent from its proportionate share measured as of June 30, 2015 of .11395 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 108,936,268</u>	<u>\$ 91,219,332</u>	<u>\$ 76,751,168</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512 , retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$1,110,565, \$1,105,467 and \$978,012, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 32,973,746		\$ 32,973,746	\$ 32,973,746	
Tuition from Other LEA's / Within State	30,000	\$ -	30,000	124,088	\$ 94,088
Unrestricted Miscellaneous	190,560	-	190,560	243,625	53,065
Total Local Revenues	<u>33,194,306</u>	<u>-</u>	<u>33,194,306</u>	<u>33,341,459</u>	<u>147,153</u>
State Sources					
Special Education Aid	1,551,273		1,551,273	1,551,273	
Equalization Aid	665,999		665,999	665,999	
Security Aid	195,455		195,455	195,455	
Transportation Aid	135,016		135,016	135,016	
Under Adequacy Aid	500,000		500,000	500,000	
PARCC Readiness Aid	26,780		26,780	26,780	
Per Pupil Growth Aid	26,780		26,780	26,780	
Professional Learning Community Aid	26,390		26,390	26,390	
Extraordinary Special Education Costs Aid	399,998		399,998	330,076	(69,922)
Nonpublic School Transportation Costs				33,001	33,001
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				1,286,244	1,286,244
Pension - NCGI Premium				46,604	46,604
Post Retirement Medical Benefit Contribution				1,110,565	1,110,565
Long Term Disability Insurance				4,773	4,773
Reimbursed Social Security Contribution	-	-	-	977,480	977,480
Total State Revenues	<u>3,527,691</u>	<u>-</u>	<u>3,527,691</u>	<u>6,916,436</u>	<u>3,388,745</u>
Federal Sources					
Special Education Medicaid Initiative Reimbursement	64,412	-	64,412	14,698	(49,714)
Total Federal Revenues	<u>64,412</u>	<u>-</u>	<u>64,412</u>	<u>14,698</u>	<u>(49,714)</u>
Total Revenues	<u>36,786,409</u>	<u>-</u>	<u>36,786,409</u>	<u>40,272,593</u>	<u>3,486,184</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	553,115	\$ 2,795	555,910	546,399	9,511
Grades 1-5	2,968,676	(30,257)	2,938,419	2,921,831	16,588
Grades 6-8	1,506,870	36,885	1,543,755	1,516,069	27,686
Grades 9-12	2,532,238	33,110	2,565,348	2,533,727	31,621
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	10,000	25,000	24,104	896
Purchased Professional-Educational Services	16,000	(1,016)	14,984	14,420	564
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	108,473	(27,185)	81,288	75,349	5,939
Purchased Professional-Educational Services	6,331	7,000	13,331	12,897	434
Purchased Technical Services	55,064	(1,184)	53,880	53,540	340
Other Purchased Services	305,630	20,100	325,730	324,839	891
General Supplies	218,829	31,204	250,033	240,786	9,247
Textbooks	40,912	(24,521)	16,391	16,279	112
Total Regular Programs	<u>8,327,138</u>	<u>56,931</u>	<u>8,384,069</u>	<u>8,280,240</u>	<u>103,829</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 386,559	\$ (19,000)	\$ 367,559	\$ 364,136	\$ 3,423
Other Salaries for Instruction	<u>112,910</u>	<u>(20,000)</u>	<u>92,910</u>	<u>78,332</u>	<u>14,578</u>
Total Learning / Language Disabilities	<u>499,469</u>	<u>(39,000)</u>	<u>460,469</u>	<u>442,468</u>	<u>18,001</u>
Behavioral Disabilities					
Salaries of Teachers	-	86,120	86,120	83,647	2,473
Other Salaries for Instruction	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>4,566</u>	<u>7,434</u>
Total Behavioral Disabilities	<u>-</u>	<u>98,120</u>	<u>98,120</u>	<u>88,213</u>	<u>9,907</u>
Multiple Disabilities					
Salaries of Teachers	312,632	(58,900)	253,732	238,660	15,072
Other Salaries for Instruction	48,390	(14,000)	34,390	21,125	13,265
General Supplies	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Multiple Disabilities	<u>363,022</u>	<u>(72,900)</u>	<u>290,122</u>	<u>259,785</u>	<u>30,337</u>
Resource Room / Resource Center					
Salaries of Teachers	1,280,837	(142,969)	1,137,868	1,128,994	8,874
Other Salaries for Instruction	129,040	10,400	139,440	114,163	25,277
General Supplies	<u>500</u>	<u>100</u>	<u>600</u>	<u>557</u>	<u>43</u>
Total Resource Room / Resource Center	<u>1,410,377</u>	<u>(132,469)</u>	<u>1,277,908</u>	<u>1,243,714</u>	<u>34,194</u>
Autism					
Salaries of Teachers	217,469	4,969	222,438	216,544	5,894
Other Salaries for Instruction	80,650	(4,900)	75,750	61,356	14,394
General Supplies	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>8,814</u>	<u>1,186</u>
Total Autism	<u>298,119</u>	<u>10,069</u>	<u>308,188</u>	<u>286,714</u>	<u>21,474</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers		167,000	167,000	161,124	5,876
Other Salaries for Instruction	<u>-</u>	<u>79,774</u>	<u>79,774</u>	<u>55,379</u>	<u>24,395</u>
Total Preschool Disabilities - Part - Time	<u>-</u>	<u>246,774</u>	<u>246,774</u>	<u>216,503</u>	<u>30,271</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	205,376	(154,000)	51,376	50,093	1,283
Other Salaries for Instruction	<u>96,780</u>	<u>(66,243)</u>	<u>30,537</u>	<u>20,111</u>	<u>10,426</u>
Total Preschool Disabilities - Full - Time	<u>302,156</u>	<u>(220,243)</u>	<u>81,913</u>	<u>70,204</u>	<u>11,709</u>
Home Instruction					
Salaries of Teachers	40,000	-	40,000	32,366	7,634
Purchased Professional and Educational Services	<u>299</u>	<u>-</u>	<u>299</u>	<u>-</u>	<u>299</u>
Total Home Instruction	<u>40,299</u>	<u>-</u>	<u>40,299</u>	<u>32,366</u>	<u>7,933</u>
Total Special Education	<u>2,913,442</u>	<u>(109,649)</u>	<u>2,803,793</u>	<u>2,639,967</u>	<u>163,826</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 163,346	\$ 3,165	\$ 166,511	\$ 165,874	\$ 637
Total Basic Skills/Remedial	<u>163,346</u>	<u>3,165</u>	<u>166,511</u>	<u>165,874</u>	<u>637</u>
Bilingual Education					
Salaries of Teachers	199,352	(53,665)	145,687	121,553	24,134
Total Bilingual Education	<u>199,352</u>	<u>(53,665)</u>	<u>145,687</u>	<u>121,553</u>	<u>24,134</u>
School Sponsored Co-Curricular Activities					
Salaries	99,827	12,824	112,651	99,318	13,333
Supplies and Materials	7,500	(7,500)	-	-	-
Total School Sponsored Co-Curricular Activities	<u>107,327</u>	<u>5,324</u>	<u>112,651</u>	<u>99,318</u>	<u>13,333</u>
School Sponsored Athletics - Instruction					
Salaries	241,855	14,189	256,044	253,983	2,061
Purchased Services	69,500	35,285	104,785	83,510	21,275
Supplies and Materials	38,950	(15,843)	23,107	22,644	463
Other Objects	11,555	(954)	10,601	9,989	612
Total School Sponsored Athletics - Instruction	<u>361,860</u>	<u>32,677</u>	<u>394,537</u>	<u>370,126</u>	<u>24,411</u>
Total - Instruction	<u>12,072,465</u>	<u>(65,217)</u>	<u>12,007,248</u>	<u>11,677,078</u>	<u>330,170</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	152,566	246,000	398,566	352,440	46,126
Tuition to County Vocational School District-Reg.	426,330	44,687	471,017	457,898	13,119
Tuition to County Vocational School/Dist.-Spec.	790,338	(55,000)	735,338	683,452	51,886
Tuition to County Special Services School Districts & Regional Day Schools	1,387,854	(64,500)	1,323,354	1,320,150	3,204
Tuition to Private Schools - Disabled Within State	2,568,003	(184,800)	2,383,203	2,363,655	19,548
Tuition - State Facilities	-	35,000	35,000	32,306	2,694
Total Undistributed - Instruction (Tuition)	<u>5,325,091</u>	<u>21,387</u>	<u>5,346,478</u>	<u>5,209,901</u>	<u>136,577</u>
Attendance and Social Work Services					
Salaries	141,373	2,800	144,173	144,083	90
Supplies and Materials	600	(600)	-	-	-
Total Attendance and Social Work Services	<u>141,973</u>	<u>2,200</u>	<u>144,173</u>	<u>144,083</u>	<u>90</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 314,032	\$ (665)	\$ 313,367	\$ 312,098	\$ 1,269
Purchased Professional and Technical Services	27,843	(435)	27,408	18,490	8,918
Supplies and Materials	4,491	1,200	5,691	4,837	854
Total Health Services	<u>346,366</u>	<u>100</u>	<u>346,466</u>	<u>335,425</u>	<u>11,041</u>
Speech, OT, PT and Related Services					
Salaries	261,840	(1,000)	260,840	254,979	5,861
Purchased Professional - Educational Services	488,000	17,500	505,500	471,515	33,985
Supplies and Materials	-	9,500	9,500	7,209	2,291
Total Speech, OT, PT and Related Services	<u>749,840</u>	<u>26,000</u>	<u>775,840</u>	<u>733,703</u>	<u>42,137</u>
Other Support Services-Students-Extra Services					
Salaries	500,030	5,270	505,300	463,262	42,038
Purchased Professional-Educational Services	366,465	371,012	737,477	721,827	15,650
Supplies and Materials	837	-	837	-	837
Total Other Support Services-Extra Services	<u>867,332</u>	<u>376,282</u>	<u>1,243,614</u>	<u>1,185,089</u>	<u>58,525</u>
Guidance					
Salaries of Other Professional Staff	389,322	(9,944)	379,378	378,678	700
Salaries of Secretarial and Clerical Assistants	36,560	1,440	38,000	37,873	127
Purchased Professional-Educational Services		2,000	2,000	1,950	50
Other Purchased Services	8,573	50	8,623	8,250	373
Supplies and Materials	833	-	833	817	16
Total Guidance	<u>435,288</u>	<u>(6,454)</u>	<u>428,834</u>	<u>427,568</u>	<u>1,266</u>
Child Study Team					
Salaries of Other Professional Staff	621,996	(50,000)	571,996	571,917	79
Salaries of Secretarial and Clerical Assistants	46,000	100	46,100	46,093	7
Other Purchased Professional and Technical Services	54,500	(17,100)	37,400	31,775	5,625
Other Purchased Services	6,000	-	6,000	3,944	2,056
Residential Costs	84,449	(57,047)	27,402	27,402	-
Supplies and Materials	3,269	21,000	24,269	20,560	3,709
Total Child Study Team	<u>816,214</u>	<u>(103,047)</u>	<u>713,167</u>	<u>701,691</u>	<u>11,476</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	148,962	(7,815)	141,147	132,399	8,748
Salaries of Secretarial and Clerical Assistants	25,929	-	25,929	25,891	38
Other Purchased Professional and Technical Services	20,000	(14,500)	5,500	5,447	53
Other Purchased Services	8,313	(1,200)	7,113	3,531	3,582
Supplies and Materials	500	12,700	13,200	13,136	64
Total Improvement of Instruction Services	<u>203,704</u>	<u>(10,815)</u>	<u>192,889</u>	<u>180,404</u>	<u>12,485</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 107,842	\$ 7,152	\$ 114,994	\$ 112,340	\$ 2,654
Other Purchased Services	9,000	(3,111)	5,889	5,889	-
Supplies and Materials	10,499	(4,068)	6,431	5,296	1,135
Total Educational Media Services/School Library	127,341	(27)	127,314	123,525	3,789
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	147,942	(6,795)	141,147	127,877	13,270
Salaries of Secretarial and Clerical Assistants	25,928	-	25,928	25,891	37
Total Instructional Staff Training Services	173,870	(6,795)	167,075	153,768	13,307
Support Services General Administration					
Salaries	248,500	11,000	259,500	254,091	5,409
Salaries of State Fiscal Monitor	75,000	(3,000)	72,000	27,312	44,688
Repayment of Principal - NJDOE Loan	230,000	-	230,000	230,000	-
Legal Services	120,000	15,010	135,010	127,643	7,367
Audit Fees	58,000	30,400	88,400	34,156	54,244
Architectural/Engineering Services	12,000	8,500	20,500	3,000	17,500
Other Purchased Professional Services	19,430	(10,000)	9,430	4,440	4,990
Communications/Telephone	132,528	1,000	133,528	123,400	10,128
BOE Other Purchased Services	7,561	(950)	6,611	1,247	5,364
Miscellaneous Purchased Services	229,756	(12,559)	217,197	211,876	5,321
General Supplies	9,110	-	9,110	2,788	6,322
Miscellaneous Expenditures	2,000	-	2,000	990	1,010
BOE Membership Dues and Fees	23,705	2,500	26,205	24,394	1,811
Total Support Services General Administration	1,167,590	41,901	1,209,491	1,045,337	164,154
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,288,384	82,156	1,370,540	1,356,901	13,639
Salaries of Secretarial and Clerical Assistants	407,287	(5,800)	401,487	401,238	249
Other Purchased Services	54,792	(6,900)	47,892	39,562	8,330
Supplies and Materials	43,301	(10,724)	32,577	31,658	919
Other Objects	600	1,200	1,800	1,453	347
Total Support Services School Administration	1,794,364	59,932	1,854,296	1,830,812	23,484
Central Services					
Salaries	527,214	7,000	534,214	518,554	15,660
Purchased Professional Services	43,406	-	43,406	42,128	1,278
Purchased Technical Services	10,850	4,400	15,250	14,454	796
Miscellaneous Purchased Services	13,281	-	13,281	9,505	3,776
Supplies and Materials	10,768	(2,400)	8,368	4,166	4,202
Interest on Lease Purchase Agreements	9,913	-	9,913	7,176	2,737
Total Central Services	615,432	9,000	624,432	595,983	28,449

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Administration Information Technology					
Salaries	\$ 185,471	\$ (804)	\$ 184,667	\$ 182,536	\$ 2,131
Purchased Technical Services	77,793	(12,196)	65,597	58,438	7,159
Other Purchased Services	43,758	(13,200)	30,558	14,634	15,924
Supplies and Materials	22,000	21,099	43,099	42,828	271
Other Objects	758	-	758	-	758
Total Administration Information Technology	<u>329,780</u>	<u>(5,101)</u>	<u>324,679</u>	<u>298,436</u>	<u>26,243</u>
Required Maintenance for School Facilities					
Salaries	250,028	3,850	253,878	244,133	9,745
Cleaning, Repair & Maintenance Services	252,223	42,550	294,773	181,636	113,137
General Supplies	75,984	(19,800)	56,184	37,000	19,184
Other Objects	-	80	80	80	-
Total Required Maintenance for School Facilities	<u>578,235</u>	<u>26,680</u>	<u>604,915</u>	<u>462,849</u>	<u>142,066</u>
Custodial Services					
Salaries	1,155,650	11,635	1,167,285	1,105,821	61,464
Salaries of Non-Instructional Aides	41,715	3,500	45,215	37,063	8,152
Cleaning, Repair and Maintenance Services	80,097	(1,000)	79,097	42,126	36,971
Other Purchased Property Services	29,286	4,000	33,286	32,391	895
Insurance	172,150	(15,089)	157,061	157,061	-
General Supplies	90,580	11,000	101,580	89,019	12,561
Energy (Natural Gas)	220,000	(70,000)	150,000	134,194	15,806
Energy (Electricity)	500,000	(59,800)	440,200	427,409	12,791
Energy (Gasoline)	10,000	-	10,000	-	10,000
Total Custodial Services	<u>2,299,478</u>	<u>(115,754)</u>	<u>2,183,724</u>	<u>2,025,084</u>	<u>158,640</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	61,573	5,000	66,573	58,488	8,085
General Supplies	25,325	(700)	24,625	14,588	10,037
Total Care and Upkeep of Grounds	<u>86,898</u>	<u>4,300</u>	<u>91,198</u>	<u>73,076</u>	<u>18,122</u>
Security					
Salaries	40,950	290	41,240	40,983	257
Purchased Professional and Technical Services	35,000	3,000	38,000	32,933	5,067
Total Security	<u>75,950</u>	<u>3,290</u>	<u>79,240</u>	<u>73,916</u>	<u>5,324</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	13,280	-	13,280	13,111	169
Salaries for Pupil Transportation (Between Home and School) - Special	13,280	-	13,280	13,111	169
Salaries for Pupil Transportation (Other Than Between Home & School)	16,800	1,500	18,300	18,030	270
Cleaning, Repair and Maintenance Services	3,500	7,000	10,500	9,777	723
Contracted Services - Aid-in-Lieu-Nonpublic Schools	145,000	14,500	159,500	148,070	11,430
Contracted Services (Other Than Between Home and School) - Vendors	42,825	(4,213)	38,612	24,070	14,542
Contracted Services (Regular) - ESC's & CTSA's	255,000	(23,812)	231,188	220,929	10,259
Contracted Services (Spec Ed) - ESC's & CTSA's	1,415,000	160,000	1,575,000	1,555,121	19,879
Miscellaneous Purchased Services - Transportation	6,393	-	6,393	150	6,243
Total Student Transportation Services	<u>1,911,078</u>	<u>154,975</u>	<u>2,066,053</u>	<u>2,002,369</u>	<u>63,684</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 397,521	-	\$ 397,521	\$ 349,230	\$ 48,291
Other Retirement Contributions - PERS	318,713	\$ (1,574)	317,139	315,320	1,819
Other Retirement Contributions - DCRP	25,600	6,574	32,174	27,385	4,789
Unemployment Compensation	68,834	2,000	70,834	70,596	238
Workmen's Compensation	234,350	-	234,350	208,992	25,358
Health Benefits	4,972,611	(439,494)	4,533,117	4,507,644	25,473
Tuition Reimbursement	64,260	2,000	66,260	65,890	370
Other Employee Benefits	123,086	(35,000)	88,086	84,024	4,062
Unused Sick Payment to Terminated/Retired Staff	-	105,000	105,000	90,915	14,085
Total Unallocated Benefits	<u>6,204,975</u>	<u>(360,494)</u>	<u>5,844,481</u>	<u>5,719,996</u>	<u>124,485</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		1,286,244	(1,286,244)
Pension -NCGI Premium				46,604	(46,604)
Post Retirement Medical Benefit Contribution		-		1,110,565	(1,110,565)
Long Term Disability Insurance				4,773	(4,773)
Reimbursed Social Security Contribution	-	-	-	977,480	(977,480)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,425,666</u>	<u>(3,425,666)</u>
Total Undistributed Expenditures	<u>24,250,799</u>	<u>117,560</u>	<u>24,368,359</u>	<u>26,748,681</u>	<u>(2,380,322)</u>
Total Expenditures - Current Expenditures	<u>36,323,264</u>	<u>52,343</u>	<u>36,375,607</u>	<u>38,425,759</u>	<u>(2,050,152)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Admin Info Technology		42,038	42,038	41,776	262
Undistributed Expenditures - Required Maint. For School Facilities		-			-
Undistributed Expenditures - Supp. Services - Students School Sponsored and Other Instructional Program		98,000	98,000	97,759	241
	-	3,517	3,517	3,517	-
Total Equipment	<u>-</u>	<u>143,555</u>	<u>143,555</u>	<u>143,052</u>	<u>503</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	35,000	6,379	41,379	19,668	21,711
Construction Services	415,000	20,439	435,439	318,648	116,791
Assessment for Debt Service on SDA Funding	170,358	-	170,358	170,358	-
Total Facilities Acquisition and Construction Services	<u>620,358</u>	<u>26,818</u>	<u>647,176</u>	<u>508,674</u>	<u>138,502</u>
Interest on Capital Reserve	560	-	560	-	560
Total Capital Outlay	<u>620,918</u>	<u>170,373</u>	<u>791,291</u>	<u>651,726</u>	<u>139,565</u>
Transfer of Funds to Charter Schools	292,227	21,242	313,469	313,468	1
Total Expenditures	<u>37,236,409</u>	<u>243,958</u>	<u>37,480,367</u>	<u>39,390,953</u>	<u>(1,910,586)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(450,000)</u>	<u>(243,958)</u>	<u>(693,958)</u>	<u>881,640</u>	<u>1,575,598</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources/(Uses)					
Transfers Out - Summer Session Enterprise Fund	-	\$ (25,000)	\$ (25,000)	\$ (25,000)	-
Total Other Financing Sources/(Uses)	-	(25,000)	(25,000)	(25,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ (450,000)	(268,958)	(718,958)	856,640	1,575,598
Fund Balances Beginning of Year	3,718,397	-	3,718,397	3,718,397	-
Fund Balances, End of Year	\$ 3,268,397	\$ (268,958)	\$ 2,999,439	\$ 4,575,037	\$ 1,575,598
Recapitulation					
Restricted					
Capital Reserve				1,725,394	
Capital Reserve - Designated for Subsequent Year' Expenditures				800,000	
Maintenance Reserve				1,299,570	
Maintenance Reserve - Designated for Subsequent Year' Expenditures				145,000	
State Aid Loan Repayment				776	
Assigned					
Year End Encumbrances				31,442	
Unassigned				572,855	
Fund Balance Per State Budgetary Basis of Accounting				4,575,037	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(484,688)	
Fund Balance Per Governmental Funds (GAAP)				\$ 4,090,349	

**ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 221,760	\$ 57,284	\$ 279,044	\$ 245,616	\$ (33,428)
Federal	1,279,849	179,957	1,459,806	1,330,736	(129,070)
Local Sources					
Miscellaneous	-	55,006	55,006	50,024	(4,982)
Total Revenues	<u>1,501,609</u>	<u>292,247</u>	<u>1,793,856</u>	<u>1,626,376</u>	<u>(167,480)</u>
EXPENDITURES					
Instruction					
Salaries	360,370	11,295	371,665	350,422	21,243
Tuition	435,434	105,336	540,770	535,434	5,336
Purchased Professional / Educational Services	126,000	(3,494)	122,506	95,476	27,030
General Supplies	99,328	46,888	146,216	137,366	8,850
Textbooks	11,182	-	11,182	11,104	78
Other Objects	-	500	500	500	-
Total Instruction	<u>1,032,314</u>	<u>160,525</u>	<u>1,192,839</u>	<u>1,130,302</u>	<u>62,537</u>
Support Services					
Salaries	5,000	-	5,000	2,650	2,350
Purchased Professional / Educational Service	269,880	78,429	348,309	261,579	86,730
Other Purchased Services	66,478	22,795	89,273	77,593	11,680
Supplies and Materials	13,521	5,429	18,950	16,231	2,719
Total Support Services	<u>354,879</u>	<u>106,653</u>	<u>461,532</u>	<u>358,053</u>	<u>103,479</u>
Transportation					
Contracted Services	30,600	-	30,600	30,600	-
Unallocated Employee Benefits	83,816	15,659	99,475	98,011	1,464
Capital Outlay					
Instructional Equipment	-	9,410	9,410	9,410	-
Total Capital Outlay	<u>-</u>	<u>9,410</u>	<u>9,410</u>	<u>9,410</u>	<u>-</u>
Total Expenditures	<u>1,501,609</u>	<u>292,247</u>	<u>1,793,856</u>	<u>1,626,376</u>	<u>167,480</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

The following presents a reconciliation of the General and Special Revenue 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 40,272,593	\$ 1,626,376
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2016-2017)	(484,688)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2015-2016)	461,442	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	<u>-</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 40,249,347</u>	<u>\$ 1,626,376</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,390,953	\$ 1,626,376
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,390,953</u>	<u>\$ 1,626,376</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Public Employees Retirement System

Last Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03524%	0.03370%	0.03506%	0.03396
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,437,473	\$ 7,565,220	\$ 6,564,359	\$ 6,489,881
District's Covered-Employee Payroll	\$ 2,336,786	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	446.66%	333.51%	266.36%	270.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 313,079	\$ 289,739	\$ 289,037	\$ 255,860
Contributions in Relation to the Contractually Required Contribution	<u>313,079</u>	<u>289,739</u>	<u>289,037</u>	<u>255,860</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,336,786	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
Contributions as a Percentage of Covered-Employee Payroll	13.40%	12.77%	11.78%	10.66%

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

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

Teachers Pension and Annuity Fund

Last Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>91,219,332</u>	<u>72,022,972</u>	<u>63,892,836</u>	<u>63,489,527</u>
Total	<u>\$ 91,219,332</u>	<u>\$ 72,022,972</u>	<u>\$ 63,892,836</u>	<u>\$ 63,489,527</u>
District's Covered-Employee Payroll	\$ 12,040,919	\$ 11,393,763	\$ 11,250,968	\$ 11,244,012
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Change of Benefit Terms: None.

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

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>NCLB Title I</u>	<u>NCLB Title IIA</u>	<u>NCLB Title III</u>	<u>NCLB Title III Immigrant</u>	<u>IDEA Basic</u>	<u>IDEA PreK</u>	<u>Local Grants</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>(Exhibit E-1a)</u>	<u>Total 2017</u>
REVENUES											
Intergovernmental											
State								\$ 11,104	\$ 16,322	\$ 218,190	\$ 245,616
Federal	\$ 611,556	\$ 63,106	\$ 40,210	\$ 8,230	\$ 585,202	\$ 22,432					1,330,736
Other Sources	-	-	-	-	-	-	\$ 50,024	-	-	-	50,024
Total Revenues	<u>\$ 611,556</u>	<u>\$ 63,106</u>	<u>\$ 40,210</u>	<u>\$ 8,230</u>	<u>\$ 585,202</u>	<u>\$ 22,432</u>	<u>\$ 50,024</u>	<u>\$ 11,104</u>	<u>\$ 16,322</u>	<u>\$ 218,190</u>	<u>\$ 1,626,376</u>
EXPENDITURES											
Instruction											
Salaries	\$ 319,357		\$ 31,065								\$ 350,422
Tuition					\$ 513,002	\$ 22,432					535,434
Purchased Professional / Technical Services											-
Purchased Professional / Educational Services	95,476										95,476
Other Purchased Services - Tuition											-
Supplies and Materials											-
General Supplies	94,249		534	\$ 1,000			\$ 27,050			\$ 14,533	137,366
Textbooks								\$ 11,104			11,104
Other Objects											-
Miscellaneous							500				500
Total Instruction	<u>509,082</u>	<u>-</u>	<u>31,599</u>	<u>1,000</u>	<u>513,002</u>	<u>22,432</u>	<u>27,550</u>	<u>11,104</u>	<u>-</u>	<u>14,533</u>	<u>1,130,302</u>
Support Services											
Salaries	2,650										2,650
Personnel Services - Employee Benefits	82,170		8,611	7,230							98,011
Purchased Professional / Educational Services					72,200				\$ 16,322	173,057	261,579
Other Purchased Services	14,487	\$ 63,106									77,593
Transportation - Contracted Services										30,600	30,600
Supplies and Materials	3,167						13,064				16,231
Total Support Services	<u>102,474</u>	<u>63,106</u>	<u>8,611</u>	<u>7,230</u>	<u>72,200</u>	<u>-</u>	<u>13,064</u>	<u>-</u>	<u>16,322</u>	<u>203,657</u>	<u>486,664</u>
Capital Outlay											
Instructional Equipment							9,410				9,410
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,410</u>
Total Expenditures	<u>\$ 611,556</u>	<u>\$ 63,106</u>	<u>\$ 40,210</u>	<u>\$ 8,230</u>	<u>\$ 585,202</u>	<u>\$ 22,432</u>	<u>\$ 50,024</u>	<u>\$ 11,104</u>	<u>\$ 16,322</u>	<u>\$ 218,190</u>	<u>\$ 1,626,376</u>

ELMWOOD PARK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Chapter 192 Services			Chapter 193 Services			Nonpublic Security	Nonpublic Technology	Total Exhibit E-1a
	Compensatory Services	ESL	Transportation	Examination & Classification	Corrective Speech	Supplemental Instruction			
REVENUES									
Intergovernmental									
State	\$ 98,628	\$ 6,395	\$ 30,600	\$ 27,908	\$ 21,999	\$ 18,127	\$ 9,700	\$ 4,833	\$ 218,190
Federal	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 98,628	\$ 6,395	\$ 30,600	\$ 27,908	\$ 21,999	\$ 18,127	\$ 9,700	\$ 4,833	\$ 218,190
EXPENDITURES									
Instruction									
Salaries									-
Other Purchased Services									-
General Supplies							\$ 9,700	\$ 4,833	14,533
Textbooks									\$ -
Miscellaneous									-
Total Instruction							9,700	4,833	14,533
Support Services									
Personnel Services - Employee Benefits									-
Purchased Professional / Educational Services	\$ 98,628	\$ 6,395		\$ 27,908	\$ 21,999	\$ 18,127			173,057
Other Purchased Services									-
Transportation - Contracted Services			\$ 30,600						30,600
Supplies and Materials									-
Total Expenditures	\$ 98,628	\$ 6,395	\$ 30,600	\$ 27,908	\$ 21,999	\$ 18,127	\$ 9,700	\$ 4,833	\$ 218,190

**ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2017</u>
		<u>Prior Years</u>	<u>Current Year</u>	
2014 Referendum Projects- Various Improvements to Memorial MS/HS, Gantner Ave School, Gilbert Avenue School, and Sixteenth Avenue School	\$ 9,992,250	\$ 7,691,520	\$ 1,113,868	\$ 1,186,862
	<u>\$ 9,992,250</u>	<u>\$ 7,691,520</u>	<u>\$ 1,113,868</u>	<u>\$ 1,186,862</u>
 <u>Recapitulation to GAAP</u>				
Project Balance, June 30, 2017				\$ 1,186,862
Fund Balance, June 30, 2017 - GAAP Basis				<u>\$ 1,186,862</u>
 <u>Recapitulation of Fund Balance</u>				
Unassigned Capital Projects Fund				
Year End Encumbrances				\$ 388,782
Available for Capital Projects				<u>798,080</u>
Total Fund Balance - Unassigned - Capital Projects Fund				<u>\$ 1,186,862</u>

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues and Other Financing Sources

Revenues:	
Interest	
Other Financing Sources	
Serial Bonds Issued	
Premium on Bonds Issued	-
	<hr/>
Total Revenues and Other Financing sources	-
	<hr/>

Expenditures and Other Financing Uses

Expenditures:	
Facilities Acquisition and Construction Services	
Salaries	\$ 5,000
Legal Services	1,303
Architectural / Engineering Services	56,564
Construction Services	1,051,001
	<hr/>
Total Expenditures and Other Financing Uses	1,113,868
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,113,868)
Fund Balance, Beginning of Year	<hr/> 2,300,730
Fund Balance, End of Year	<hr/> <hr/> \$ 1,186,862

Reconciliation to GAAP

Fund Balance, June 30, 2017 - Budgetary Basis	\$ <hr/> 1,186,862
Fund Balance, June 30, 2017 - GAAP Basis	\$ <hr/> <hr/> 1,186,862

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS**

**2014 REFERNDUM PROJECTS-VARIOUS IMPROVEMENTS TO MEMORIAL MS/HS,
GANTNER AVENUE SCHOOL, GILBERT AVENUE SCHOOL AND SIXTEENTH AVENUE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 9,290,000	-	\$ 9,290,000	\$ 9,290,000
Premium on Bonds	702,250	-	702,250	702,250
	<u>9,992,250</u>	<u>-</u>	<u>9,992,250</u>	<u>9,992,250</u>
Total Revenues and Other Financing Sources				
Expenditures and Other Financing Uses				
Salaries	33,342	\$ 5,000	38,342	37,954
Legal Services	26,346	1,303	27,649	26,369
Architectural / Engineering Services	735,328	56,564	791,892	1,105,039
Construction Services	6,637,473	1,051,001	7,688,474	8,532,549
Supplies	20,425		20,425	20,425
Other Objects	230,943		230,943	262,214
Equipment	7,663	-	7,663	7,700
	<u>7,691,520</u>	<u>1,113,868</u>	<u>8,805,388</u>	<u>9,992,250</u>
Total Expenditures and Other Financing Uses				
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 2,300,730</u>	<u>\$ (1,113,868)</u>	<u>\$ 1,186,862</u>	<u>\$ -</u>

Additional project information:

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

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	88.12%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2018

PROPRIETARY FUNDS

**ELMWOOD PARK BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

**ELMWOOD PARK BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 116,882	\$ 639,986	\$ 756,868
Total Assets	<u>\$ 116,882</u>	<u>\$ 639,986</u>	<u>\$ 756,868</u>
LIABILITIES			
Due to Student Groups	\$ 116,882		\$ 116,882
Payroll Deductions and Withholdings		\$ 13	13
Accrued Salaries and Wages		8,101	8,101
Summer Savings Deposits		621,212	621,212
Flexible Spending Deposits		5,687	5,687
Due to Other Funds	-	4,973	4,973
Total Liabilities	<u>\$ 116,882</u>	<u>\$ 639,986</u>	<u>\$ 756,868</u>

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
NONEXPENDABLE TRUST FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**AGENCY FUNDS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2017</u>
Elementary Schools:				
Gantner Avenue	\$ 1,463	\$ 14,796	\$ 14,001	\$ 2,258
Gilbert Avenue	1,261	9,773	9,483	1,551
Sixteenth Avenue	<u>2,831</u>	<u>11,863</u>	<u>12,165</u>	<u>2,529</u>
	<u>5,555</u>	<u>36,432</u>	<u>35,649</u>	<u>6,338</u>
Junior High School:				
Memorial Middle School	<u>29,863</u>	<u>84,587</u>	<u>82,976</u>	<u>31,474</u>
Senior High School:				
Memorial High School	74,323	133,817	129,807	78,333
Athletic Activities	<u>371</u>	<u>65,553</u>	<u>65,187</u>	<u>737</u>
	<u>74,694</u>	<u>199,370</u>	<u>194,994</u>	<u>79,070</u>
	<u>\$ 110,112</u>	<u>\$ 320,389</u>	<u>\$ 313,619</u>	<u>\$ 116,882</u>

**ELMWOOD PARK BOARD OF EDUCATION
AGENCY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash	\$ 649,579	\$ 20,224,871	\$ 20,234,464	\$ 639,986
Total Assets	<u>\$ 649,579</u>	<u>\$ 20,224,871</u>	<u>\$ 20,234,464</u>	<u>\$ 639,986</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 28,745	\$ 8,814,807	\$ 8,843,539	\$ 13
Accrued Salaries and Wages	-	10,728,497	10,720,396	8,101
Summer Savings Deposits	604,884	654,303	637,975	621,212
Flexible Spending Deposits	6,751	26,847	27,911	5,687
Due to Other Funds	<u>9,199</u>	<u>417</u>	<u>4,643</u>	<u>4,973</u>
Total Liabilities	<u>\$ 649,579</u>	<u>\$ 20,224,871</u>	<u>\$ 20,234,464</u>	<u>\$ 639,986</u>

LONG-TERM DEBT

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
School Bonds	7/9/2014	\$ 9,290,000	8/1/2017	\$ 350,000	1.500 %				
			8/1/2018	360,000	3.000				
			8/1/2019	375,000	4.000				
			8/1/2020	350,000	4.000				
			8/1/2021	375,000	5.000				
			8/1/2022	405,000	5.000				
			8/1/2023	445,000	5.000				
			8/1/2024	470,000	5.000				
			8/1/2025	500,000	5.000				
			8/1/2026	545,000	5.000				
			8/1/2027	555,000	4.000				
			8/1/2028	545,000	4.000				
			8/1/2029	370,000	4.000				
			8/1/2030	600,000	4.000				
			8/1/2031	600,000	4.000				
			8/1/2032	600,000	4.000				
			8/1/2033	600,000	4.000				
8/1/2034	600,000	4.000			\$ 8,990,000	\$ 345,000	\$ 8,645,000		
Refunding Schools Bonds	7/9/2014	\$ 21,275,000	8/1/2017	1,135,000	2.000				
			8/1/2018	1,160,000	3.000				
			8/1/2019	1,200,000	4.000				
			8/1/2020	1,290,000	4.000				
			8/1/2021	1,340,000	5.000				
			8/1/2022	1,395,000	5.000				
			8/1/2023	1,445,000	5.000				
			8/1/2024	1,500,000	5.000				
			8/1/2025	1,555,000	5.000				
			8/1/2026	1,605,000	5.000				
			8/1/2027	1,700,000	4.000				
			8/1/2028	1,785,000	4.000				
			8/1/2029	1,950,000	4.000			20,175,000	-
					\$ 29,165,000	\$ -	\$ 1,460,000	\$ 27,705,000	
						Paid by Budget	\$ 1,460,000		

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES AND LEASE - PURCHASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
<u>Capital Leases</u>						
Computer Equipment	\$ 249,989	2.49%	\$ 56,248	-	\$ 56,248	
Technology / Network Upgrade	275,000	2.00%	<u>169,906</u>	<u>\$ -</u>	<u>55,518</u>	<u>\$ 114,388</u>
			<u>226,154</u>	<u>-</u>	<u>111,766</u>	<u>114,388</u>
<u>Lease - Purchase Agreements</u>						
Computer Supplies (IPADS)	245,454	2.99%	98,169	-	48,917	49,252
Computer Supplies (IPADS)	281,855	2.69%	<u>169,507</u>	<u>-</u>	<u>55,405</u>	<u>114,102</u>
			<u>267,676</u>	<u>-</u>	<u>104,322</u>	<u>163,354</u>
			<u>\$ 493,830</u>	<u>\$ -</u>	<u>\$ 216,088</u>	<u>\$ 277,742</u>

**ELMWOOD PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,390,209		\$ 2,390,209	\$ 2,390,209	
State Sources					
Debt Service State Aid	<u>255,112</u>	<u>-</u>	<u>255,112</u>	<u>255,112</u>	<u>-</u>
Total Revenues	<u>2,645,321</u>	<u>-</u>	<u>2,645,321</u>	<u>2,645,321</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,460,000		1,460,000	1,460,000	-
Interest	<u>1,190,050</u>	<u>-</u>	<u>1,190,050</u>	<u>1,190,050</u>	<u>-</u>
Total Expenditures	<u>2,650,050</u>	<u>-</u>	<u>2,650,050</u>	<u>2,650,050</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,729)	-	(4,729)	(4,729)	-
Fund Balance, Beginning of Year	<u>4,729</u>	<u>-</u>	<u>4,729</u>	<u>4,729</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	2008	2009	2010	2011 (1)	Fiscal Year Ended June 30,		2014 (2)	2015	2016	2017
					2012	2013				
Governmental activities										
Net Investment in Capital Assets	\$ 16,111,490	\$ 15,744,171	\$ 15,496,530	\$ 15,110,080	\$ 15,092,220	\$ 14,516,671	\$ 15,208,895	\$ 15,057,857	\$ 17,710,996	\$ 18,431,982
Restricted	1	1,213	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740
Unrestricted	(1,273,477)	(1,271,168)	(1,556,592)	(1,670,542)	(3,718,193)	(3,083,523)	(10,703,259)	(10,022,879)	(9,819,821)	(9,905,619)
Total governmental activities net position	<u>\$ 14,838,014</u>	<u>\$ 14,474,216</u>	<u>\$ 13,941,153</u>	<u>\$ 13,439,989</u>	<u>\$ 11,374,474</u>	<u>\$ 11,683,925</u>	<u>\$ 6,950,983</u>	<u>\$ 8,113,709</u>	<u>\$ 10,983,109</u>	<u>\$ 12,497,103</u>
Business-type activities										
Net Investment in Capital Assets	\$ 235,693	\$ 213,981	\$ 193,635	\$ 173,825	\$ 170,511	\$ 27,671	\$ 17,135	\$ 9,466	\$ 23,456	\$ 79,223
Restricted										
Unrestricted	61,639	113,778	133,908	203,323	25,811	238,928	468,708	668,874	277,869	299,291
Total business-type activities net position	<u>\$ 297,332</u>	<u>\$ 327,759</u>	<u>\$ 327,543</u>	<u>\$ 377,148</u>	<u>\$ 196,322</u>	<u>\$ 266,599</u>	<u>\$ 485,843</u>	<u>\$ 678,340</u>	<u>\$ 301,325</u>	<u>\$ 378,514</u>
District-wide										
Net Investment in Capital Assets	\$ 16,347,183	\$ 15,958,152	\$ 15,690,165	\$ 15,283,905	\$ 15,262,731	\$ 14,544,342	\$ 15,226,030	\$ 15,067,323	\$ 17,734,452	\$ 18,511,205
Restricted	1	1,213	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740
Unrestricted	(1,211,838)	(1,157,390)	(1,422,684)	(1,467,219)	(3,692,382)	(2,844,595)	(10,234,551)	(9,354,005)	(9,541,952)	(9,606,328)
Total district net position	<u>\$ 15,135,346</u>	<u>\$ 14,801,975</u>	<u>\$ 14,268,696</u>	<u>\$ 13,817,137</u>	<u>\$ 11,570,796</u>	<u>\$ 11,950,524</u>	<u>\$ 7,436,826</u>	<u>\$ 8,792,049</u>	<u>\$ 11,284,434</u>	<u>\$ 12,875,617</u>

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

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

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,676,914	\$ 9,906,168	\$ 10,605,630	\$ 10,180,397	\$ 9,953,651	\$ 11,906,542	\$ 12,396,434	\$ 14,999,220	\$ 15,783,095	\$ 17,305,932
Special Education	1,669,072	1,967,996	2,446,906	2,579,766	2,608,782	9,041,608	8,781,930	9,844,230	9,663,299	10,436,257
Other Instruction	185,120	191,243	232,329	282,831	482,506	243,800	387,071	575,702	569,196	625,591
School Sponsored	532,383	540,908	631,532	685,764	666,997	565,044	541,451	572,849	613,296	672,594
Community Services		1,165	308							
Support Services:										
Tuition	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404					
Student & instruction Related Services	3,965,471	4,238,705	4,515,442	4,536,180	4,548,825	5,134,658	4,658,155	5,439,445	5,600,381	6,667,445
General Administrative Services	862,801	919,151	929,528	944,202	920,605	1,119,619	1,409,617	1,807,366	1,272,670	1,256,669
School Administrative Services	1,547,126	1,681,513	1,762,373	2,163,535	1,699,593	2,382,539	2,484,316	2,801,552	2,890,800	3,438,947
Central Services and Admin. Info. Technolog	1,041,321	973,597	782,050	880,579	711,822	1,183,844	1,205,590	1,515,178	1,322,865	1,371,526
Plant Operations and Maintenance	3,142,158	3,182,293	3,333,374	3,152,087	3,587,272	2,884,042	3,554,579	3,700,896	3,669,476	3,754,899
Pupil Transportation	2,186,617	2,556,248	2,385,961	1,945,611	1,983,856	1,726,171	1,583,747	1,621,563	1,886,266	2,060,894
Business and Other Support Services										
Unallocated Benefits	2,633,142	1,495,579	1,672,360	1,526,137	2,676,385			443,134		
Special Schools										
Charter Schools	6,267	22,842	13,057	94,588	149,739					
Interest on Long-Term Debt	1,280,803	1,248,970	1,215,136	1,178,271	1,139,256	1,113,954	1,072,951		913,382	912,312
Capital Outlay - Non-Depreciable	227,712	174,850	368,627	138,430	629,529					
Unallocated Depreciation	80,973	1,188,500	1,172,745	1,181,371	1,179,784					
Total Governmental Activities Expenses	<u>33,196,579</u>	<u>34,562,310</u>	<u>36,328,416</u>	<u>35,940,271</u>	<u>38,160,006</u>	<u>37,301,821</u>	<u>38,075,841</u>	<u>43,321,135</u>	<u>44,184,726</u>	<u>48,503,066</u>
Business-Type Activities:										
Food service	739,078	946,234	1,082,787	1,122,264	1,006,654	933,142	887,284	891,617	947,926	931,821
Before/After Care Program				40,775	329,677	143,731	137,066	129,686	-	-
Non Major Business-Type Programs						138,823	24,837	24,818	36,945	36,415
Total Business-Type Activities Expense	<u>739,078</u>	<u>946,234</u>	<u>1,082,787</u>	<u>1,163,039</u>	<u>1,336,331</u>	<u>1,215,696</u>	<u>1,049,187</u>	<u>1,046,121</u>	<u>984,871</u>	<u>968,236</u>
Total District Expenses	<u>\$ 33,935,657</u>	<u>\$ 35,508,544</u>	<u>\$ 37,411,203</u>	<u>\$ 37,103,310</u>	<u>\$ 39,496,337</u>	<u>\$ 38,517,517</u>	<u>\$ 39,125,028</u>	<u>\$ 44,367,256</u>	<u>\$ 45,169,597</u>	<u>\$ 49,471,302</u>
Program Revenues										
Governmental Activities:										
Charges for Services						164,664	260,002	213,843	197,399	124,088
Operating Grants and Contributions	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	5,703,017	6,437,292	9,327,421	10,694,109	12,918,625
Capital Grants and Contributions						12,679	6,963	77,000	77,000	9,410
Total Governmental Activities Program Revenues	<u>1,296,038</u>	<u>1,332,917</u>	<u>1,791,333</u>	<u>1,412,092</u>	<u>1,485,896</u>	<u>5,880,360</u>	<u>6,704,257</u>	<u>9,541,264</u>	<u>10,968,508</u>	<u>13,052,123</u>

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
Business-Type Activities:										
Charges for Services										
Food Service	\$ 436,801	\$ 615,782	\$ 623,669	\$ 675,100	\$ 609,506	\$ 465,300	\$ 471,320	\$ 432,590	\$ 398,561	\$ 415,325
Before/After CARE Program				66,714	153,421	290,311	272,047	245,354	2,245	
Non Major Business-Type Programs					165,009	148,497	22,547	17,667	22,656	16,149
Operating Grants and Contributions	317,153	360,880	458,894	470,631	508,293	504,652	502,374	531,571	566,237	588,951
Total Business Type Activities Program Revenues	753,954	976,662	1,082,563	1,212,445	1,436,229	1,408,760	1,268,288	1,227,182	989,699	1,020,425
Total District Program Revenues	\$ 2,049,992	\$ 2,309,579	\$ 2,873,896	\$ 2,624,537	\$ 2,922,125	\$ 7,289,120	\$ 7,972,545	\$ 10,768,446	\$ 11,958,207	\$ 14,072,548
Net (Expense)/Revenue										
Governmental Activities	\$ (31,900,541)	\$ (33,229,393)	\$ (34,537,083)	\$ (34,528,179)	\$ (36,674,110)	\$ (31,421,461)	\$ (31,371,584)	\$ (33,779,871)	\$ (33,216,218)	\$ (35,450,943)
Business-Type Activities	14,876	30,428	(224)	49,406	99,898	193,064	219,101	181,061	4,828	52,189
Total District-Wide Net Expense	\$ (31,885,665)	\$ (33,198,965)	\$ (34,537,307)	\$ (34,478,773)	\$ (36,574,212)	\$ (31,228,397)	\$ (31,152,483)	\$ (33,598,810)	\$ (33,211,390)	\$ (35,398,754)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 24,403,769	25,780,937	26,423,176	27,480,103	\$ 27,480,103	\$ 28,789,793	\$ 29,579,684	\$ 31,160,280	\$ 31,783,486	\$ 32,973,746
Taxes Levied for Debt Service	2,043,302	2,062,302	2,079,305	2,093,740	2,105,580	2,114,918	2,123,084	2,128,740	2,292,850	2,390,209
State Facilities Grant										
Unrestricted Federal and State Aid	5,211,022	4,887,394	5,332,263	4,254,542	4,640,263	723,691	1,176,221	1,269,440	1,232,660	1,241,807
State Aid for Debt Service Principal									169,176	140,550
Federal and State Aid - Capital Outlay										
Tuition Received			78,240	34,269	66,508					
Cancellation Accounts Receivable/Payable				(764)				82,582	-	
Investment earnings	254,989	64,889	2,899	4,676	3,219	7,306	16,581		90,730	64,241
Miscellaneous Income	110,745	70,074	88,135	160,449	31,850	95,204	232,953	312,991	134,873	179,384
Transfers					281,073			(11,436)	381,843	(25,000)
Total Governmental Activities	32,023,827	32,865,596	34,004,018	34,027,015	34,608,596	31,730,912	33,128,523	34,942,597	36,085,618	36,964,937
Business-Type Activities:										
Investment Earnings			6	201	348	279	143			
Miscellaneous										
Transfers					(281,073)			11,436	(381,843)	25,000
Total Business-Type Activities	-	-	6	201	(280,725)	279	143	11,436	(381,843)	25,000
Total District-Wide	\$ 32,023,827	\$ 32,865,596	\$ 34,004,024	\$ 34,027,216	\$ 34,327,871	\$ 31,731,191	\$ 33,128,666	\$ 34,954,033	\$ 35,703,775	\$ 36,989,937
Change in Net Position										
Governmental Activities	\$ 123,286	\$ (363,797)	\$ (533,065)	\$ (501,164)	\$ (2,065,514)	\$ 309,451	\$ 1,756,939	\$ 1,162,726	\$ 2,869,400	\$ 1,513,994
Business-Type Activities	14,876	30,428	(218)	49,607	(180,827)	193,343	219,244	192,497	(377,015)	77,189
Total District	\$ 138,162	\$ (333,369)	\$ (533,283)	\$ (451,557)	\$ (2,246,341)	\$ 502,794	\$ 1,976,183	\$ 1,355,223	\$ 2,492,385	\$ 1,591,183

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1	\$ 1	\$ 1							
Unreserved	80,084	99,399	(184,980)							
Restricted				\$ 1	\$ 1	\$ 250,777	\$ 2,445,347	\$ 3,074,002	\$ 3,087,205	\$ 3,970,740
Committed						171,441				
Assigned						42,337	34,400	29,600	65,719	31,442
Unassigned	-	-	-	(704,548)	(2,295,555)	184,084	(48,023)	29,177	104,031	88,167
Total General Fund	<u>\$ 80,085</u>	<u>\$ 99,400</u>	<u>\$ (184,979)</u>	<u>\$ (704,547)</u>	<u>\$ (2,295,554)</u>	<u>\$ 648,639</u>	<u>\$ 2,431,724</u>	<u>\$ 3,132,779</u>	<u>\$ 3,256,955</u>	<u>\$ 4,090,349</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	\$ (3,274)									
Capital Projects Fund		\$ 1,212	\$ 1,212							
Debt Service			3							
Restricted for:										
Capital Projects								6,969,798	2,300,730	1,186,862
Debt Service				\$ 450	\$ 446			4,729	4,729	
Unassigned	-	-	-	-	-		(765,913)	-	-	-
Total all other governmental funds	<u>\$ (3,274)</u>	<u>\$ 1,212</u>	<u>\$ 1,215</u>	<u>\$ 450</u>	<u>\$ 446</u>	<u>\$ -</u>	<u>\$ (765,913)</u>	<u>\$ 6,974,527</u>	<u>\$ 2,305,459</u>	<u>\$ 1,186,862</u>

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

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 26,447,071	\$ 27,843,239	\$ 28,502,481	\$ 29,573,843	\$ 29,585,683	\$ 30,904,711	\$ 31,702,768	\$ 33,289,020	\$ 34,076,336	\$ 35,363,955
Tuition					50,831	162,103	260,002	213,843	197,399	124,088
Transportation Fees						2,561	-			
E-Rate			78,240	34,269	15,677					
Interest Earnings	254,989	64,889	2,899	4,676	3,219					
Miscellaneous	120,305	73,939	92,691	162,267	55,111	125,564	262,683	413,670	302,922	293,649
State Sources	5,628,413	5,223,223	5,440,939	4,401,048	4,892,190	5,242,835	6,117,289	6,340,110	7,098,021	7,393,918
Federal Sources	869,087	993,224	1,678,101	1,263,766	1,210,708	1,173,498	1,490,038	1,416,690	1,528,353	1,345,434
Total revenue	33,319,865	34,198,514	35,795,351	35,439,869	35,813,419	37,611,272	39,832,780	41,673,333	43,203,031	44,521,044
Expenditures										
Instruction										
Regular Instruction	8,129,925	8,420,729	8,883,555	8,337,606	8,213,620	11,377,399	12,025,350	12,904,644	13,187,793	13,749,348
Special Education Instruction	1,339,158	1,589,747	1,936,935	2,005,274	2,261,707	8,698,198	8,534,760	9,123,082	8,884,888	9,268,202
Other Instruction	148,238	154,102	183,655	219,475	374,630	232,598	387,071	499,891	477,517	480,301
School Sponsored/Other Instructional	445,087	453,796	525,437	564,179	547,661	539,793	541,451	565,270	598,011	615,310
Community Service Programs		1,165	308							
Support Services:										
Instruction - Tuition	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404					
Student & Inst. Related Services	3,450,879	3,672,990	3,856,949	3,780,524	3,836,671	4,928,362	4,441,742	4,818,144	4,922,487	5,600,004
General Administration	762,510	836,309	837,952	852,507	844,668	1,074,436	1,334,462	1,106,989	1,204,673	1,134,287
School Administration	1,256,752	1,359,026	1,386,686	1,678,728	1,339,609	2,271,932	2,394,816	2,434,687	2,419,779	2,695,700
Central Administrative Services	933,911	873,885	653,867	720,638	534,170	1,109,333	1,146,524	1,429,273	1,227,405	1,194,069
Operations and Maintenance	2,792,628	2,824,951	2,938,699	2,737,355	3,186,256	2,756,848	3,310,981	3,462,358	3,399,914	3,284,256
Student Transportation	1,805,549	2,172,430	1,950,843	1,484,400	1,965,964	1,665,612	1,572,649	1,615,070	1,881,373	2,050,381
Business and Other Support Services										
Employee Benefits	6,503,776	5,413,181	6,285,671	6,781,472	6,854,988					
Special Schools										
Transfer to Charter Schools	6,267	22,842	13,057	94,588	149,739					
Capital Outlay	624,932	253,127	449,155	138,430	789,390	207,441	787,583	3,110,577	6,748,440	1,604,646
Debt Service										
Principal	750,000	800,000	850,000	900,000	950,000	1,142,748	1,493,782	1,658,332	1,945,688	1,906,088
Interest and Other Charges	1,293,303	1,262,303	1,229,303	1,193,740	1,155,584	1,127,311	1,089,891	542,893	1,231,798	1,198,655
Payment to Escrow Agent								736,846	-	-
Cost of Issuance								604,928	-	-
Total Governmental Fund Expenditures	34,401,614	34,383,165	36,243,130	35,959,438	38,226,061	37,132,011	39,061,062	44,612,984	48,129,766	44,781,247
Excess (Deficiency) of revenues over (under) expenditures	(1,081,749)	(184,651)	(447,779)	(519,569)	(2,412,642)	479,261	771,718	(2,939,651)	(4,926,735)	(260,203)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Transfers in	\$ 389,127	\$ 20,766	\$ 10	\$ 448	\$ 281,073	\$ 1	-	\$ 44,539	\$ 416,843	
Transfers out	(389,127)	(20,766)	(10)	(448)		(1)	-	(55,975)	(35,000)	(25,000)
Proceeds State Aid Advance Loan						2,214,497				
Proceeds from the Sale of Bonds								30,565,000	-	
Premium on Bonds								3,652,727	-	
Payments to Refunding Escrow								(23,382,000)	-	
Cancellation of Accounts Receivable				(10,240)						
Cancellation of Accounts Payable				9,476						
Capital Leases/Lease Purchase Proceeds	250,000	208,452	163,404		540,558	249,989	\$ 245,454	556,855	-	-
Total other financing sources (uses)	250,000	208,452	163,404	(764)	821,631	2,464,486	245,454	11,381,146	381,843	(25,000)
Net change in fund balances	\$ (831,749)	\$ 23,801	\$ (284,375)	\$ (520,333)	\$ (1,591,011)	\$ 2,943,747	\$ 1,017,172	\$ 8,441,495	\$ (4,544,892)	\$ (285,203)
Debt service as a percentage of noncapital expenditures	6.05%	6.04%	5.81%	5.85%	5.62%	6.15%	6.75%	5.30%	7.68%	7.19%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended <u>June 30,</u>	<u>Tuition</u>	Transportation <u>Fees</u>	Interest on <u>Investments</u>	Transfer from Payroll Trust and Agency	<u>E-Rate</u>	Other <u>Misc.</u>	Rebates/ <u>Refunds</u>	<u>Total</u>
2008			\$ 85,549			\$ 18,258	\$ 59,557	\$ 163,364
2009			10,023			2,746	56,094	68,863
2010			2,888		\$ 78,240	68,845	19,291	169,264
2011			4,676		34,269	160,449		199,394
2012	\$ 50,831		3,219		15,677	31,850		101,577
2013	162,103	\$ 2,561	5,997		65,981	9,915	20,617	267,174
2014	260,002		16,581	\$ 60,367	69,544	101,374	1,668	509,536
2015	213,843		38,043		64,634	248,357		564,877
2016	197,399		90,730		76,982	57,891		423,002
2017	124,088		64,241		69,826	78,963	\$ 30,595	367,713

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 26,194,300	\$ 1,553,311,900		\$ 290,844,300	\$ 116,621,500	\$ 63,267,700	\$ 2,050,239,700	\$ 1,674,243	\$ 2,051,913,943	\$ 2,587,919,237	\$ 1.354
2009	20,420,400	1,574,061,200		288,186,500	119,348,700	63,267,700	2,065,284,500	1,674,243	2,066,958,743	2,607,177,526	1.334
2010	19,156,000	1,580,256,800		287,015,300	119,348,700	63,267,700	2,069,044,500	2,042,994	2,071,087,494	2,513,582,993	1.402
2011	18,924,000	1,583,522,000		278,337,200	112,838,500	63,267,700	2,056,889,400	1,734,845	2,058,624,245	2,374,358,577	1.437
2012	16,880,100	1,583,487,400		274,953,900	112,063,500	60,905,700	2,048,290,600	1,786,220	2,050,076,820	2,295,775,313	1.500
2013	14,564,100	1,589,876,300		267,590,000	116,242,400	60,905,700	2,049,178,500	96	2,049,178,596	2,162,263,204	1.530
2014	14,055,500	1,584,939,900		264,753,100	115,007,700	72,861,200	2,051,617,400	100	2,051,617,500	2,058,172,110	1.585
2015	12,807,700	1,586,494,000		260,312,600	114,720,800	76,758,700	2,051,093,800	100	2,051,093,900	2,097,262,176	1.657
2016	12,184,900	1,593,960,300		259,987,400	114,105,700	82,130,300	2,062,368,600	99	2,062,368,699	2,105,355,467	1.684
2017	11,813,900	1,605,280,300		258,841,400	114,292,500	82,130,300	2,072,358,400	100	2,072,358,500	2,117,435,483	1.724

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Elmwood Park Local School District	Municipality of Elmwood Park	County of Bergen		
2008	\$ 1.352	\$ 0.718	\$ 0.232		\$ 2.302
2009	1.334	0.758	0.243		2.335
2010	1.402	0.799	0.239		2.440
2011	1.437	0.819	0.236		2.492
2012	1.500	0.845	0.246		2.591
2013	1.530	0.864	0.242		2.636
2014	1.585	0.880	0.234		2.699
2015	1.657	0.881	0.245		2.783
2016	1.684	0.861	0.250		2.795
2017	1.724	0.908	0.257		2.889

Source: County Abstract of Ratables

* Includes Library

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
RD Elmwood Associates, L.P.	\$ 14,490,900	0.70%	\$ 14,450,900	0.71%
Riverfront Residential	14,000,000	0.68%		
Exchange Market Street LLC	11,700,000	0.56%		
EF SBC 2016 I Reo 232682 LLC	11,496,700	0.55%		
Marcal Manufacturing LLC			14,669,500	0.72%
669 River Drive Center Assoc.			9,574,000	0.47%
35 Market Street, L.P.			11,700,000	0.57%
Hartz Mtn. Ind. Inc.			9,676,500	0.47%
LKD-1, LLC			11,496,700	0.56%
LKD-3, LLC	11,003,900	0.53%	11,003,900	0.54%
200 River Front Boulevard HP LLC	10,954,500	0.53%		
PRC-1, LLC			8,745,500	0.43%
Bankers Financial Corp	9,467,000	0.46%	9,467,000	0.46%
River Front Residential 2, LLC	9,269,100	0.45%		
E. Coast Elmwood Vill LLC	9,107,900	0.44%		
Elmwood V. Assoc. L.P.			9,107,900	0.44%
SG National, LLC	8,776,500	0.42%		
	<u>\$ 110,266,500</u>	<u>5.32%</u>	<u>\$ 109,891,900</u>	<u>5.37%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 26,447,071	\$ 26,447,071	100.00%	
2009	27,843,239	27,843,239	100.00%	
2010	28,502,481	28,502,481	100.00%	
2011	29,573,843	29,573,843	100.00%	
2012	29,585,683	29,585,683	100.00%	
2013	30,904,711	30,904,711	100.00%	
2014	31,702,768	31,702,768	100.00%	
2015	33,289,020	33,289,020	100.00%	
2016	34,076,336	34,076,336	100.00%	
2017	35,363,955	35,363,955	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Loans Payable	Capital Leases/Lease- Purchase			
2008	\$ 30,032,000		\$ 210,421	\$ 30,242,421	18,569	\$ 1,629
2009	29,232,000		260,779	29,492,779	18,556	1,589
2010	28,382,000		226,130	28,608,130	18,645	1,534
2011	27,482,000		78,280	27,560,280	19,439	1,418
2012	26,532,000		442,082	26,974,082	19,586	1,377
2013	25,532,000	\$ 2,214,497	549,323	28,295,820	20,033	1,412
2014	24,482,000	1,984,497	580,995	27,047,492	20,138	1,343
2015	30,565,000	1,754,497	809,518	33,129,015	20,279	1,634
2016	29,165,000	1,524,497	493,830	31,183,327	20,295	1,537
2017	27,705,000	1,294,497	277,742	29,277,239	20,295 *	1,443

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 30,032,000	-	\$ 30,032,000	1.47%	\$ 1,617
2009	29,232,000	-	29,232,000	1.42%	1,575
2010	28,382,000	-	28,382,000	1.37%	1,522
2011	27,482,000	-	27,482,000	1.33%	1,474
2012	26,532,000	-	26,532,000	1.29%	1,423
2013	25,532,000	-	25,532,000	1.25%	1,274
2014	24,482,000	-	24,482,000	1.19%	1,216
2015	30,565,000	-	30,565,000	1.49%	1,507
2016	29,165,000	-	29,165,000	1.41%	1,437
2017	27,705,000	-	27,705,000	1.34%	1,365

Source: District records

**ELMWOOD PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 27,705,000
Borough of Elmwood Park	<u>19,427,214</u>
Total Direct Debt	<u>47,132,214</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	15,104,548
Passaic Valley Sewerage Commission (B)	<u>6,622,290</u>
Total Overlapping Debt	<u>21,726,838</u>
Total Direct and Overlapping Debt	<u>\$ 68,859,052</u>

Source:

(1) Borough's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2016	\$ 2,091,863,881
	2015	2,078,530,401
	2014	<u>2,082,226,124</u>
		<u>\$ 6,252,620,406</u>
Average equalized valuation of taxable property		<u>\$ 2,084,206,802</u>
Debt limit (4 % of average equalization value)		\$ 83,368,272
Total Net Debt Applicable to Limit		<u>27,705,000</u>
Legal debt margin		<u>\$ 55,663,272</u>

Fiscal Year Ending June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 96,763,421	\$100,769,518	\$101,430,998	\$ 98,851,575	\$ 95,146,742	\$ 90,574,712	\$ 86,218,443	\$ 83,525,942	\$ 82,663,201	\$ 83,368,272
Total net debt applicable to limit	<u>30,032,000</u>	<u>29,232,000</u>	<u>28,382,000</u>	<u>27,482,000</u>	<u>23,532,000</u>	<u>25,532,000</u>	<u>34,474,250</u>	<u>30,565,000</u>	<u>29,165,000</u>	<u>27,705,000</u>
Legal debt margin	<u>\$ 66,731,421</u>	<u>\$ 71,537,518</u>	<u>\$ 73,048,998</u>	<u>\$ 71,369,575</u>	<u>\$ 71,614,742</u>	<u>\$ 65,042,712</u>	<u>\$ 51,744,193</u>	<u>\$ 52,960,942</u>	<u>\$ 53,498,201</u>	<u>\$ 55,663,272</u>
Total net debt applicable to the limit as a percentage of debt limit	31.04%	29.01%	27.98%	27.80%	24.73%	28.19%	39.98%	36.59%	35.28%	33.23%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	18,569	\$ 67,331	5.70%
2009	18,556	63,874	10.10%
2010	18,645	63,885	8.10%
2011	19,439	67,248	10.20%
2012	19,586	69,281	10.40%
2013	20,033	69,495	6.40%
2014	20,135	73,536	7.10%
2015	20,279	75,849	6.00%
2016	20,295	Not Available	5.50%
2017	20,295 *	Not Available	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

* Estimated

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

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	135.0	151.0	164.0	177.0	123.0	123.0	129.0	121.0	126.0	112.0
Special Education	29.0	38.0	40.0	40.0	44.0	54.0	65.0	65.0	65.0	65.0
Other Instruction					6.0	6.0	3.5	2.0	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services	48.0	46.0	55.0	55.0	59.5	50.5	53.0	56.0	55.3	56.8
General administrative Services	7.0	7.0	7.0	7.0	1.0	1.0	4.0	3.0	3.0	3.0
School Administrative Services	26.0	26.0	26.0	27.0	20.5	20.5	20.0	19.0	19.0	19.0
Business Administrative Services	8.5	8.5	8.5	9.5	9.5	9.5	13.0	11.6	10.6	13.8
Plant Operations and Maintenance	26.5	26.5	24.5	27.0	43.0	50.0	23.5	22.0	23.0	22.0
Pupil transportation	3.0	3.0	3.0	1.0	1.0	1.0	0.7	0.7	0.7	0.7
Total	283.0	306.0	328.0	343.5	307.5	315.5	311.7	300.3	304.6	294.3

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior High School	High School				
2008	2,212	\$ 31,733,380	\$ 14,346	1.71%	283	1:21	1:18	1:14	2,212.0	2,102.0	3.75%	95.03%
2009	2,308	32,067,735	13,894	-3.15%	306	1:16	1:18	1:14	2,298.0	2,181.0	3.89%	94.91%
2010	2,326	33,714,674	14,495	4.32%	328	1:16	1:18	1:16	2,311.0	2,201.0	0.57%	95.24%
2011	2,473	33,727,268	13,638	-5.91%	307	1:16	1:18	1:16	2,402.0	2,281.0	3.94%	94.96%
2012	2,502	35,331,087	14,121	3.54%	307	1:16	1:18	1:16	2,481.5	2,367.6	3.31%	95.41%
2013	2,544	34,654,511	13,622	-3.53%	316	1:16	1:18	1:16	2,537.0	2,415.0	2.24%	95.19%
2014	2,519	35,689,806	14,168	4.01%	312	1:21	1:18	1:18	2,526.7	2,409.8	0.00%	95.37%
2015	2,541	37,959,408	14,939	9.67%	300	1:14	1:15	1:17	2,530.8	2,422.1	0.00%	95.70%
2016	2,508	38,203,840	15,233	7.51%	305	1:15	1:15	1:13	2,532.5	2,429.0	0.00%	95.91%
2017	2,542	40,071,858	15,764	5.52%	294	1:16	1:18	1:16	2,571.2	2,455.5	0.00%	95.50%

Sources: District records

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building										
Ganter Elementary School										
Square Feet	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
Enrollment	313	313	313	313	313	393	375	354	375	359
Gilbert Elementary School										
Square Feet	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767
Enrollment	338	338	338	338	338	404	409	395	406	414
16th Avenue School										
Square Feet	63,525	63,525	63,525	63,525	63,525	63,525	53,525	53,525	53,525	53,525
Enrollment	302	302	302	302	302	474	462	325	467	466
High School/Middle School										
Square Feet	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822
Enrollment	1,194	1,194	1,194	1,194	1,194	1,273	1,273	1,267	1,260	1,303

Number of Schools at June 30, 2017
 Elementary =
 High/Middle School =

Source: District Records

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

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

	<u>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>	<u>2017</u>
School Facilities										
Memorial/Middle/High School	\$ 302,715	\$ 331,086	\$ 402,690	\$ 390,385	\$ 254,008	\$ 182,018	\$ 412,841	\$ 320,628	\$ 317,224	\$ 265,472
Gantner Avenue Elementary School	47,230	69,503	152,108	110,108	133,309	95,527	76,460	62,269	57,860	48,420
Gilbert Avenue Elementary School	52,098	92,768	163,660	107,292	113,709	81,482	129,661	60,464	82,414	68,964
Sixteenth Avenue Elementary School	70,948	52,121	157,723	126,686	121,008	86,712	128,675	118,539	95,586	79,993
Other Facilities	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 472,991</u>	<u>\$ 545,478</u>	<u>\$ 876,181</u>	<u>\$ 734,471</u>	<u>\$ 622,034</u>	<u>\$ 445,739</u>	<u>\$ 747,637</u>	<u>\$ 561,900</u>	<u>\$ 553,084</u>	<u>\$ 462,849</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2017
(Unaudited)**

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

(1) New Jersey School Insurance Group

(2) Hartford Fire Insurance Company

Source: District records

Source: School District's records

SINGLE AUDIT SECTION



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
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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, PSA

**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 Education
Elmwood Park Board of Education
Elmwood Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Elmwood Park Board of Education's basic financial statements and have issued our report thereon dated October 19, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elmwood Park 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 Elmwood Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elmwood Park Board of Education's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elmwood Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 Elmwood Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 19, 2017.

Purpose of this Report

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 19, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Elmwood Park Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Elmwood Park Board of Education’s major federal and state programs for the fiscal year ended June 30, 2017. The Elmwood Park Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Elmwood Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated October 19, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & HIGGINS, LLP*LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School AccountantsJeffrey C. Bliss
Public School Accountant
PSA Number CS00932Fair Lawn, New Jersey
October 19, 2017

ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/ Program Title	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016		Carryover/ (Waiver) Amount A/R	Carryover/ (Waiver) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2017		Memo GAAP Receivable
						(Account Receivable)	Deferred Revenue							(Account Receivable)	Deferred Revenue	
	U.S. Department of Education Passed-through State Department of Education															
	Enterprise Fund															
10.553	School Breakfast Program	171N394N1099	N/A	7/1/16-6/30/17	\$ 39,202				\$ 39,202	\$ 39,202						
10.555	National School Lunch Program	171N394N1099	N/A	7/1/16-6/30/17	466,071				466,071	466,071						
	Cash Assistance		N/A	7/1/16-6/30/17	70,765				70,765	66,682				\$ 4,083		
	Non-Cash Assistance (Food Distribution)		N/A	7/1/16-6/30/16	74,380				6,174							
	Total Child Nutrition Cluster/Enterprise Fund								\$ 716,038	\$ 778,129					\$ 4,083	
	Special Revenue Fund															
	NCLB															
84.010	Title I	S010A160030	NCLB031345-17	7/1/16-6/30/17	644,235		\$ 35,008	\$ (35,008)	471,659	611,556			\$ (207,584)	67,687		\$ (139,877)
84.010	Title I	S010A150030	NCLB031345-16	7/1/15-6/30/16	656,202				94,829	611,556						(139,887)
	Total NCLB Title I								\$ 566,488	\$ 1,223,112						
84.367A	Title II, Part A	S867A160029	NCLB031345-17	7/1/16-6/30/17	53,478		10,901	(10,901)	46,249	63,106				1,273		(16,857)
84.367A	Title II, Part A	S867A150029	NCLB031345-16	7/1/15-6/30/16	59,137				23,888	63,106						(16,857)
	Total NCLB Title II, Part A								70,137	126,212				1,273		
84.365	Title III	S365A160030	NLB031345-17	7/1/16-6/30/17	28,063		14,766	(14,766)	27,959	40,210				2,619		(12,251)
84.365	Title III	S365A150030	NLB031345-16	7/1/15-6/30/16	19,735				(534)	8,230				1,464		(3,450)
84.365	Title III, Immigrant	S365A160030	NLB031345-17	7/1/16-6/30/17	9,694				4,280	48,440				4,083		(15,701)
	Total NCLB Title III								32,205	96,890				8,176		
84.007	ID.E.A. Part B, Basic Regular	H027A160100	IDEA-1345-17	7/1/16-6/30/17	622,151		13,742	(13,742)	558,971	585,202				50,691		(46,231)
84.027	ID.E.A. Part B, Basic Regular	H027A150100	IDEA-1345-16	7/1/15-6/30/16	649,189				15,025	2,398						
84.173	ID.E.A. Part B, Preschool	H173A160114	IDEA-1345-17	7/1/16-6/30/17	22,432		5,336	(5,336)	22,432	22,432				5,336		
84.173	ID.E.A. Part B, Preschool	H173A150114	IDEA-1345-16	7/1/15-6/30/16	22,152				5,336	2,398						
	Total Special Education Cluster IDEA								\$ 576,428	\$ 607,634				\$ 56,027		(46,231)
	Face to the Top															
	Total Special Revenue Fund								\$ 1,244,838	\$ 1,330,736				\$ 131,188		(218,686)
	U.S. Department of Health and Human Services General Fund															
93.178	Medical Assistance Program	1705NISM01	N/A	7/1/16-6/30/17	14,698				69,762	14,698						
	Total General Fund								\$ 69,762	\$ 14,698						
	Total Federal Awards								\$ 1,890,638	\$ 1,925,565			\$ 2,398	\$ 135,271		(218,686)

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

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			Memo	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
Current Expense:												
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 665,999		\$ 633,077	\$ 665,999		\$ (32,922)				\$ 665,999
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	687,826	(31,832)	31,832							
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	500,000		475,283	500,000		(24,717)				500,000
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	500,000	(23,140)	23,140							
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	1,531,273		1,474,589	1,551,273		(76,684)				1,551,273
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,525,984	(70,622)	70,622							
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	195,455		185,795	195,455		(9,662)				195,455
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	174,935	(8,096)	8,096							
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	26,780		25,456	26,780		(1,324)				26,780
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	26,780	(1,239)	1,239							
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	26,780		25,456	26,780		(1,324)				26,780
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	26,780	(1,239)	1,239							
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	26,390		25,085	26,390		(1,305)				26,390
Total State Aid Public Cluster			5,934,982	(136,168)	2,980,907	2,992,677	-	(147,938)	-	-	-	2,992,677
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	135,016		128,342	135,016		(6,674)				135,016
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	118,200	(5,470)	5,470							
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	33,001			33,001		(33,001)			\$ (33,001)	33,001
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	23,175	(23,175)	23,175							
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	330,076			330,076		(330,076)				330,076
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	319,804	(319,804)	319,804							
On Behalf Payments												
TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	977,480		929,123	977,480		(48,357)				977,480
TPAF Social Security	16-495-034-5094-003	7/1/15-6/30/16	928,248	(46,635)	46,635							
TPAF Pension and OPEB												
Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	46,604		46,604	46,604						46,604
Pension Benefit Contribution	17-495-034-5094-002	7/1/16-6/30/17	1,286,244		1,286,244	1,286,244						1,286,244
Post Retirement Medical Benefit Contribution	17-495-034-5094-001	7/1/16-6/30/17	1,110,565		1,110,565	1,110,565						1,110,565
Long Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	4,773		4,773	4,773						4,773
Total General Fund				(531,252)	6,881,642	6,916,436	-	(566,046)	-	-	(81,358)	6,916,436
Special Revenue:												
Auxiliary Services Chpt 192:												
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	108,392		108,392	98,628			\$ 9,764			98,628
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	101,100	1,607			\$ 1,607					
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	10,962		10,962	6,395				4,567		6,395
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	13,804	3,537			3,537					
Transportation	17-100-034-5120-067	7/1/16-6/30/17	30,600		30,600	30,600						30,600
Total Auxiliary Services (Chpt 192) Cluster				5,144	149,954	135,623	5,144	-	-	14,331	-	135,623
Handicapped Services Chpt 193:												
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	34,576		34,576	27,908				6,668		27,908
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	23,015	6,986			6,986					
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	29,156		29,156	21,999				7,157		21,999
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	39,295	8,361			8,361					
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	21,972		21,972	18,127				3,845		18,127
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	20,792	2,376			2,376					
Total Handicapped Services (Chpt 193) Cluster				17,723	85,704	68,034	17,723	-	-	17,670	-	68,034
New Jersey Nonpublic Aid:												
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	11,182		11,182	11,104				78		11,104
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	17,460		17,460	16,322				1,138		16,322
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	18,720	571			571					
Nonpublic Technology	17-100-034-5120-373	7/1/16-6/30/17	5,044		5,044	4,833				211		4,833
Nonpublic Technology	16-100-034-5120-373	7/1/15-6/30/16	5,408	449			449					
Nonpublic Security	17-100-034-5120-084	7/1/16-6/30/17	9,700		9,700	9,700						9,700
Total Special Revenue Fund				23,887	279,044	245,616	23,887	-	-	33,428	-	245,616

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			Memo	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Agriculture												
Food Service:												
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16-6/30/17	\$ 10,822	-	\$ 10,822	\$ 10,822	-	-	-	-	-	\$ 10,822
Total Food Service Fund				-	10,822	10,822	-	-	-	-	-	10,822
Debt Service Fund												
Type II Debt Service Aid	17-495-034-5120-075	7/1/16-6/30/17	255,112	-	255,112	255,112	-	-	-	-	-	255,112
Total State Financial Assistance Subject to Single Audit Determination				\$ (507,365)	7,426,620	7,427,986	\$ 23,887	\$ (566,046)	-	\$ 33,428	\$ (81,358)	7,427,986
State Financial Assistance Not Subject to Major Program Determination												
General Fund												
On-Behalf TPAF Pension System Contributions-NCGI	17-100-034-5094-004	7/1/16-6/30/17	46,604		(46,604)	(46,604)						(46,604)
On-Behalf TPAF Pension System Contributions- Normal	17-100-034-5094-002	7/1/16-6/30/17	1,286,244		(1,286,244)	(1,286,244)						(1,286,244)
On-Behalf TPAF Post-Retirement Medical Contribution	17-100-034-5094-001	7/1/16-6/30/17	1,110,565		(1,110,565)	(1,110,565)						(1,110,565)
On-Behalf TPAF Long Term Disability Insurance	17-100-034-5094-004	7/1/16-6/30/17	4,773	-	(4,773)	(4,773)	-	-	-	-	-	(4,773)
Total State Financial Assistance Subject to Major Program Determination				\$ (507,365)	\$ 4,978,434	\$ 4,979,800	\$ 23,887	\$ (566,046)	\$ -	\$ 33,428	\$ (81,358)	\$ 4,979,800

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$23,246 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 14,698	\$ 6,893,190	\$ 6,907,888
Special Revenue Fund	1,330,736	245,616	1,576,352
Debt Service Fund		255,112	255,112
Food Service Fund	<u>578,129</u>	<u>10,822</u>	<u>588,951</u>
Total Financial Assistance	<u>\$ 1,923,563</u>	<u>\$ 7,404,740</u>	<u>\$ 9,328,303</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 STATE LOANS OUTSTANDING

The District's state loan outstanding at June 30, 2017, which is not required to be reported on the schedule of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
State Aid Advance Loan	100-034-5120-489	\$ <u>1,294,497</u>

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$977,480 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$1,332,848, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,110,565 and TPAF Long-Term Disability Insurance in the amount of \$4,773 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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 8 DE MINIMIS INDIRECT COST RATE

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

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

CURRENT YEAR STATE AWARDS

There are none.

**ELMWOOD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

Finding 2016-001

Condition:

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

Current Status

Corrective action has been taken.

Finding 2016-002

Condition:

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

Current Status

Corrective action has been taken.