

***SOUTH ORANGE AND MAPLEWOOD  
SCHOOL DISTRICT***

***BOARD OF EDUCATION***

***COUNTY OF ESSEX  
MAPLEWOOD, NEW JERSEY***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2017***

**SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
COUNTY OF ESSEX, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2017**

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# **INTRODUCTORY SECTION**



**BOARD OF EDUCATION**  
**The School District of South Orange and Maplewood**  
**525 Academy Street**  
**Maplewood, NJ 07040**

November 30, 2017

Honorable President and  
Members of the Board of Education  
South Orange and Maplewood School District  
South Orange and Maplewood, New Jersey

Dear Board Members,

The comprehensive annual financial report of the South Orange and Maplewood School District (District) 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 Board of Education (Board). 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 fairly present the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis (MD&A), the general-purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of The Single Audit Act of 1984 and the Title 2 US Code of Federal Regulations Part 200, Uniform administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the "Uniform Guidance") and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The School District of South Orange and Maplewood is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The South Orange and Maplewood Board of Education and all of its schools constitute the District's reporting entity. As a reporting entity, the District exercises oversight for all activities related to public education in the two municipalities. The School District of South Orange & Maplewood did not arise from a consolidation of two districts, but simply remained one in spite of the division in 1904 into two municipalities of the old township of South Orange, which from 1863 comprised the territory now occupied by the school district. The District is governed by a nine-member Board of Education elected to serve alternating three-year terms.

## 2. INTERNAL ACCOUNTING CONTROLS

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

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

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

## 3. 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 Board of School Estimate. Annual appropriated budgets are adopted for the general fund (Fund 10), the special revenue fund (Fund 20) and the debt service fund (Fund 40). Project-length budgets are approved for capital improvements accounted for in the capital projects fund (Fund 30). The final budget amount as amended for the fiscal year is reflected in the financial section.

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

## 4. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

## 5. INDEPENDENT AUDIT

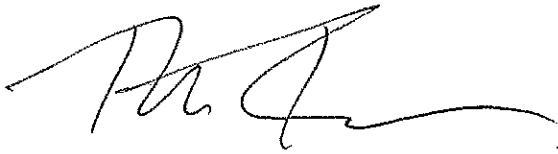
State statutes requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, PA., was selected by the Board to perform the fiscal year 2016 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designated to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The

auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

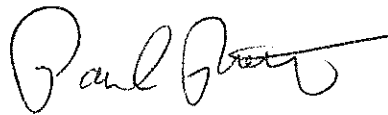
6. ACKNOWLEDGMENTS

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

Respectfully submitted,



Dr. Thomas Ficarra  
Interim Superintendent

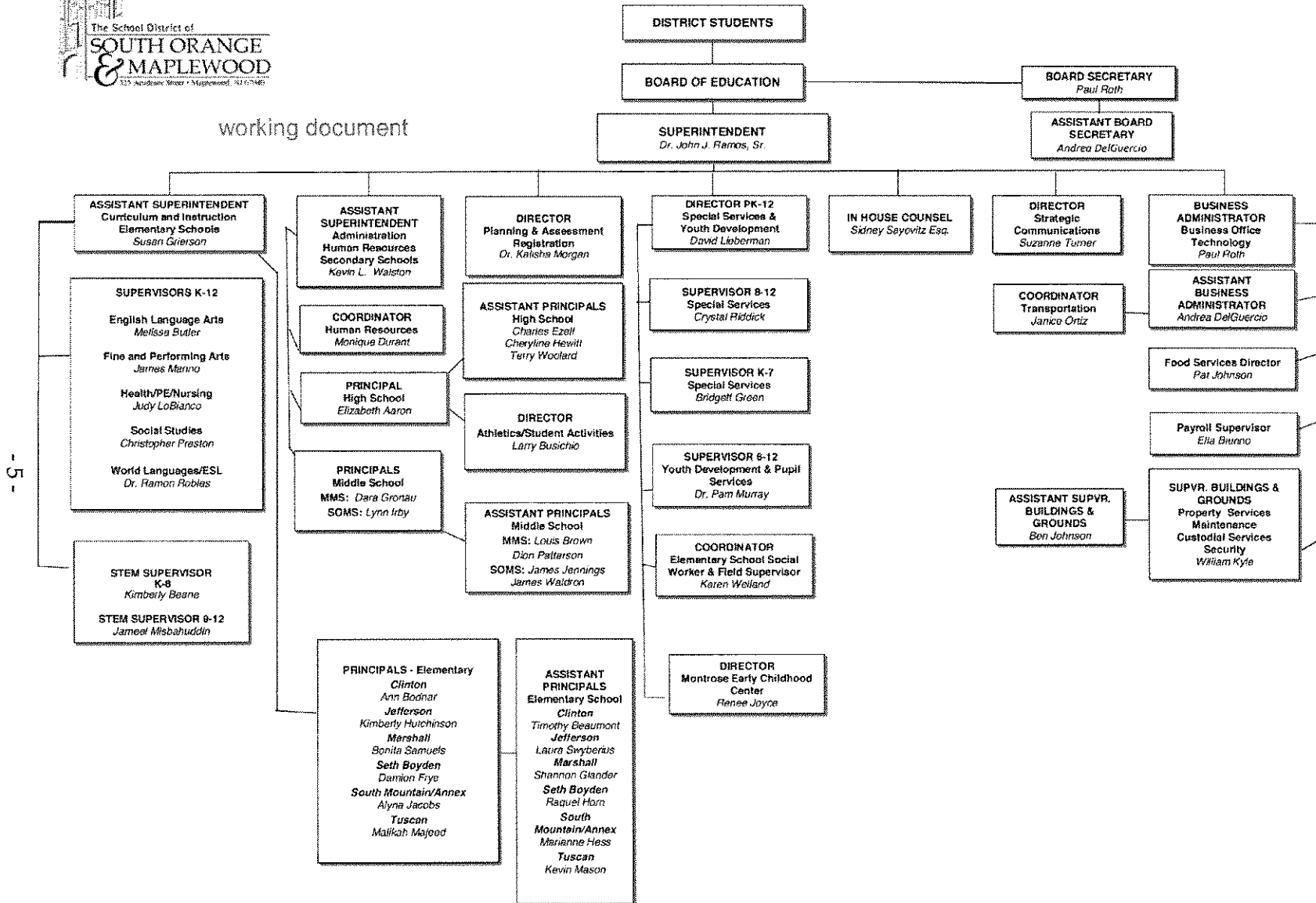


Paul Roth  
Board Secretary and  
School Business Administrator



**SOUTH ORANGE-MAPLEWOOD BOARD OF EDUCATION**  
**TABLE OF ORGANIZATION**  
 2016-2017

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## ROSTER OF OFFICIALS

JUNE 30, 2017

Members of the Board of Education	Term Expires
Ms. Elizabeth Baker, President	2017
Mr. Chris Sabin, 1 <sup>st</sup> Vice-President	2018
Ms. Madhu Pai, 2 <sup>nd</sup> Vice-President	2018
Ms. Susie Adamson	2019
Mrs. Stephanie Lawson-Muhammad	2019
Ms. Maureen Jones	2017
Ms. Annemarie Maini	2018
Ms. Donna Smith	2017
Mrs. Johanna Wright	2019

### Members of the Board of School Estimate

Maplewood: Victor DeLuca, Mayor  
Greg Lembrich  
Frank McGehee  
India R. Larrier (Alternate)

South Orange: Sheena Collum, Village President  
Howard Levison  
Karen Hartshorn Hilton  
Walter Clarke (Alternate)

### Other Officials:

Mr. John Ramos, Superintendent of Schools  
Mr. Paul Roth, Board Secretary/School Business Administrator  
Mrs. Dana Sullivan, Treasurer of School Monies  
Ms. Susan Grierson, Assistant Superintendent – Curriculum and Instruction  
Mr. Sidney Sayovitz, In-House Counsel  
Mr. Kevin Walston, Assistant Superintendent for Administration

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
MAPLEWOOD, NEW JERSEY**

**Consultants and Advisors**

**Architect**

Ei Associates  
Cedar Knolls, New Jersey

**Attorney**

Schenck, Price, Smith King, L.L.P.  
Morristown, New Jersey

**Audit Firm**

Hodulik & Morrison. P.A.  
Highland Park, New Jersey

**Bond Counsel**

Chiesa, Shaninian & Giantomasi, PC  
West Orange, New Jersey

**Official Depository**

Bank of America  
Maplewood Main  
Maplewood, New Jersey

**Fiscal Agent**

Bank of America  
Maplewood Main  
Maplewood, New Jersey

**Financial Advisors**

Phoenix Advisors, LLC  
Bordentown, NJ

# **FINANCIAL SECTION**

**HODULIK & MORRISON, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
PUBLIC SCHOOL ACCOUNTANTS  
1102 RARITAN AVENUE, P.O. BOX 1450  
HIGHLAND PARK, NJ 08904  
(732) 393-1000  
(732) 393-1196 (FAX)

ANDREW G. HODULIK, CPA, RMA, PSA  
ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:  
AMERICAN INSTITUTE OF CPA'S  
NEW JERSEY SOCIETY OF CPA'S  
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
School District of South Orange and Maplewood  
Maplewood, New Jersey

**REPORT ON 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 Board of Education of the School District of South Orange and Maplewood, in the County of Essex, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the district'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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these 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 our 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, business-type activities, each major fund, and the aggregate remaining fund information of the School District of South Orange and Maplewood, in the County of Essex, State of New Jersey, as of June 30, 2017 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity 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, including the Notes thereto, and pension plan information, including the Notes thereto, as listed in the table of contents 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 School District of South Orange and Maplewood's basic financial statements as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements, and long-term debt schedules, the 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, the schedule of state financial assistance, required by New Jersey OMB Circular 15-08, and the other information, including the introductory section and the statistical section, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards, and the schedule 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 fund financial statements, long-term debt schedules, the schedules of expenditures of federal awards, and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the School District of South Orange and Maplewood's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the School District of South Orange and Maplewood's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Public School Accountants



Robert S. Morrison  
Public School Accountant  
PSA # 871

Highland Park, New Jersey  
November 30, 2017

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

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

(UNAUDITED)

This section of South Orange and Maplewood School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. It is intended to review the School District's financial activities so that, when read in conjunction with the transmittal letter at the front of this report and the District's financial statements immediately following this section, the reader will have an enhanced understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

The District's financial status remained strong despite external economic forces on the district.

- Total net financial position of the district's governmental and business-type activities increased by \$2,106,306 to \$17,481,880 as of June 30, 2017, an increase of 13.70% from 2016. Favorable budget variances were more than sufficient to replenish the budgeted use of net financial position. State aid, exclusive of "On-behalf" contributions required by the State constitution, remained at prior year levels during the year, requiring a 2.37% increase in the tax levy to support expected increases in costs. Table A-1 below details the changes in net position.
- Management of spending resulted in maintaining a General Fund balance of \$10,550,708, an increase of \$1,089,216 or 11.51%. The District was able to allocate \$1,768,105 to the Capital Reserve Account and \$1,000,000 to the Maintenance Reserve Account to reduce its reliance on external financing for infrastructure maintenance while still designating almost \$2.4 million for tax relief in the 2018-19 budget cycle.
- The unrestricted governmental activities net position as of June 30, 2017 was a deficit of \$19,763,888, an increase of \$1,4785,880 from amounts reported in the previous year. This change is primarily attributable to an increase of \$1.7 million in the net pension liability attributed to the District for employees enrolled in the NJ Public Employees Retirement System. General Fund unassigned fund balance at June 30, 2017 was \$1,021,228 (Exhibit B-1). This amount is equal to 0.79% of 2016-17 expenditures. Board policy considers the maintenance of a minimum of 3% fund balance to be prudent. The amount of unreserved funds is below board policy due to the NJDOE requirement that an amount in excess of 2% must be legally restricted as surplus for appropriation in the budget for subsequent years. A total of \$4,778,676 has been legally reserved for that purpose. The NJDOE includes state aid in the amount of \$1,922,473 in the calculation of budgetary basis surplus even though the funds were not appropriated by the State on June 30, 2017 and receipt was deferred until after June 30, 2017. Generally accepted accounting principles preclude the recognition of these funds, and they are not reflected in the fund balance as presented in the financial statements on June 30, 2017.

- An appropriation of \$1,900,000 was made from the Capital Reserve Fund during the 2016-17 school year. The Board approved the replenishment of \$1,768,105 to this fund based upon projected 2016-2017 operating results. The Capital Reserve Fund balance as of June 30, 2017 was \$1,845,184. The Board also approved the establishment of a Maintenance Reserve, in the amount of \$1,000,000, as of June 30, 2017.
- General revenues and operating grants totaled \$139,017,793, an increase of \$2.77 million from the prior year. The increased revenues consist primarily of increases in the tax levy (\$2.73 million). State “On-behalf” contributions for TPAF member employee benefits increased by (\$1.94 million), and were offset by decreases in School Development Authority grant payments for capital projects (\$911,739) Table A-2 provides comparative revenue and expense data. For the current and prior year. Governmental activities expenses increased by \$3.96 million, with the costs of tuition, special education, and benefits as the primary drivers of this increase. There was an increase of \$1,995,566 in net position for governmental activities for the year. Exhibit B-3 provides a crosswalk of the changes in fund balances of the Governmental Funds (Exhibit B-2) to the change in net position of the governmental activities (Exhibit A-2).
- The total cost of basic programs was \$137,062,227. The portion of costs paid for with charges, fees and intergovernmental aid was \$21,683,549. The *net* cost that required taxpayer funding was \$115,378,678, up \$3.6 million from the previous school year. Out of District tuition costs and fringe benefit obligations were the two primary drivers behind the increase.
- The total net position of the food service, the District’s primary business-type activity, increased \$107,177. Revenues of \$2,167,497 were \$97,783 more than in 2016. The District added a Latchkey Program during the 2016-17 school year. Revenues of \$265,254 exceeded expenses of \$221,691, resulting in a net position of \$43,563 at year-end.
- Expenses for food service activity decreased to \$2,060,320 compared to \$2,166,949 in 2016. The food service activity remains self-sustaining. Lunch participation and revenues remain high due to the high quality of the award-winning nutritional program. Profits are used to make program improvements.
- Additional outlays for new capital assets totaled \$1,629,470 during the year. Several projects were completed and the construction phase began for several others.
- The District made payments to reduce its outstanding long-term debt by \$2,670,000. The net bonded school debt as of June 30, 2017 was \$37,493,000, well below the statutory limit.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary 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 like regular and special education were financed in the *short term* as well as indicates remaining assets reserved for specific purposes and unreserved assets that establish a contingency for extraordinary unforeseen expenditures.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates *like businesses*, such as food services.
- *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.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District’s budget for the year.

### 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 and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received and paid.

The two district-wide statements report the District’s net position and how they have changed. Net position – the difference between the District’s assets and liabilities – are one way to measure the District’s financial health or *financial position*.

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

In the district-wide financial statements, the District's activities are divided into two categories:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Local property taxes and state formula aid finance most of these activities.
- Business-type activities – The District charges fees to help it cover the costs of certain services it provides. The District's food services operation is included here.

### **Fund Financial Statements**

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

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available as a contingency. Consequently, the governmental funds statements provide a detailed short-term view that helps 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, additional information is provided with the governmental funds statement 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. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The Statement of Net Position [Exhibit A-1] provides the perspective of the School District as a whole. Table A-1 provides a comparison of the School District's combined net position as of June 30, 2017 and 2016.

**Table A-1**  
**Net Position**  
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		School District Total		Percentage Change
	2016	2017	2016	2017	2016	2017	2016-17
Current and Other Assets:	15,245	18,837	620	1,013	15,865	19,850	25.12%
Capital Assets	61,258	59,794	179	139	61,437	59,933	-2.45%
Total Assets	76,503	78,631	799	1,152	77,302	79,783	3.21%
Deferred Outflows of Resources:	5,113	9,553			5,113	9,553	86.84%
Total Deferred Outflows	5,113	9,553			5,113	9,553	86.84%
Long-Term Debt Outstanding	59,551	63,073			59,551	63,073	5.91%
Other Liabilities	6,859	8,299	107	309	6,966	8,608	23.57%
Total Liabilities	66,410	71,372	107	309	66,517	71,681	7.76%
Deferred Inflows of Resources	523	174			523	174	-66.73%
Total Deferred Inflows	523	174			523	174	-66.73%
Net Position:							
Net Investment in Capital Assets	21,095	22,301	179	139	21,275	22,440	5.48%
Restricted	11,876	14,101			11,876	14,101	18.73%
Unrestricted	(18,288)	(19,764)	513	704	(17,775)	(19,060)	7.23%
Total Net Position	14,683	16,638	692	843	15,376	17,481	13.69%

### Net Position

The District's total combined net position increased on June 30, 2017 over the prior year by 13.70% to \$117,481,880. (See Table A-1) Of the total, \$16,638,722 is attributable to the District's Governmental Activities. The net position of the District's business-type activities was \$843,158.



Table A-2 presents a comparison of the changes in net position from the prior year.

**Table A-2**  
**Changes in Net Position**  
(in thousands of dollars)

Revenues	Governmental Activities		Business-Type Activities		School District Total		Percent Change 2016-17
	2016	2017	2016	2017	2016	2017	
Program Revenues:							
Charges for Services			1,282	1,648	1,282	1,648	28.55%
Operating Grants and Contributions	21,342	21,684	788	784	22,130	22,468	1.53%
General Revenues:							
Property Taxes	112,823	115,560			112,823	115,560	2.43%
Federal and State Aid not Restricted	1,590	903			1,590	903	-43.21%
Tuition		300				300	N/A
Other General Revenues	490	571			490	571	16.53%
<b>Total Revenues</b>	<b>136,245</b>	<b>139,018</b>	<b>2,070</b>	<b>2,432</b>	<b>138,315</b>	<b>141,450</b>	<b>22.67%</b>
Program Expenses Including Indirect Expenses							
Instruction:							
Regular	36,507	35,264			36,507	35,264	-3.41%
Special Education	12,162	13,273			12,162	13,273	91.35%
Other Instruction	2,989	2,917			2,989	2,917	-2.41%
Support Services:							
Tuition	10,984	12,442			10,984	12,442	13.27%
Student & Instruction Related Services	12,885	12,266			12,885	12,266	-4.80%
School Administration Services	5,026	4,882			5,026	4,882	-2.87%
General Administration Services	3,425	3,771			3,425	3,771	10.10%
Plant Operation and Maintenance	11,977	13,669			11,977	13,669	14.13%
Pupil Transportation	5,129	5,229			5,129	5,229	1.95%
Unallocated Benefits	27,832	29,249			27,832	29,249	5.09%
Special Schools	333	264			333	264	-20.72%
Interest on Long-Term Debt	1,179	1,088			1,179	1,088	-7.72%
Bond Issue Costs							
Unallocated Depreciation & Amortization	2,677	2,748			2,677	2,748	2.65%
Business-Type Activity:							
Latchkey Program				222		222	N/A
Food Services			2,167	2,060	2,167	2,060	-4.94%
<b>Total Expenses</b>	<b>133,105</b>	<b>137,062</b>	<b>2,167</b>	<b>2,282</b>	<b>135,272</b>	<b>139,344</b>	<b>3.01%</b>
<b>Increase (Decrease) in Net Position</b>	<b>3,140</b>	<b>1,955</b>	<b>(97)</b>	<b>151</b>	<b>3,043</b>	<b>2,106</b>	<b>-30.79%</b>

### Changes in Net Position

The District's total combined revenues for 2016-2017 were \$139,802,100, an increase of 1.1%. Local property taxes and state aid, including \$13.4 million of "In-Kind" aid for T.P.A.F employees, accounted for most of the District's revenue. Local property taxes contributed about 83.1 cents of every dollar raised, which was slightly increased from the previous year, while State and Federal aid accounted for about 1.6 cents, which was also an increase from previous year. (See Table A-2.) Revenues from sources other than taxes and State and Federal Aid accounted for less than 1.0% of revenues for the year.

## Changes in Net Position (Cont'd.)

The total cost of all programs and services was \$139,344,238, an increase of 3.0%. The District's expenses are predominantly related to educating and caring for students. The purely administrative activities of the District accounted for just 6.2% of total costs and continue to decline as a percentage of spending. Efficiencies implemented to control costs in the areas of pupil transportation and operations resulted in reductions in these areas providing resources to be focused on instructional areas.

### **Governmental Activities**

The Statement of Activities [Exhibit A-2] shows the cost of program services and the charges for services and grants offsetting those services.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 12. These include regular and vocational, as well as special education programs. The District is currently operating one senior high school, Columbia High School (grades 9-12); two middle schools: Maplewood Middle School (grades 6-8) and South Orange Middle School (grades 6-8); and six elementary schools: Clinton (grades PK-5), Marshall (grades PK-2), Jefferson (grades PK, 3-5), Seth Boyden (grades K-5), South Mountain and Annex (grades K-5), and Tuscan (grades K-5).

Special education programs are offered for classified students in the areas of learning and or language disabled, multiply disabled, autism, and pre-school disabled. Additionally, services are provided in resource rooms, speech, occupational and physical therapy.

Table A-3 presents the costs of six major District activities: instruction-related; support services; tuition, student & instructional related services, business and other support services; school, general and business administration; student transportation, operations and maintenance of facilities; and, other expenses. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs.) The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions together with the unrestricted aid burden on the state and federal governments.

**Table A-3**  
**Net Cost of Governmental Activities**  
(in thousands of dollars)

<u>Governmental Activities</u>	<u>Total Cost of Services</u>		<u>Percent Change</u>	<u>Net Cost of Services</u>		<u>Percent Change</u>
	<u>2016</u>	<u>2017</u>		<u>2016</u>	<u>2017</u>	
Instruction Related	51,658	51,454	-0.4%	44,132	44,617	1.1%
Support Services	52,034	54,221	4.20%	39,166	40,281	2.85%
School, General & Business Administration	8,451	8,653	2.39%	8,451	8,653	2.39%
Pupil Transportation	5,129	5,229	1.95%	4,775	4,817	0.88%
Operations and Maintenance of Facilities	11,976	13,669	14.14%	11,814	13,483	14.13%
Other (Depreciation, Interest & Bond Issue)	3,857	3,836	-0.55%	3,425	3,528	3.01%
<b>Total Expenses</b>	<b>133,105</b>	<b>137,062</b>	<b>2.97%</b>	<b>111,763</b>	<b>115,379</b>	<b>3.23%</b>

## **Governmental Activities (Cont'd.)**

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student.

Student services and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, as well as tuition, counseling, speech and other similar related services.

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

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

Operation and maintenance of facilities activities involved with keeping the physical plant open, comfortable and safe for use, and keeping the school grounds, buildings and equipment in effective working order. Included are costs for security, heating, lighting, ventilating, repairing, and replacing facilities, furniture and equipment, garbage disposal, custodial services, property insurance, vehicle maintenance, energy and utility services.

Other includes interest and fiscal charges involving transactions associated with the payment of interest and other charges related to debt of the school district.

The cost of all *governmental activities* during the 2016-17 school year was \$137,062,227.

- None of the cost was financed by the users of the District's programs.
- The federal and state governments subsidized certain programs with grants and contributions totaling \$22,463,031. Included in this total were \$5,399,121 of state and federal aid provided to finance general fund operating expenses and \$13,387,888 provided for TPAF pension and social security on-behalf of the district.
- The majority of the District's costs for governmental activities were financed by District local taxpayers. This portion of governmental activities was financed with \$115,560,374 in property taxes. The District has been forced to look to its taxpayers to fund the increasing costs of education, as state aid has at best been stagnate during the last decade. As a result, the percentage of the budget funded by property taxes has continued to increase. During 2016-2017, the percentage of actual costs funded by the property tax continued to exceed 90%.

## **Business-type Activities**

Revenues of the District's business-type activities, including food service and the new latchkey program, were \$2,432,751, and expenses were \$2,282,011. The net position of our primary business-type activity, food service, increased \$107,177.

Factors contributing to these results included:

- Participation in the food service program continued to increase as a result of the award-winning nutritional program. The profitability of the food service program will permit additional capital outlays to support the food service program in 2017-2018.
- The popular breakfast program was continued for students at Seth Boyden, Clinton, Maplewood Middle School, and South Orange Middle School as well as Columbia High School.

## **FINANACIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The strong financial performance of the District as a whole is reflected in its governmental fund balances as well. As the District completed the year, its governmental funds reported combined fund balances of \$15,116,596.

The General Fund balance was \$10,550,708, an increase of \$1,089,216 from June 30, 2016. The district utilized \$6.0 million of fund balance to fund 2016-2017 operations, and favorable budgetary variances resulted in a full recoupment of those amounts at June 30, 2017. \$4.29 million of fund balance is included to fund the 2017-18 budget, and \$2.4 million is pledged to tax relief in the 2018-19 budget.

The fund balance of \$4,571,828 in the Capital Projects Fund is for planned capital improvements that are underway or in development. This was up from the \$3,385,129 at June 30, 2016 due to the funding of \$1.9 million transferred from capital reserve but unspent at year-end. During the year, \$518,337 of SDA grant funding was received. Additional construction grant funding from the state has been approved for ongoing projects which will cover 40% of eligible costs.

As mentioned, the business-type activities, particularly food services, also did well financially. In addition to the district-wide financial statements, food service operations are reported in greater detail in the enterprise funds statements.

## **General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments consisted solely of transfers to prevent budget overruns, and no additional appropriations to cover unexpected costs or responses to systemic breakdowns or extreme weather conditions were required in 2016-2017.

There were no appropriations from the General Fund unreserved fund balance for any purpose during the year.

- Actual General Fund revenues were \$131,553,697 and higher than expected, due largely to unanticipated additional state aid in the form of “On-behalf” contributions. Revenues do not include \$1,922,473 in state aid that was not appropriated by the state (and therefore not recognized) until after June 30, 2017 and the end of the 2016-17 fiscal year.
- Actual General Fund expenditures were \$6,322,277, below budget, due primarily to management measures to control spending. Health benefit cost increases were less than anticipated, and were responsible for \$2.1million of this favorable variance. Stable energy costs contributed close to \$1 million of this variance.
- Reservations to the General Fund balance include: \$1,905,619 reserve for encumbrances remaining open at June 30 to be paid in the subsequent year; \$2,389,338 excess surplus legally restricted for subsequent year expenditures (appropriated in the 2017-2018 school budget); \$2,389,338 excess surplus to be appropriated in the 2018-2019 school budget, \$1,845,184 in a capital reserve and \$1,000,000 in a maintenance reserve..
- The unrestricted fund balance as of June 30, 2017 using a budgetary basis of accounting was \$2,943,701. Less the last state aid payment not recognized on GAAP basis, the net unreserved General Fund balance as of June 30, 2017 was \$1,021,228. This amount was equal to 0.79% of 2016-17 general fund expenditures. Board Policy considers the maintenance of a minimum of 3% fund balance to be prudent. The amount of unreserved funds is below Board policy due to the NJDOE requirement that an amount in excess of 2% must be reserved as surplus for appropriation in the budget for the subsequent year. A total of \$4,778,676 has been legally reserved for that purpose. The unrestricted balance is less than 2% because the NJDOE includes the final state aid payment of \$1,922,473 in the calculation of surplus even though receipt was deferred until after June 30 and therefore is not reflected in the fund balance on June 30, 2017.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By the end of FY2017, the District had invested \$1,629,470 in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (More detailed information about capital assets can be found in Note 3 to the financial statements and the supplemental information relating to capital projects.)

## **Capital Assets (Cont'd.)**

Capital projects expenditures continued for renovations and improvements to all of the school buildings in the district, with significant work on window replacements at Tuscan Elementary School. Restroom replacement at Clinton Elementary School and electrical upgrades at Jefferson Elementary School. Building capital projects varied among schools depending upon need. The kinds of improvements included upgrades to interior, roof replacements, installation of carpeting, plumbing, electrical and mechanical upgrades. These projects were identified in the district's Long Range Facilities Maintenance Plan.

\$1,900,000 was authorized in 2016-17 for electrical upgrades to the Seth Boyden Elementary School. This was funded with entirely with previously reserved funds. However, the Board took actions to preserve its ability to seek school construction aid funding at a later date if the state authorizes additional program funding in the future.

Funding for these projects was budgeted and/or authorized by the Board of School Estimate and obtained through the sale of bonds and the assumption of low-interest, long-term loans as described in the Debt Administration section.

### **Long-term Debt**

At year-end, the District had a decrease in outstanding debt to \$2,670,000 in general obligation bonds and other long-term debt outstanding, resulting from the issuance. (More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.)

- The District continued to pay down its debt, retiring \$2,673,000 of outstanding debt.

New Jersey statutes limit the amount of general obligation debt the District can issue an amount not to exceed 4 percent of the assessed value of all taxable property within the District's corporate limits. South Orange and Maplewood's outstanding debt is significantly below this school borrowing margin, which is currently calculated to be \$240,531,311.

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

The School District of South Orange and Maplewood is currently in good financial condition. The two townships making up the school district are residential communities with very few non-housing ratables. As a result, the burden of financing the schools is focused primarily on the homeowners. The residents of the communities play an active role in the school system and have expressed a strong commitment to maintaining excellence in their schools. The entire community enjoys a sense of pride in the accomplishments of the school district.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE (CONT'D.)**

At the time these financial statements were prepared and audited, the District was aware of three existing circumstances that could significantly impact its financial health in the future:

- The District is in the process of revising its Long-Range Facilities Plan, and significant costs are anticipated in coming years to maintain the quality of District's buildings and grounds.
- Increasing state mandates such as PARCC exams and teacher evaluation requirements continue to increase financial demands on the District. These mandates create additional expenses in both equipment and in staffing needs. It is not possible at this time to predict the total fiscal impact of the mandates in state and federal educational reform movements. The fiscal impact of the federal Affordable Care Act is also difficult to predict but will at a minimum impact future staffing and health care provision decisions.
- The district enrollment has been steadily increasing since 2012 for an increase of more than 5% in the past five years. Current projections suggest a levelling off of total enrollments going forward. However, should future enrollments vary from current expectations, there may be a need to consider additional educational space.

The following table presents the historical pupil enrollments on October 15 over the last five years and the projected enrollments for the next five years including special education students.

**Historical Pupil Enrollment  
Last Five Fiscal Years**

As of Oct 15,	Elementary (K-5)	% Change	Middle (6-8)	% Change	High School (9-12)	% Change	Special Education	% Change	Total Enrolled	% Change
2012	3,216	2%	1,438	1.6%	1,847	0.7%	124	-4%	6,625	1.4%
2013	3,238	0.6%	1,557	8.3%	1,832	-0.8%	133	7.3%	6,760	2.0%
2014	3,253	0.5%	1,587	1.9%	1,898	3.6%	129	-3.0%	6,867	1.6%
2015	3,245	-0.2%	1,590	0.2%	1,917	1.0%	128	-0.8%	6,880	0.2%
2016	3,323	2.4%	1,562	-1.8%	1,903	-0.7%	63	-50.8	6,851	-0.4%

Source: District Reports

**Projected Pupil Enrollment  
Next Five Fiscal Years**

As of Oct 15,	Elementary (K-5)	% Change	Middle (6-8)	% Change	High School (9-12)	% Change	Special Education	% Change	Total Enrolled	% Change
2017	3,308	-0.5%	1,556	-0.4%	1,999	5%	67	6.3%	6,930	1.1%
2018	3,282	-0.8%	1,605	3.1%	1,959	2%	67	0%	6,913	-0.3%
2019	3,236	-1.4%	1,637	2%	1,999	2%	67	0%	6,939	0.4%
2020	3,175	-1.9%	1,652	0.9%	1,990	-0.5%	66	-1.5%	6,883	-0.8%
2021	3,107	-2.1%	1,657	0.3%	2,027	1.86%	66	0%	6,858	-0.4%

Source: District Reports: Whitehall Associates, Inc. 03/07/16

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

In conclusion, the South Orange and Maplewood School District is committed to prudent fiscal management and financial excellence. The School District's system for financial planning, budgeting and internal financial controls is well regarded. The School District is well positioned to continue its sound fiscal management to meet the challenges of the future.

This financial report is intended to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or requests for additional financial information about the District should be directed to Paul Roth, School Business Administrator and Board Secretary at the Office of the Business Administrator, South Orange and Maplewood School District, 525 Academy Street, Maplewood, NJ 07040 or e-mail [proth@somsd.k12.nj.us](mailto:proth@somsd.k12.nj.us).



## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECTION – A**

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

<u>ASSETS</u>	<u>GOVERNMENTAL BUSINESS-TYPE</u>		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 13,826,305.47	\$ 916,893.69	\$ 14,743,199.16
Receivables, Net	4,932,971.85	86,332.51	5,019,304.36
Inventory	-	9,637.19	9,637.19
Restricted Assets:	-		
Restricted Cash and Cash Equivalents	77,406.00		77,406.00
Capital Assets, (Note 3):	<u>59,794,302.27</u>	<u>138,830.35</u>	<u>59,933,132.62</u>
Total Assets	<u>78,630,985.59</u>	<u>1,151,693.74</u>	<u>79,782,679.33</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Change in Pension Assumptions	5,286,032.00		5,286,032.00
Change in Pension Experience	474,563.00		474,563.00
Change in Pension Earnings	973,037.00		
Change in Pension Proportion	364,791.00		
Pension Payment Subsequent to Measurement Date	824,611.00		824,611.00
Deferred Amount on Refinancing	<u>1,629,625.27</u>		<u>1,629,625.27</u>
Total Deferred Outflows of Resources	<u>9,552,659.27</u>	<u>-</u>	<u>8,214,831.27</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	3,903,973.78	159,412.05	4,063,385.83
Accrued Interest Payable	521,084.04		521,084.04
Interfund Payable	-		-
Accrued Liabilities	226,771.94		226,771.94
Payable to State Government	61,725.58	-	61,725.58
Advances from Grantors	398,080.73		398,080.73
Unearned Revenue	-	149,124.07	149,124.07
Noncurrent Liabilities (Note 4):	-		
Due Within One Year	3,187,070.30		3,187,070.30
Due Beyond One Year	37,151,470.31		37,151,470.31
Net Pension Liability	<u>25,921,233.00</u>		<u>25,921,233.00</u>
Total liabilities	<u>71,371,409.68</u>	<u>308,536.12</u>	<u>71,679,945.80</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Earnings	-		-
Change in Pension Proportion	<u>173,513.00</u>		<u>173,513.00</u>
Total Deferred Outflows of Resources	<u>173,513.00</u>	<u>-</u>	<u>173,513.00</u>
<b><u>NET POSITION</u></b>			
Investment in capital assets, net of related debt	22,301,302.27	138,830.35	22,440,132.62
Restricted for:	-		
Capital Projects	4,571,828.12		4,571,828.12
Other Purposes	9,529,479.80		9,529,479.80
Unrestricted (Deficit)	<u>(19,763,888.01)</u>	<u>704,327.27</u>	<u>(19,059,560.74)</u>
Total Net Position	<u>\$ 16,638,722.18</u>	<u>\$ 843,157.62</u>	<u>\$ 17,481,879.80</u>

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit A-2

<u>Functions/Programs</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 35,264,145.52	\$ -	\$ -	\$ (35,264,145.52)	\$ -	\$ (35,264,145.52)
Special Education	13,273,108.91	-	6,837,310.68	(6,435,798.23)	-	(6,435,798.23)
Other Special Instruction	1,768,947.85	-	-	(1,768,947.85)	-	(1,768,947.85)
Other Instruction	1,148,001.95	-	-	(1,148,001.95)	-	(1,148,001.95)
Support Services:						
Tuition	12,442,167.39	-	-	(12,442,167.39)	-	(12,442,167.39)
Student & Instruction Related Services	12,266,152.72	-	541,630.62	(11,724,522.10)	-	(11,724,522.10)
School Administrative Services	4,882,038.18	-	-	(4,882,038.18)	-	(4,882,038.18)
General and Business Administrative Services	3,771,286.20	-	-	(3,771,286.20)	-	(3,771,286.20)
Plant Operations and Maintenance	13,669,091.20	-	185,655.00	(13,483,436.20)	-	(13,483,436.20)
Pupil Transportation	5,228,746.35	-	411,937.00	(4,816,809.35)	-	(4,816,809.35)
Unallocated Benefits	29,248,827.22	-	13,398,678.21	(15,850,149.01)	-	(15,850,149.01)
Special Schools	263,831.00	-	-	(263,831.00)	-	(263,831.00)
Interest on Long-Term Debt	1,087,853.65	-	308,337.00	(779,516.65)	-	(779,516.65)
Unallocated Depreciation and Amortization	2,748,028.51	-	-	(2,748,028.51)	-	(2,748,028.51)
Total Governmental Activities	<u>137,062,226.65</u>	<u>-</u>	<u>21,683,548.51</u>	<u>(115,378,678.14)</u>	<u>-</u>	<u>(115,378,678.14)</u>
<b>Business-Type Activities:</b>						
Food Service	2,060,320.23	1,383,190.63	784,306.75	-	107,177.15	107,177.15
Latchkey Program	221,690.99	265,254.10	-	-	43,563.11	43,563.11
Total Business-Type Activities	<u>2,282,011.22</u>	<u>1,648,444.73</u>	<u>784,306.75</u>	<u>-</u>	<u>150,740.26</u>	<u>150,740.26</u>
<b>Total Primary Government</b>	<u>\$139,344,237.87</u>	<u>\$1,648,444.73</u>	<u>\$22,467,855.26</u>	<u>(\$115,378,678.14)</u>	<u>\$150,740.26</u>	<u>(\$115,227,937.88)</u>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, Levied for General Purposes, Net	-	-	-	\$111,726,677.00	-	\$111,726,677.00
Taxes Levied for Debt Service	-	-	-	3,833,697.00	-	3,833,697.00
Federal and State Aid not Restricted	-	-	-	903,112.34	-	903,112.34
Tuition	-	-	-	299,967.40	-	299,967.40
Miscellaneous Income	-	-	-	570,790.60	-	570,790.60
Total General Revenues	-	-	-	<u>117,334,244.34</u>	<u>-</u>	<u>117,334,244.34</u>
Change in Net Position	-	-	-	1,955,566.20	150,740.26	2,106,306.46
<b>Net Position—Beginning</b>	-	-	-	<u>14,683,155.98</u>	<u>692,417.36</u>	<u>15,375,573.34</u>
<b>Net Position—Ending</b>	-	-	-	<u>\$16,638,722.18</u>	<u>\$843,157.62</u>	<u>\$17,481,879.80</u>

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

**FUND FINANCIAL STATEMENTS**

**SECTION – B**

**GOVERNMENTAL FUNDS**

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

Exhibit B-1  
Page 1 of 2

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 9,326,537.33	\$ 288,995.05	\$ 4,210,772.97	\$ 0.12	\$ 13,826,305.47
Other Accounts Receivable				-	-
Property Taxes Receivable	4,130,019.25				4,130,019.25
Receivables from Other Governments	263,545.40	178,352.05	361,055.15		802,952.60
Restricted Cash and Cash Equivalents	77,406.00			-	77,406.00
<b>Total Assets</b>	<b>13,797,507.98</b>	<b>467,347.10</b>	<b>4,571,828.12</b>	<b>0.12</b>	<b>18,836,683.32</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	3,020,027.99	13,480.79			3,033,508.78
Intergovernmental Accounts Payable:					
- State		61,725.58			61,725.58
Accrued Liabilities	226,771.94				226,771.94
Advances from Grantors		398,080.73			398,080.73
<b>Total Liabilities</b>	<b>3,246,799.93</b>	<b>473,287.10</b>	<b>-</b>	<b>-</b>	<b>3,720,087.03</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year	2,389,338.22				2,389,338.22
Excess Surplus - Prior Year - Designated for Subsequent Year Expenditures	2,389,338.21				2,389,338.21
Capital Reserve Account	1,845,184.00				1,845,184.00
Maintenance Reserve	1,000,000.00				1,000,000.00
<b>Committed to:</b>					
Year End Encumbrances	1,905,619.37				1,905,619.37
<b>Assigned to:</b>					
Capital Projects			4,571,828.12		4,571,828.12
<b>Unassigned:</b>					
General Fund	1,021,228.25				1,021,228.25
Special Revenue Fund		(5,940.00)			(5,940.00)
Debt Service				0.12	0.12
<b>Total Fund balances</b>	<b>10,550,708.05</b>	<b>(5,940.00)</b>	<b>4,571,828.12</b>	<b>0.12</b>	<b>15,116,596.29</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,797,507.98</b>	<b>\$ 467,347.10</b>	<b>\$ 4,571,828.12</b>	<b>\$ 0.12</b>	<b>\$ 18,836,683.32</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$	15,116,596.29
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$104,568,951.64, and the accumulated depreciation is \$44,774,649.37.		59,794,302.27
Long-term liabilities, including bonds payable and bond premiums, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(40,338,540.61)
Short-term Liabilities, including accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(521,084.04)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The decrease in net position is \$18,593,406. The carrying amounts of the individual components are as follows:		
Deferred Outflows of Resources:		
Change in Pension Assumptions		5,286,032.00
Change in Pension Experience		474,563.00
Difference in Pension Earnings		973,037.00
Change in Pension Proportion		364,791.00
Pension Payment Subsequent to Measurement Date		824,611.00
Accounts Payable for Pension Expense		(824,611.00)
Net Pension Liability		(25,518,316.00)
Deferred Inflows of Resources:		
Change in Pension Proportion		(173,513.00)
The Net Pension Liability of the District relating to its participation in the BOEPPFEC is not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The decrease in net position is \$554,332. The carrying amounts of the individual components are as follows:		
Accounts Payable for Pension Expense		(45,854.00)
Net Pension Liability		(402,917.00)
The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease to fund balance in the governmental funds, but is carried on the statement of net assets and amortized over the life of the Bonds. The Deferred Amount from Refunding is \$2,260,469 and accumulated amortization is \$630,844		<u>1,629,625.27</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>16,638,722.18</u></b>

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



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE 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>
<b>REVENUES</b>					
Local Tax Levy	\$ 111,726,677.00	\$ -	\$ -	\$ 3,833,697.00	\$ 115,560,374.00
Tuition-Individuals	299,967.40				299,967.40
Other Local Sources	570,790.60	123,629.53			694,420.13
State Sources	18,787,009.21	112,775.15	518,337.14	308,337.00	19,726,458.50
Federal Sources	169,253.26	2,567,319.56			2,736,572.82
Total Revenues	<u>131,553,697.47</u>	<u>2,803,724.24</u>	<u>518,337.14</u>	<u>4,142,034.00</u>	<u>139,017,792.85</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	35,050,555.52				35,050,555.52
Special Education Instruction	11,032,121.23	2,240,987.68			13,273,108.91
Other Special Instruction	1,768,560.85				1,768,560.85
Other Instruction	1,139,409.95				1,139,409.95
Support Services and Undistributed Costs:					
Tuition	12,442,167.39				12,442,167.39
Student & Instruction Related Services	11,724,522.10	541,630.62			12,266,152.72
School Administrative Services	4,879,690.18				4,879,690.18
General & Other Administrative Services	3,688,132.20				3,688,132.20
Plant Operations and Maintenance	13,520,360.20				13,520,360.20
Pupil Transportation	5,162,911.41				5,162,911.41
Unallocated Benefits	27,515,493.42				27,515,493.42
Special Schools					
Transfer to Charter Schools	263,831.00				263,831.00
Debt Service:					
Principal				2,670,000.00	2,670,000.00
Interest and Other Charges				1,482,635.00	1,482,635.00
Capital Outlay	<u>376,726.16</u>	<u>21,105.94</u>	<u>1,231,638.18</u>		<u>1,629,470.28</u>
Total Expenditures	<u>128,564,481.61</u>	<u>2,803,724.24</u>	<u>1,231,638.18</u>	<u>4,152,635.00</u>	<u>136,752,479.03</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,989,215.86</u>	<u>-</u>	<u>(713,301.04)</u>	<u>(10,601.00)</u>	<u>2,265,313.82</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE 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>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			1,900,000.00		1,900,000.00
Transfers Out	(1,900,000.00)				(1,900,000.00)
Total Other Financing Sources and Uses	(1,900,000.00)	-	1,900,000.00	-	-
Net Change in Fund Balances	1,089,215.86	-	1,186,698.96	(10,601.00)	2,265,313.82
Fund Balance—July 1	9,461,492.19	(5,940.00)	3,385,129.16	10,601.12	12,851,282.47
<b>Fund Balance—June 30</b>	<b>\$ 10,550,708.05</b>	<b>\$ (5,940.00)</b>	<b>\$ 4,571,828.12</b>	<b>\$ 0.12</b>	<b>\$ 15,116,596.29</b>

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

**Total net change in fund balances - governmental funds (from B-2) \$ 2,265,313.82**

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

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

Depreciation expense	(3,025,305.13)	
Capital outlays	<u>1,561,284.28</u>	(1,464,020.85)

Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 2,670,000.00

Interest on Long Term debt is accrued in the statement of activities. In the governmental funds, interest expenditures are recorded when due. The difference between interest accrued and interest paid is as follows:

Interest Paid	1,482,635.00	
Interest Accrued	<u>(1,451,499.58)</u>	31,135.42

The premium received on the sale of bonds is recorded in the governmental funds as an addition to fund balance in the year of issuance, but is carried on the statement of net position and amortized in the statement of activities over the life of the bonds.

Amortization of Bond Premiums 431,831.93

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction. (1,703,952.00)

The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease to fund balance in the governmental funds in the year of issuance, but is carried on the statement of net position and amortized over the life of the Bonds. net assets and amortized over the life of the Bonds.

Amortization of Deferred Amount from Refunding (245,360.32)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(29,381.80)

**Change in net assets of governmental activities \$ 1,955,566.20**

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

**PROPRIETARY FUNDS**

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL 2017</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY PROGRAM</u>	<u>ETTC</u>	
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 867,062.58	\$ 43,563.11	\$ 6,268.00	\$ 916,893.69
Accounts Receivable:				
State	1,357.94	-	-	1,357.94
Federal	46,169.71	-	-	46,169.71
Other	38,804.86	-	-	38,804.86
Inventories	<u>9,637.19</u>	<u>-</u>	<u>-</u>	<u>9,637.19</u>
Total Current Assets	<u>963,032.28</u>	<u>43,563.11</u>	<u>6,268.00</u>	<u>1,012,863.39</u>
Noncurrent Assets:				
Fixed Assets:				
Equipment	438,525.77	-	-	438,525.77
Accumulated Depreciation	<u>(299,695.42)</u>	<u>-</u>	<u>-</u>	<u>(299,695.42)</u>
Total Noncurrent Assets	<u>138,830.35</u>	<u>-</u>	<u>-</u>	<u>138,830.35</u>
Total Assets	\$ <u>1,101,862.63</u>	\$ <u>43,563.11</u>	\$ <u>6,268.00</u>	\$ <u>1,151,693.74</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts Payable	\$ 159,412.05	\$ -	\$ -	\$ 159,412.05
Unearned Revenue	<u>149,124.07</u>	<u>-</u>	<u>-</u>	<u>149,124.07</u>
Total Liabilities	<u>308,536.12</u>	<u>-</u>	<u>-</u>	<u>308,536.12</u>
<b><u>NET POSITION</u></b>				
Invested in Capital Assets Net of Related Debt	138,830.35	-	-	138,830.35
Unrestricted Net Position	<u>654,496.16</u>	<u>43,563.11</u>	<u>6,268.00</u>	<u>704,327.27</u>
Total Net Position	\$ <u><u>793,326.51</u></u>	\$ <u><u>43,563.11</u></u>	\$ <u><u>6,268.00</u></u>	\$ <u><u>843,157.62</u></u>

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL 2017</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY PROGRAM</u>	<u>ETTC</u>	
<b><u>OPERATING REVENUES</u></b>				
Local Sources:				
Daily Sales	\$ 1,307,217.74	\$ -	\$ -	\$ 1,307,217.74
Vending & Other Sales	75,972.89	-	-	75,972.89
Participant Fees	-	265,254.10	-	265,254.10
Total Operating Revenues	<u>1,383,190.63</u>	<u>265,254.10</u>	<u>-</u>	<u>1,648,444.73</u>
<b><u>OPERATING EXPENSES</u></b>				
District Management Costs:				
Personnel Costs	121,989.99	-	-	121,989.99
Food Service Management Company Costs:				
Food (Including USDA Commodities)	966,882.57	-	-	966,882.57
Supplies	53,750.60	191,187.69	-	244,938.29
Personnel Costs	708,814.64	28,333.30	-	737,147.94
Uniforms	2,496.50	-	-	2,496.50
Office & Admin.	4,408.49	-	-	4,408.49
Insurance	58,343.79	2,170.00	-	60,513.79
Outside Services	6,594.96	-	-	6,594.96
Management Fees	89,825.00	-	-	89,825.00
Depreciation	47,213.69	-	-	47,213.69
Total Operating Expenses	<u>2,060,320.23</u>	<u>221,690.99</u>	<u>-</u>	<u>2,282,011.22</u>
Operating Income (Loss)	<u>(677,129.60)</u>	<u>43,563.11</u>	<u>-</u>	<u>(633,566.49)</u>
<b>Non-Operating Revenues:</b>				
State Sources:				
State School Lunch Program	18,408.76	-	-	18,408.76
Federal Sources:				
School Breakfast Program	51,237.45	-	-	51,237.45
National School Lunch Program	569,563.02	-	-	569,563.02
USDA Commodities Program	145,097.52	-	-	145,097.52
Total Non-Operating Revenues	<u>784,306.75</u>	<u>-</u>	<u>-</u>	<u>784,306.75</u>
Change in Net Position	107,177.15	43,563.11	-	150,740.26
Total Net Position - Beginning	<u>686,149.36</u>	<u>-</u>	<u>6,268.00</u>	<u>692,417.36</u>
Total Net Position - Ending	<u>\$ 793,326.51</u>	<u>\$ 43,563.11</u>	<u>\$ 6,268.00</u>	<u>\$ 843,157.62</u>

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL 2017</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY PROGRAM</u>	<u>ETTC</u>	
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 1,395,670.36	\$ 265,254.10	\$	\$ 1,660,924.46
Cash Payments for Goods & Supplies	(1,586,606.98)	(191,187.69)		(1,777,794.67)
Cash Payments for Employee Expenses	(121,989.99)	(30,503.30)		(152,493.29)
Net Cash Provided by (used for) Operating Activities	<u>(312,926.61)</u>	<u>43,563.11</u>	<u>-</u>	<u>(269,363.50)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
State Sources	18,396.67			18,396.67
Federal Sources	<u>622,087.57</u>			<u>622,087.57</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>640,484.24</u>	<u>-</u>	<u>-</u>	<u>640,484.24</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Sale of Equipment	5,000.00			5,000.00
Purchase of Equipment	<u>(11,726.60)</u>			<u>(11,726.60)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(6,726.60)</u>	<u>-</u>	<u>-</u>	<u>(6,726.60)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	320,831.03	43,563.11	-	364,394.14
Cash and Cash Equivalents, July 1	<u>546,231.55</u>	<u>-</u>	<u>6,268.00</u>	<u>552,499.55</u>
Cash and Cash Equivalents, June 30	<u>\$ 867,062.58</u>	<u>\$ 43,563.11</u>	<u>\$ 6,268.00</u>	<u>\$ 916,893.69</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (677,129.60)	43,563.11	\$	\$ (633,566.49)
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:				
Depreciation	47,213.69			47,213.69
USDA Commodities	145,097.52			145,097.52
(Increase) Decrease in Accounts Receivable	(31,294.85)			(31,294.85)
(Increase) Decrease in Inventory	1,284.21			1,284.21
Increase (Decrease) in Accounts Payables	159,412.05			159,412.05
Increase (Decrease) in Unearned Revenues	<u>42,490.37</u>			<u>42,490.37</u>
Net Cash Used by Operating Activities	<u>\$ (312,926.61)</u>	<u>\$ 43,563.11</u>	<u>\$ -</u>	<u>\$ (269,363.50)</u>

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

## **FIDUCIARY FUNDS**



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017**

	<b>Agency Funds</b>	<b>Expendable Trust Funds</b>	<b>TOTALS</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,297,910.04	\$ 736,062.14	\$ 2,033,972.18
Due from Depository	2,936.00		2,936.00
Interfund Accounts Receivable		53,882.14	53,882.14
 Total Assets	 \$ 1,300,846.04	 \$ 789,944.28	 \$ 2,090,790.32
<b><u>LIABILITIES</u></b>			
Liabilities:			
Payroll Deductions and Withhold	\$ 783,278.90	\$	\$ 783,278.90
Interfund Accounts Payable	53,882.14		53,882.14
Accounts Payable		20,968.68	20,968.68
Due to Student Groups	463,685.00		463,685.00
 Total Liabilities	 1,300,846.04	 20,968.68	 1,321,814.72
<b><u>NET POSITION</u></b>			
Reserves for Unemployment			-
Compensation Insurance Claims		767,575.60	767,575.60
Unreserved		1,400.00	1,400.00
 Total Net Position		 \$ 768,975.60	 \$ 768,975.60
 Total Liabilities and Net Position		 \$ 789,944.28	 \$ 2,090,790.32

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Expendable Trust Funds</u>	<u>TOTALS</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ <u>204,060.77</u>	\$ <u>204,060.77</u>
Total Contributions	<u>204,060.77</u>	<u>204,060.77</u>
Total Additions	<u>204,060.77</u>	<u>204,060.77</u>
<b>DEDUCTIONS</b>		
Unemployment Benefits	<u>143,706.41</u>	<u>143,706.41</u>
Total Deductions	<u>143,706.41</u>	<u>143,706.41</u>
Change in Net Position	<u>60,354.36</u>	<u>60,354.36</u>
Net Position - Beginning of the Year	<u>708,621.24</u>	<u>708,621.24</u>
Net Position - End of the Year	<u>\$ 768,975.60</u>	<u>\$ 768,975.60</u>

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

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**COUNTY OF ESSEX, NEW JERSEY**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Board of Education (Board) of The School District of South Orange and Maplewood (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards dated June 30, 2017. This codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

The more significant of the Board's accounting policies are described below.

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the School District of South Orange and Maplewood (District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

**B. Reporting Entity:**

The School District of South Orange and Maplewood is a Type II district located in the County of Essex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to staggered three-year terms. Financial matters such as annual budgets and proposed debt authorizations are presented to a Board of School Estimate for review and approval. The purpose of the District is to provide a full range of educational services appropriate to grades K through 12.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following funds:

#### **GOVERNMENTAL FUNDS**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Basis of Accounting - Fund Financial Statements (Cont'd):

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the Board of School Estimate and lease purchase obligations authorized by the Board.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds and lease purchase obligations issued to finance major property acquisition, construction and improvement programs.

**Permanent Fund** - The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

#### **PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund and a residual balance in a non-active ETTC Fund.

#### **FIDUCIARY FUNDS**

**Agency Fund** - The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**Expendable Employee Benefit Trust (Unemployment Insurance)** - Employee Benefit Trust should be used to report activities using the same measurement focus and basis of accounting resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

**Other Expendable Trust Funds** - The District Related Arts and Deferred Compensation Trusts should be used to report financial activity in essentially the same manner as the governmental funds, using the same measurement focus and basis of accounting.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### E. Interfund Activity in the Government-wide Financial Statements

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

#### F. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its 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 refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### F. Measurement Focus and Basis of Accounting (Cont'd.)

their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

#### G. Budgets/Budgetary Control:

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### G. Budgets/Budgetary Control (Cont'd.):

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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 statements.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$132,069,589.47	\$2,756,431.82
Difference- budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and revenues (Net)	0.00	47,292.42
Certain State Aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(1,922,473.00)	0.00
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>1,406,581.00</u>	<u>0.00</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance-governmental funds	<u>\$131,553,697.47</u>	<u>\$2,806,724.24</u>



**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Budgets/Budgetary Control (Cont'd.):**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows"		
From the budgetary comparison schedule	\$130,464,481.61	\$2,756,431.82
Difference- budget to GAAP:		
Encumbrances for supplies and equipment ordered but not yet are reported in the year the encumbrance is placed for budgetary purposes, but in the year the goods are received for financial reporting purposes (Net)		<u>47,292.42</u>
Transfers (outflows) to Charter School (Net)	(263,831.00)	
Transfers (outflows) Capital Projects Fund (Net)	<u>(1,900,000.00)</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$128,300,650.61</u>	<u>\$2,803,724.24</u>

**H. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value, which are generally based on quoted market prices.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that 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 a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### H. Cash, Cash Equivalents and Investments (Cont'd.):

Under the amended law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

#### I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures in the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items in both the government-wide and fund financial statements.

#### J. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

#### K. Capital Assets:

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000.00 or more of initial, individual cost for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the District-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### K. Capital Assets (Cont'd.):

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-20 Years

#### L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a fund liability and expenditure in the fund that will pay for the compensated absence. The noncurrent portion for governmental funds is maintained separately and is a reconciling item between the fund and government-wide presentations.

Based upon existing personnel policies and collective bargaining agreements, employees are granted varying amounts of annual sick, personal and vacation leave. Sick leave may be accumulated for use in subsequent years and the right to a termination payment begins to vest with the employee after 10 years of service. Termination payments for unused sick pay are capped at by existing personnel policies and the provisions of collective bargaining agreements. Accumulations of unused sick leave may be used only for illnesses in subsequent periods. The accumulation of unused vacation pay is also limited by the provisions of existing personnel policies and collective bargaining agreements. Unused vacation pay is paid to employees upon separation from service at current daily pay rates. Changes in the value of compensated absences earned and unused is more fully detailed in Note 4.

#### M. Pensions

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 New Jersey Public Employees Retirement System (PERS) and the and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **M. Pensions (Cont'd.)**

Prior to July, 1981 (the Plan "Closure Date"), certain employees of the District were eligible for enrollment in the Board of Education Employees Pension Fund of Essex County (the "Essex County Plan"). 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 Essex County Plan and the and additions to/deductions from Plan fiduciary net position have been determined on the same basis as they are reported by Plan. 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.

#### **N. Tuition Payable**

Tuition charges for the fiscal years 2015-16 and 2016-17 were based on rates established by the receiving districts. These rates are subject to change when the actual costs have been determined.

#### **O. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting six items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions, Change in Pension Experience, the amounts of pension payments made by the District subsequent to the pension measurement date, the Difference in Pension Earnings and the Change in Pension Proportion. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2016.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents the acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting one pension related items in this category, the Change in Pension Proportion

#### **P. Unearned Revenue/Advances from Grantors:**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **P. Unearned Revenue/Advances from Grantors:**

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

#### **Q. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

#### **R. Fund Balance Flow Assumption (Governmental Fund Financial Statements)**

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied.

In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

#### **S. Fund Balance Policies:**

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **S. Fund Balance Policies (CONT'D):**

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

#### **T. District-Wide Financial Statement Classifications**

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed Assets as a component of net position for the governmental activities and business-type activities.

#### **U. Proprietary Fund 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 products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

#### **V. Reconciliation of District-Wide and Fund Financial Statements**

I. Differences between governmental fund balance sheet and District-wide statement of net position:

Total Governmental Fund Balance (B-1)	\$15,116,596
Adjustments to District-Wide Net Position:	
Capital Assets (see Note 3)	59,794,302

Long-Term Liabilities (see Note 4)	(40,338,541)
Net Pension Liabilities	(25,921,233)
Other Items not recognized in Fund Financial Statements:	
Accrued Interest on Long-term Debt	(521,084)
Pension Related Deferred Outflows	7,923,034
Pension Related Deferred Inflows	(173,513)
Pension Accounts Payable	(870,465)
Unamortized Deferred Amounts from Refunding	<u>1,629,626</u>
Net Position of Governmental Activities	<u>\$16,638,722</u>

**V. Reconciliation of District-Wide and Fund Financial Statements (Cont'd.)**

II. Differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities:

Total Net Change Governmental Fund Balance (B-2)	\$2,265,314
Adjustments to District-Wide Net Position:	
Depreciation on Capital Assets (see Note 3)	(3,025,305)
Capital Outlays	1,561,285
Repayment of Long-Term Liabilities (see Note 4)	2,670,000
Increase in Value of Compensated Absences	(29,382)
Interest on Long-term Debt (Accrual Basis for District-Wide)	31,135
Pension Expense (Accrual Basis for District-Wide)	(1,703,952)
Amortization of Premiums Received on Bond Sales	431,832
Amortization of Deferred Amounts from Refunding	<u>(245,360)</u>
Change in Net Position of Governmental Activities	<u>\$1,955,566</u>

**W. Estimates:**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**X. Deferred Amounts on Refundings:**

Deferred amounts on refunding/refinancing should be deferred and amortized over the term of the bonds/leases using the straight-line method. Prior to its 2011 Bonds, the District did not defer these items for any of the currently outstanding debt issuances. However, this omission is not considered to be material to the overall financial statement presentation.

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The South Orange and Maplewood Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured - FDIC	\$ 334,377.77
Insured – NJGUDPA (N.J.S.A.17:94.1)	3,365,449.26
Uninsured – Money Market Funds	<u>16,667,299.50</u>
Total Deposits	<u>\$20,367,126.53</u>

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. Based upon NJGUDPA, as of June 30, 2017, \$0.00 of the Board’s bank balance of \$3,699,827.03 was exposed to custodial risk. (See Note 1-G. relating to statutory mitigation of custodial risk in the event of a bank failure). The District utilizes an Investment Management Account that invests in shares of a money market mutual fund managed by its depository as a “sweep account” for the overnight investment of idle funds. These moneys are not covered by FDIC insurance or the provisions of GUDPA. Based upon the liquidity of the fund’s holdings, these deposits are considered cash equivalents for financial reporting purposes.

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2017, the District had \$0.00 on deposit with the New Jersey Cash Management Fund.



NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3: CAPITAL ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance- total governmental funds and net position-governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance - total governmental funds is made to reflect the carrying value of the District's capital assets at year-end in the District-wide financial statements, which consisted of:

Total capital assets at cost	104,568,951.64
Less: accumulated depreciation	<u>(44,774,649.37)</u>
Government Activities Capital Assets, Net	<u>59,794,302.27</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital Assets That Are Not Being Depreciated:					
Sites	\$ 2,825,596.00	\$	\$	\$	\$ 2,825,596.00
Construction in Progress	<u>14,485,554.49</u>	<u>1,231,638.18</u>	<u></u>	<u>(13,208,738.91)</u>	<u>2,508,453.76</u>
Total Capital Assets Not Being Depreciated	<u>17,311,150.49</u>	<u>1,231,638.18</u>	<u>-</u>	<u>(13,208,738.91)</u>	<u>5,334,049.76</u>
Building and Improvements	78,250,887.94			13,208,738.91	91,459,626.85
Machinery and Equipment	<u>7,445,628.93</u>	<u>329,646.10</u>	<u></u>	<u></u>	<u>7,775,275.03</u>
Totals at Historical Cost	<u>85,696,516.87</u>	<u>329,646.10</u>	<u></u>	<u>-</u>	<u>99,234,901.88</u>
Less Accumulated Depreciation:					
Fixed Assets	<u>(41,749,344.24)</u>	<u>(3,025,305.13)</u>	<u></u>	<u></u>	<u>(44,774,649.37)</u>
Total Accumulated Depreciation	<u>(41,749,344.24)</u>	<u>(3,025,305.13)</u>	<u>-</u>	<u>-</u>	<u>(44,774,649.37)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>43,947,172.63</u>	<u>(2,695,659.03)</u>	<u>-</u>	<u>-</u>	<u>54,460,252.51</u>
<b>Government Activities Capital Assets, Net</b>	<u>\$ 61,258,323.12</u>	<u>\$ (1,464,020.85)</u>	<u>\$</u>	<u>\$ -</u>	<u>\$ 59,794,302.27</u>
<b>Business-type Activities</b>					
Equipment	431,799.17				431,799.17
Less Accumulated Depreciation for: Equipment	<u>(252,481.73)</u>	<u></u>	<u></u>	<u></u>	<u>(252,481.73)</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 179,317.44</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,317.44</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 213,590.00
Direct expense of various functions	309,046.94
Unallocated	<u>2,502,668.19</u>
Total deprecation expense	<u>\$ 3,025,305.13</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4: LONG TERM DEBT

The governmental fund balance sheet includes a reconciliation between fund balance- total governmental funds and net position-governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that Long-term liabilities, including bonds and judgments payable, are not due and payable in the current period and therefore are not reported liabilities in the governmental funds. A deduction to the fund balance - total governmental funds is made to reflect the carrying value of the District's long-term liabilities at year-end in the governmental activities of the District-wide financial statements.

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

	<b>Beginning Balance</b>	<u>Additions</u>	<u>Reductions</u>	<b>Ending Balance</b>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$ 40,163,000.00	\$ _____	\$ (2,670,000.00)	\$ 37,493,000.00	\$ 2,763,000.00
Total Bonds Payable	<u>40,163,000.00</u>	<u>-</u>	<u>(2,670,000.00)</u>	<u>37,493,000.00</u>	<u>2,763,000.00</u>
Other Liabilities:					
Compensated Absences Payable	<u>377,744.85</u>	<u>29,381.80</u>	<u>_____</u>	<u>407,126.65</u>	<u>_____</u>
Total Other Liabilities	<u>397,429.55</u>	<u>29,381.80</u>	<u>-</u>	<u>407,126.65</u>	<u>-</u>
Bond Premiums/(Discounts)	<u>3,310,270.99</u>	<u>_____</u>	<u>(431,831.93)</u>	<u>2,878,439.06</u>	<u>424,070.30</u>
Total Bond Premiums	<u>3,310,270.99</u>	<u>-</u>	<u>(431,831.93)</u>	<u>2,878,439.06</u>	<u>424,070.30</u>
Net Pension Liability:					
BOE Employees Fund of Essex County	402,917.00	_____	_____	402,917.00	_____
Public Employees Retirement System	<u>18,838,856.00</u>	<u>6,679,460.00</u>	<u>_____</u>	<u>25,518,316.00</u>	<u>_____</u>
Total Net Pension Liability	<u>19,241,773.00</u>	<u>6,679,460.00</u>	<u>-</u>	<u>25,921,233.00</u>	<u>-</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 62,709,556.54</u>	<u>\$ 6,708,841.80</u>	<u>\$ (3,101,831.93)</u>	<u>\$ 66,296,881.71</u>	<u>\$ 3,187,070.30</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4. LONG-TERM DEBT (Cont'd)**

**A. Bonds Payable** -- Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding as at June 30, 2017 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	2,763,000.00	1,402,194.00	4,165,194.00
2019	2,760,000.00	1,306,960.00	4,066,960.00
2020	2,840,000.00	1,215,160.00	4,055,160.00
2021	2,935,000.00	1,120,335.00	4,055,335.00
2022	3,030,000.00	1,009,235.00	4,039,235.00
2023	3,130,000.00	885,435.00	4,015,435.00
2024	3,235,000.00	761,230.00	3,996,230.00
2025	3,355,000.00	627,215.00	3,982,215.00
2026	3,320,000.00	485,590.00	3,805,590.00
2027	3,365,000.00	345,550.00	3,710,550.00
2028	3,560,000.00	220,795.00	3,780,795.00
2029	800,000.00	99,000.00	899,000.00
2030	800,000.00	75,000.00	875,000.00
2031	800,000.00	51,000.00	851,000.00
2032	800,000.00	26,000.00	826,000.00
	<u>\$37,493,000.00</u>	<u>\$9,630,699.00</u>	<u>\$47,123,699.00</u>

**B. Bonds Authorized But Not Issued** – As of June 30, 2017, the District had no bonds or notes authorized but not issued.

**NOTE 5. OPERATING LEASES**

In April 2015, the District entered into a 5-year lease agreement for thirteen digital copiers and accessories. The agreement calls for 60 equal monthly payments of \$5,218.00, commencing in June 2015. Future minimum lease payments at June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	57,466.27	5,149.73	62,616.00
2019	59,510.96	3,105.04	62,616.00
2020	<u>56,407.19</u>	<u>990.81</u>	<u>57,398.00</u>
Total future minimum lease payments	<u>\$173,384.42</u>	<u>\$9,245.58</u>	<u>\$182,630.00</u>

## NOTES TO BASIC FINANCIAL STATEMENTS

### **NOTE 6. PENSION PLANS**

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

The District also makes annual required contributions to the Board of Education Employees' Pension Fund of Essex County (BOEPPFEC). The BOEPPFEC was created in 1929 pursuant to an Act of the State Legislature to provide pension benefits to non-teaching personnel in Essex County, NJ school districts. Subsequent to the passage by its members of a referendum on Social Security coverage, the Fund was closed to new members in 1981 and members voting for Social Security coverage were transferred to the Public Employees Retirement System. The remaining members of the BOEPPFEC have met the minimum 10-year vesting period for participation.

Generally, BOEPPFEC members are eligible for retirement at age 60 with an annual benefit equal to 1/45<sup>th</sup> per year of creditable service of the average of the three highest compensation years of Fund membership. BOEPPFEC Fund benefits also include a provision for Cost-of-Living Increases (COLA) for those who have been retired for at least two calendar years. COLA benefits are funded by the participating districts on a pay-as-you-go basis. The annual billing to each participating district consists of the reimbursement of COLA benefits, the Retired Member Administrative Expenses and the Amortization of the Unfunded Pension Liability, which are based on actuarial calculations.

#### **A. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D)

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016:

Inactive plan members or beneficiaries currently receiving benefits	171,422
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>261,171</u>
Total	<u>433,296</u>

Contributing Employers – 1,713.

*Significant Legislation* - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

*Payrolls and Covered Wages* - For the year ended June 30, 2017 the Board's total payroll for all employees was \$61,209,542. Total PERS covered payroll was \$5,994,161. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's cash basis contributions to the Plan for the years ended June 30, 2016 and 2017 were \$721,506 and \$765,439, respectively. School Board Contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D)

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2017, the School Board reported a net reduction to the net position of its governmental activities of \$25,518,316 for its proportionate share of the net pension liability and associated deferred inflows and deferred outflows of financial resources.

The PERS 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 June 30, 2015 that was rolled forward to that date.

The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The June 30, 2016 actuarial valuation indicated that the Board's proportion was 0.0861606%, which was an increase of 0.002238% from its proportion measure valued as of June 30, 2015.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D)

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

For the year ended June 30, 2017, the Board recognized pension expenses of \$2,469,347. At June 30, 2017, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes in assumptions	\$5,286,032	\$
Net difference between projected and actual earnings on Plan investments	973,037	
Change in Experience	474,563	
Changes in proportion and differences between Board contributions and proportionate share of contributions	364,791	173,513
Board contributions subsequent to the measurement date	<u>824,611</u>	<u>0</u>
<b>Total</b>	<b><u>\$7,923,034</u></b>	<b><u>\$173,513</u></b>

The \$824,611 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$(1,547,693.00)
2018	(1,547,693.00)
2019	(1,785,531.00)
2020	(1,522,369.00)
2021	(521,624.00)

*Actuarial Assumptions-* The collective total pension liability in the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation	3.08%
Salary Increase: Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.65%

NOTES TO FINANCIAL STATEMENTS

**NOTE 6. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participant. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 for females. In addition, the tables provide for future improvements on mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 project scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females).

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on the future PERS financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuarial. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates 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%	.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%



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D)

#### B. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to the project benefit payments after that date in determining the total pension liability.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS participating employers as of June 30, 2016, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u> <u>(2.98%)</u>	<u>At current discount rate</u> <u>(3.98%)</u>	<u>At 1% increase</u> <u>(4.98%)</u>
PERS			
State of New Jersey	\$34,422,851,197	\$29,390,685,705	\$25,246,574,457
Local Units	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
	<u>\$70,715,189,252</u>	<u>\$59,007,817,464</u>	<u>\$49,352,744,647</u>
District's Proportionate share of the net pension liability	<u>\$31,269,718</u>	<u>\$25,518,316</u>	<u>\$20,770,035</u>

*Components of Net Position Liability* – The components of the net position for PERS, including the State of New Jersey, at June 30, 2016 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$36,295,189,928	\$49,474,698,146	\$85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
<u>Net Pension Liability</u>	<u>\$29,390,685,705</u>	<u>\$29,617,131,759</u>	<u>\$59,007,817,464</u>

NOTES TO FINANCIAL STATEMENTS

**NOTE 6. PENSION PLANS (CONT'D)**

**B. BOARD OF EDUCATION EMPLOYEES PENSION FUND OF ESSEX COUNTY**

The Board of Education Employees Pension Fund of Essex County (BOEPPFEC) is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is privately administered. The more significant aspects of the BOEPPFEC Plan are as follows:

*Plan Membership and Contributing Employers-* The Plan has been closed to new members since 1981. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016:

Inactive plan members or beneficiaries currently receiving benefits	644
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>0</u>
 Total	 <u>644</u>

Contributing Employers – 18.

For the year ended June 30, 2017 the Board's total payroll for all employees was \$61,209,542. Total BOEPPFEC covered payroll was \$0. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

The School Board's cash basis contributions to the Plan for the years ended June 30, 2017 and 2016 were \$36,491 and \$57,883, respectively. School Board Contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2015, the School Board reported a liability of \$508,478 for its proportionate share of the 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 a calculation prepared by the Plan actuary as of that date. The Board's proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Boards proportionate share of the Fund's Net Pension Liability was \$402,917, and its proportion was 1.1130781%, which was a decrease of 0.2070001% from its proportion measure as of June 30, 2015.

For the year ended June 30, 2016, the Board recognized pension expenses of \$(105,561). At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>Of Resources</u>
Net difference between projected and actual earnings on Plan investments	\$90,288

NOTES TO FINANCIAL STATEMENTS

**NOTE 6. PENSION PLANS (CONT'D)**

**B. BOARD OF EDUCATION EMPLOYEES PENSION FUND OF ESSEX COUNTY (CONT'D)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2017	(\$18,057.60)
2018	(\$18,057.60)
2019	(\$18,057.60)
2020	(\$18,057.60)
2021	(\$18,057.60)

*Actuarial Assumptions*- The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increases	4.5%
Cost-of-Living Adjustments	3.0%
Investment rate of return, net, including inflation	7.0%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015, net a 2.3% inflation assumption, are summarized in the following table:

<u>Asset Class</u>	
US Large-Cap Equities	6.70%
US Small-Cap Equities	6.70%
US Fixed Income	1.60%

*Sensitivity of Net Pension Liability* – The BOEPPFEC has not provided sensitivity data relating to its reported Net Pension Liability as of June 30, 2016 in the amount of \$36,198,447. The following presents the net pension liability of BOEPPFEC calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
BOEPPFEC	\$52,419,755	\$38,518,877	\$26,490,535

*Plan Fiduciary Net Position* – The plan fiduciary net position for BOEPPFEC at June 30, 2016 has not been provided by the Fund's management.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D)

#### C. TEACHERS PENSION AND ANNUITY FUND

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016:

Inactive plan members or beneficiaries currently receiving benefits	101,263
Inactive plan members entitled to but not yet receiving benefits	210
Active plan members	<u>155,882</u>
Total	<u>257,355</u>

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 24.

*Significant Legislation* - Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

*Covered Payroll* - For the year ended June 30, 2017 the Board's total payroll for all employees was \$61,209,542. Total TPAF covered payroll was \$48,291,609. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount which includes the employer portion of normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory insurance is based on actual claims paid and a "pay-as-you-go" basis.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. PENSION PLANS (CONT'D)**

**C. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65.

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

**Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Local Pension Obligation</u>
6/30/17	\$ 5,418,882	Unknown %	\$ 0
6/30/16	3,840,695	Unknown %	0
6/30/15	2,667,303	Unknown %	0

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D):

#### C. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

At June 30, 2016, the TPAF reported a net pension liability of \$78,666,367,052 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was \$377,365,521, or 0.480%. State non-employer contributions allocated to the District were \$2,651,467 and \$3,820,356 for 2015 and 2016.

*Actuarial Assumptions-* The total pension liability in 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 included in the measurement:

Inflation	2.50%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting morality improvement on generational basis 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.

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D):

#### C. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

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>
U.S. Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. Equities	26.00%	5.14%
Developed Foreign Equities	13.25%	5.91%
Emerging Market Equities	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 - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

*Discount Rate* –The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of TPAF as of June 30, 2016 calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
TPAF	\$94,378,0176,033	\$79,028,907,033	\$66,494,248,033

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. PENSION PLANS (CONT'D):

#### C. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

*Components of Net Pension Liability* – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2016 is as follows:

Total pension liability	\$ 101,746,770,000
Plan fiduciary net position	<u>22,717,862,967</u>
Net pension liability	<u>\$ 79,028,907,033</u>
Plan fiduciary net position as a percentage of the total pension liability	22.33%

#### D: DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016, the membership in the DCRP, based on the information within the Division’s database, was 46,557.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employee’s base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

The District reported no employees enrolled in the DCRP, during the 2016-17 fiscal year.



## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. POST- RETIREMENT BENEFITS**

The State of New Jersey sponsors and administers the post-employment health benefits program for school districts. Free coverage is provided to members of the TPAF who retire after accumulating 25 years of credited service or on a disability retirement. The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

The Division of Pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government.

This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

At June 30, 2016, there were approximately 110,512 retirees receiving State paid post retirement health benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post retirement medical benefits was changed from a pre-funding basis to a pay-as-you-go basis in Fiscal Year 1994.

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The State's contributions to the Health Benefits Program Fund on-behalf of the District for TPAF retiree health benefits, for the last three years, is as follows:

#### **Contribution Requirements**

<b><u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u></b>					
<b><u>Year Funding</u></b>	<b><u>Annual Post Retirement Medical Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>		
6/30/17	\$ 4,515,161	100 %	0		
6/30/16	4,573,206	100	0		
6/30/15	4,234,346	100	0		

The amounts of State contributions to the Health Benefits Program Fund on-behalf of the District for PERS retiree health benefits has not been made available.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 8. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB16), "Accounting for compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contract. Generally, payments are based upon a set amount per day of earned and unused sick pay, with a cap on the maximum number of days subject to reimbursement.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

### **NOTE 9. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

- Alliance Capital
- Great American Life
- Equi-Vest (Equitable)
- MetLife Investors Group
- American Express
- Valic
- Metropolitan Life Ins. Co.
- Washington National Ins. Co.
- Pridential Ins. Co.

### **NOTE 10. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education of the School District of South Orange and Maplewood, in the amount of \$1,000.00 by Board motion on November 16, 1998 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. CAPITAL RESERVE ACCOUNT (CONT'D.)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submissions 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. 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. 6A:26-9.1(d)1*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

At June 30, 2016, the balance in the Capital Reserve Account was \$1,977,406. Of this total, \$1,900,000 has been appropriated for capital expenditures in the 2016-17 budget. The Board approved a resolution transferring \$1,767,778 to the capital reserve at June 30, 2016, providing a balance of \$1,845,184 for the funding of future capital projects.

### NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets: errors and omissions: injuries to employees: and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions &amp; Interest Earnings</u>	<u>Amount Reimbursed/ Accrued</u>	<u>Ending Balance</u>
2016-2017	0	\$204,061	\$143,706	\$767,576
2015-2016	0	22,266	91,395	707,221
2014-2015	0	190,175	129,490	776,350

### NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The District had no outstanding interfund balances at June 30, 2017. All balances from the prior year were cleared by cash transfers during the current period.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13.

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Purchased:	
Food	\$5,830.40
Supplies	<u>3,806.79</u>
	<u>\$ 9,637.19</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the basic financial statements. Total USDA commodities accepted in 2016-17 was \$145,097.52.

### NOTE 14. FUND BALANCES RESERVED AND DESIGNATED

#### General Fund :

**Committed, Assigned & Restricted** - Of the \$10,550,708.05 total General Fund balance at June 30, 2017, \$1,905,619.37 is committed for year-end encumbrances; \$1,845,184 has been restricted in the Capital Reserve Account; \$2,389,338.21 has been restricted as a reserve for excess surplus and has been designated for 2017-18 expenditures; \$2,389,338.22 has been restricted as Excess Surplus and will be designated for 2018-19 expenditures; and the remaining \$1,021,228.25 is reported as unassigned.

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus as set forth above is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance the fiscal year end of June 30 for future tax relief to the extent that unrestricted/unassigned fund balance exceeds 2% of the prior year net adjusted expenditures.

**Unassigned/Unrestricted:** - The District's budget and the designation of surplus are based upon the budgetary basis of accounting, and include revenue recognition for certain state aid payments that are not permitted under GAAP. The District's revenues, expenditures and changes in fund balance on the budgetary basis is set forth as Exhibit C-1 in the required supplementary information section of the CAFR.

The following is a Recapitulation of Unreserved/Undesignated General Fund Balance:

Unreserved/Undesignated Fund Balance (Exhibit C-1)	\$2,943,701.25
Less:	
State Aid Payments not Recognized – GAAP	<u>(1,922,473.00)</u>
Unreserved/Undesignated Fund Balance (Exhibit B-1)	<u>\$1,021,228.25</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. FUND BALANCES RESERVED AND DESIGNATED (CONT'D.)

#### Capital Projects Fund:

Assigned - Of the \$4,571,828.12 total Capital Projects Fund balance at June 30, 2017, the entire balance is assigned to Capital Projects expenditures on approved projects.

### NOTE 15. DEFICIT FUND BALANCES

P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the last state aid payments and the extraordinary aid payment in the subsequent fiscal year, the school district cannot recognize these payments on the GAAP financial statements until the year the State records the payable.

While timing differences in the recording of state aid payment in accordance with GASB 33 can result in reported deficits in the General and Special Revenue Funds, these timing related deficits do not alone indicate that the district is facing financial difficulties

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

The District reported a deficit fund balance of (\$5,940.00) at June 30, 2017 in its Special Revenue Fund. This amount reflects the deferred revenue recognition for a portion of its State Preschool Aid based upon the criteria discussed above. The deferred payment was received in July 2017.

### NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c73 (S1701), the designation for Restricted Fund Balance – Reserve for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 for tax relief in future budgets if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The total excess fund balance at June 30, 2017 is \$4,778,676.4362. A detailed calculation of the \$2,389,338.22 excess surplus resulting from 2016-17 operations, which will provide tax relief in the 2018-19 budget, is included in the Auditor's Management Report on file with the Board Secretary.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 17. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2017 User Friendly Budget for Maplewood Township indicates PILOT billings for 2017 were \$366,779; whereas the amount of property taxes that otherwise may have been billed based upon the assessed valuations of these projects is calculated to be \$899,295. The Township also indicates that in most cases these housing projects would not have taken place without the benefit of the tax abatement program. The 2017 User Friendly Budget for South Orange Village Township indicates PILOT billings for 2017 were \$1,456,919; whereas the amount of property taxes that otherwise may have been billed based upon the assessed valuations of these projects is calculated to be \$4,700,975. The Township also indicates that in most cases these housing projects would not have taken place without the benefit of the tax abatement program.

### **NOTE 18. COMMITMENTS AND CONTINGENCIES**

Federal and State Assistance Programs - The Board participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives.

The Board has litigation pending at June 30, 2017 consisting primarily of claims covered by and defended by the New Jersey School Board Association Insurance Group (NJSBAIG) and by commercial insurers and re-insurers engaged by NJSBAIG. The Board has not been advised of any claim or claims with a potential to pierce the District's per occurrence or aggregate policy limits.

### **NOTE 19. SUBSEQUENT EVENTS**

No events have occurred subsequent to the close of the fiscal year that requires disclosure herein.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECTION – C**



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 111,726,677.00		\$ 111,726,677.00	\$ 111,726,677.00	\$ -
Tuition-Individuals	200,000.00		200,000.00	299,967.40	99,967.40
Miscellaneous	75,000.00		75,000.00	570,790.60	495,790.60
<b>Total - Local Sources</b>	<b>112,001,677.00</b>	<b>-</b>	<b>112,001,677.00</b>	<b>112,597,435.00</b>	<b>595,758.00</b>
<b>State Sources:</b>					
Categorical Transportation Aid	323,922.00	-	323,922.00	323,922.00	-
Extraordinary Aid	1,000,000.00	-	1,000,000.00	1,515,536.00	515,536.00
Special Education Categorical Aid	3,583,657.00	-	3,583,657.00	3,583,657.00	-
Security Aid	187,988.00	-	187,988.00	187,988.00	-
Other State Aid - PARCC Readiness Aid	70,160.00		70,160.00	70,160.00	-
Other State Aid - Per Pupil Growth Aid	70,160.00		70,160.00	70,160.00	-
Professional Learning Community Aid	71,680.00		71,680.00	71,680.00	-
Nonpublic School Transportation Aid			-	91,910.00	91,910.00
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				4,515,161.00	4,515,161.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				5,229,408.00	5,229,408.00
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,453,845.21	3,453,845.21
On Behalf TPAF Non-contributory Insurance (non-budgeted)				189,474.00	189,474.00
<b>Total State Sources</b>	<b>5,307,567.00</b>	<b>-</b>	<b>5,307,567.00</b>	<b>19,302,901.21</b>	<b>13,995,334.21</b>
<b>Federal Sources:</b>					
Medicaid Reimbursement	70,634.00		70,634.00	169,253.26	98,619.26
<b>Total - Federal Sources</b>	<b>70,634.00</b>	<b>-</b>	<b>70,634.00</b>	<b>169,253.26</b>	<b>98,619.26</b>
<b>Total Revenues</b>	<b>117,379,878.00</b>	<b>-</b>	<b>117,379,878.00</b>	<b>132,069,589.47</b>	<b>14,689,711.47</b>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	\$ 2,003,090.00	\$ (3,883.00)	\$ 1,999,207.00	\$ 1,999,207.00	-
Grades 1-5 - Salaries of Teachers	12,448,407.00	(396,327.48)	12,052,079.52	11,707,021.09	345,058.43
Grades 6-8 - Salaries of Teachers	7,772,861.00	(129,622.00)	7,643,239.00	7,643,239.00	-
Grades 9-12 - Salaries of Teachers	9,915,361.00	88,212.00	10,003,573.00	9,926,151.00	77,422.00
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	200,000.00	(120,000.00)	80,000.00	20,635.00	59,365.00
<b>Regular Programs - Undistributed Instruction::</b>					
Other Salaries for Instruction	355,347.00	(68,234.43)	287,112.57	111,726.60	175,385.97
Purchased Professional-Educational Services	435,000.00	-	435,000.00	383,882.79	51,117.21
Purchased Technical Services	1,800,000.00	303,708.04	2,103,708.04	2,025,592.21	78,115.83
Other Purchased Services (400-500 series)	501.00	31.68	532.68	84.86	447.82
General Supplies	967,911.00	(99,539.16)	868,371.84	764,074.08	104,297.76
Textbooks	388,451.00	204,822.65	593,273.65	468,941.89	124,331.76
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>36,286,929.00</b>	<b>(220,831.70)</b>	<b>36,066,097.30</b>	<b>35,050,555.52</b>	<b>1,015,541.78</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	203,901.00	64,017.00	267,918.00	267,918.00	-
Purchased Professional-Educational Services	417,150.00	-	417,150.00	368,130.36	49,019.64
General Supplies	1,700.00	-	1,700.00	1,591.50	108.50
Textbooks	1,000.00	-	1,000.00	518.00	482.00
<b>Total Learning and/or Language Disabilities</b>	<b>623,751.00</b>	<b>64,017.00</b>	<b>687,768.00</b>	<b>638,157.86</b>	<b>49,610.14</b>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Multiple Disabilities:</b>					
Salaries of Teachers	\$ 191,378.00	\$ (18,323.00)	\$ 173,055.00	\$ 173,055.00	-
Purchased Professional-Educational Services	403,250.00	775.00	404,025.00	357,573.37	46,451.63
Purchased Technical Services	450,717.00	(436,000.00)	14,717.00	-	14,717.00
General Supplies	49,500.00	(19,836.10)	29,663.90	19,303.07	10,360.83
Textbooks	2,600.00	-	2,600.00	-	2,600.00
<b>Total Multiple Disabilities</b>	<b>1,097,445.00</b>	<b>(473,384.10)</b>	<b>624,060.90</b>	<b>549,931.44</b>	<b>74,129.46</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	7,224,326.00	(66,406.00)	7,157,920.00	7,013,419.00	144,501.00
Purchased Professional-Educational Services	2,184,787.00	-	2,184,787.00	1,928,751.33	256,035.67
General Supplies	5,000.00	1,123.70	6,123.70	4,327.85	1,795.85
Textbooks	2,000.00	-	2,000.00	232.98	1,767.02
<b>Total Resource Room/Resource Center</b>	<b>9,416,113.00</b>	<b>(65,282.30)</b>	<b>9,350,830.70</b>	<b>8,946,731.16</b>	<b>404,099.54</b>
<b>Autism:</b>					
Purchased Professional-Educational Services	-	60,573.07	60,573.07	58,451.00	2,122.07
General Supplies	-	243.75	243.75	-	243.75
<b>Total Autism</b>	<b>-</b>	<b>60,816.82</b>	<b>60,816.82</b>	<b>58,451.00</b>	<b>2,365.82</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	401,926.00	131,278.00	533,204.00	533,204.00	-
Purchased Professional-Educational Services	311,015.00	-	311,015.00	305,645.77	5,369.23
General Supplies	30,900.00	-	30,900.00	-	30,900.00
<b>Total Preschool Disabilities - Full-Time</b>	<b>743,841.00</b>	<b>131,278.00</b>	<b>875,119.00</b>	<b>838,849.77</b>	<b>36,269.23</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>11,881,150.00</b>	<b>(282,554.58)</b>	<b>11,598,595.42</b>	<b>11,032,121.23</b>	<b>566,474.19</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	793,717.00	491,502.00	1,285,219.00	1,204,470.26	80,748.74
Other Salaries for Instruction	53,705.00	(421.00)	53,284.00	53,284.00	-
General Supplies	25,000.00	(7,534.38)	17,465.62	11,763.95	5,701.67
Textbooks	8,000.00	(5,080.00)	2,920.00	1,920.00	1,000.00
<b>Total Basic Skills/Remedial - Instruction</b>	<b>880,422.00</b>	<b>478,466.62</b>	<b>1,358,888.62</b>	<b>1,271,438.21</b>	<b>87,450.41</b>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	\$ 395,107.00	\$ (12.00)	\$ 395,095.00	\$ 395,095.00	-
Other Salaries for Instruction	39,535.00	(41.00)	39,494.00	39,494.00	-
Purchased Professional-Educational Services	64,890.00	-	64,890.00	57,264.72	7,625.28
Other Purchased Services (400-500 series)	-	150.00	150.00	150.00	-
General Supplies	3,500.00	-	3,500.00	1,010.12	2,489.88
Textbooks	3,500.00	-	3,500.00	3,500.00	-
Other Objects	700.00	(25.00)	675.00	608.80	66.20
<b>Total Bilingual Education - Instruction</b>	<b>507,232.00</b>	<b>72.00</b>	<b>507,304.00</b>	<b>497,122.64</b>	<b>10,181.36</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	404,478.00	-	404,478.00	275,852.40	128,625.60
Purchased Services (300-500 series)	72,000.00	(6,223.09)	65,776.91	31,520.74	34,256.17
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>476,478.00</b>	<b>(6,223.09)</b>	<b>470,254.91</b>	<b>307,373.14</b>	<b>162,881.77</b>
<b>School-Spon. Cocurricular Athletics - Inst.</b>					
Salaries	525,859.00	(1,375.00)	524,484.00	441,867.35	82,616.65
Purchased Services (300-500 series)	196,727.00	(18,219.35)	178,507.65	173,262.65	5,245.00
Supplies and Materials	100,000.00	23,712.17	123,712.17	108,059.18	15,652.99
Other Objects	28,250.00	1,101.67	29,351.67	29,351.67	-
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<b>850,836.00</b>	<b>5,219.49</b>	<b>856,055.49</b>	<b>752,540.85</b>	<b>103,514.64</b>
<b>Community Services Programs/Operations</b>					
Purchased Services (300-500 series)	81,827.00	-	81,827.00	79,495.96	2,331.04
<b>Total Community Services Programs/Operations</b>	<b>81,827.00</b>	<b>-</b>	<b>81,827.00</b>	<b>79,495.96</b>	<b>2,331.04</b>
<b>TOTAL INSTRUCTION AND AT-RISK PROGRAMS</b>	<b>50,964,874.00</b>	<b>(25,851.26)</b>	<b>50,939,022.74</b>	<b>48,990,647.55</b>	<b>1,948,375.19</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	50,000.00	(29,894.30)	20,105.70	20,105.70	-
Tuition to Other LEAs Within the State - Special	1,820,315.00	113,254.96	1,933,569.96	1,921,198.91	12,371.05
Tuition to County Voc. School Dist. - Regular	103,000.00	7,867.00	110,867.00	99,286.50	11,580.50
Tuition to County Voc. School Dist. - Special	80,000.00	(38,000.00)	42,000.00	25,200.00	16,800.00
Tuition to CSSD & Regional Day Schools	41,250.00	26,200.00	67,450.00	67,450.00	-
Tuition to Prvt. Schools for the Disabled & Other LEA - Within State	9,663,217.00	1,265,882.32	10,929,099.32	10,276,620.28	652,479.04
Tuition - State Facilities	32,306.00	-	32,306.00	32,306.00	-
<b>Total Undistributed Expenditures - Instruction:</b>	<b>11,790,088.00</b>	<b>1,345,309.98</b>	<b>13,135,397.98</b>	<b>12,442,167.39</b>	<b>693,230.59</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	1,054,487.00	92,505.00	1,146,992.00	1,146,992.00	-
Supplies and Materials	450.00	(8.43)	441.57	441.57	-
Other Objects	36,050.00	9,604.00	45,654.00	45,654.00	-
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>1,090,987.00</b>	<b>102,100.57</b>	<b>1,193,087.57</b>	<b>1,193,087.57</b>	<b>-</b>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Health Services</b>					
Salaries	\$ 1,012,304.00	\$ (7,376.00)	\$ 1,004,928.00	\$ 1,004,928.00	-
Purchased Professional and Technical Services	50,500.00	8,250.00	58,750.00	55,953.19	2,796.81
Supplies and Materials	13,100.00	976.12	14,076.12	14,076.12	-
<b>Total Undistributed Expenditures - Health Services</b>	<u>1,075,904.00</u>	<u>1,850.12</u>	<u>1,077,754.12</u>	<u>1,074,957.31</u>	<u>2,796.81</u>
<b>Undist. Expend. - Speech/Occupational Therapy, Physical Therapy &amp; Related Serv.</b>					
Salaries	539,007.00	(17,365.00)	521,642.00	521,642.00	-
Purchased Professional - Educational Services	1,598,700.00	(28,724.68)	1,569,975.32	1,388,966.97	181,008.35
Supplies and Materials	9,000.00	-	9,000.00	7,953.66	1,046.34
<b>Total Undist. Expend. - Speech/Occ Therapy, PT &amp; Related Serv.</b>	<u>2,146,707.00</u>	<u>(46,089.68)</u>	<u>2,100,617.32</u>	<u>1,918,562.63</u>	<u>182,054.69</u>
<b>Undist. Expend. - Guidance Services</b>					
Salaries of Other Professional Staff	1,572,012.00	(47,539.00)	1,524,473.00	1,524,473.00	-
Salaries of Secretarial and Clerical Assistants	272,408.00	(44,853.00)	227,555.00	227,555.00	-
Purchased Professional - Educational Services	2,500.00	(1,055.52)	1,444.48	1,444.48	-
Supplies and Materials	5,191.00	(223.53)	4,967.47	4,782.81	184.66
Other Objects	6,500.00	(687.37)	5,812.63	5,214.10	598.53
<b>Total Undist. Expend. - Guidance Services</b>	<u>1,858,611.00</u>	<u>(94,358.42)</u>	<u>1,764,252.58</u>	<u>1,763,469.39</u>	<u>783.19</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	2,254,199.00	(152,454.00)	2,101,745.00	2,101,745.00	-
Salaries of Secretarial and Clerical Assistants	205,066.00	(1,967.00)	203,099.00	203,099.00	-
Purchased Professional - Educational Services	76,000.00	25,857.40	101,857.40	101,332.58	524.82
Misc. Purchased Services (400-500 series Other Than Residential)	2,300.00	1,883.92	4,183.92	4,171.18	12.74
Supplies and Materials	23,500.00	(4,617.27)	18,882.73	15,261.63	3,621.10
<b>Total Undist. Expend. - Child Study Teams</b>	<u>2,561,065.00</u>	<u>(131,296.95)</u>	<u>2,429,768.05</u>	<u>2,425,609.39</u>	<u>4,158.66</u>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	964,545.00	120,746.25	1,085,291.25	1,058,850.59	26,440.66
Salaries of Other Professional Staff	208,710.00	-	208,710.00	208,710.00	-
Salaries of Secr and Clerical Assist.	145,949.00	(21,282.00)	124,667.00	124,667.00	-
Purchased Prof- Educational Services	425,200.00	41,767.10	466,967.10	405,710.31	61,256.79
Other Purch Services (400-500 Series - Other Than 444)	7,700.00	8,617.81	16,317.81	6,413.88	9,903.93
Supplies and Materials	17,300.00	722.07	18,022.07	11,761.60	6,260.47
Other Objects	17,751.00	(3,458.50)	14,292.50	7,358.50	6,934.00
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<u>1,787,155.00</u>	<u>147,112.73</u>	<u>1,934,267.73</u>	<u>1,823,471.88</u>	<u>110,795.85</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	\$ 1,196,556.00	\$ 90,098.00	\$ 1,286,654.00	\$ 1,286,654.00	-
Other Purchased Services (400-500 series)	100,300.00	23,365.00	123,665.00	123,665.00	-
Supplies and Materials	154,919.00	(21,537.68)	133,381.32	109,416.65	23,964.67
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>1,451,775.00</b>	<b>91,925.32</b>	<b>1,543,700.32</b>	<b>1,519,735.65</b>	<b>23,964.67</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction	124,596.00	(124,596.00)	-	-	-
Salaries of Secretarial and Clerical Assistants	2,500.00	-	2,500.00	2,500.00	-
Other Objects	10,840.00	(1,785.63)	9,054.37	3,128.28	5,926.09
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>137,936.00</b>	<b>(126,381.63)</b>	<b>11,554.37</b>	<b>5,628.28</b>	<b>5,926.09</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	872,825.00	(47,921.00)	824,904.00	824,904.00	-
Salaries of Attorneys	152,872.00	(90,577.00)	62,295.00	62,295.00	-
Legal Services	100,900.00	248,967.61	349,867.61	349,777.61	90.00
Audit Fees	60,000.00	(3,839.00)	56,161.00	56,161.00	-
Architectural/Engineering Services	350,000.00	101,380.12	451,380.12	135,190.64	316,189.48
Other Purchased Professional Services	23,500.00	(500.00)	23,000.00	16,609.20	6,390.80
Communications/Telephone	167,500.00	34,794.49	202,294.49	202,294.49	-
Miscellaneous Purchased Services (400-500 series other than 530/585)	65,283.00	8,584.47	73,867.47	73,172.80	694.67
General Supplies	28,725.00	(10,365.74)	18,359.26	15,069.44	3,289.82
BOE In-House Training/Meeting Supplies	23,000.00	4,642.50	27,642.50	23,477.50	4,165.00
Judgements Against the School District	150,000.00	90,000.00	240,000.00	209,070.32	30,929.68
Miscellaneous Expenditures	244,499.00	(102,548.49)	141,950.51	94,479.58	47,470.93
BOE Membership Dues and Fees	30,000.00	(858.34)	29,141.66	28,157.70	983.96
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>2,269,104.00</b>	<b>231,759.62</b>	<b>2,500,863.62</b>	<b>2,090,659.28</b>	<b>410,204.34</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals/Program Directors	2,849,663.00	(50,129.00)	2,799,534.00	2,799,534.00	-
Salaries of Other Professional Staff	616,994.00	(3,376.00)	613,618.00	613,618.00	-
Salaries of Secretarial and Clerical Assistants	1,330,657.00	(23,789.00)	1,306,868.00	1,292,004.88	14,863.12
Other Salaries	3,586.00	-	3,586.00	-	3,586.00
Other Purchased Services (400-500 series)	156,400.00	(15,700.00)	140,700.00	116,329.60	24,370.40
Supplies and Materials	72,022.00	(1,244.46)	70,777.54	57,935.70	12,841.84
Other Objects	1,500.00	-	1,500.00	268.00	1,232.00
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>5,030,822.00</b>	<b>(94,238.46)</b>	<b>4,936,583.54</b>	<b>4,879,690.18</b>	<b>56,893.36</b>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Exhibit C-1**  
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	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	\$ 952,313.00	\$ 982.00	\$ 953,295.00	\$ 953,295.00	-
Purchased Technical Services	65,000.00	-	65,000.00	63,764.52	1,235.48
Misc. Purch. Services (400-500 Series)	17,500.00	(9,102.12)	8,397.88	3,181.21	5,216.67
Supplies and Materials	20,999.00	(699.15)	20,299.85	18,444.15	1,855.70
Miscellaneous Expenditures	12,000.00	2,000.00	14,000.00	13,357.99	642.01
<b>Total Undistributed Expenditures - Central Services</b>	<u>1,067,812.00</u>	<u>(6,819.27)</u>	<u>1,060,992.73</u>	<u>1,052,042.87</u>	<u>8,949.86</u>
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	313,257.00	(2,647.00)	310,610.00	310,610.00	-
Other Purchased Services (400-500 series)	200,000.00	8,030.37	208,030.37	202,399.79	5,630.58
General Supplies	90,000.00	-	90,000.00	32,420.26	57,579.74
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<u>603,257.00</u>	<u>5,383.37</u>	<u>608,640.37</u>	<u>545,430.05</u>	<u>63,210.32</u>
<b>Undist. Expend. -Required Maintenance for School Facilities</b>					
Cleaning, Repair & Maint. Services	1,754,415.00	1,398,020.96	3,152,435.96	2,972,139.19	180,296.77
General Supplies	194,934.00	934,349.94	1,129,283.94	1,101,064.12	28,219.82
<b>Total Undist. Expend. -Required Maintenance for School Facilities</b>	<u>1,949,349.00</u>	<u>2,332,370.90</u>	<u>4,281,719.90</u>	<u>4,073,203.31</u>	<u>208,516.59</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	855,485.00	(6,394.00)	849,091.00	849,091.00	-
Purchased Professional and Technical Services	4,520,000.00	(255,015.08)	4,264,984.92	4,264,906.92	78.00
Cleaning, Repair and Maintenance Services	748,702.00	(139,929.39)	608,772.61	554,376.65	54,395.96
Other Purchased Property Services	170,000.00	(1,838.70)	168,161.30	157,354.30	10,807.00
Insurance	610,920.00	-	610,920.00	610,920.00	-
Miscellaneous Purchased Services	4,000.00	1,437.50	5,437.50	5,437.50	-
General Supplies	332,800.00	281,116.24	613,916.24	587,552.74	26,363.50
Energy - Natural Gas	1,300,000.00	(438,951.12)	861,048.88	814,723.54	46,325.34
Energy - Electricity	1,252,500.00	(352,942.18)	899,557.82	857,757.13	41,800.69
<b>Total Undist. Expend. - Custodial Services</b>	<u>9,794,407.00</u>	<u>(912,516.73)</u>	<u>8,881,890.27</u>	<u>8,702,119.78</u>	<u>179,770.49</u>
<b>Undistributed Expenditures - Care and Upkeep of Grounds</b>					
Cleaning, Repair, and Maintenance Services	111,501.00	26,617.98	138,118.98	126,049.38	12,069.60
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<u>111,501.00</u>	<u>26,617.98</u>	<u>138,118.98</u>	<u>126,049.38</u>	<u>12,069.60</u>
<b>Undistributed Expenditures - Security</b>					
Purchased Professional & Technical Services	430,000.00	(72,410.00)	357,590.00	352,515.96	5,074.04
Cleaning, Repair, and Maintenance Services	313,000.00	(6,768.00)	306,232.00	266,471.77	39,760.23
<b>Total Undistributed Expenditures - Security</b>	<u>743,000.00</u>	<u>(79,178.00)</u>	<u>663,822.00</u>	<u>618,987.73</u>	<u>44,834.27</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>12,598,257.00</u>	<u>1,367,294.15</u>	<u>13,965,551.15</u>	<u>13,520,360.20</u>	<u>445,190.95</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-instructional Aides	\$ 218,005.00	\$ 2,548.00	\$ 220,553.00	\$ 220,553.00	-
Sal. For Pup.Trans. (Bet. Home and School) - Regular	365,523.00	(60,768.00)	304,755.00	304,755.00	-
Sal. For Pup.Trans. (Bet. Home and School) - Special	199,028.00	58,811.00	257,839.00	257,839.00	-
Sal. For Pup. Trans. (Other than Bet. Home and School)	52,531.00	-	52,531.00	52,531.00	-
Management Fees - ESC & CTSA Transportation Programs	60,000.00	(5,819.47)	54,180.53	54,090.53	90.00
Cleaning, Repair and Maintenance Services	150,000.00	(56,807.74)	93,192.26	93,192.26	-
Contracted Services - Aid In Lieu of Payment for Non-Public Students	700,000.00	(386,326.40)	313,673.60	313,673.60	-
Contract Services - (Between Home and School) - Vendors	566,500.00	(31,796.80)	534,703.20	534,703.20	-
Contract Services (Other than Between Home & School)-Vendors	120,300.00	(7,974.24)	112,325.76	112,325.76	-
Contr Serv (Spl. Ed. Students) - ESCs & CTSA	3,024,749.00	161,716.59	3,186,465.59	3,184,665.59	1,800.00
Miscellaneous Purch. Services-Transportation	27,214.00	(27,214.00)	-	-	-
General Supplies	600.00	-	600.00	600.00	-
Transportation Supplies	2,300.00	(1,484.13)	815.87	815.87	-
Other Objects	-	33,166.60	33,166.60	33,166.60	-
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>5,486,750.00</b>	<b>(321,948.59)</b>	<b>5,164,801.41</b>	<b>5,162,911.41</b>	<b>1,890.00</b>
<b>UNALLOCATED BENEFITS</b>					
Group Insurance	65,000.00	-	65,000.00	65,000.00	-
Social Security Contributions	1,000,000.00	(250,000.00)	750,000.00	719,999.78	30,000.22
Other Retirement Contributions - PERS	950,000.00	(18,074.23)	931,925.77	894,367.41	37,558.36
Unemployment Compensation	450,000.00	(328,925.77)	121,074.23	121,074.23	-
Workmen's Compensation	602,625.00	(125,277.91)	477,347.09	377,315.97	100,031.12
Health Benefits	13,571,006.00	(115,200.00)	13,455,806.00	11,459,635.03	1,996,170.97
Tuition Reimbursement	150,000.00	-	150,000.00	97,034.29	52,965.71
Other Employee Benefits	448,305.00	-	448,305.00	322,379.50	125,925.50
Unused Sick Payment to Terminated/Retired Staff	134,000.00	(42,000.00)	92,000.00	70,799.00	21,201.00
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>17,370,936.00</b>	<b>(879,477.91)</b>	<b>16,491,458.09</b>	<b>14,127,605.21</b>	<b>2,363,852.88</b>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	5,229,408.00	(5,229,408.00)
On-behalf TPAF OPEB (Post Retire. Medical) Contrib.(non-budgeted)	-	-	-	4,515,161.00	(4,515,161.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	3,453,845.21	(3,453,845.21)
On Behalf TPAF Non-contributory Insurance (non-budgeted)	-	-	-	189,474.00	(189,474.00)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,387,888.21</b>	<b>(13,387,888.21)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>17,370,936.00</b>	<b>(879,477.91)</b>	<b>16,491,458.09</b>	<b>27,515,493.42</b>	<b>(11,024,035.33)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>68,327,166.00</b>	<b>1,592,124.95</b>	<b>69,919,290.95</b>	<b>78,933,276.90</b>	<b>(9,013,985.95)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>119,292,040.00</b>	<b>1,566,273.69</b>	<b>120,858,313.69</b>	<b>127,923,924.45</b>	<b>(7,065,610.76)</b>



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>CAPITAL OUTLAY</b>					
School Buses - Regular	-	308,540.16	308,540.16	308,540.16	-
<b>Total Equipment</b>	-	308,540.16	308,540.16	308,540.16	-
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	68,186.00		68,186.00	68,186.00	-
<b>Total Facilities Acquisition and Construction Services</b>	68,186.00	-	68,186.00	68,186.00	-
<b>TOTAL CAPITAL OUTLAY</b>	68,186.00	308,540.16	376,726.16	376,726.16	-
<b>TOTAL EXPENDITURES</b>	119,360,226.00	1,874,813.85	121,235,039.85	128,300,650.61	(7,065,610.76)
<b>Other Financing Uses:</b>					
Transfer of Funds to Charter Schools	295,546.00	(26,741.00)	268,805.00	263,831.00	4,974.00
Capital Reserve Transfer to Capital Projects		1,900,000.00	1,900,000.00	1,900,000.00	-
<b>TOTAL EXPENDITURES AND FINANCING USES</b>	119,655,772.00	3,748,072.85	123,403,844.85	130,464,481.61	(7,060,636.76)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,275,894.00)	(3,748,072.85)	(6,023,966.85)	1,605,107.86	7,629,074.71
<b>Excess (Deficiency) of Revenues and Other Financing Sources Net Change in Fund Balance</b>	(2,275,894.00)	(3,748,072.85)	(6,023,966.85)	1,605,107.86	7,629,074.71
<b>Fund Balance, July 1</b>	10,868,073.19		10,868,073.19	10,868,073.19	-
<b>Fund Balance, June 30</b>	<u>\$ 8,592,179.19</u>	<u>\$ (3,748,072.85)</u>	<u>\$ 4,844,106.34</u>	<u>\$ 12,473,181.05</u>	<u>7,629,074.71</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Recapitulation of Fund Balance:</b>					
<b>Committed:</b>					
Year-End Encumbrances				\$ 1,905,619.37	
<b>Restricted:</b>					
Capital Reserve				1,845,184.00	
Maintenance Reserve				1,000,000.00	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				2,389,338.21	
Reserve for Excess Surplus				2,389,338.22	
<b>Unassigned:</b>					
Unrestricted Fund Balance				2,943,701.25	
				12,473,181.05	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
State Aid Payments not recognized on GAAP basis				(1,922,473.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 10,550,708.05	

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
<b>Local Sources</b>					
Revenues from Local Sources		\$ 529,173.60	\$ 529,173.60	\$ 169,581.78	\$ (359,591.82)
Total Local Revenues	-	529,173.60	529,173.60	169,581.78	(359,591.82)
<b>State Sources</b>					
Preschool Education Aid	\$ 59,400.00		\$ 59,400.00	\$ 59,400.00	\$ -
Nonpublic Textbooks	10,563.00	(822.00)	9,741.00	9,346.40	(394.60)
Nonpublic Auxiliary Services	32,149.00	6,389.00	38,538.00	18,363.90	(20,174.10)
Nonpublic Handicapped Services	33,648.00	20,645.00	54,293.00	28,381.36	(25,911.64)
Nonpublic Security Aid	4,625.00	3,825.00	8,450.00	8,450.00	-
Nonpublic Nursing Services	990.00	14,220.00	15,210.00		(15,210.00)
Nonpublic Technology Initiative	4,810.00	3,640.00	8,450.00	4,358.76	(4,091.24)
Total State Revenues	146,185.00	47,897.00	194,082.00	128,300.42	(65,781.58)
<b>Federal Sources</b>					
Title I	\$ 358,170.00	\$ 194,934.00	\$ 553,104.00	536,555.77	\$ (16,548.23)
Title II, Part A	84,113.00	62,183.00	146,296.00	106,448.30	(39,847.70)
Title III	16,195.00	19,525.00	35,720.00	32,623.95	(3,096.05)
Title III Immigrant		10,423.00	10,423.00	5,519.61	(4,903.39)
IDEA Part B	1,263,751.00	505,726.00	1,769,477.00	1,625,787.74	(143,689.26)
IDEA Preschool	33,848.00	46,465.00	80,313.00	12,447.62	(67,865.38)
Perkins Vocational Education	29,735.00	3,770.00	33,505.00	30,534.77	(2,970.23)
C.M. White Physical Education		108,631.88	108,631.88	108,631.86	(0.02)
Total Federal Revenues	1,785,812.00	951,657.88	2,737,469.88	2,458,549.62	(278,920.26)
<b>Total Revenues</b>	<b>1,931,997.00</b>	<b>1,528,728.48</b>	<b>3,460,725.48</b>	<b>2,756,431.82</b>	<b>(704,293.66)</b>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	303,499.00	\$ 170,322.97	473,821.97	434,137.87	39,684.10
Purchased Professional and Technical Services		2,000.00	2,000.00		2,000.00
Other Purchased Sevices (Incl. Tuition)	948,648.00	321,807.00	1,270,455.00	1,208,340.39	62,114.61
Purchased Educational Services	82,040.00	214,375.00	296,415.00	296,415.00	-
General Supplies	196,986.00	38,906.40	235,892.40	192,051.54	43,840.86
Textbooks	10,563.00	(822.00)	9,741.00	9,346.40	394.60
Other Objects		62,102.00	62,102.00	53,326.94	8,775.06
<b>Total Instruction</b>	<u>1,541,736.00</u>	<u>808,691.37</u>	<u>2,350,427.37</u>	<u>2,193,618.14</u>	<u>156,809.23</u>
<b>Support Services</b>					
Salaries of Other Professional Staff	990.00	15,020.00	16,010.00		16,010.00
Personal Services - Employee Benefits	75,480.00	5,566.00	81,046.00	80,662.00	384.00
Purchased Professional - Educational Services	49,113.00	59,787.00	108,900.00	73,044.50	35,855.50
Other Purchased Professional Services	190,543.00	24,388.00	214,931.00	111,630.66	103,300.34
Other Purchased Services (400-500 series)	59,510.00	8,672.00	68,182.00	63,522.69	4,659.31
Supplies & Materials	10,000.00	16,236.00	26,236.00	3,939.87	22,296.13
Other Objects	4,625.00	564,878.11	569,503.11	205,410.82	364,092.29
<b>Total Support Services</b>	<u>390,261.00</u>	<u>694,547.11</u>	<u>1,084,808.11</u>	<u>538,210.54</u>	<u>546,597.57</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		25,490.00	25,490.00	24,603.14	886.86
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>25,490.00</u>	<u>25,490.00</u>	<u>24,603.14</u>	<u>886.86</u>
<b>Total Expenditures</b>	<u>1,931,997.00</u>	<u>1,528,728.48</u>	<u>3,460,725.48</u>	<u>2,756,431.82</u>	<u>704,293.66</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE YEAR ENDED JUNE 30, 2017**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures

		<b>General Fund</b>		<b>Special Revenue Fund</b>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	132,069,589.47	(C-2)	2,756,431.82
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (Net)				47,292.42
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)		<u>(515,892.00)</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	<u>131,553,697.47</u>	(B-2)	<u>2,803,724.24</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	130,464,481.61	(C-2)	2,756,431.82
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				47,292.42
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		(263,831.00)		
Net transfers (outflows) to Charter School		(1,900,000.00)		
Net transfers (outflows) to Capital Projects Fund		<u>(1,900,000.00)</u>		<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>128,300,650.61</u>	(B-2)	<u>2,803,724.24</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART III**

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)**

**SECTION – L**

**(Section numbering as per N.J. Department of Education  
2014-2015 Audit Program)**



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)**

**Last 10 Fiscal Years\***

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's Proportion of the Net Pension Liability	0.00085318	0.00085264	0.00085264	0.000861607
District's Proportionate Share of the Net Pension Liability	\$16,305,998	\$15,963,795	\$18,838,856	\$25,518,316
District's Covered-Employee Payroll	\$5,674,766	\$5,790,577	\$ 5,896,862	\$ 6,074,187
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	287.34%	275.69%	319.47%	420.11%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%	40.14%

\* Amounts presented for each fiscal year were determined as of June 30.

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 702,906	\$ 721,506	\$ 765,439	\$ 768,842
Contribution in Relation to Contractually Required Contribution	<u>\$ (702,906)</u>	<u>\$ (721,506)</u>	<u>\$ (765,439)</u>	<u>\$ (768,842)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$5,790,577	\$ 5,896,862	\$ 6,074,187	\$ 5,994,161
Contributions as a percentage of Covered Employee Payroll	12.14%	12.24%	12.60%	12.83%

\* Amounts presented for each fiscal year were determined as of June 30.

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND ( Non-State Employer Group)**

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.00472574	0.004873682	0.00493363	0.00479704
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$238,835,275	\$260,482,461	\$311,826,723	\$377,365,521
District's Covered-Employee Payroll	\$47,507,193	\$46,725,129	\$48,162,876	\$48,291,609
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	502.73%	557.48%	647.44%	781.43%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%	22.33%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
BOARD OF EDUCATION EMPLOYEES PENSION FUND OF ESSEX COUNTY**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's Proportion of the Net Pension Liability	0.01314115	0.01320075	0.01130781	0.01130781
District's Proportionate Share of the Net Pension Liability	\$523,842	\$508,478	\$402,917	\$402,917
District's Covered-Employee Payroll	\$0	\$0	\$0	\$0
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.92%	76.05%	N/A	N/A

\* Amounts presented for each fiscal year were determined as of June 30.

N/A-Not Available

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

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COUNTY OF ESSEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2017**

**NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS**

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2016, dated March 14, 2017. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

**PERS**

Changes in benefit terms: None

Changes in assumptions:

For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually, For 2014, the discount rate was 5.39%.

**TPAF**

Changes in benefit terms: None

Changes in assumptions:

For 2016, the discount rate change to 3.22%, the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012-June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was 4.68%.

**BOEFPFEC**

Changes in benefit terms: None

Changes in assumptions: Not Specified

## **OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**SECTION – D**



**SPECIAL REVENUE FUND**

**SECTION – E**

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit -E-1  
Page 1 of 2

	<u>TOTAL BROUGHT FORWARD (Ex. E-1a)</u>	<u>TOTAL BROUGHT FORWARD (PAGE 2)</u>	<u>TITLE I</u>	<u>TITLE II PART A</u>	<u>TITLE III</u>	<u>TITLE III IMMIGRANT</u>	<u>TOTALS</u>
<b>REVENUES:</b>							
State Sources	\$ 128,300.42		\$	\$	\$		\$ 128,300.42
Federal Sources		1,777,401.99	536,555.77	106,448.30	32,623.95	5,519.61	2,458,549.62
Local Sources	<u>169,581.78</u>						<u>169,581.78</u>
Total Revenues	<u>297,882.20</u>	<u>1,777,401.99</u>	<u>536,555.77</u>	<u>106,448.30</u>	<u>32,623.95</u>	<u>5,519.61</u>	<u>2,756,431.82</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	19,058.90	12,499.97	382,669.00		19,910.00		434,137.87
Purch. Prof. & Tech. Services		296,415.00					296,415.00
Purch. Prof. - Educ. Services		1,169,500.00					1,208,340.39
Other Purchased Sevices (Incl. Tuition)	38,840.39						192,051.54
General Supplies	87,144.73	17,500.77	74,884.86		9,640.95	2,880.23	9,346.40
Textbooks	9,346.40						53,326.94
Other Objects		<u>50,687.56</u>				<u>2,639.38</u>	
Total Instruction	<u>154,390.42</u>	<u>1,546,603.30</u>	<u>457,553.86</u>		<u>29,550.95</u>	<u>5,519.61</u>	<u>2,193,618.14</u>
Support Services:							
Personal Services - Empl. Benefits		954.00	78,202.00		1,506.00		80,662.00
Purch. Prof. - Educ. Services				73,044.50			73,044.50
Other Purch. Prof. Services	34,058.76	110,063.66		29,463.93	1,567.00		175,153.35
Supplies and Materials				3,939.87			3,939.87
Other Objects	<u>109,433.02</u>	<u>95,177.89</u>	<u>799.91</u>				<u>205,410.82</u>
Total Support Services	<u>143,491.78</u>	<u>206,195.55</u>	<u>79,001.91</u>	<u>106,448.30</u>	<u>3,073.00</u>		<u>538,210.54</u>
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment							
Instructional Equipment		<u>24,603.14</u>					<u>24,603.14</u>
Total Facil. Acquis. & Const. Serv.		<u>24,603.14</u>					<u>24,603.14</u>
Total Expenditures	<u>\$ 297,882.20</u>	<u>1,777,401.99</u>	<u>\$ 536,555.77</u>	<u>\$ 106,448.30</u>	<u>\$ 32,623.95</u>	<u>\$ 5,519.61</u>	<u>\$ 2,756,431.82</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit - E-1  
Page 2 of 2

	<u>C.N. WHITE PHYS. ED.</u>	<u>IDEA PART B</u>	<u>IDEA PRESCHOOL</u>	<u>PERKINS VOC.ED</u>	<u>TOTAL CARRIED FORWARD</u>
<b>REVENUES:</b>					
State Sources	\$		\$	\$	\$
Federal Sources	108,631.86	1,625,787.74	12,447.62	30,534.77	1,777,401.99
Local Sources					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>108,631.86</u>	<u>1,625,787.74</u>	<u>12,447.62</u>	<u>30,534.77</u>	<u>1,777,401.99</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	12,499.97				12,499.97
Purch. Prof. & Tech. Services		296,415.00			296,415.00
Purch. Prof. - Educ. Services		1,169,500.00			1,169,500.00
Other Purchased Sevices (Incl. Tuition)		5,701.50	5,867.64	5,931.63	17,500.77
General Supplies					
Textbooks		<u>44,107.58</u>	<u>6,579.98</u>		<u>50,687.56</u>
Other Objects					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction	<u>12,499.97</u>	<u>1,515,724.08</u>	<u>12,447.62</u>	<u>5,931.63</u>	<u>1,546,603.30</u>
Support Services:					
Personal Services - Empl. Benefits	954.00				954.00
Purch. Prof. - Educ. Services		110,063.66			110,063.66
Other Purch. Prof. Services					
Supplies and Materials					
Other Objects	<u>95,177.89</u>				<u>95,177.89</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Support Services	<u>96,131.89</u>	<u>110,063.66</u>			<u>206,195.55</u>
Facilities Acquis. & Const. Serv.:					
Noninstructional Equipment					
Instructional Equipment				<u>24,603.14</u>	<u>24,603.14</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Facil. Acquis. & Const. Serv.				<u>24,603.14</u>	<u>24,603.14</u>
Total Expenditures	<u>\$ 108,631.86</u>	<u>\$ 1,625,787.74</u>	<u>\$ 12,447.62</u>	<u>\$ 30,534.77</u>	<u>\$ 1,777,401.99</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>TOTAL BROUGHT FORWARD (Ex. E-1b)</b>	<b>PRESCHOOL EDUCATION AID (Ex. E-2)</b>	<b>N.J. NONPUBLIC TECHNOLOGY INITIATIVE</b>	<b>N.J. NONPUBLIC TEXTBOOK AID</b>	<b>TOTAL CARRIED FORWARD</b>
<b>REVENUES:</b>					
State Sources	\$ 55,195.26	\$ 59,400.00	\$ 4,358.76	\$ 9,346.40	\$ 128,300.42
Federal Sources					
Local Sources	<u>169,581.78</u>				<u>169,581.78</u>
Total Revenues	<u>224,777.04</u>	<u>59,400.00</u>	<u>4,358.76</u>	<u>9,346.40</u>	<u>297,882.20</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	19,058.90				19,058.90
Purch. Prof. & Tech. Services					
Purch. Prof. - Educ. Services					
Other Purchased Services (Incl. Tuition)	38,840.39				38,840.39
General Supplies	57,444.73	29,700.00			87,144.73
Textbooks				9,346.40	9,346.40
Other Objects					
Total Instruction	<u>115,344.02</u>	<u>29,700.00</u>		<u>9,346.40</u>	<u>154,390.42</u>
Support Services:					
Personal Services - Empl. Benefits					
Purch. Prof. - Educ. Services					
Other Purch. Prof. Services		29,700.00	4,358.76		34,058.76
Supplies and Materials					
Other Objects	<u>109,433.02</u>				<u>109,433.02</u>
Total Support Services	<u>109,433.02</u>	<u>29,700.00</u>	<u>4,358.76</u>		<u>143,491.78</u>
Facilities Acquis. & Const. Serv.:					
Noninstructional Equipment					
Instructional Equipment					
Total Facil. Acquis. & Const. Serv.					
Total Expenditures	<u>\$ 224,777.04</u>	<u>\$ 59,400.00</u>	<u>\$ 4,358.76</u>	<u>\$ 9,346.40</u>	<u>\$ 297,882.20</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit - E-1b

	<b>TOTAL BROUGHT FORWARD (Ex. E-1c)</b>	<b>N.J. NONPUBLIC SECURITY AID</b>	<b>NJ NONPUBLIC SERVICES</b>				<b>TOTAL CARRIED FORWARD</b>
			<b>AUXILIARY CH. 192</b>	<b>HANDICAPPED SERVICES CH. 193</b>			
			<b>COMP. EDUCATION</b>	<b>SUPPL. INSTR.</b>	<b>EXAM. &amp; CLASS.</b>	<b>CORRECTIVE SPEECH</b>	
<b>REVENUES:</b>							
State Sources	\$	\$ 8,450.00	\$ 18,363.90	\$ 4,551.26	\$ 14,042.60	\$ 9,787.50	\$ 55,195.26
Federal Sources							
Local Sources	<u>169,581.78</u>						<u>169,581.78</u>
Total Revenues	<u>169,581.78</u>	<u>8,450.00</u>	<u>18,363.90</u>	<u>4,551.26</u>	<u>14,042.60</u>	<u>9,787.50</u>	<u>224,777.04</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	695.00		18,363.90				19,058.90
Purch. Prof. & Tech. Services							
Purch. Prof. - Educ. Services							
Other Purchased Sevices (Incl. Tuition)	10,459.03			4,551.26	14,042.60	9,787.50	38,840.39
General Supplies	57,444.73						57,444.73
Textbooks							
Other Objects							
Total Instruction	<u>68,598.76</u>		<u>18,363.90</u>	<u>4,551.26</u>	<u>14,042.60</u>	<u>9,787.50</u>	<u>115,344.02</u>
Support Services:							
Personal Services - Empl. Benefits							
Purch. Prof. - Educ. Services							
Other Purch. Prof. Services							
Supplies and Materials							
Other Objects	100,983.02	8,450.00					109,433.02
Total Support Services	<u>100,983.02</u>	<u>8,450.00</u>					<u>109,433.02</u>
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment							
Instructional Equipment							
Total Facil. Acquis. & Const. Serv.							
Total Expenditures	<u>\$ 169,581.78</u>	<u>\$ 8,450.00</u>	<u>\$ 18,363.90</u>	<u>\$ 4,551.26</u>	<u>\$ 14,042.60</u>	<u>\$ 9,787.50</u>	<u>\$ 224,777.04</u>

Exhibit - E-1c

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>TOTAL BROUGHT FORWARD (Ex. E-1d)</b>	<b>PARENTING CENTER</b>	<b>EDUCATION FOUNDATION</b>	<b>SUSTAINABLE NEW JERSEY</b>	<b>MR. MULTI MEDIA</b>	<b>TOTAL CARRIED FORWARD</b>
<b>REVENUES:</b>						
State Sources	\$	\$	\$	\$	\$	\$
Federal Sources						
Local Sources	<u>66,884.78</u>	<u>20,686.71</u>	<u>57,444.73</u>	<u>8,106.42</u>	<u>16,459.14</u>	<u>169,581.78</u>
Total Revenues	<u>66,884.78</u>	<u>20,686.71</u>	<u>57,444.73</u>	<u>8,106.42</u>	<u>16,459.14</u>	<u>169,581.78</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	695.00					695.00
Purch. Prof. & Tech. Services						
Purch. Prof. - Educ. Services						
Other Purchased Services (Incl. Tuition)	10,459.03					10,459.03
General Supplies			57,444.73			57,444.73
Textbooks						
Other Objects						
Total Instruction	<u>11,154.03</u>		<u>57,444.73</u>			<u>68,598.76</u>
Support Services:						
Personal Services - Empl. Benefits						
Purch. Prof. - Educ. Services						
Other Purch. Prof. Services						
Supplies and Materials						
Other Objects	<u>55,730.75</u>	<u>20,686.71</u>		<u>8,106.42</u>	<u>16,459.14</u>	<u>100,983.02</u>
Total Support Services	<u>55,730.75</u>	<u>20,686.71</u>		<u>8,106.42</u>	<u>16,459.14</u>	<u>100,983.02</u>
Facilities Acquis. & Const. Serv.:						
Noninstructional Equipment						
Instructional Equipment						
Total Facil. Acquis. & Const. Serv.						
Total Expenditures	<u>\$ 66,884.78</u>	<u>\$ 20,686.71</u>	<u>\$ 57,444.73</u>	<u>\$ 8,106.42</u>	<u>\$ 16,459.14</u>	<u>\$ 169,581.78</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit - E-1d

	<u>MUNICIPAL</u>	<u>CLINTON</u>	<u>SETH</u>	<u>OTHER</u>	<u>TOTAL</u>
	<u>ALLIANCE</u>	<u>ACTIVITIES</u>	<u>BOYDEN</u>	<u>LOCAL</u>	<u>CARRIED</u>
			<u>ACTIVITIES</u>	<u>PROJECTS</u>	<u>FORWARD</u>
<b>REVENUES:</b>					
State Sources	\$	\$	\$	\$	\$
Federal Sources					
Local Sources	<u>695.00</u>	<u>17,176.66</u>	<u>5,019.18</u>	<u>43,993.94</u>	<u>66,884.78</u>
Total Revenues	<u>695.00</u>	<u>17,176.66</u>	<u>5,019.18</u>	<u>43,993.94</u>	<u>66,884.78</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	695.00				695.00
Purch. Prof. & Tech. Services					
Purch. Prof. - Educ. Services					
Other Purchased Sevices (Incl. Tuition)		10,459.03			10,459.03
General Supplies					
Textbooks					
Other Objects					
Total Instruction	<u>695.00</u>	<u>10,459.03</u>			<u>11,154.03</u>
Support Services:					
Personal Services - Empl. Benefits					
Purch. Prof. - Educ. Services					
Other Purch. Prof. Services					
Supplies and Materials					
Other Objects		6,717.63	5,019.18	43,993.94	55,730.75
Total Support Services		<u>6,717.63</u>	<u>5,019.18</u>	<u>43,993.94</u>	<u>55,730.75</u>
Facilities Acquis. & Const. Serv.:					
Noninstructional Equipment					
Instructional Equipment					
Total Facil. Acquis. & Const. Serv.					
Total Expenditures	<u>\$ 695.00</u>	<u>\$ 17,176.66</u>	<u>\$ 5,019.18</u>	<u>\$ 43,993.94</u>	<u>\$ 66,884.78</u>

BOARD OF EDUCATION  
 SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
 SPECIAL REVENUE FUND  
 SCHEDULE OF PRESCHOOL EDUCATION AID  
 BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES:			
Instruction:			
Instructional Supplies	\$ <u>29,700.00</u>	\$ <u>29,700.00</u>	\$ -
Total Instruction	<u>29,700.00</u>	<u>29,700.00</u>	<u>-</u>
Support Services:			
Purchased Professional Services	<u>29,700.00</u>	<u>29,700.00</u>	<u>-</u>
Total Support Services	<u>29,700.00</u>	<u>29,700.00</u>	<u>-</u>
Total Expenditures	\$ <u><u>59,400.00</u></u>	\$ <u><u>59,400.00</u></u>	\$ <u><u>-</u></u>

CALCULATION OF BUDGET AND CARRYOVER:

Total revised 2016-17 Preschool Education Aid Allocation	\$ 59,400.00
Add: Actual Carryover (June 30, 2016)	-
Add: Budgeted Transfer from the General Fund 2016-17	<u>-</u>
Total Preschool Education Aid Available for 2016-17 Budget	59,400.00
Less: 2016-17 Budgeted Preschool Education Aid	<u>(59,400.00)</u>
Available and Unbudgeted PEA Funds at June 30, 2017	-
Add: June 30, 2017 Unexpended PEA	<u>-</u>
2017-18 Carryover - Preschool Aid Programs	\$ <u><u>-</u></u>
2016-17 PEA Carryover Budgeted for 2017-18 Preschool Programs	\$ <u><u>-</u></u>



**CAPITAL PROJECTS FUND**

**SECTION – F**

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2017**

ISSUE/PROJECT TITLE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	ADJUSTMENTS/ GR		REVISED LEAPPROPRIATIONS	EXPENDITURES TO DATE			UNEXPENDED BALANCE
			TRANSFERS			PRIOR YEARS	CURRENT YEAR	TOTAL	
485 Tuscan Elem. School Roof Replacement	01/19/11	\$ 338,955.00	\$ (71,433.00)		\$ 267,522.00	\$ 266,317.13	\$ -	\$ 266,317.13	\$ 1,204.87
486 Clinton Elem. School Roof Replacement	01/19/11	328,081.00	(83,977.00)		244,104.00	241,610.60	-	241,610.60	2,493.40
487 Jefferson Elem. School Roof Replacement	01/19/11	351,969.00	(64,637.00)		287,332.00	280,141.88	-	280,141.88	7,190.12
494 Maplewood Middle School Bleacher Replacements	01/19/11	217,683.00	(8,044.62)		209,638.38	205,512.67	-	205,512.67	4,125.71
401 Maplewood Middle School Bathroom Renovations	01/18/12	433,694.00	(54,949.36)		378,744.64	353,748.73	-	353,748.73	24,995.91
403 Seth Boyden Elem. School Bathroom Renovations	01/18/12	198,589.00	(9,139.24)		189,449.76	187,076.20	-	187,076.20	2,373.56
405 Clinton Elem. School Bathroom Renovations	01/18/12	140,937.00	(28,178.77)		112,758.23	112,282.31	-	112,282.31	475.92
407 Maplewood Middle School Auditorium Ventilation	01/18/12	394,651.00	(48,615.17)		346,035.83	124,525.19	-	124,525.19	221,510.64
416 Maplewood Middle School Addition	01/18/12	2,980,000.00	148,540.50		3,128,540.50	3,081,469.34	-	3,081,469.34	47,071.16
441 Jefferson Elem. School Mechanical Upgrades	01/22/14	152,350.00	(31,680.15)		120,669.85	68,933.98	-	68,933.98	51,735.87
448 Columbia High School Water Infiltration	01/22/14	610,132.00	(3,923.48)		606,208.52	585,204.30	-	585,204.30	21,004.22
449 Columbia High School Mechanical Upgrades	01/22/14	5,354,696.00			5,354,696.00	2,325,292.33	869,877.34	3,195,169.67	2,159,526.33
469 Columbia High School Roof Replacement D-Wing	01/22/14	178,188.00	(6,167.44)		172,020.56	164,814.45	-	164,814.45	7,206.11
470 Columbia High School Roof Replacement (B & D)	01/22/14	1,218,695.00	(192,801.98)		1,025,893.02	683,990.04	-	683,990.04	341,902.98
471 Maplewood Middle School Window Replacement	01/22/14	2,213,154.00	(426,783.27)		1,786,370.73	1,399,459.04	14,281.02	1,413,740.06	372,630.67
474 Clinton Elementary School Window Replacement	01/22/14	1,085,626.00	(170,621.42)		915,004.58	746,555.93	64,564.98	811,120.91	103,883.67
475 Marshall Elem. School Partial Roof Replacement	01/22/14	893,047.00	(203,648.25)		689,398.75	450,691.38	-	450,691.38	238,707.37
476 Seth Boyden Elem. School Barrier Free Upgrades	01/22/14	53,887.00	23,129.00		77,016.00	4,576.00	55,255.00	59,831.00	17,185.00
477 Jefferson Elem. School Partial Roof Replacement	01/22/14	545,440.00	(15,674.41)		529,765.59	497,743.97	-	497,743.97	32,021.62
479 South Mountain Annex Partial Roof Replacement	01/22/14	491,474.00	(18,377.44)		473,096.56	441,341.40	-	441,341.40	31,755.16
411 Montrose Elementary School Alterations	01/22/14	3,583,613.00			3,583,613.00	3,582,957.97	-	3,582,957.97	655.03
484 Columbia High School Generator	01/22/14	327,935.00	(45,513.55)		282,421.45	201,029.95	-	201,029.95	81,391.50
495 Maplewood Middle School Lab Conversion	01/22/14	393,962.00			393,962.00	247,709.27	-	247,709.27	146,252.73
434 Tuscan Elem. School Window Replacement	05/12/16	1,565,162.00			1,565,162.00	-	107,937.85	107,937.85	1,457,224.15
460 Clinton Elem. School Restroom Replacement	07/01/15	228,369.00			228,369.00	202,607.39	-	202,607.39	25,761.61
463 Jefferson Elem. School Electrical Upgrades	07/01/15	183,682.00			183,602.00	1,759.50	119,721.99	121,481.49	62,120.51
457 Seth Boyden Elem. School Electrical Upgrades	02/27/17	1,900,000.00			1,900,000.00	-	-	-	1,900,000.00
		<u>\$ 26,363,971.00</u>	<u>\$ (1,312,496.05)</u>		<u>\$ 25,051,394.95</u>	<u>\$ 16,457,350.95</u>	<u>\$ 1,231,638.18</u>	<u>\$ 17,688,989.13</u>	<u>\$ 7,362,405.82</u>

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**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**YEAR ENDED JUNE 30, 2017**

**Reconciliation of Unexpended Project Balances to Capital Projects Fund Balance (Exhibit F-2):**

Unexpended Project balances (from above):	\$ 7,362,405.82
Less: Unearned/Unrecognized State Aid Revenues:	
449 Columbia High School Mechanical Upgrades	(1,927,690.20)
476 Seth Boyden Elem. School Barrier Free Upgrades	(21,555.00)
495 Maplewood Middle School Lab Conversion	(141,799.00)
434 Tuscan Elem. School Window Replacement	(626,065.00)
463 Jefferson Elem. School Electrical Upgrades	(73,441.00)
Unidentified Prior Year Difference	<u>(27.50)</u>
Fund Balance-Exhibit F-2	<u>\$ 4,571,828.12</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE  
IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	\$ 518,337.14
Transfers from General Fund	
Capital Outlay	
Capital Reserve	<u>1,900,000.00</u>
Total Revenues and Other Financing Sources	<u>2,418,337.14</u>
<b>Expenditures and Other Financing Uses</b>	
Architecture	105,166.79
Construction	1,041,659.33
Contingencies	<u>84,812.06</u>
Total Expenditures	<u>1,231,638.18</u>
Excess (Deficiency) of Revenues over (under) Expenditures	1,186,698.96
Fund Balance - Beginning	<u>3,385,129.16</u>
Fund Balance - Ending	<u><u>\$ 4,571,828.12</u></u>

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TUSCAN ELEMENTARY SCHOOL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	338,955		338,955	338,955
Transfer from (to) Other Projects	(71,433)		(71,433)	(71,433)
Transfer from Capital Reserve Fund	-		-	-
	<hr/>		<hr/>	<hr/>
Total Revenues	<u>\$ 267,522</u>	<u>\$ -</u>	<u>\$ 267,522</u>	<u>\$ 267,522</u>
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 14,245		\$ 14,245	\$ 14,245
Field Rep.	3,000		3,000	3,000
Construction	237,000		237,000	237,000
Legal	2,500		2,500	2,500
Contingencies	9,572		9,572	9,572
	<hr/>		<hr/>	<hr/>
Total Expenditures	<u>\$ 266,317</u>	<u>\$ -</u>	<u>\$ 266,317</u>	<u>\$ 266,317</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ 1,205</u>	<u>\$ 1,205</u>

Additional Project information:

Project Number	4900-150-09-1000
Grant Date	N/A
Bond Authorization Date	1/19/11
Bonds Authorized	338,955
Bonds Issued	338,955
Original Authorized Cost	338,955
Adjustment to Authorized Cost	(71,433)
Revised Authorized Cost	267,522

Percentage Change from Original Authorized Cost	(21.07)
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CLINTON ELEMENTARY SCHOOL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	328,081		328,081	328,081
Transfer from (to) Other Projects	(83,977)		(83,977)	(83,977)
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 244,104</u>	<u>\$ -</u>	<u>\$ 244,104</u>	<u>\$ 244,104</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 12,180		\$ 12,180	\$ 12,180
Field Rep.	3,000		3,000	3,000
Construction	214,500		214,500	214,500
Legal	2,500		2,500	2,500
Contingencies	9,431		9,431	9,431
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 241,611</u>	<u>\$ -</u>	<u>\$ 241,611</u>	<u>\$ 241,611</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 2,493</u>	<u>\$ -</u>	<u>\$ 2,493</u>	<u>\$ 2,493</u>

Additional Project information:

Project Number	4900-060-10-1000
Grant Date	N/A
Bond Authorization Date	1/19/11
Bonds Authorized	328,081
Bonds Issued	-
Original Authorized Cost	328,081
Adjustment to Authorized Cost	(83,977)
Revised Authorized Cost	244,104

Percentage Change from	
Original Authorized Cost	-25.60%
Percentage of Completion	98.00%
Original Target Completion	October, 2012
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	351,969		351,969	351,969
Transfer from (to) Other Projects	(64,637)		(64,637)	(64,637)
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 287,332</u>	<u>\$ -</u>	<u>\$ 287,332</u>	<u>\$ 287,332</u>
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 15,945		\$ 15,945	\$ 15,945
Field Rep.	3,200		3,200	3,200
Construction	255,500		255,500	255,500
Legal	1,730		1,730	1,730
Contingencies	3,767		3,767	3,767
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 280,142</u>	<u>\$ -</u>	<u>\$ 280,142</u>	<u>\$ 280,142</u>
<b>Excess (Deficiency) of Revenue</b>				
Over (Under) Expenditures	<u>\$ 7,190</u>	<u>\$ -</u>	<u>\$ 7,190</u>	<u>\$ 7,190</u>

Additional Project information:

Project Number	4900-090-10-1000
Grant Date	N/A
Bond Authorization Date	1/19/11
Bonds Authorized	351,969
Bonds Issued	351,969
Original Authorized Cost	351,969
Adjustment to Authorized Cost	(64,637)
Revised Authorized Cost	287,332
Percentage Change from	
Original Authorized Cost	-18.36%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	Completed
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BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL BLEACHER REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	217,683		217,683	217,683
Transfer from (to) Other Projects	(8,045)		(8,045)	(8,045)
Transfer from Capital Reserve Fund	-		-	-
	<hr/>		<hr/>	<hr/>
Total Revenues	\$ 209,638	\$ -	\$ 209,638	\$ 209,638
	<hr/>		<hr/>	<hr/>
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 19,244		\$ 19,244	\$ 19,244
Field Rep.	4,705		4,705	4,705
Construction	169,238		169,238	169,238
Equipment	-		-	-
Legal	3,500		3,500	3,500
Contingencies	8,826		8,826	8,826
	<hr/>		<hr/>	<hr/>
Total Expenditures	\$ 205,513	\$ -	\$ 205,513	\$ 205,513
	<hr/>		<hr/>	<hr/>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 4,125</u>	<u>\$ -</u>	<u>\$ 4,125</u>	<u>\$ 4,125</u>

Additional Project information:

Project Number	4900-040-11-1000
Grant Date	N/A
Bond Authorization Date	1/19/11
Bonds Authorized	217,683
Bonds Issued	217,683
Original Authorized Cost	217,683
Adjustment to Authorized Cost	(8,045)
Revised Authorized Cost	209,638

Percentage Change from Original Authorized Cost	-3.70%
Percentage of Completion	98.03%
Original Target Completion	July, 2012
Revised Target Completion	Completed



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL BATHROOM RENOVATIONS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	-		-	-
Transfer from (to) Other Projects	378,745		378,745	378,745
Transfer from Capital Reserve Fund	-		-	-
	<hr/>		<hr/>	<hr/>
Total Revenues	\$ 380,532	\$ -	\$ 378,745	\$ 378,745
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 60,052		\$ 60,052	\$ 60,052
Field Rep.	-		-	-
Construction	267,377		267,377	267,377
Equipment	-		-	-
Legal	1,200		1,200	1,200
Contingencies	25,120		25,120	25,120
	<hr/>		<hr/>	<hr/>
Total Expenditures	\$ 353,749	\$ -	\$ 353,749	\$ 353,749
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 26,783	\$ -	\$ 24,996	\$ 24,996

Additional Project information:

Project Number	4900-040-12-1000
Grant Date	N/A
Bond Authorization Date	1/18/12
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	433,694
Adjustment to Authorized Cost	(54,949)
Revised Authorized Cost	378,745

Percentage Change from Original Authorized Cost	(12.67)
Percentage of Completion	98.00%
Original Target Completion	December, 2013
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SETH BOYDEN ELEMENTARY SCHOOL BATHROOM RENOVATIONS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	-		-	-
Transfer from (to) Other Projects	189,450		189,450	189,450
Transfer from Capital Reserve Fund	-		-	-
	<hr/>		<hr/>	<hr/>
Total Revenues	\$ 198,589	\$ -	\$ 189,450	\$ 189,450
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 16,570		\$ 16,570	\$ 16,570
Field Rep.	-		-	-
Construction	162,230		162,230	162,230
Equipment	-		-	-
Legal	3,500		3,500	3,500
Contingencies	4,776		4,776	4,776
	<hr/>		<hr/>	<hr/>
Total Expenditures	\$ 187,076	\$ -	\$ 187,076	\$ 187,076
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 11,513	\$ -	\$ 2,374	\$ 2,374

**Additional Project information:**

Project Number	4900-130-11-2000
Grant Date	N/A
Bond Authorization Date	1/18/12
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	198,589
Adjustment to Authorized Cost	(9,139)
Revised Authorized Cost	189,450

Percentage Change from Original Authorized Cost	(4.60)
Percentage of Completion	100.00%
Original Target Completion	December, 2013
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CLINTON ELEMENTARY SCHOOL BATHROOM RENOVATIONS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	-		-	-
Transfer from (to) Other Projects	112,758		112,758	112,758
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 112,758</u>	<u>\$ -</u>	<u>\$ 112,758</u>	<u>\$ 112,758</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 12,889		\$ 12,889	\$ 12,889
Field Rep.	-		-	-
Construction	88,496		88,496	88,496
Equipment	2,861		2,861	2,861
Legal	8,036		8,036	8,036
Contingencies	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 112,282</u>	<u>\$ -</u>	<u>\$ 112,282</u>	<u>\$ 112,282</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ 476</u>	<u>\$ 476</u>

Additional Project information:

Project Number	4900-060-11-1000
Grant Date	N/A
Bond Authorization Date	1/18/12
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	140,937
Adjustment to Authorized Cost	(28,179)
Revised Authorized Cost	112,758
Percentage Change from	
Original Authorized Cost	-19.99%
Percentage of Completion	100.00%
Original Target Completion	December, 2012
Revised Target Completion	Completed
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BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL AUDITORIUM VENTILATION  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	327,399		327,399	327,399
Transfer from (to) Other Projects	18,636		18,636	18,636
Transfer from Capital Reserve Fund	-		-	-
	<u>-</u>		<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 346,035</u>	<u>\$ -</u>	<u>\$ 346,035</u>	<u>\$ 346,035</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 37,828	\$ -	\$ 37,828	\$ 37,828
Field Rep.	-		-	-
Construction	73,608		73,608	73,608
Equipment	-		-	-
Legal	3,500		3,500	3,500
Contingencies	9,589		9,589	9,589
	<u>-</u>		<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 124,525</u>	<u>\$ -</u>	<u>\$ 124,525</u>	<u>\$ 124,525</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 221,510</u>	<u>\$ -</u>	<u>\$ 221,510</u>	<u>\$ 221,510</u>

Additional Project information:

Project Number	4900-040-11-2000
Grant Date	N/A
Bond Authorization Date	1/18/12
Bonds Authorized	327,399
Bonds Issued	327,399
Original Authorized Cost	394,651
Adjustment to Authorized Cost	(48,616)
Revised Authorized Cost	346,035
Percentage Change from	
Original Authorized Cost	-12.32%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL ADDITION  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	2,980,000		2,980,000	2,980,000
Transfer from (to) Other Projects	148,541		148,541	148,541
Transfer from Capital Reserve Fund	-		-	-
	<u>\$ 3,128,541</u>	<u>\$ -</u>	<u>\$ 3,128,541</u>	<u>\$ 3,128,541</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 370,854	\$ -	\$ 370,854	\$ 370,854
Field Rep.	-		-	-
Construction	2,511,556		2,511,556	2,511,556
Equipment	-		-	-
Legal	3,500		3,500	3,500
Contingencies	195,560		195,560	195,560
	<u>\$ 3,081,469</u>	<u>\$ -</u>	<u>\$ 3,081,469</u>	<u>\$ 3,081,469</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 47,071</u>	<u>\$ -</u>	<u>\$ 47,071</u>	<u>\$ 47,071</u>

Additional Project information:

Project Number	4900-040-12-2000
Grant Date	N/A
Bond Authorization Date	1/18/12
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	2,980,000
Adjustment to Authorized Cost	148,541
Revised Authorized Cost	3,128,541

Percentage Change from Original Authorized Cost	4.98%
Percentage of Completion	98.50%
Original Target Completion	
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL MECHANICAL UPGRADES  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 29,260		\$ 29,260	\$ 29,260
Bond Proceeds	91,410		91,410	91,410
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	-		-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 120,670	\$ -	\$ 120,670	\$ 120,670
Expenditures and Other Financing Uses:				
Architecture	\$ 7,179		\$ 7,179	\$ 7,179
Field Rep.	-		-	-
Construction	60,755		60,755	60,755
Equipment	-		-	-
Legal	1,000		1,000	1,000
Contingencies	-		-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 68,934	\$ -	\$ 68,934	\$ 68,934
Excess (Deficiency) of Revenue Over (Under) Expenditures				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 51,736	\$ -	\$ 51,736	\$ 51,736

Additional Project information:

Project Number	4900-090-14-1011
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	91,410
Bonds Issued	91,410
Original Authorized Cost	152,350
Adjustment to Authorized Cost	(31,680)
Revised Authorized Cost	120,670

Percentage Change from	
Original Authorized Cost	-20.79%
Percentage of Completion	57.13%
Original Target Completion	August, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
COLUMBIA HIGH SCHOOL WATER INFILTRATION REPAIRS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 240,130	\$ -	\$ 240,130	\$ 240,130
Bond Proceeds	49		49	49
Transfer from (to) Other Projects	366,030		366,030	366,030
Transfer from Capital Reserve Fund	-		-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Revenues	<u>\$ 606,209</u>	<u>\$ -</u>	<u>\$ 606,209</u>	<u>\$ 606,209</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 32,489	\$ -	\$ 32,489	\$ 32,489
Field Rep.	-		-	-
Construction	505,190		505,190	505,190
Equipment	-		-	-
Legal	1,200		1,200	1,200
Contingencies	46,325		46,325	46,325
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Expenditures	<u>\$ 585,204</u>	<u>\$ -</u>	<u>\$ 585,204</u>	<u>\$ 585,204</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 21,005</u>	<u>\$ -</u>	<u>\$ 21,005</u>	<u>\$ 21,004</u>

Additional Project information:

Project Number	4900-030-14-1005
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	49
Bonds Issued	49
Original Authorized Cost	610,132
Adjustment to Authorized Cost	(3,923)
Revised Authorized Cost	606,209
Percentage Change from	
Original Authorized Cost	-0.64%
Percentage of Completion	100.00%
Original Target Completion	December, 2014
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
COLUMBIA HIGH SCHOOL MECHANICAL UPGRADES  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 214,188		\$ 214,188	\$ 2,141,878
Bond Proceeds	12,818		12,818	12,818
Transfer from (to) Other Projects	3,200,000		3,200,000	3,200,000
Transfer from Capital Reserve Fund	-		-	-
	<u>\$ 3,427,006</u>	<u>\$ -</u>	<u>\$ 3,427,006</u>	<u>\$ 5,354,696</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 340,306	\$ 3,632	\$ 343,938	\$ 343,938
Field Rep.	-		-	-
Construction	1,840,858	817,677	2,658,536	4,367,475
Equipment	-		-	-
Legal	49,080		49,080	87,350
Contingencies	95,048	48,568	143,616	555,933
	<u>\$ 2,325,292</u>	<u>\$ 869,877</u>	<u>\$ 3,195,170</u>	<u>\$ 5,354,696</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 1,101,713</u>	<u>\$ (869,877)</u>	<u>\$ 231,836</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-030-14-1007
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	12,818
Bonds Issued	12,818
Original Authorized Cost	5,354,696
Adjustment to Authorized Cost	-
Revised Authorized Cost	5,354,696

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	59.67%
Original Target Completion	November, 2016
Revised Target Completion	October, 2018



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
COLUMBIA HIGH SCHOOL ROOF REPLACEMENT D-WING  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -	\$ 65,108	\$ 65,108	\$ 65,108
Bond Proceeds	6,413		6,413	6,413
Transfer from (to) Other Projects	100,500		100,500	100,500
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 106,913</u>	<u>\$ 65,108</u>	<u>\$ 172,021</u>	<u>\$ 172,021</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 9,900		\$ 9,900	\$ 9,900
Field Rep.			-	-
Construction	139,241		139,241	139,241
Equipment	-		-	-
Legal	2,000	-	2,000	2,000
Contingencies	12,086	-	13,673	13,673
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 163,227</u>	<u>\$ -</u>	<u>\$ 164,814</u>	<u>\$ 164,814</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ (56,314)</u>	<u>\$ 65,108</u>	<u>\$ 7,206</u>	<u>\$ 7,206</u>

Additional Project information:

Project Number	4900-030-14-1023
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	6,413
Bonds Issued	6,413
Original Authorized Cost	178,188
Adjustment to Authorized Cost	(6,167)
Revised Authorized Cost	172,021

Percentage Change from	
Original Authorized Cost	-3.46%
Percentage of Completion	100.00%
Original Target Completion	January, 2015
Revised Target Completion	December, 2016

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
COLUMBIA HIGH SCHOOL ROOF REPLACEMENT (B & D)  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -	\$ 294,676	\$ 294,676	\$ 294,676
Bond Proceeds	731,217		731,217	731,217
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	-		-	-
	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>
Total Revenues	<u>\$ 731,217</u>	<u>\$ 294,676</u>	<u>\$ 1,025,893</u>	<u>\$ 1,025,893</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 31,490		\$ 31,490	\$ 31,490
Field Rep.	-		-	-
Construction	648,500		648,500	648,500
Equipment	-		-	-
Legal	4,000		4,000	4,000
Contingencies	-	-	-	-
	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>
Total Expenditures	<u>\$ 683,990</u>	<u>\$ -</u>	<u>\$ 683,990</u>	<u>\$ 683,990</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 47,227</u>	<u>\$ 294,676</u>	<u>\$ 341,903</u>	<u>\$ 341,903</u>

Additional Project information:

Project Number	4900-030-14-1024
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	731,217
Bonds Issued	731,217
Original Authorized Cost	1,218,695
Adjustment to Authorized Cost	(192,802)
Revised Authorized Cost	1,025,893

Percentage Change from Original Authorized Cost	-15.82%
Percentage of Completion	100.00%
Original Target Completion	January, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL WINDOW REPLACEMENTS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 458,479	\$ -	\$ 458,479	\$ 458,479
Bond Proceeds	-	-	-	-
Transfer from (to) Other Projects	1,327,892		1,327,892	1,327,892
Transfer from Capital Reserve Fund	-		-	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Revenues	<u>\$ 1,786,371</u>	<u>\$ -</u>	<u>\$ 1,786,371</u>	<u>\$ 1,786,371</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 135,732	\$ 5,760	\$ 141,492	\$ 141,492
Field Rep.	-	-	-	-
Construction	1,241,479	8,521	1,250,000	1,250,000
Equipment	-		-	-
Legal	22,248	-	22,248	22,248
Contingencies	-	-	-	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Expenditures	<u>\$ 1,399,459</u>	<u>\$ 14,281</u>	<u>\$ 1,413,740</u>	<u>\$ 1,413,740</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 386,912</u>	<u>\$ (14,281)</u>	<u>\$ 372,631</u>	<u>\$ 372,631</u>

Additional Project information:

Project Number	4900-040-14-1008
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,213,154
Adjustment to Authorized Cost	(426,783)
Revised Authorized Cost	1,786,371

Percentage Change from	
Original Authorized Cost	0.00%
Percentage of Completion	100.00%
Original Target Completion	December, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CLINTON ELEMENTARY SCHOOL WINDOW REPLACEMENTS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 263,629		\$ 263,629	\$ 263,629
Bond Proceeds	-	-	-	-
Transfer from (to) Other Projects	651,376		651,376	651,376
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 915,005</u>	<u>\$ -</u>	<u>\$ 915,005</u>	<u>\$ 915,005</u>
<b>Expenditures and Other Financing Uses:</b>				
Architecture	\$ 69,536	\$ -	\$ 69,536	\$ 69,536
Field Rep.	-	-	-	-
Construction	656,585	61,415	718,000	718,000
Equipment	-		-	-
Legal	11,928	-	11,928	11,928
Contingencies	8,507	3,150	11,657	11,657
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 746,556</u>	<u>\$ 64,565</u>	<u>\$ 811,121</u>	<u>\$ 811,121</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 168,449</u>	<u>\$ (64,565)</u>	<u>\$ 103,884</u>	<u>\$ 103,884</u>

Additional Project information:

Project Number	4900-060-14-1010
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,085,626
Adjustment to Authorized Cost	(170,621)
Revised Authorized Cost	915,005

Percentage Change from Original Authorized Cost	-15.72%
Percentage of Completion	100.00%
Original Target Completion	December, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MARSHALL ELEMENTARY SCHOOL PARTIAL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 176,700		\$ 176,700	\$ 176,700
Bond Proceeds	-		-	-
Transfer from (to) Other Projects	535,828	(23,129)	512,699	512,699
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 712,528</u>	<u>\$ (23,129)</u>	<u>\$ 689,399</u>	<u>\$ 689,399</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 56,910	\$ -	\$ 56,910	\$ 56,910
Field Rep.	-	-	-	-
Construction	374,000		374,000	374,000
Equipment	-		-	-
Legal	8,942	-	8,942	8,942
Contingencies	10,839		10,839	10,839
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 450,691</u>	<u>\$ -</u>	<u>\$ 450,691</u>	<u>\$ 450,691</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures				
	<u>\$ 261,836</u>	<u>\$ (23,129)</u>	<u>\$ 238,707</u>	<u>\$ 238,707</u>

Additional Project information:

Project Number	4900-100-14-1014
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	893,047
Adjustment to Authorized Cost	(203,648)
Revised Authorized Cost	689,399
Percentage Change from Original Authorized Cost	-22.80%
Percentage of Completion	100.00%
Original Target Completion	October, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SETH BOYDEN ELEMENTARY SCHOOL BARRIER FREE UPGRADES  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ 21,555
Bond Proceeds	32,332		32,332	32,332
Transfer from (to) Other Projects	-	23,129	23,129	23,129
Transfer from Capital Reserve Fund	-		-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 32,332	\$ 23,129	\$ 55,461	\$ 77,016
Expenditures and Other Financing Uses:				
Architecture	\$ 3,290	\$ 165	\$ 3,455	\$ 3,455
Field Rep.	-	-	-	-
Construction	-	34,580	34,580	44,067
Equipment	-		-	-
Legal	626	-	626	626
Contingencies	660	20,510	21,170	28,868
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 4,576	\$ 55,255	\$ 59,831	\$ 77,016
Excess (Deficiency) of Revenue Over (Under) Expenditures				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 27,756	\$ (32,126)	\$ (4,370)	\$ -

Additional Project information:

Project Number	4900-130-14-1015
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	32,332
Bonds Issued	32,332
Original Authorized Cost	53,887
Adjustment to Authorized Cost	23,129
Revised Authorized Cost	77,016

Percentage Change from	
Original Authorized Cost	42.92%
Percentage of Completion	100.00%
Original Target Completion	October, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL PARTIAL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 202,502		\$ 202,502	\$ 202,502
Bond Proceeds	327,264		327,264	327,264
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	-		-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 529,766</u>	<u>\$ -</u>	<u>\$ 529,766</u>	<u>\$ 529,766</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 25,759	\$ -	\$ 25,759	\$ 25,759
Field Rep.	-	-	-	-
Construction	433,183	-	433,183	433,183
Equipment	-		-	-
Legal	5,140	-	5,140	5,140
Contingencies	33,662	-	33,662	33,662
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 497,744</u>	<u>\$ -</u>	<u>\$ 497,744</u>	<u>\$ 497,744</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures				
	<u>\$ 32,022</u>	<u>\$ -</u>	<u>\$ 32,022</u>	<u>\$ 32,022</u>

Additional Project information:

Project Number	4900-090-14-1013
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	327,264
Bonds Issued	327,264
Original Authorized Cost	545,440
Adjustment to Authorized Cost	(15,674)
Revised Authorized Cost	529,766

Percentage Change from Original Authorized Cost	-2.87%
Percentage of Completion	100.00%
Original Target Completion	December, 2014
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SOUTH MOUNTAIN ANNEX PARTIAL ROOF REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 19,659	\$ 158,554	\$ 178,213	\$ 178,213
Bond Proceeds	294,884		294,884	294,884
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	-		-	-
	<u>\$ 314,543</u>	<u>\$ 158,554</u>	<u>\$ 473,097</u>	<u>\$ 473,097</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 27,001	\$ -	\$ 27,001	\$ 27,001
Field Rep.	-	-	-	-
Construction	395,483	-	395,483	395,483
Equipment	-		-	-
Legal	7,910		7,910	7,910
Contingencies	10,947	-	10,947	10,947
	<u>\$ 441,341</u>	<u>\$ -</u>	<u>\$ 441,341</u>	<u>\$ 441,341</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ (126,798)</u>	<u>\$ 158,554</u>	<u>\$ 31,755</u>	<u>\$ 31,755</u>

Additional Project information:

Project Number	4900-140-14-1017
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	294,884
Bonds Issued	294,884
Original Authorized Cost	491,474
Adjustment to Authorized Cost	(18,377)
Revised Authorized Cost	473,097

Percentage Change from Original Authorized Cost	-3.74%
Percentage of Completion	100.00%
Original Target Completion	March, 2015
Revised Target Completion	Completed



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MONTROSE ELEMENTARY SCHOOL ALTERATIONS  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	3,583,613		3,583,613	3,583,613
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 3,583,613</u>	<u>\$ -</u>	<u>\$ 3,583,613</u>	<u>\$ 3,583,613</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 366,979	\$ -	\$ 366,979	\$ 366,979
Field Rep.	-	-	-	-
Construction	3,046,018		3,046,018	3,046,018
Equipment	-	-	-	-
Legal	-	-	-	-
Contingencies	169,961	-	169,961	169,961
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 3,582,958</u>	<u>\$ -</u>	<u>\$ 3,582,958</u>	<u>\$ 3,582,958</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 655</u>	<u>\$ -</u>	<u>\$ 655</u>	<u>\$ 655</u>

Additional Project information:

Project Number	4900-110-14-1000
Grant Date	
Bond Authorization Date	1/22/14
Bonds Authorized	3,583,613
Bonds Issued	3,583,613
Original Authorized Cost	3,583,613
Adjustment to Authorized Cost	-
Revised Authorized Cost	3,583,613

Percentage Change from	
Original Authorized Cost	0.00%
Percentage of Completion	100.00%
Original Target Completion	January, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
COLUMBIA HIGH SCHOOL GENERATOR  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 85,660	\$ -	\$ 85,660	\$ 85,660
Bond Proceeds	-	-	-	-
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	196,761	-	196,761	196,761
	<u>\$ 282,421</u>	<u>\$ -</u>	<u>\$ 282,421</u>	<u>\$ 282,421</u>
Total Revenues				
Expenditures and Other Financing Uses:				
Architecture	\$ 38,921	\$ -	\$ 38,921	\$ 40,000
Field Rep.	-	-	-	-
Construction	162,109	-	162,109	213,186
Equipment	-	-	-	-
Legal	-	-	-	-
Contingencies	-	-	-	29,235
	<u>\$ 201,030</u>	<u>\$ -</u>	<u>\$ 201,030</u>	<u>\$ 282,421</u>
Total Expenditures				
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 81,392</u>	<u>\$ -</u>	<u>\$ 81,392</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-030-14-1022
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	327,935
Adjustment to Authorized Cost	(45,514)
Revised Authorized Cost	282,421

Percentage Change from Original Authorized Cost	-13.88%
Percentage of Completion	71.18%
Original Target Completion	January, 2015
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MAPLEWOOD MIDDLE SCHOOL LAB CONVERSION  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 15,786		\$ 15,786	\$ 157,585
Bond Proceeds	-		-	-
Transfer from (to) Other Projects	-	-	-	-
Transfer from Capital Reserve Fund	236,377		236,377	236,377
	<u>236,377</u>		<u>236,377</u>	<u>236,377</u>
Total Revenues	<u>\$ 252,163</u>	<u>\$ -</u>	<u>\$ 252,163</u>	<u>\$ 393,962</u>
Expenditures and Other Financing Uses:				
Architecture	\$ 36,210	\$ -	\$ 36,210	\$ 36,210
Field Rep.	-	-	-	-
Construction	200,588		200,588	331,992
Equipment	-		-	-
Legal	-	-	-	-
Contingencies	10,911	-	10,911	25,760
	<u>10,911</u>	<u>-</u>	<u>10,911</u>	<u>25,760</u>
Total Expenditures	<u>\$ 247,709</u>	<u>\$ -</u>	<u>\$ 247,709</u>	<u>\$ 393,962</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 4,453</u>	<u>\$ -</u>	<u>\$ 4,453</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-040-09-1001
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	393,962
Adjustment to Authorized Cost	-
Revised Authorized Cost	393,962

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	98.23%
Original Target Completion	January, 2015
Revised Target Completion	January, 2017

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TUSCAN ELEMENTARY SCHOOL WINDOW REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ 626,065
Bond Proceeds	-		-	-
Transfer from (to) Other Projects		-	-	-
Transfer from Capital Outlay	<u>939,097</u>		<u>939,097</u>	<u>939,097</u>
Total Revenues	<u>\$ 939,097</u>	<u>\$ -</u>	<u>\$ 939,097</u>	<u>\$ 1,565,162</u>
Expenditures and Other Financing Uses:				
Architecture	\$ -	\$ 95,610	\$ 95,610	\$ 95,610
Field Rep.	-	-	-	-
Construction		-	-	1,274,910
Equipment	-	-	-	-
Legal	-	-	-	-
Contingencies	-	<u>12,328</u>	<u>12,328</u>	<u>194,642</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 107,938</u>	<u>\$ 107,938</u>	<u>\$ 1,565,162</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 939,097</u>	<u>\$ (107,938)</u>	<u>\$ 831,159</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-150-14-1021
Grant Date	6/22/16
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,565,162
Adjustment to Authorized Cost	-
Revised Authorized Cost	1,565,162

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	11.49%
Original Target Completion	December, 2016
Revised Target Completion	March, 2018

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CLINTON ELEMENTARY SCHOOL RESTROOM REPLACEMENT  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ -		\$ -	\$ -
Bond Proceeds	-		-	-
Transfer from (to) Other Projects		-	-	-
Transfer from Capital Reserve	<u>228,369</u>		<u>228,369</u>	<u>228,369</u>
Total Revenues	<u>\$ 228,369</u>	<u>\$ -</u>	<u>\$ 228,369</u>	<u>\$ 228,369</u>
Expenditures and Other Financing Uses:				
Architecture	\$ -	\$ -	\$ -	\$ -
Field Rep.	-	-	-	-
Construction	202,607		202,607	202,607
Equipment	-		-	-
Legal	-	-	-	-
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 202,607</u>	<u>\$ -</u>	<u>\$ 202,607</u>	<u>\$ 202,607</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 25,762</u>	<u>\$ -</u>	<u>\$ 25,762</u>	<u>\$ 25,762</u>

Additional Project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	228,369
Adjustment to Authorized Cost	-
Revised Authorized Cost	228,369
Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	88.72%
Original Target Completion	Completed
Revised Target Completion	

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL ELECTRICAL UPGRADES  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ -		\$ -	\$ 73,441
Bond Proceeds	-		-	-
Transfer from (to) Other Projects		-	-	-
Transfer from Capital Reserve	<u>110,161</u>		<u>110,161</u>	<u>110,161</u>
Total Revenues	<u>\$ 110,161</u>	<u>\$ -</u>	<u>\$ 110,161</u>	<u>\$ 183,602</u>
Expenditures and Other Financing Uses:				
Architecture	\$ -	\$ -	\$ -	\$ -
Field Rep.	-	-	-	-
Construction		119,466	119,466	145,950
Equipment	-	-	-	-
Legal	-	-	-	-
Contingencies	<u>1,760</u>	<u>256</u>	<u>2,016</u>	<u>37,652</u>
Total Expenditures	<u>\$ 1,760</u>	<u>\$ 119,722</u>	<u>\$ 121,481</u>	<u>\$ 183,602</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 108,402</u>	<u>\$ (119,722)</u>	<u>\$ (11,320)</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-090-14-1012
Grant Date	4/27/15
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	183,602
Adjustment to Authorized Cost	-
Revised Authorized Cost	183,602

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	110.28%
Original Target Completion	August, 2017
Revised Target Completion	Completed

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SETH BOYDEN ELEMENTARY SCHOOL ELECTRICAL UPGRADES  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	-	-	-	1,900,000
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900,000</u>
Expenditures and Other Financing Uses:				
Architecture	\$ -	\$ -	\$ -	\$ 100,000
Field Rep.	-	-	-	-
Construction	-	-	-	1,610,000
Equipment	-	-	-	-
Legal	-	-	-	-
Contingencies	-	-	-	190,000
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	4900-130-18-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,900,000
Adjustment to Authorized Cost	-
Revised Authorized Cost	1,900,000
Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	0.00%
Original Target Completion	
Revised Target Completion	

**PROPRIETARY FUNDS**

**SECTION – G**



**ENTERPRISE FUND**

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUND  
AS OF JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL ENTERPRISE FUND</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY PROGRAM</u>	<u>ETTC</u>	
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 867,062.58	\$ 43,563.11	\$ 6,268.00	\$ 916,893.69
Accounts Receivable:				
State	1,357.94			1,357.94
Federal	46,169.71			46,169.71
Other	38,804.86			38,804.86
Inventories	9,637.19			9,637.19
Total Current Assets	<u>963,032.28</u>	<u>43,563.11</u>	<u>6,268.00</u>	<u>1,012,863.39</u>
Noncurrent Assets:				
Fixed Assets:				
Equipment	438,525.77			438,525.77
Accumulated Depreciation	<u>(299,695.42)</u>			<u>(299,695.42)</u>
Total Noncurrent Assets	<u>138,830.35</u>	<u>-</u>	<u>-</u>	<u>138,830.35</u>
Total Assets	<u>\$ 1,101,862.63</u>	<u>\$ 43,563.11</u>	<u>\$ 6,268.00</u>	<u>\$ 1,151,693.74</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts Payable	\$ 159,412.05			\$ 159,412.05
Unearned Revenue	<u>149,124.07</u>			<u>149,124.07</u>
Total Current Liabilities	<u>308,536.12</u>	<u>-</u>	<u>-</u>	<u>308,536.12</u>
<b><u>NET POSITION</u></b>				
Invested in Capital Assets Net of Related Debt	138,830.35		-	138,830.35
Unrestricted	<u>654,496.16</u>	<u>43,563.11</u>	<u>6,268.00</u>	<u>704,327.27</u>
Total Net Position	<u>\$ 793,326.51</u>	<u>\$ 43,563.11</u>	<u>\$ 6,268.00</u>	<u>\$ 843,157.62</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL ENTERPRISE FUND</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY PROGRAM</u>	<u>ETTC</u>	
<b><u>OPERATING REVENUES</u></b>				
Local Sources:				
Daily Sales	\$ 1,307,217.74	\$		\$ 1,307,217.74
Vending & Other Sales	75,972.89			75,972.89
Participant Fees		265,254.10		265,254.10
Total Operating Revenues	<u>1,383,190.63</u>	<u>265,254.10</u>	<u>-</u>	<u>1,648,444.73</u>
<b><u>OPERATING EXPENSES</u></b>				
District Management Costs:				
Personnel Costs	121,989.99			121,989.99
Food Service Management Company Costs:				
Food (Including USDA Commodities)	966,882.57			966,882.57
Supplies	53,750.60	191,187.69		244,938.29
Personnel Costs	708,814.64	28,333.30		737,147.94
Uniforms	2,496.50			2,496.50
Office & Admin.	4,408.49			4,408.49
Insurance	58,343.79	2,170.00		60,513.79
Outside Services	6,594.96			6,594.96
Management Fees	89,825.00			89,825.00
Depreciation	47,213.69			47,213.69
Total Operating Expenses	<u>2,060,320.23</u>	<u>221,690.99</u>	<u>-</u>	<u>2,282,011.22</u>
Operating Income (Loss)	<u>(677,129.60)</u>	<u>43,563.11</u>	<u>-</u>	<u>(633,566.49)</u>
<b><u>Non-Operating Revenues:</u></b>				
State Sources:				
State School Lunch Program	18,408.76			18,408.76
Federal Sources:				
School Breakfast Program	51,237.45			51,237.45
National School Lunch Program	569,563.02			569,563.02
USDA Commodities Program	145,097.52			145,097.52
Total Non-Operating Revenues	<u>784,306.75</u>	<u>-</u>	<u>-</u>	<u>784,306.75</u>
Income (Loss) Before Operating Transfers	<u>107,177.15</u>	<u>43,563.11</u>	<u>-</u>	<u>150,740.26</u>
Change in Net Position	107,177.15	43,563.11	-	150,740.26
Total Net Position - Beginning	<u>686,149.36</u>	<u>-</u>	<u>6,268.00</u>	<u>692,417.36</u>
Total Net Position - Ending	<u>\$ 793,326.51</u>	<u>\$ 43,563.11</u>	<u>6,268.00</u>	<u>\$ 843,157.62</u>

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>MAJOR PROGRAMS</u>		<u>NON-MAJOR PROGRAM</u>	<u>TOTAL ENTERPRISE FUND</u>
	<u>FOOD SERVICE</u>	<u>LATCHKEY</u>	<u>ETTC</u>	
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 1,395,670.36	\$ 265,254.10	\$ -	\$ 1,660,924.46
Cash Payments for Goods & Supplies	(1,586,606.98)	(191,187.69)		(1,777,794.67)
Cash Payments for Employee Expenses	(121,989.99)	(30,503.30)		(152,493.29)
Net Cash Provided by (used for) Operating Activities	<u>(312,926.61)</u>	<u>43,563.11</u>	<u>-</u>	<u>(269,363.50)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
State Sources	18,396.67			18,396.67
Federal Sources	622,087.57			622,087.57
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>640,484.24</u>	<u>-</u>	<u>-</u>	<u>640,484.24</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Sale of Equipment	5,000.00			5,000.00
Purchase of Equipment	(11,726.60)			(11,726.60)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(6,726.60)</u>	<u>-</u>	<u>-</u>	<u>(6,726.60)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	320,831.03	43,563.11	-	364,394.14
Cash and Cash Equivalents, July 1	546,231.55	-	6,268.00	552,499.55
Cash and Cash Equivalents, June 30	<u>\$ 867,062.58</u>	<u>\$ 43,563.11</u>	<u>\$ 6,268.00</u>	<u>\$ 916,893.69</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (677,129.60)	\$ 43,563.11	\$ -	\$ (633,566.49)
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:				
Depreciation	47,213.69			47,213.69
USDA Commodities	145,097.52			145,097.52
(Increase) Decrease in Accounts Receivable	(31,294.85)			(31,294.85)
(Increase) Decrease in Inventory	1,284.21			1,284.21
Increase (Decrease) in Unearned Revenues	42,490.37			42,490.37
Increase (Decrease) in Accounts Payable	159,412.05			159,412.05
Net Cash Used by Operating Activities	<u>\$ (312,926.61)</u>	<u>\$ 43,563.11</u>	<u>\$ -</u>	<u>\$ (269,363.50)</u>

**INTERNAL SERVICE FUND**

**FIDUCIARY FUNDS**

**SECTION - H**

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**COMBINING STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

Exhibit - H-1

	<b>AGENCY</b>		<b>EXPENDABLE TRUSTS</b>		
	<b>Student Activity</b>	<b>Payroll Agency</b>	<b>Unemployment Compensation Insurance</b>	<b>District Related Arts</b>	<b>TOTALS</b>
 <b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 460,749.00	\$ 837,161.04	\$ 734,662.14	\$ 1,400.00	\$ 2,033,972.18
Due from Depository	2,936.00				2,936.00
Interfund Accounts Receivable			53,882.14		53,882.14
Total Assets	\$ 463,685.00	\$ 837,161.04	\$ 788,544.28	\$ 1,400.00	\$ 2,090,790.32
 <b><u>LIABILITIES AND NET POSITION</u></b>					
Liabilities:					
Accounts Payable	\$	\$	\$ 20,968.68	\$	\$ 20,968.68
Payroll Deductions and Withholdings		783,278.90			783,278.90
Interfund Accounts Payable		53,882.14			53,882.14
Due to Student Groups	463,685.00				463,685.00
Total Liabilities	463,685.00	837,161.04	20,968.68		1,321,814.72
Net Position:					
Reserves for Unemployment Compensation Insurance Claims			767,575.60		767,575.60
Unreserved				1,400.00	1,400.00
Total Net Position			\$ 767,575.60	\$ 1,400.00	\$ 768,975.60

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Expendable Trust Funds</u>		<u>TOTALS</u>
	<u>Unemployment Compensation Insurance Trust</u>	<u>District Related Arts</u>	
<b>ADDITIONS</b>			
Contributions:			
Plan Member	\$ 204,060.77	\$ _____	\$ 204,060.77
Total Contributions	<u>204,060.77</u>	<u>-</u>	<u>204,060.77</u>
Total Additions	<u>204,060.77</u>	<u>-</u>	<u>204,060.77</u>
<b>DEDUCTIONS</b>			
Unemployment Benefits	<u>143,706.41</u>	<u>_____</u>	<u>143,706.41</u>
Total Deductions	<u>143,706.41</u>	<u>-</u>	<u>143,706.41</u>
Change in Net Assets	<u>60,354.36</u>	<u>-</u>	<u>60,354.36</u>
Net Assets - Beginning of the Year	<u>707,221.24</u>	<u>1,400.00</u>	<u>708,621.24</u>
Net Assets - End of the Year	<u>\$ 767,575.60</u>	<u>\$ 1,400.00</u>	<u>\$ 768,975.60</u>



**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**STUDENT ACTIVITY AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit - H-3

	<u>BALANCE</u> <u>JUNE 30,</u> <u>2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>
<b><u>ELEMENTARY SCHOOLS</u></b>				
Clinton School	\$ 7,995	\$ 15,884	\$ 21,588	\$ 2,291
Jefferson School	2,760	36,089	34,855	3,993
Marshall School	3,877	21,328	23,364	1,841
Seth Boyden School	7,851	17,255	21,090	4,016
South Mountain School	7,200	23,757	23,879	7,078
Tuscan School	<u>6,322</u>	<u>31,012</u>	<u>32,124</u>	<u>5,210</u>
Total Elementary Schools	<u>\$ 36,004</u>	<u>\$ 145,325</u>	<u>\$ 156,899</u>	<u>\$ 24,429</u>
<b><u>MIDDLE SCHOOLS</u></b>				
Maplewood Middle School	\$ 19,930	\$ 97,487	\$ 92,973	\$ 24,443
South Orange Middle School	<u>27,040</u>	<u>206,201</u>	<u>183,630</u>	<u>49,612</u>
Total Middle Schools	<u>\$ 46,970</u>	<u>\$ 303,688</u>	<u>\$ 276,603</u>	<u>\$ 74,055</u>
<b><u>HIGH SCHOOL</u></b>				
Columbia H.S.	\$ 330,736	\$ 544,813	\$ 513,285	\$ 362,265
C.H.S. - Due from Depository	<u>(2,936)</u>	<u>2,936</u>	<u>-</u>	<u>-</u>
Total High School	<u>\$ 327,801</u>	<u>\$ 547,749</u>	<u>\$ 513,285</u>	<u>\$ 362,265</u>
<b>Total All Schools</b>	<u>\$ 410,775</u>	<u>\$ 996,762</u>	<u>\$ 946,787</u>	<u>\$ 460,749</u>

**BOARD OF EDUCATION  
SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
COLUMBIA HIGH SCHOOL FUNDS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BALANCE JUNE 30, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	INTERFUND TRANSFERS	BALANCE JUNE 30, 2017
A Capella	\$	\$ 8,955	\$ 4,837	\$ (108)	4,010
All School Production	56,841	78,105	60,626	200	74,520
Amnesty International	3,419		500		2,919
Animal Rights Club	178				178
AP Art History Tour		84	84		-
Armond D'Onofrio Scholarship	220				220
Art & Music	16,800	11,789	15,750	538	13,376
Art Club	195				195
Astronomy Club	482	760			1,242
Athletics and Activities	11,180	95,777	102,372	1,113	5,699
Biasucci Grant	500			(400)	100
Breast Cancer Awareness	831				831
Bridge Deisgn Club	890				890
Business	571				571
Cap and Gown Fund	20,781	11,395	86	(5,216)	26,875
CCIOTC	2,988	3,399	5,552		835
Columbia High School T.V. Studio (CCN)	10,363		929		9,434
College Entrance Examination Board (CEEB)	-	82,751	85,036	2,285	-
C.H.S. Band	2,900	62,329	50,500	200	14,930
C.H.S. Basketball		4,100	4,094		6
C.H.S. World Int'l Club	243		236		7
Class of 2016	4,638			(4,638)	-
Class of 2017	2,449	51,533	45,655	(2,831)	5,496
Class of 2018	579	1,579	2,461	3,990	3,687
Class of 2019	720	1,299	132		1,887
Class of 2020		627			627
Columbia 2025	1,000				1,000
Columbian	15,326		2,375		12,952
Concert Choir	290	900	1,298	108	-
Cougar Nation	208				208
Counseling Center	2	1,552	812		741
Courtyard	729	150			879
Diversity Rocks	417				417
Drama Intensive	214				214
English Club	-	697	164		534
Eyeglass Fund	28		103	200	125
FNL	3,660				3,660
FBLA	337	110			447
Field Trips	538			(538)	-
FLES	15,131	2,339	2,052		15,418
Fight Club	375				375
Football	295				295
Fred Booth Scholarship	1				1
GAIA	522				522
General Account	19,288	33,996	12,834	(329)	40,121
Guildscript	836	1,090	2,521	1,690	1,095
Guitar Club	541				541
H Edelman Grant	2				2
High School Council	384	3,395	3,037	14	757
ID's	4,504	945			5,449
Impact - V Carney	882	90			972
Checking account - interest	14,085	239	758		13,566

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**BOARD OF EDUCATION  
SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
COLUMBIA HIGH SCHOOL FUNDS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BALANCE JUNE 30, 2016</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>INTERFUND TRANSFERS</u>	<u>BALANCE JUNE 30, 2017</u>
Italian Cultural Club	172				172
Italian Night	1,032				1,032
Janet Hicks Scholarship	858		500		358
Junior States	-				-
Key Club	1,672	263	436		1,499
Lacrosse Club	834	6,805	6,097	(113)	1,429
Ladies of Leadership	463		463		-
Library	3,092	112	60		3,144
Mac Scholars Summer Project	250	172			422
Magic Club	98				98
Math Club	8,267	540	2,017		6,790
Mirror	8,318	4,860	7,036		6,143
Martin Luther King - Educational Fund	652				652
Model UN		9,838	9,906	68	0
N.O.W.	18				18
PA Climbing Wall	598				598
PA Whitewater Rafting	54				54
Parenting Center	3				3
Parnassian Soc	2,459	3,791	657	4,132	9,725
Parnassian Edinburgh	22,058	-	17,926	(4,132)	-
Photography Club	11				11
Phys Ed Club	517	1,000		(1,000)	517
Pottery Club	58				58
Premed Club	105	237			342
Principals Special Project	8,185	7,242	12,078	4,215	7,564
Programming Club	1,310			(500)	810
PSAT's - SAT's	289		66		223
Quiklicious Café (Diamond Enterprises)	454				454
Quiz Bowl	369				369
Retirement Party	313				313
Robinhood Club	99				99
Robotics Club	8,182	18,649	23,254	1,000	4,577
SAC (Lester & Cohen)	500				500
Science Adventure	3,617	643	53	(500)	3,708
Science Day	1,862	3,714	3,406	400	2,570
Seed Project	81		480	420	21
Shakespeare Festival	1,287	250	659		878
Shakespeare Grant	385				385
Social Studies Club	3,578	191	374	(68)	3,327
Special Dances	14,410	23,113	18,159		19,364
Spectrum	2,551	500	300		2,751
Stage Fund	3,265		843	(200)	2,222
Substance Abuse	5,685		118		5,567
Columbia High School Sunshine	1,180		50		1,130
Synthetic Biology		382	145		237
Tri-County Fencing League	1,437	600	565		1,472
UBUNTU Club	308	211	308		211
Velocity	735				735
Weiland Scholarship	775				775
World Language	930	1,712	2,530		112
	<u>\$ 330,737</u>	<u>\$ 544,813</u>	<u>\$ 513,285</u>	<u>\$</u>	<u>\$ 362,265</u>

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**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>ASSETS</u>	<u>BALANCE JUNE 30, 2016</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>TRANSFERS</u>	<u>BALANCE JUNE 30, 2017</u>
Cash	\$ 789,075.75	\$ 37,587,962.61	\$ 37,539,877.32	\$ -	\$ 837,161.04
Total Assets	<u>789,075.75</u>	<u>37,587,962.61</u>	<u>37,539,877.32</u>	<u>-</u>	<u>837,161.04</u>
 <b><u>LIABILITIES</u></b>					
Payroll Deductions Payable:					
Federal Withholding Tax	\$ -	\$ 7,056,733.74	\$ 7,056,733.74	\$ -	\$ -
Social Security	-	5,317,971.08	5,317,971.08	-	-
N.J. Unemployment Tax	15,214.82	174,601.83	140,169.59	(31,616.06)	18,031.00
State Withholding Tax	683.55	2,270,845.03	2,271,528.58	-	-
Disability Insurance	24,105.91	199,854.33	182,308.23	-	41,652.01
Tax Sheltered Annuities	-	2,370,405.17	2,370,405.17	-	-
Colonial - Flex / Dep Care	31,671.11	191,384.50	179,139.23	-	43,916.38
Pension - P.E.R.S.	64,846.27	1,420,252.09	1,427,453.23	-	57,645.13
Pension - T.P.A.F.	471,399.22	4,514,057.32	4,535,983.87	-	449,472.67
Credit Union	-	125,805.52	125,805.52	-	-
Dues	158,228.79	814,654.79	806,305.84	-	166,577.74
State FICA contribution	-	3,453,845.21	3,453,845.21	-	-
Health Contribution (Emp.)	-	3,432,686.46	3,432,686.46	-	-
Health Benefits (Board)	-	6,091,544.13	6,091,544.13	-	-
Mentor	-	1,920.84	-	-	1,920.84
Garnishee	660.00	151,400.57	147,997.44	-	4,063.13
Subtotal	<u>766,809.67</u>	<u>37,587,962.61</u>	<u>37,539,877.32</u>	<u>(31,616.06)</u>	<u>783,278.90</u>
Interfunds Payable	<u>22,266.08</u>	<u>-</u>	<u>-</u>	<u>31,616.06</u>	<u>53,882.14</u>
	<u>\$ 789,075.75</u>	<u>\$ 37,587,962.61</u>	<u>\$ 37,539,877.32</u>	<u>-</u>	<u>\$ 837,161.04</u>

**BOARD OF EDUCATION**  
**SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**NET PAYROLL ACCOUNT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>BALANCE</u> <u>JUNE 30,</u> <u>2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSED</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ _____	\$ 34,697,229.48	\$ 34,697,229.48	\$ _____
Total Assets	_____	<u>34,697,229.48</u>	<u>34,697,229.48</u>	_____
<b><u>LIABILITIES</u></b>				
Accrued Salaries	_____	34,697,229.48	34,697,229.48	_____
Total Liabilities	\$ _____	<u>\$ 34,697,229.48</u>	<u>\$ 34,697,229.48</u>	\$ _____

**LONG-TERM DEBT**

**SECTION - I**

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
GENERAL LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	RETIRED	BALANCE
			DATE	AMOUNT		JUNE 30, 2016		JUNE 30, 2017
School Refunding Bonds, Series 2004	2/1/2004	\$ 9,015,000				\$ 820,000.00	\$ 820,000.00	\$
Columbia, Middle Schools and Elementary Schools - Various School Rehabilitation	3/21/2005	9,990,000	3/1/2018	810,000.00	4.250%	1,110,000.00	300,000.00	810,000.00
Columbia, Middle Schools, Elementary Schools and Admin Building - Improvement Projects	3/13/2008	11,975,000	1/15/2018	475,000.00	4.500%	765,000.00	290,000.00	475,000.00
School Refunding Bonds, Series 2011	8/11/11	6,230,000	11/1/2017	400,000.00	4.000%	4,935,000.00	400,000.00	4,535,000.00
			11/1/2018-2019	400,000.00	5.000%			
			11/1/2020-2022	405,000.00	5.000%			
			11/1/2023	405,000.00	4.000%			
			11/1/2024-2026	430,000.00	5.000%			
			11/1/2027	425,000.00	5.000%			
School Bonds, Series 2012 (District-wide Roofing, Mechanical Upgrades, Bathroom Renovations, Auditorium Ventilation Upgrades, Sidewalks & Parking Lots Addition to Maplewood Middle School Alterations to Montrose School South Orange Middle School Science Lab Various Renovations & Improv. To CHS)	2/23/12	13,858,000	3/1/2018	758,000.00	2.300%	12,508,000.00	550,000.00	11,958,000.00
			3/1/2019-2021	800,000.00	2.000%			
			3/1/2022-2030	800,000.00	3.000%			
			3/1/2031	800,000.00	3.125%			
			3/1/2032	800,000.00	3.250%			

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
GENERAL LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2017**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2016</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Bonds, Series 2014	3/27/14	5,080,000	3/15/2018	320,000.00	1.250%	4,490,000.00	310,000.00	4,180,000.00
			3/15/2019	330,000.00	2.000%			
			3/15/2020	345,000.00	2.000%			
			3/15/2021	355,000.00	2.000%			
			3/15/2022	365,000.00	2.000%			
			3/15/2023	380,000.00	2.350%			
			3/15/2024	390,000.00	2.350%			
			3/15/2025	405,000.00	2.500%			
			3/15/2026	415,000.00	2.600%			
			3/15/2027	430,000.00	2.600%			
			3/15/2028	445,000.00	2.600%			
			School Refunding Bonds, Series 2015	2/12/15	15,535,000			
1/15/2020	1,295,000.00	4.000%						
1/15/2021	100,000.00	4.000%						
1/15/2021	1,275,000.00	5.000%						
1/15/2022	75,000.00	4.000%						
1/15/2022	1,385,000.00	5.000%						
1/15/2023	420,000.00	4.000%						
1/15/2023	1,125,000.00	5.000%						
1/15/2024	1,640,000.00	5.000%						
1/15/2025	1,720,000.00	5.000%						
1/15/2026	1,675,000.00	5.000%						
1/15/2027	1,705,000.00	4.000%						
1/15/2028	1,890,000.00	4.000%						
						<u>\$ 40,163,000.00</u>	<u>\$ 2,670,000.00</u>	<u>\$ 37,493,000.00</u>



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
BUDGETARY COMPARISON SCHEDULE  
GENERAL LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 3,833,697.00		\$ 3,833,697.00	\$ 3,833,697.00	\$ -
Total Local Sources:	<u>3,833,697.00</u>		<u>3,833,697.00</u>	<u>3,833,697.00</u>	<u>-</u>
State Aid - Debt Service	<u>308,337.00</u>		<u>308,337.00</u>	<u>308,337.00</u>	<u>-</u>
Total - State Sources	<u>308,337.00</u>		<u>308,337.00</u>	<u>308,337.00</u>	<u>-</u>
Total Revenues	<u>4,142,034.00</u>		<u>4,142,034.00</u>	<u>4,142,034.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Bond Principal	2,670,000.00		2,670,000.00	2,670,000.00	-
Bond Interest	<u>1,482,635.00</u>		<u>1,482,635.00</u>	<u>1,482,635.00</u>	<u>-</u>
Total Regular Debt Service	<u>4,152,635.00</u>		<u>4,152,635.00</u>	<u>4,152,635.00</u>	<u>-</u>
Total Expenditures	<u>4,152,635.00</u>		<u>4,152,635.00</u>	<u>4,152,635.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,601.00)		(10,601.00)	(10,601.00)	-
Fund Balance, July 1	10,601.12		10,601.12	10,601.12	-
Fund Balance, June 30	<u>\$ 0.12</u>	<u>-</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>	<u>\$ -</u>

**STATISTICAL SECTION**

**SECTION – J**

## Financial Trends

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

NET ASSETS/NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30.

	<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>
GOVERNMENTAL ACTIVITIES										
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$3,962,926	\$15,562,144	\$ 16,882,788	\$17,854,746	\$9,033,308	\$11,161,336	\$ 9,575,915	\$16,040,714	\$ 21,095,323	\$ 22,301,302
RESTRICTED	23,085,119	18,891,062	12,826,389	9,379,989	19,268,216	16,522,435	18,065,580	13,469,085	11,875,841	14,101,308
UNRESTRICTED	2,765,976	284,974	679,278	537,029	347,030	(40,962)	(16,847,811)	(17,966,667)	(18,288,008)	(19,763,888)
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS/POSITION	<u>29,814,021</u>	<u>34,738,180</u>	<u>30,388,455</u>	<u>27,771,764</u>	<u>28,648,554</u>	<u>27,642,810</u>	<u>10,793,684</u>	<u>11,543,131</u>	<u>14,683,156</u>	<u>16,638,722</u>
BUSINESS-TYPE ACTIVITIES										
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	23,727	164,604	144,409	271,545	246,288	225,731	205,173	179,451	179,317	138,830
RESTRICTED										
UNRESTRICTED	680,663	604,803	495,599	441,402	550,880	619,799	679,832	610,202	513,100	704,327
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS/POSITION	<u>704,390</u>	<u>769,407</u>	<u>640,008</u>	<u>712,947</u>	<u>797,168</u>	<u>845,530</u>	<u>885,005</u>	<u>789,653</u>	<u>692,417</u>	<u>843,158</u>
DISTRICT- WIDE										
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	3,986,653	15,726,748	17,027,197	18,126,291	9,279,596	11,387,067	9,781,089	16,220,165	21,274,641	22,440,133
RESTRICTED	23,085,119	18,891,062	12,826,389	9,379,989	19,268,216	16,522,435	18,065,580	13,469,085	11,875,841	14,101,308
UNRESTRICTED	3,446,639	889,777	1,174,877	978,430	897,910	578,837	(16,167,979)	(17,356,465)	(17,774,908)	(19,059,561)
TOTAL DISTRICT NET ASSETS/POSITION	<u>30,518,411</u>	<u>35,507,587</u>	<u>31,028,463</u>	<u>28,484,710</u>	<u>29,445,722</u>	<u>28,488,339</u>	<u>11,678,689</u>	<u>12,332,784</u>	<u>15,375,573</u>	<u>17,481,880</u>

\* Reflects implementation of GASB Statement No. 68.

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

CHANGES IN NET ASSETS/NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30,

	<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>
<u>EXPENSES</u>										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$29,128,062	\$ 29,477,570	\$36,695,649	\$33,339,567	\$33,833,756	\$ 35,474,874	\$ 37,145,938	\$ 36,484,007	\$ 36,506,734	\$ 35,264,146
SPECIAL EDUCATION	7,781,338	8,300,549	9,999,322	10,669,734	12,053,984	11,153,158	11,537,515	11,352,097	12,162,288	13,273,109
OTHER SPECIAL INSTRUCTION	1,689,596	1,947,273	2,238,069	2,200,605	2,211,868	2,052,897	1,775,414	1,717,232	1,723,872	1,768,948
OTHER INSTRUCTION	917,221	1,012,160	1,118,056	1,028,358	1,186,800	1,108,479	1,165,760	1,120,373	1,265,473	1,148,002
NONPUBLIC SCHOOL PROGRAMS	-	-	-	-	-	-	-	-	-	-
SUPPORT SERVICES:										
COMMUNITY SERVICE PROGRAMS	35,079	91,710	134,870	-	-	-	-	-	-	-
TUITION	7,375,513	8,639,232	8,328,878	8,213,151	8,022,096	9,585,237	8,539,915	9,858,975	10,983,798	12,442,167
STUDENT & INST. RELATED SERVICES	11,019,349	12,299,547	12,692,494	12,469,065	13,195,842	12,361,373	12,962,612	12,811,626	12,885,353	12,266,153
SCHOOL ADMINISTRATION SERVICES	6,156,394	5,982,499	7,321,216	4,568,840	4,886,801	4,856,641	4,997,387	4,777,984	5,026,322	4,882,038
GENERAL & BUSINESS ADMIN. SERVICES	1,514,304	2,000,706	1,581,377	4,744,345	3,269,586	3,593,123	3,974,176	3,542,331	3,424,772	3,771,286
PLANT OPERATION AND MAINTENANCE	12,557,494	12,804,947	12,337,146	11,109,805	11,561,015	12,507,940	13,163,428	12,978,531	11,976,463	13,669,091
PUPIL TRANSPORTATION	4,965,339	4,950,166	4,411,418	4,187,246	4,466,756	4,288,427	4,476,745	5,129,751	5,128,711	5,228,746
BUSINESS & OTHER SUPPORT SERVICES	20,114,203	14,522,443	19,161,217	-	-	-	-	-	-	-
UNALLOCATED BENEFITS	-	-	-	20,375,254	20,901,027	23,725,694	23,599,821	25,496,099	27,832,410	29,248,827
SPECIAL SCHOOLS	-	-	-	41,721	109,933	225,577	205,055	345,050	333,339	263,831
TRANSFER TO CHARTER SCHOOL	-	34,280	10,957	-	-	-	-	-	-	-
INTEREST ON LONG TERM DEBT	1,350,612	1,571,420	1,695,615	1,540,710	1,522,773	1,730,517	1,680,406	1,708,774	1,179,056	1,087,854
BOND ISSUE COSTS	-	-	-	-	-	-	-	115,556	-	-
UNALLOCATED DEPRECIATION	958,406	1,315,398	2,145,655	2,043,226	2,239,487	2,349,844	2,287,569	2,719,267	2,676,469	2,748,029
CAPITAL OUTLAYS	3,244,438	174,953	110,350	-	-	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>108,807,348</u>	<u>105,124,853</u>	<u>119,982,289</u>	<u>116,531,628</u>	<u>119,461,724</u>	<u>125,013,781</u>	<u>127,511,742</u>	<u>130,157,652</u>	<u>133,105,060</u>	<u>137,062,227</u>
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	1,678,655	1,807,416	2,101,139	1,868,829	1,951,781	2,004,728	2,023,553	2,094,289	2,166,949	2,060,320
OTHER	-	-	-	-	-	-	-	-	-	221,691
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>1,678,655</u>	<u>1,807,416</u>	<u>2,101,139</u>	<u>1,868,829</u>	<u>1,951,781</u>	<u>2,004,728</u>	<u>2,023,553</u>	<u>2,094,289</u>	<u>2,166,949</u>	<u>2,282,011</u>
TOTAL DISTRICT EXPENSES	<u>110,486,003</u>	<u>106,932,269</u>	<u>122,083,428</u>	<u>118,400,457</u>	<u>121,413,505</u>	<u>127,018,509</u>	<u>129,535,295</u>	<u>132,251,941</u>	<u>135,272,009</u>	<u>139,344,238</u>
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES:										
OPERATING GRANTS AND CONTRIBUTIONS	-	-	-	13,442,042	16,449,597	18,506,185	18,756,585	19,596,194	21,342,238	21,683,549
CAPITAL GRANTS AND CONTRIBUTIONS	2,822,489	1,593,528	4,199,929	-	-	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	<u>2,822,489</u>	<u>1,593,528</u>	<u>4,199,929</u>	<u>13,442,042</u>	<u>16,449,597</u>	<u>18,506,185</u>	<u>18,756,585</u>	<u>19,596,194</u>	<u>21,342,238</u>	<u>21,683,549</u>

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

CHANGES IN NET ASSETS/NET POSITION  
LAST NINE FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>BUSINESS-TYPE ACTIVITIES</b>										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 1,178,485	\$ 1,215,663	\$ 1,268,938	\$ 1,223,792	\$ 1,262,004	\$ 1,273,417	\$ 1,280,673	\$ 1,188,365	\$ 1,281,564	\$ 1,383,191
OTHER										265,254
OPERATING GRANTS AND CONTRIBUTIONS	586,524	656,770	702,802	734,030	773,999	779,673	782,356	804,303	788,150	784,307
CAPITAL GRANTS AND CONTRIBUTIONS										
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	1,765,009	1,872,433	1,971,740	1,957,822	2,036,003	2,053,090	2,063,029	1,992,668	2,069,714	2,432,751
TOTAL DISTRICT PROGRAM REVENUE	4,587,498	3,465,961	1,971,740	1,957,822	2,036,003	2,053,090	2,063,029	1,992,668	2,069,714	2,432,751
<b>NET (EXPENSE)/ REVENUE:</b>										
GOVERNMENTAL ACTIVITIES	(105,984,859)	(103,531,325)	(115,782,360)	(103,089,586)	(103,012,127)	(106,507,596)	(108,755,157)	(110,561,458)	(111,762,822)	(115,378,678)
BUSINESS - TYPE ACTIVITIES	86,354	65,017	(129,399)	88,993	84,221	48,362	39,476	(101,620)	(97,235)	150,740
TOTAL DISTRICT - WIDE NET EXPENSE	(105,898,505)	(103,466,308)	(115,911,759)	(103,000,593)	(102,927,906)	(106,459,235)	(108,715,681)	(110,663,078)	(111,860,058)	(115,227,938)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION</b>										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	86,724,181	90,709,873	94,670,065	98,000,243	99,960,248	101,959,453	104,473,642	106,563,115	109,134,877	111,726,677
TAXES LEVIED FOR DEBT SERVICE	2,953,492	3,436,650	3,223,541	3,301,184	3,258,423	3,324,625	3,890,933	3,936,160	3,688,091	3,833,697
UNRESTRICTED GRANTS AND CONTRIUTIONS	15,303,726	13,324,134	13,079,576	402,621	45,920		106,233	514,030	1,590,412	903,112
TUITION RECEIVED	30,579	22,720	90,247	20,335	106,089	74,465				299,967
INVESTMENT EARNINGS	699,629	386,127	5,835	-	-	-	-	-	-	-
MISCELLANEOUS INCOME	1,468,378	575,980	363,370	175,273	518,237	143,309	437,986	297,609	489,467	570,791
EXTRAORDINARY ITEMS	(1,358,075)	-	-	(361,969)						
TOTAL GOVERNMENTAL ACTIVITIES	105,821,910	108,455,484	111,432,634	101,537,687	103,888,916	105,501,852	108,908,794	111,310,914	114,902,847	117,334,244
TOTAL DISTRICT WIDE	105,821,910	108,455,484	111,432,634	101,537,687	103,888,916	105,501,852	108,908,794	111,310,914	114,902,847	117,334,244
CHANGE IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES	(162,949)	4,924,159	(4,349,726)	(1,551,899)	876,789	(1,005,744)	153,637	749,456	3,140,025	1,955,566
BUSINESS-TYPE ACTIVITIES	86,354	65,017	(129,399)	88,993	84,221	48,362	39,476	(101,620)	(97,235)	150,740
TOTAL DISTRICT	(76,595)	4,989,176	(4,479,125)	(1,462,905)	961,010	(957,382)	193,113	647,836	3,042,789	2,106,306

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

FUND BALANCE, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
FISCAL YEAR ENDING JUNE 30,

	<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>
<u>GOVERNMENTAL FUND</u>										
RESERVED	\$ 6,938,606	\$ 9,672,350	\$ 6,365,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNRESERVED	1,577,808	284,974	679,278	-	-	-	-	-	-	-
TOTAL GENERAL FUND	<u>8,516,414</u>	<u>9,957,324</u>	<u>7,045,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>										
RESERVED	-	-	-	-	-	-	-	-	-	-
UNRESERVED REPORTED IN:										
SPECIAL REVENUE FUND	1,188,168	530,029	390,485	-	-	-	-	-	-	-
CAPITAL PROJECT FUND	16,146,391	8,688,557	6,069,848	-	-	-	-	-	-	-
DEBT SERVICE FUND	122	126	63	-	-	-	-	-	-	-
PERMANENT FUND	-	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>17,334,681</u>	<u>9,218,712</u>	<u>6,460,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>GOVERNMENTAL FUNDS:</u>										
RESTRICTED FOR:										
EXCESS SURPLUS - CURRENT YEAR				\$ 1,517,905	\$ 2,452,272	\$ 1,949,406	\$ 2,471,003	\$ 2,275,894	\$ 2,389,338	\$ 2,389,338
EXCESS SURPLUS - PRIOR YEAR - DESIGNATED FOR SUBSEQUENT YEAR EXPENDITURES				1,023,192	1,517,905	2,152,272	1,949,406	2,471,003	2,275,894	2,389,338
CAPITAL RESERVE ACCOUNT				669,936	669,936	804,936	715,936	1,315,936	1,977,406	1,845,184
MAINTENANCE RESERVE ACCOUNT										1,000,000
COMMITTED TO:										
YEAR END ENCUMBRANCES				1,014,841	1,508,912	1,538,157	1,197,424	1,607,066	1,848,073	1,905,619
ASSIGNED TO:										
CAPITAL PROJECTS				5,102,940	13,068,030	10,077,615	11,731,735	5,788,584	3,385,129	4,571,828
UNASSIGNED:										
GENERAL FUND				1,458,237	1,442,545	1,032,985	1,174,227	1,141,862	970,781	1,021,228
SPECIAL REVENUE FUND				(5,940)	-	-	(5,940)	(5,940)	(5,940)	(5,940)
DEBT SERVICE									10,601	0
TOTAL FUND BALANCES				<u>10,832,286</u>	<u>20,710,761</u>	<u>17,555,421</u>	<u>19,233,790</u>	<u>14,605,006</u>	<u>12,851,282</u>	<u>15,116,596</u>

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NOTE: FOR YEARS COMMENCING WITH THE 2010-2011 SCHOOL YEAR, THE PROVISIONS OF GASB STATEMENT NO. 54 WERE APPLICABLE

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

CHANGE IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
YEARS ENDING JUNE 30

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
TAX LEVY	\$ 89,677,673	\$ 94,146,523	\$ 97,893,606	\$101,301,427	\$ 103,218,671	\$ 105,284,078	\$ 108,364,575	\$110,499,275	\$ 112,822,968	\$ 115,560,374
TUITION CHARGES	30,579	22,720	90,247	20,335	106,089	74,465				299,967
INTEREST EARNINGS	699,629	386,127	5,835							
MISCELLANEOUS	1,468,378	575,980	363,370	124,111	518,237	143,309	438,055	150,776	489,467	
LOCAL SOURCES				202,051	14,238,910	187,334	374,813	146,833	404,229	694,420
STATE SOURCES	16,314,451	13,724,064	13,423,718	11,188,457	13,078,971	16,136,438	15,645,143	17,335,439	20,124,619	19,726,459
FEDERAL SOURCES	1,811,764	1,193,598	3,855,787	2,505,316	3,035,636	2,182,413	2,842,862	2,774,785	2,403,801	2,736,573
TOTAL REVENUES	110,002,474	110,049,012	115,632,563	115,341,697	134,196,514	124,008,037	127,665,448	130,907,108	136,245,085	139,017,793
<b>EXPENDITURES</b>										
INSTRUCTION										
REGULAR INSTRUCTION	26,937,001	28,836,706	33,136,967	33,137,954	33,581,222	35,200,465	36,873,779	36,250,455	36,293,144	35,050,556
SPECIAL EDUCATION INSTRUCTION	7,780,523	8,299,660	9,998,914	10,700,833	12,053,984	11,153,158	11,537,515	11,352,097	12,162,288	13,273,109
OTHER SPECIAL INSTRUCTION	1,687,783	1,945,718	2,237,001	2,200,194	2,211,449	2,052,510	1,775,414	1,716,845	1,723,485	1,768,561
OTHER INSTRUCTION	912,121	962,837	998,711	1,031,755	1,053,849	988,906	1,078,797	1,111,781	1,256,881	1,139,410
SUPPORT SERVICES										
COMMUNITY SERVICE PROGRAM	35,079	91,710	134,870							
TUITION	7,375,513	8,639,232	8,328,878	8,213,151	8,022,096	9,585,237	8,539,915	9,858,975	10,983,798	12,442,167
STUDENT & INST. RELATED SERVICES	10,284,822	11,438,135	11,825,807	12,469,065	13,195,842	12,361,373	12,962,612	12,811,626	12,885,353	12,266,153
GENERAL ADMINISTRATION	1,479,171	5,819,386	7,193,683	4,678,036	3,191,041	3,519,466	3,932,378	3,459,177	3,341,618	4,879,690
SCHOOL ADMINISTRATIVE SERVICES	6,000,312	1,955,608	1,511,428	4,454,522	4,823,679	4,846,494	4,988,727	4,775,636	5,023,974	3,688,132
PLANT OPERATIONS AND MAINTENANCE	12,407,965	12,618,512	12,122,626	10,981,719	11,338,241	12,318,764	12,999,723	12,829,800	11,827,732	13,520,360
PUPIL TRANSPORTATION	4,857,210	4,838,581	4,326,498	4,297,271	4,391,603	4,226,787	4,471,907	5,081,904	5,080,864	5,162,911
EMPLOYEE BENEFITS	20,104,451	17,750,590	19,155,143	20,456,136	20,901,027	23,725,694	23,599,821	25,407,618	27,490,074	27,515,493
TRANSFER TO CHARTER SCHOOLS		34,280	10,957	41,721	109,933	225,577	205,055	345,050	333,339	263,831
CAPITAL OUTLAY										
SPECIAL REVENUE FUNDS	4,430,190	7,515,499	2,366,677	1,056,842	5,942,594	3,182,501	3,977,916	6,373,732	5,476,818	1,629,470
DEBT SERVICE:										
PRINCIPAL	1,803,002	1,836,343	2,130,781	2,002,714	2,070,006	2,027,855	2,441,097	2,470,000	2,595,000	2,670,000
INTEREST	1,195,927	1,600,303	1,624,063	1,540,710	1,459,562	1,748,590	1,682,354	1,817,344	1,524,440	1,482,635
TOTAL EXPENDITURES	110,238,187	116,724,071	121,302,933	117,262,625	124,346,129	127,163,377	131,067,011	135,662,040	137,998,808	136,752,479
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(235,713)	(6,675,059)	(5,670,370)	(1,920,927)	9,850,385	(3,155,340)	(3,401,563)	(4,754,932)	(1,753,724)	2,265,314
<b>OTHER FINANCING SOURCES (USES)</b>										
PROCEEDS FROM BORROWING	11,975,000	-	-	-	-	-	5,080,000	-	-	-
CAPITAL LEASES (NON-BUDGETED)	-	-	-	-	-	-	-	-	-	-
NET PROCEEDS FROM REFUNDING	-	-	-	-	28,091	-	-	126,157	-	-
TRANSFERS IN	-	-	-	51,162	-	-	433,138	-	1,277,627	1,900,000
TRANSFERS OUT	-	-	-	(51,162)	-	-	(433,138)	-	(1,277,627)	(1,900,000)
EXTRAORDINARY ITEMS	(1,358,705)	-	-	(361,969)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USE)	10,616,295	-	-	(361,969)	28,091	-	5,080,000	126,157	-	-
NET CHANGE IN FUND BALANCES	10,380,582	(6,675,059)	(5,670,370)	(2,282,896)	9,878,476	(3,155,340)	1,678,437	(4,628,774)	(1,753,724)	2,265,314
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	1.70%	1.68%	1.79%	1.72%	1.75%	1.64%	1.92%	1.91%	1.96%	1.98%



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

GENERAL FUND - OTHER LOCAL REVENUE SOURCE  
LAST TEN FISCAL YEARS (UNAUDITED)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>FISCAL YEAR</u> <u>ENDING JUNE 30.</u>	<u>TUITION</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>SPECIAL PROJ.</u> <u>DONATIONS</u>	<u>RENTALS</u>	<u>MISC.</u>	<u>TOTAL</u>
2007	\$ -	\$ 1,022,409	\$ 104,497	\$ 26,275	\$ 46,888	\$ 1,200,069
2008	30,579	699,629	1,328,209	73,117	66,752	2,198,286
2009	22,720	386,127	289,304	51,937	234,739	984,827
2010	90,247	5,835	271,729	63,638	170,161	601,610
2011	20,335				124,111	144,446
2012	106,089				518,237	624,325
2013	74,465				143,309	217,774
2014					438,055	438,055
2015					150,776	150,776
2016					489,467	489,467
2017	299,967					299,967

## Revenue Capacity

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (UNAUDITED)

YEAR ENDING DECEMBER 31	VACANT LAND	RESIDENT	FARM REG	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	MEMO TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL EQUALIZED VALUE	TOTAL SCHOOL DISTRICT TAX RATE
<u>MAPLEWOOD TOWNSHIP</u>													
2008	\$ 4,408,500	\$ 1,843,762,400	\$ -	\$ -	\$ 182,742,100	\$ 13,710,500	\$ 10,375,200	\$ 2,054,998,700	N/A	\$ 991,180	\$ 2,055,989,880	\$ 3,897,209,748	\$ 1.353
2009	4,390,800	1,845,206,600	-	-	181,895,900	13,710,500	10,919,400	2,056,123,200	N/A	2,204,262	2,058,327,462	3,913,762,201	1.410
2010	4,390,800	1,837,269,000	-	-	180,627,200	13,710,500	11,110,500	2,047,108,000	N/A	1,240,664	2,048,348,664	3,929,721,019	2.805
2011	6,569,100	2,908,719,100	-	-	315,120,400	26,078,700	22,389,100	3,278,876,400	N/A	2,491,541	3,281,367,941	3,687,936,511	1.797
2012	8,461,000	2,899,300,000	-	-	309,098,700	25,299,700	22,931,000	3,265,090,400		1,901,383	3,266,991,783	3,587,942,459	1.841
2013	8,958,800	2,715,373,800	-	-	285,140,500	22,211,700	26,660,300	3,058,345,100		2,850,177	3,061,195,277	3,398,747,468	2.002
2014	9,257,000	2,718,165,900	-	-	282,472,200	22,172,700	31,829,300	3,063,897,100		2,250,265	3,066,147,365	3,309,030,180	2.041
2015	9,402,000	2,723,007,400	-	-	278,290,000	20,903,900	31,777,700	3,063,381,000		2,258,430	3,065,639,430	3,405,509,698	2.082
2016	10,269,800	2,728,132,000	-	-	252,317,600	24,988,300	38,996,200	3,054,703,900		2,278,820	3,056,982,720	3,486,919,950	2.135
2017	11,638,600	3,416,436,700	-	-	332,822,400	37,888,000	50,172,600	3,848,958,300		2,639,093	3,851,597,393	3,851,597,393	1.761
<u>SOUTH ORANGE VILLAGE</u>													
2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 2,866,442,315	\$ 2,837,322,389	\$ 1.381
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,863,865,102	2,844,003,166	1.430
2010	\$26,287,400	\$ 2,535,942,040	\$ -	\$ -	\$ 192,650,300	\$ 3,135,000	\$ 72,887,900	\$ 2,830,902,640	\$ 623,276,900	\$ 5,842,687	2,836,745,327	2,816,929,008	1.486
2011	25,661,900	2,508,461,740	-	-	186,693,000	3,135,000	72,593,800	2,796,545,440	657,327,700	6,315,009	2,802,860,449	2,735,211,354	1.546
2012	10,029,500	2,010,018,400	-	-	152,719,400	2,237,700	67,451,700	2,242,456,700	606,292,500	6,114,732	2,248,571,432	2,662,424,513	1.962
2013	10,029,500	2,011,927,600	-	-	152,096,600	2,237,700	67,304,900	2,243,596,300	605,816,100	4,880,971	2,248,477,271	2,530,600,097	0.020
2014	9,993,900	2,008,258,300	-	-	150,548,800	2,202,700	66,661,600	2,237,665,300	605,870,600	4,295,762	2,241,961,062	2,507,505,941	2.090
2015	8,099,500	2,003,294,500	-	-	152,753,700	2,202,700	66,251,600	2,232,602,000	616,559,400	4,038,556	2,236,640,556	2,559,085,304	2.139
2016	7,595,500	2,006,957,800	-	-	149,833,700	2,166,600	64,209,600	2,230,763,200	669,595,300	4,168,303	2,234,931,503	2,624,997,635	2.190
2017	19,209,700	2,541,976,600	-	-	196,613,300	4,089,400	71,884,000	272,586,700	978,972,400	4,926,562	2,833,773,000	2,833,733,000	1.752

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS (UNAUDITED)  
(RATE PER \$100 OF ASSESSED VALUE)

FISCAL YEAR END <u>JUNE, 30</u>	SOUTH ORANGE/MAPLEWOOD SCHOOL DISTRICT			<u>OVERLAPPING RATES</u>			TOTAL DIRECT AND OVERLAPPING <u>TAX RATE</u>
	<u>BASIC</u> <u>RATE</u>	<u>GENERAL</u> <u>OBLIGATION</u> <u>DEBT SERVICE</u>	<u>TOTAL</u> <u>DIRECT</u> <u>SCHOOL</u> <u>TAX RATE</u>	<u>MAPLE-</u> <u>WOOD</u> <u>TWP.</u>	<u>SOUTH</u> <u>ORANGE</u> <u>VILLAGE</u>	<u>ESSEX</u> <u>COUNTY</u>	
<u>MAPLEWOOD TOWNSHIP</u>							
2008	N/A	N/A	\$ 2.564	\$ 1.20		\$ 0.70	\$ 4.46
2009	N/A	N/A	2.681	1.23		0.75	4.66
2010	N/A	N/A	2.805	1.29		0.78	4.88
2011	N/A	N/A	1.797	0.81		0.49	3.10
2012	N/A	N/A	1.841	0.83		0.51	3.19
2013	N/A	N/A	2.002	0.91		0.55	3.46
2014	N/A	N/A	2.041	0.92		0.56	3.52
2015	N/A	N/A	2.082	0.94		0.58	3.60
2016	N/A	N/A	2.135	0.96		0.60	3.70
2017	N/A	N/A	1.761	0.78		0.51	3.05
<u>SOUTH ORANGE VILLAGE</u>							
2008	N/A	N/A	1.367		0.69	0.39	2.45
2009	N/A	N/A	1.430		0.72	0.39	2.54
2010	N/A	N/A	1.490		0.74	0.40	2.63
2011	N/A	N/A	1.546		0.76	0.43	2.73
2012	N/A	N/A	1.962		0.96	0.54	3.47
2013	N/A	N/A	2.025		0.98	0.55	3.55
2014	N/A	N/A	2.090		0.99	0.58	3.66
2015	N/A	N/A	2.139		1.01	0.59	3.74
2016	N/A	N/A	2.190		1.03	0.61	3.83
2017	N/A	N/A	1.752		0.82	0.50	3.07

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

	2008			2017		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DIRECT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DIRECT NET ASSESSED VALUE
<b><u>MAPLEWOOD TOWNSHIP</u></b>						
MARCUS WARD HOMESTEAD				\$ 45,000,000	1	1.17%
MAPLEWOOD COUNTRY CLUB				10,301,000	2	0.27%
GARDENS AT MAPLEWOOD				9,755,100	3	0.25%
MAPLEWOOD URBAN RENE		NOT AVAILABLE		7,950,000	4	0.21%
VAL STATION HOUSE AP CO SILBERT				7,183,600	5	0.19%
WALGREEN CO REAL ESTATE TAX				6,168,700	6	0.16%
V AND F PROPERTIES, LLC				5,831,400	7	0.15%
TITAN MANAGEMENT GROUP LLC				5,174,200	8	0.13%
LLOYD HARBOR ASSOCIATES LLC				5,000,000	9	0.13%
LVP ASSOCIATES LLC				4,595,400	10	0.12%
<b>TOTAL</b>	<b>-</b>		<b>0.00%</b>	<b>\$ 106,959,400</b>		<b>2.78%</b>
ASSESSED VALUATION	\$ 2,055,989,880			\$ 3,851,597,393		
<b><u>SOUTH ORANGE VILLAGE</u></b>						
SOUTH ORANGE PROPERTY				\$ 17,850,200	1	0.63%
WEILL, TR./PATHMARK				8,664,600	2	0.31%
10 N. RIDGEWOOD RD. LLC				8,417,200	3	0.30%
ORANGE EDUCATION FOUNDATION				6,957,900	4	0.25%
CONCORD APTS				6,925,100	5	0.24%
8 & 111 REALTY MANAGEMENT, LLC		NOT AVAILABLE		6,252,200	6	0.22%
ORANGE LAWN COUNTRY CLUB				5,829,300	7	0.21%
VOSE AVE. PROPERTY				4,874,500	8	0.17%
HALSEY GARDENS 258 LLC				4,400,000	9	0.16%
SO MTN HOLDINGS LLC				4,372,400	10	0.15%
<b>TOTAL</b>	<b>\$ -</b>		<b>0.00%</b>	<b>\$ 74,543,400</b>		<b>2.63%</b>
ASSESSED VALUATION	\$ 1,014,214,000			\$ 2,838,699,562		

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

PROPERTY TAX LEVIES AND COLLECTIONS  
FOR THE LAST TEN YEARS (UNAUDITED)

<u>YEAR ENDED DECEMBER 31,</u>	<u>TAXES LEVIED FOR THE YEAR</u>	<u>COLLECTED FOR THE YEAR</u>	<u>PERCENTAGE OF LEVY</u>	<u>COLLECTION IN SUBSEQUENT YEARS*</u>
<b>MAPLEWOOD TOWNSHIP</b>				
2007	\$ 86,977,159	\$ 85,973,033	98.78%	N/A
2008	92,119,125	91,038,467	98.82%	N/A
2009	96,108,000	94,216,909	98.04%	N/A
2010	100,094,013	98,183,127	98.09%	N/A
2011	102,031,609	100,385,212	98.39%	N/A
2012	104,450,823	102,140,491	97.79%	N/A
2013	106,289,445	105,052,843	98.84%	N/A
2014	108,406,480	106,806,631	98.52%	N/A
2015	110,773,226	109,475,414	98.83%	N/A
2016	113,174,060	111,584,156	98.60%	N/A
<b>SOUTH ORANGE VILLAGE</b>				
2007	66,095,066	65,316,760	98.82%	N/A
2008	70,068,207	69,199,375	98.76%	N/A
2009	72,526,155	71,706,121	98.87%	N/A
2010	74,606,675	73,010,281	97.86%	N/A
2011	76,553,520	75,018,467	97.99%	N/A
2012	77,996,174	77,111,671	98.87%	N/A
2013	79,971,806	78,924,166	98.69%	N/A
2014	82,178,085	81,114,513	98.71%	N/A
2015	83,655,196	82,559,313	98.69%	N/A
2016	85,531,963	84,566,569	98.87%	N/A

\* - New Jersey School Taxes are levied and collected by the constituent municipalities that comprise the District. All New Jersey school districts are entitled to full payment of school taxes levied by the close of the school year for which the taxes were levied. Payments follow statutory or negotiated payment schedules.

## Debt Capacity

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (UNAUDITED)

FISCAL YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	<u>GOVERNMENTAL ACTIVITIES</u>			<u>BUSINESS TYPE ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
		CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	BOND ANTICIPATION NOTES	CAPITAL LEASES				
2008	\$ 40,140,795	\$ -	\$ -	\$ -	\$ -	\$ 40,140,795	N/A	\$ 1,062	
2009	38,304,452	-	-	-	-	38,304,452	N/A	1,008	
2010	36,173,671	-	-	-	-	36,173,671	N/A	952	
2011	34,170,957	-	-	4,555,753	-	38,726,710	N/A	966	
2012	45,716,952	-	-	-	-	45,716,952	N/A	1,139	
2013	43,689,097	-	-	-	-	43,689,097	N/A	1,082	
2014	46,328,000	-	-	-	-	46,328,000	N/A	1,136	
2015	42,758,000	-	-	-	-	42,758,000	N/A	1,042	
2016	40,163,000	-	-	-	-	40,163,000	N/A	978	
2017	37,493,000	-	-	-	-	37,493,000	N/A	916	



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>FISCAL YEAR</u> <u>ENDING JUNE 30.</u>	<u>GENERAL</u> <u>OBLIGATION</u> <u>BONDS</u>	<u>DEDUCTIONS</u>	<u>NET GENERAL</u> <u>BONDED DEBT</u> <u>OUTSTANDING</u>	<u>PERCENTAGE OF</u> <u>ACTUAL TAXABLE</u> <u>VALUE OF</u> <u>PROPERTY</u>	<u>PER</u> <u>CAPITA</u>
2008	\$ 40,140,795		\$ 40,140,795	0.815%	\$1,062
2009	38,304,452		38,304,452	0.566%	1,008
2010	36,173,671		36,173,671	0.739%	952
2011	34,170,957		34,170,957	1.184%	966
2012	45,716,952		45,716,952	0.751%	1,139
2013	43,689,097		43,689,097	0.823%	1,082
2014	46,328,000		46,328,000	0.874%	1,136
2015	42,758,000		42,758,000	0.716%	1,042
2016	40,163,000		40,163,000	0.672%	978
2017	37,493,000		37,493,000	0.627%	916

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2017 (UNAUDITED)

GOVERNMENTAL UNIT	<u>DEBT</u> <u>OUTSTANDING</u>	<u>ESTIMATED</u> <u>PERCENTAGE</u> <u>APPLICABLE</u>	<u>ESTIMATED</u> <u>SHARE OF</u> <u>OVERLAPPING</u> <u>DEBT</u>
DEBT REPAYED WITH PROPERTY TAXES			
SOUTH ORANGE VILLAGE	\$ 51,693,256	100.00%	\$ 51,693,256
MAPLEWOOD TOWNSHIP	35,079,214	100.00%	35,079,214
ESSEX COUNTY (Net)	463,895,105	7.23%	33,539,616
OTHER DEBT (NONE)			<u>0</u>
SUBTOTAL OVERLAPPING DEBT			120,312,087
BOARD OF EDUCATION DIRECT DEBT			<u>40,163,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 160,475,087</u>

**Note** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses situated within the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS (UNAUDITED)

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2017 (As of December 31, 2016 per statute)  
EQUALIZED VALUATION BASIS

		<u>MAPLEWOOD</u>		<u>SO. ORANGE</u>		<u>COMBINED</u>
	2016	\$ 3,403,573,761	\$	2,560,257,780	\$	5,963,831,541
	2015	3,494,218,547		2,617,966,698		6,112,185,245
	2014	3,403,573,761		2,560,257,780		5,963,831,541
						<u>18,039,848,327</u>
AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY						<u>6,013,282,776</u>
DEBT LIMIT (4% X )						240,531,311
TOTAL DEBT APPLICABLE TO LIMIT						<u>37,493,000</u>
LEGAL DEBT MARGIN						<u>\$ 203,038,311</u>

<u>YEAR</u>	<u>DEBT LIMIT</u>		<u>TOTAL DEBT APPLICABLE TO LIMIT</u>		<u>LEGAL DEBT MARGIN</u>	<u>PERCENTAGE OF DEBT LIMIT</u>
2007	\$ 222,643,434	\$	40,140,795	\$	182,502,639	18.029%
2008	260,429,796		38,304,452		222,125,344	14.708%
2009	268,176,042		36,173,671		232,002,371	13.489%
2010	265,994,913		38,726,710		227,268,203	14.559%
2011	259,632,628		45,716,952		213,915,676	17.608%
2012	248,180,803		43,689,097		204,491,706	17.604%
2013	239,726,237		46,328,000		193,398,237	19.325%
2014	235,812,514		42,758,000		193,054,514	18.132%
2015	238,479,487		40,163,000		198,316,487	16.841%
2016	240,531,311		37,493,000		203,038,311	15.588%

## Demographic and Economic Information

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME*</u>	<u>UNEMPLOYMENT RATE</u>
<u>MAPLEWOOD TOWNSHIP</u>				
2006	22,377	N/A	49,158	4.2%
2007	22,091	N/A	51,568	3.8%
2008	21,933	N/A	53,136	4.6%
2009	21,985	N/A	51,288	9.2%
2010	23,881	N/A	53,324	N/A
2011	24,007	N/A	55,014	8.8%
2012	24,030	N/A	55,404	9.1%
2013	24,581	N/A	55,692	6.7%
2014	24,657	N/A	58,319	5.2%
2015	24,700	N/A	60,030	4.6%
2016	24,634	N/A	N/A	3.9%
<u>SOUTH ORANGE VILLAGE</u>				
2006	16,146	N/A	49,158	4.5%
2007	15,979	N/A	51,568	4.0%
2008	15,865	N/A	53,136	5.0%
2009	16,018	N/A	51,288	9.8%
2010	16,207	N/A	53,324	N/A
2011	16,274	N/A	55,014	9.4%
2012	16,286	N/A	55,404	9.7%
2013	16,323	N/A	55,692	5.4%
2014	16,362	N/A	58,319	4.9%
2015	16,380	N/A	60,030	4.3%
2016	16,319	N/A	N/A	3.7%

\*-Amounts reported are for the County of Essex, as no sub-county estimates are available

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

<u>EMPLOYERS</u>	<u>2017</u>			<u>2008</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A
NOT AVAILABLE	N/A	N/A	N/A	N/A	N/A	N/A

## Operating Information

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	370.98	387.5	404.28	398.78	398.88	402.8	401.43	398.53	399.04	399.36
Special Education	80.84	83.84	108.86	104.91	111.49	110.32	106.72	103.84	103.28	113.54
Other Special Education										
Vocational										
Other Instruction	30.7	32.02	30.75	29.1	28.97	28.8	29.3	30.3	28.3	28.7
Nonpublic School Programs										
Adult/Continuing Education										
Support Services										
Student & Instruction Related Services	190.1	191	202.8	117.17	115.1	111.2	110.4	110.4	108.4	108.9
General Administration	9	8	9	9	10.5	9	9	9	9	9
School Administrative Services	52.4	48.6	49.6	50.6	51.6	48	48	47	45	45
Other Administrative Services										
Central Services	11	11	10	10	10	10	10	10	11	11
Administrative Information Technology	4	4	4	3	3	4	4	4	5	5
Plant Operations and Maintenance	9.5	10.5	10.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Pupil Transportation	16.4	16.1	16.1	16.1	16.1	14.8	14.5	14.0	14.0	14.0
Other Support Services										
Special Schools-ETTC										
Food Service	1	1	1	1	1	1	1	1	1	1
Child Care										
<b>Total</b>	<b>775.92</b>	<b>793.56</b>	<b>846.89</b>	<b>749.16</b>	<b>756.14</b>	<b>749.42</b>	<b>743.85</b>	<b>737.57</b>	<b>733.52</b>	<b>745.00</b>



BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

OPERATING STATISTICS  
LAST TEN FISCAL YEARS UNAUDITED

FISCAL YEAR ENDING JUNE 30	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2007	6,209	\$ 89,029,686	\$ 14,339	11.00%	482	11-1	10-1	11-1	6,112	5,805	-1.44%	95.00%
2008	6,215	90,765,942	14,604	2.34%	483	11-1	11-1	11-1	6,089	5,783	-0.38%	95.00%
2009	6,308	96,422,383	15,286	4.67%	503	11-1	11-1	11-1	6,190	5,889	1.66%	95.10%
2010	6,533	104,138,684	15,940	4.29%	544	11-1	11-1	11-1	6,392	6,070	3.76%	95.00%
2011	6,979	109,920,815	15,750	-1.19%	533	11-1	10-1	10-1	6,471	6,155	1.23%	95.12%
2012	6,671	111,534,629	16,719	6.15%	539	12-1	12-1	12-1	6,509	6,229	0.59%	95.70%
2013	6,520	117,743,827	18,059	8.01%	542	12-1	12-1	12-1	6,610	6,326	1.55%	95.70%
2014	6,756	119,725,396	17,721	-1.87%	537	12-1	12-1	12-1	6,774	6,484	2.48%	95.72%
2015	6,825	122,197,814	17,904	1.03%	533	12-1	12-1	12-1	6,845	6,558	1.05%	95.81%
2016	6,852	126,819,419	18,508	3.37%	531	13-1	13-1	13-1	6,865	6,575	0.29%	95.78%
2017	6,935	130,970,374	18,885	3.27%	542	10-1	11-1	11-1	6,960	6,641	1.00%	95.41%

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
 SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS (UNAUDITED)

	<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>
<b>Elementary</b>										
<b>CLINTON (1923)</b>										
Square Feet	63,071	63,071	63,071	63,071	63,071	63,071	63,071	63,071	63,071	63,071
Capacity	483	483	483	483	483	483	483	483	483	483
Enrollment	462	453	483	510	500	518	557	556	573	578
<b>JEFFERSON (1920)</b>										
Square Feet	71,293	71,293	71,293	71,293	71,293	71,293	71,293	71,293	71,293	71,293
Capacity	498	498	498	498	498	498	498	498	498	498
Enrollment	379	418	433	472	507	544	575	523	489	486
<b>MARSHALL (1920)</b>										
Square Feet	53,297	53,297	53,297	53,297	53,297	53,297	53,297	53,297	53,297	53,297
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	422	443	450	510	485	509	486	533	531	536
<b>SETH BOYDEN (1920)</b>										
Square Feet	74,355	74,355	74,355	74,355	74,355	74,355	74,355	74,355	74,355	74,355
Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	430	482	525	526	514	528	525	540	518	534
<b>SOUTH MOUNTAIN (1931)</b>										
Square Feet	56,230	56,230	56,230	56,230	56,230	56,230	56,230	56,230	56,230	56,230
Capacity	419	419	419	419	419	419	419	419	419	419
Enrollment	367	361	416	468	457	448	447	446	451	449
<b>SO. MOUNTAIN ANNEX (1952)</b>										
Square Feet	19,930	19,930	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300
Capacity	154	154	154	154	154	154	154	154	154	154
Enrollment	202	217	212	145	168	169	152	151	152	152
<b>TUSCAN (1921)</b>										
Square Feet	67,264	67,264	67,264	67,264	67,264	67,264	67,264	67,264	67,264	67,264
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	575	591	620	597	609	617	617	603	639	632

SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS (UNAUDITED)

	<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>
<b><u>Middle School</u></b>										
MAPLEWOOD ( 1902)										
Square Feet	145,754	145,574	145,754	145,754	145,754	145,754	145,754	152,480	152,480	152,480
Capacity	899	899	899	899	899	899	899	1,067	1,067	1,067
Enrollment	666	707	735	734	754	740	798	800	768	762
SO. ORANGE (1954)										
Square Feet	157,112	157,112	157,112	157,112	157,112	157,112	157,112	157,112	157,112	157,112
Capacity	943	943	943	943	943	943	943	943	943	943
Enrollment	666	660	674	681	674	713	782	788	796	805
<b><u>High School</u></b>										
COLUMBIA (1926)										
Square Feet	341,209	341,209	341,209	341,209	341,209	341,209	341,209	341,209	341,209	341,209
Capacity	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161
Enrollment	1,862	1,856	1,866	1,753	1,823	1,834	1,817	1,885	1,854	1,906
MONTROSE ALT. (1920)										
Square Feet	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117
Capacity	220	220	220	220	220	220	220	220	220	220
Enrollment									81	95
<b><u>OTHER</u></b>										
ADMINISTRATION BLDG (1920)										
SQUARE FEET	27,989	27,989	27,989	27,989	27,989	27,989	27,989	27,989	27,989	27,989
MAINTENANCE BLDG (1905)										
SQUARE FEET	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596
UNDERHILL FIELD (1920)										
SQUARE FEET	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,314	4,214
NEW FIELD HOUSE										
SQUARE FEET	3,156	3,156	3,156	3,156	3,156	3,156	3,156	3,156	3,156	3,156

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD

SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

(UNAUDITED)

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

<u>SCHOOL FACILITIES:</u>	PROJECT #	<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>
CLINTON ELEMENTARY	N/A	\$ 105,765	\$ 179,049	\$ 106,182	\$ 111,812	\$ 127,938	\$ 139,244	\$ 141,974	\$ 207,993	\$ 103,174	\$ 115,257
COLUMBIA HIGH SCHOOL	N/A	567,304	640,264	524,558	578,970	1,119,690	1,566,309	1,735,156	503,297	875,173	1,163,906
JEFFERSON ELEMENTARY	N/A	117,975	120,727	87,628	142,118	203,282	187,046	225,452	233,066	123,687	161,100
MAPLEWOOD MIDDLE SCHOOL	N/A	258,270	211,508	148,198	235,337	298,477	382,555	389,427	1,137,858	268,823	411,372
MARSHALL ELEMENTARY	N/A	120,725	131,844	100,052	142,315	96,454	152,222	132,682	216,830	185,027	276,493
MONTROSE ELEMENTARY	N/A	35,291	39,479	48,609	25,410	20,450	6,518	83,318	45,869	106,725	65,319
SETH BOYDEN ELEMENTARY	N/A	263,562	203,483	193,665	132,210	117,686	172,577	191,758	202,362	211,789	285,289
SOUTH MOUNTAIN ANNEX	N/A	79,376	78,406	62,860	53,028	122,038	32,790	29,942	123,902	95,281	172,147
SOUTH MOUNTAIN ELEMENTARY	N/A	46,909	66,769	273,802	190,128	164,964	119,315	181,382	171,659	183,847	260,397
SOUTH ORANGE MIDDLE SCHOOL	N/A	331,013	348,283	211,230	282,068	239,285	306,831	337,790	318,943	170,094	463,972
TUSCAN ELEMENTARY	N/A	93,318	187,898	162,348	109,004	232,408	217,814	208,023	106,911	178,898	279,868
		<u>2,019,508</u>	<u>2,207,710</u>	<u>1,919,132</u>	<u>2,002,400</u>	<u>2,742,672</u>	<u>3,283,221</u>	<u>3,656,904</u>	<u>3,268,690</u>	<u>2,502,517</u>	<u>3,655,120</u>
<u>OTHER FACILITIES</u>		<u>102,434</u>	<u>194,529</u>	<u>90,451</u>	<u>135,966</u>	<u>168,066</u>	<u>292,460</u>	<u>212,168</u>	<u>236,829</u>	<u>174,212</u>	<u>619,569</u>
TOTAL		<u>2,121,942</u>	<u>2,402,239</u>	<u>2,009,583</u>	<u>2,138,366</u>	<u>2,910,738</u>	<u>3,575,681</u>	<u>3,869,072</u>	<u>3,505,519</u>	<u>2,676,729</u>	<u>4,274,689</u>

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
INSURANCE SCHEDULE  
JUNE 30, 2017

UNAUDITED

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG) and maintains commercial insurance coverages for the various risks to which it is exposed.

The District, through NJSBAIG, has obtained the following coverages for the 2016-2017 fiscal year:

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy – NJSBAIG		
Blanket Coverage for Real and Personal Property (per occurrence)	\$450,000,000	\$5,000
Blanket Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Demolition & Increased Cost of Construction (per occurrence)	25,000,000	
Pollutant Cleanup & Removal	250,000	
Flood (per occurrence & aggregate):		
Zones A & V	25,000,000	500,000
All Other Zones	75,000,000	10,000
Earthquake (per occurrence & aggregate):	50,000,000	
Terrorism (per occurrence & aggregate):	1,000,000	
Data Processing Hardware/Software	4,000,000	per list
Equipment Breakdown:		
CSL per accident for Property & Income	100,000,000	5,000
Off Premises Property	100,000	
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Hazardous Substances	500,000	
Newly Acquired Locations	250,000	
Comprehensive General Liability		
BI and PD (CSL)	11,000,000	
Personal Injury (per occurrence & aggregate)	11,000,000	
Employee Benefits Liability	11,000,000	1,000
Automotive (per accident):		
CSL for BI and PD	11,000,000	
Uninsured/Underinsured	15,000/30,000/5,000	
PIP	250,000	

BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
INSURANCE SCHEDULE  
JUNE 30, 2017  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Crime Coverage:		
Public Employee Faithful Performance	250,000	1,000
Theft, Disappearance & Destruction	100,000	1,000
Forgery or Alteration	250,000	1,000
Computer Fraud	250,000	1,000
Public Officials Bond:		
Board Secretary	150,000	1,000
Treasurer	500,000	1,000
Assistant Board Secretary	150,000	1,000
Public Employees Dishonesty		
Blanket Bond	250,000	
Workers Compensation (statutory)		
Bodily Injury	2,000,000	
Interscholastic Sports:		
Excess Medical	5,000,000	25,000
Accidental Death	20,000	
Catastrophic Injury	1,000,000	
School Leaders Errors and Omissions		
Limit of Liability	11,000,000	25,000
Environmental Impairment Liability:		
Per Claim	1,000,000	25,000
Aggregate	11,000,000	

Note: Coverage amounts as shown above, unless otherwise noted, represent per occurrence and aggregate annual NJSIG limits.

Source: School Business Administrator

**SINGLE AUDIT SECTION**

**SECTION – K**

**HODULIK & MORRISON, P.A.**  
 CERTIFIED PUBLIC ACCOUNTANTS  
 REGISTERED MUNICIPAL ACCOUNTANTS  
 PUBLIC SCHOOL ACCOUNTANTS  
 1102 RARITAN AVENUE, P.O. BOX 1450  
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 (732) 393-1000  
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ANDREW G. HODULIK, CPA, RMA, PSA  
 ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:  
 AMERICAN INSTITUTE OF CPAs  
 NEW JERSEY SOCIETY OF CPAs  
 REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**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 AUDITORS REPORT**

Honorable President and Members  
 of the Board of Education  
 School District of South Orange and Maplewood  
 Maplewood, New Jersey

We have audited, 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; and audit requirements as prescribed by the Division of 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 Board of Education of the School District of South Orange and Maplewood, in the County of Essex, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated November 30, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board of Education of the School District of South Orange and Maplewood'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 Board of Education of the School District of South Orange and Maplewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the School District of South Orange and Maplewood'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. 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 Board of Education of the School District of South Orange and Maplewood's financial statements are free of 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 Division of Finance, Department of Education, State of New Jersey.

We noted other matters involving compliance and internal control over financial reporting that we have reported to the Board of Education of the School District of South Orange and Maplewood in a separate *Auditors' Management Report on Administrative Findings* dated November 30, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Public School Accountants



Robert S. Morrison  
Public School Accountant  
PSA # 871

Highland Park, New Jersey  
November 30, 2017

**HODULIK & MORRISON, P.A.**  
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 AMERICAN INSTITUTE OF CPA'S  
 NEW JERSEY SOCIETY OF CPA'S  
 REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

Honorable President and Members  
 of the Board of Education  
 School District of South Orange and Maplewood  
 Maplewood, New Jersey

**Report on Compliance for Each Major Program**

We have audited the compliance of the School District of South Orange and Maplewood, in the County of Essex, State of New Jersey, with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the School District of South Orange and Maplewood's major federal and state programs for the year ended June 30, 2017. The School District of South Orange and Maplewood'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 laws, regulations, contracts and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District of South Orange and Maplewood'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 Division of Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the audit requirements of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 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 School District of South Orange and Maplewood'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 on the School District of South Orange and Maplewood's compliance.

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

In our opinion, the School District of South Orange and Maplewood complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

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

The management of the School District of South Orange and Maplewood 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 School District of South Orange and Maplewood'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 Uniform Guidance and NJOMB 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 School District of South Orange and Maplewood'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 the 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 significant deficiencies or material weaknesses. 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.

**Purpose of this Report**

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 upon the requirements of the Uniform Guidance and NJOMB Circular 15-08. Accordingly, this communication is not suitable for any other purpose.

*Hodulik & Morrison, P.A.*

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Certified Public Accountants  
Public School Accountants

*Robert S. Morrison*

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PSA # 871

Highland Park, New Jersey  
November 30, 2017

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount*	Grant Period From To		Balance					Balance
						June 30, 2016					June 30, 2017
						Accounts Receivable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Accounts Receivable
<b>U.S. Department of Education</b>											
<b>Passed-through State Department of Education</b>											
General Fund:											
Special Education Medicaid Initiative	93.778	068280	169,253	7/1/16	6/30/17	\$ -	\$ -	\$ 169,253.26	\$ (169,253.26)	\$ -	\$ -
<b>Total U.S. Dept. of Education</b>						-	-	169,253.26	(169,253.26)	-	-
<b>U.S. Department of Homeland Security</b>											
<b>Passed-through State Department of Education</b>											
General Fund:											
Disaster Grants - Public Assistance	97.036		16,189	Indefinite		-	-	16,188.84	(16,188.84)	-	-
<b>Total U.S. Dept. of Homeland Security</b>						-	-	16,188.84	(16,188.84)	-	-
<b>Total General Fund</b>						-	-	185,442.10	(185,442.10)	-	-
<b>U.S. Department of Agriculture</b>											
<b>Passed-through State Department of Education</b>											
Enterprised Fund:											
Child Nutrition - Cluster											
National School Lunch Program	10.555	N/A		7/1/16	6/30/17			527,576.36	(569,563.02)		(41,986.66)
National School Lunch Program	10.555	N/A		7/1/15	6/30/16	(42,038.26)		42,038.26			-
National School Breakfast Program	10.553	N/A		7/1/16	6/30/17			47,054.40	(51,237.45)		(4,183.05)
National School Breakfast Program	10.553	N/A		7/1/15	6/30/16	(5,418.55)		5,418.55			-
Food Distribution Program	10.555	N/A		7/1/15	6/30/16			145,097.52	(145,097.52)		-
<b>Total CN Cluster/Enterprise Fund</b>						(47,456.81)	-	767,185.09	(765,897.99)	-	(46,169.71)
<b>U.S. Department of Education</b>											
<b>Passed-through State Department of Education</b>											
Special Revenue Fund:											
Title I	84.010	5064-100-194	421,377	7/1/15	6/30/16	(3,169.79)	(115,122.00)	118,292.00		(0.21)	-
Title I	84.010	5064-100-194	437,982	7/1/16	6/30/17	-	115,122.00	362,885.00	(536,555.77)		(58,548.77)
Title III	84.365	5064-100-187	23,435	7/1/15	6/30/16	(12,778.87)	(19,053.00)	31,735.00		96.87	-
Title III	84.365	5064-100-187	27,090	7/1/16	6/30/17	-	19,053.00	9,184.00	(38,143.56)		(9,906.56)
Title II, Part A	84.367	5063-100-290	101,696	7/1/15	6/30/16	(32,995.58)	(53,073.00)	83,755.00			(2,313.58)
Title II, Part A	84.367	5063-100-290		7/1/16	6/30/17	-	53,073.00		(106,448.30)		(53,375.30)
Carl Perkins Grant	84.048	5062-100-084	29,735	7/1/15	6/30/16	(27,792.99)		27,793.00			0.01
Carl Perkins Grant	84.048	5062-100-084		7/1/16	6/30/17	-		1,942.00	(30,534.77)		(28,592.77)
IDEA Cluster:											
IDEA, Part B	84.027	5065-100-016	1,486,763	7/1/15	6/30/16	(296,731.69)	(344,501.00)	603,838.00		37,394.69	-
IDEA, Part B	84.027	5065-100-016		7/1/16	6/30/17	-	344,501.00	1,185,711.00	(1,625,787.74)		(95,575.74)
IDEA, Preschool	84.173	5065-100-020		7/1/16	6/30/17	-	39,822.00	4,414.00			44,236.00
IDEA, Preschool	84.173	5065-100-020	39,822	7/1/15	6/30/16	(6,192.24)	(39,822.00)	9,526.00	(12,447.62)	3,995.00	(44,940.86)
<b>Subtotal IDEA Cluster</b>						(302,923.93)	-	1,803,489.00	(1,638,235.36)	41,389.69	(96,280.60)

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**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount*</u>	<u>Grant Period</u>		<u>Balance</u>	<u>Carryover/ (Walkover) Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Balance</u>
				<u>From</u>	<u>To</u>	<u>June 30, 2016</u>					<u>June 30, 2017</u>
						<u>Accounts Receivable</u>					<u>Accounts Receivable</u>
<b>Direct Payments:</b>											-
Special Revenue Fund:											-
CM White Physical Ed.	84.215	VA-0361	1,430,106	9/1/13	8/31/16	(199,704.58)		308,336.44	(108,631.88)	0.02	-
<b>Total Special Revenue Fund</b>						(579,365.74)	-	2,747,411.44	(2,458,549.64)	41,486.37	(249,017.57)
<b>Total Federal Financial Awards</b>						\$ (626,822.55)	\$ -	\$ 3,700,038.63	\$ (3,409,889.73)	\$ 41,486.37	\$ (295,187.28)
								Encumbrances Cancelled		41,486.97	
								Rounding Adjustments		(0.60)	
										<u>41,486.37</u>	

\*- Award Amounts do not include approved carryover funds from prior grant periods.

Note: See Accompanying Notes to Schedules of Expenditures of Awards/Financial Assistance

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016		MEMO Budgetary Receivable	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO Budgetary Receivable	Cumulative Total Expenditures		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					Deferred Revenue (Accounts Receivable)	Due to Grantor				
<b>State Dept of Education</b>																
<b>General Fund</b>																
Special Education Categorical Aid	16-495-034-5120-089	3,630,949	7/1/15	6/30/16	\$	\$	(343,237.00)	\$ 343,237.00	\$	\$	\$	\$	-	-		
Special Education Categorical Aid	17-495-034-5120-089	3,583,657	7/1/16	6/30/17			-	3,245,108.00	(3,583,657.00)				(338,549.00)	(3,583,657.00)		
Security Aid	16-495-034-5120-084	162,918	7/1/15	6/30/16			(15,426.00)	15,426.00					-	-		
Security Aid	17-495-034-5120-084	187,988	7/1/16	6/30/17			-	170,229.00	(187,988.00)				(17,759.00)	(187,988.00)		
Transportation Aid	16-495-034-5120-014	282,031	7/1/15	6/30/16			(26,706.00)	26,706.00					-	-		
Transportation Aid	17-495-034-5120-014	323,922	7/1/16	6/30/17			-	293,321.00	(323,922.00)				(30,601.00)	(323,922.00)		
PARCC Readiness Aid	16-495-034-5120.098	70,160	7/1/15	6/30/16			(6,617.00)	6,617.00					-	-		
PARCC Readiness Aid	17-495-034-5120-098	70,160	7/1/16	6/30/17			-	63,532.00	(70,160.00)				(6,628.00)	(70,160.00)		
Per Pupil Growth Aid	16-495-034-5120-097	70,160	7/1/15	6/30/16			(6,617.00)	6,617.00					-	-		
Per Pupil Growth Aid	17-495-034-3120-097	70,160	7/1/16	6/30/17			-	63,532.00	(70,160.00)				(6,628.00)	(70,160.00)		
Professional Learning Comm. Aid	17-495-034-3120-101	71,680	7/1/16	6/30/17			-	64,908.00	(71,680.00)				(6,772.00)	(71,680.00)		
Extraordinary Aid (Spec Ed)	17-100-034-5120-044	1,515,536	7/1/16	6/30/17			-	-	(1,515,536.00)				(1,515,536.00)	(1,515,536.00)		
Extraordinary Aid (Spec Ed)	16-100-034-5120-044	1,007,978	7/1/15	6/30/16			(1,007,978.00)	1,007,978.00					-	-		
Non Pub Transportation Aid	17-495-034-5120-014	91,910	7/1/16	6/30/17			-	-	(91,910.00)			(91,910.00)	-	(91,910.00)		
Non Pub Transportation Aid	16-495-034-5120-014	71,673	7/1/15	6/30/16			(71,673.00)	71,673.00					-	-		
T.P.A.F. Social Security Aid	17-495-034-5094-003		7/1/16	6/30/17			-	3,282,209.81	(3,453,845.21)			(171,635.40)	-	(3,453,845.21)		
T.P.A.F. Social Security Aid	16-495-034-5095-003	3,532,403	7/1/15	6/30/16			(175,731.40)	175,731.40					-	-		
T.P.A.F. Post Retirement Medical	17-495-034-5094-001	4,515,161	7/1/16	6/30/17			-	4,515,161.00	(4,515,161.00)				-	(4,515,161.00)		
T.P.A.F. Pension	17-495-034-5094-002	5,229,408	7/1/16	6/30/17			-	5,229,408.00	(5,229,408.00)				-	(5,229,408.00)		
T.P.A.F. Non-Contributory Ins. Premiums	17-495-034-5094-004	200,264	7/1/16	6/30/17			-	200,264.00	(200,264.00)				-	(200,264.00)		
<b>Total General Fund</b>							(247,404.40)	-	(1,406,581.00)	18,781,658.21	(19,313,691.21)	-	(263,545.40)	-	(1,922,473.00)	(19,313,691.21)
<b>Special Revenue Fund</b>																
Preschool Education Aid	17-495-034-5120-086	59,400	7/1/16	6/30/17			-	53,460.00	(59,400.00)				(5,940.00)	(59,400.00)		
Preschool Education Aid	16-495-034-5120-086	59,400	7/1/15	6/30/16			-	5,940.00					-	-		
<b>NJ Nonpublic Aid:</b>																
Textbook Aid	17-100-034-5120-064	9,741	7/1/16	6/30/17			-	9,741.00	(9,346.40)				394.60	(9,346.40)		
Textbook Aid	16-100-034-5120-064	10,563	7/1/15	6/30/16			739.04	-		(739.04)			-	-		
<b>Auxiliary Services:</b>																
Compensatory Education	17-100-034-5120-067	37,624	7/1/16	6/30/17			-	37,624.00	(18,363.90)				19,260.10	(18,363.90)		
Compensatory Education	16-100-034-5120-067	32,149	7/1/15	6/30/16			3,892.60	-		(3,892.60)			-	-		
E S L	17-100-034-5120-067	914	7/1/16	6/30/17			-	914.00					914.00	-		
E S L	15-100-034-5120-067	548	7/1/16	6/30/17			-	-					-	-		
<b>Handicapped Services:</b>																
Supplemental Instruction	17-100-034-5120-066	13,340	7/1/16	6/30/17			-	13,340.00	(4,551.26)				8,788.74	(4,551.26)		
Supplemental Instruction	16-100-034-5120-066	13,367	7/1/15	6/30/16			5,199.50	-		(5,199.50)			-	-		
Examination & Classification	17-100-034-5120-066	26,287	7/1/16	6/30/17			-	26,287.00	(14,042.60)				12,244.40	(14,042.60)		
Examination & Classification	16-100-034-5120-066	11,085	7/1/15	6/30/16			5,284.34	-		(5,284.34)			-	-		
Corrective Speech	17-100-034-5120-066	14,666	7/1/16	6/30/17			-	14,666.00	(9,787.50)				4,878.50	(9,787.50)		
Corrective Speech	16-100-034-5120-066	9,196	7/1/15	6/30/16			2,257.20	-		(2,257.20)			-	-		
Technology Initiative	17-100-034-5120-373	4,394	7/1/16	6/30/17			-	4,394.00	(4,358.76)				35.24	(4,358.76)		
Technology Initiative	16-100-034-5120-373	4,810	7/1/15	6/30/16			348.55	-		(348.55)	4,461.45	4,461.45	-	-		
Security Aid	17-100-034-5120-509	8,450	7/1/16	6/30/17			-	8,450.00	(8,450.00)				-	(8,450.00)		
Security Aid	16-100-034-5120-509	4,625	7/1/15	6/30/16			497.50	-		(497.50)			-	-		
Nursing Services	17-100-034-5120-070	15,210	7/1/16	6/30/17			-	15,210.00					15,210.00	-		
Nursing Services	16-100-034-5120-070	990	7/1/15	6/30/16			990.00	-		(990.00)			-	-		
<b>Total Special Revenue Fund</b>							-	19,208.73	(5,940.00)	190,026.00	(128,300.42)	(19,208.73)	4,461.45	66,187.03	(5,940.00)	(128,300.42)

**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2016		MEMO Budgetary Receivable	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO Budgetary Receivable	Cumulative Total Expenditures	
				Deferred Revenue (Accounts Receivable)	Due to Grantor					Deferred Revenue/ (Accounts Receivable)	Due to Grantor			
<b>School Development Authority</b>														
<b>Capital Projects Fund</b>														
SDA - CHS Mechanical Upgrades	4900-030-14-1005	\$ 2,141,878	Indefinite	\$		\$ (1,927,690.20)	\$		\$	\$ -	\$	\$ (1,927,690.20)	(214,187.80)	
SDA - Jefferson Mechanical Upgrades	4900-090-14-1011	60,940	Indefinite			(29,259.85)	29,259.85		31,680.15	-	-	-	(60,940.00)	
SDA - MMS Window Replacement	4900-040-14-1008	885,262	Indefinite			(426,783.27)			426,783.27	-	-	-	(458,479.00)	
SDA - Marshall Roof Replacement	4900-100-14-1014	357,219	Indefinite			(176,699.75)	176,699.75		180,519.25	-	-	-	(357,219.00)	
SDA-CHS Roof Replacement (D Wing)	4900-030-14-1023	71,275	Indefinite			(71,275.00)	65,107.56	(65,107.56)	6,167.44	-	-	-	(71,275.00)	
SDA-CHS Roof Replacement (B&D)	4900-030-14-1024	487,478	Indefinite			(487,478.00)	294,676.02	(294,676.02)	192,801.98	-	-	-	(487,478.00)	
SDA-Clinton Window Replacements	4900-060-14-1010	434,250	Indefinite			(170,621.42)			170,621.42	-	-	-	(263,269.00)	
SDA-Seth Boyden ADA Upgrades	4900-130-14-1015	21,555	Indefinite			(21,555.00)				-	-	(21,555.00)	-	
SDA-Jefferson Roof Replacement	4900-090-14-1013	218,176	Indefinite			(202,501.59)			15,674.41	(202,501.59)	-	-	(202,502.00)	
SDA-So. Mtn. Annex Roof	4900-140-14-1017	196,590	Indefinite			(176,931.00)		(158,553.56)	18,377.44	(158,553.56)	-	-	(196,590.00)	
SDA-CHS Generator	4900-030-14-1022	131,174	Indefinite			(45,513.55)			45,513.55	-	-	-	(131,174.00)	
SDA-MMS Lab Conversion	4900-040-09-1001	157,585	Indefinite			(141,799.00)				-	-	(141,799.00)	-	
SDA-Tuscan Window Replacement	4900-150-14-1021	626,065	Indefinite			(626,065.00)				-	-	(626,065.00)	-	
SDA-Jefferson Electrical Upgrades	4900-090-14-1012	73,441	Indefinite			(73,441.00)				-	-	(73,441.00)	-	
SDA-Unidentified			Indefinite			(27.48)				-	-	(27.48)	-	
<b>Total Capital Projects Fund</b>						<u>(408,461.19)</u>	<u>565,743.18</u>	<u>(518,337.14)</u>	<u>1,088,138.91</u>	<u>(361,055.15)</u>	<u>-</u>	<u>(2,790,577.68)</u>	<u>(2,458,899.80)</u>	
<b>Debt Service Fund</b>														
Debt Service Aid	17-495-034-5120-017	308,337	7/1/16	6/30/17			308,337.00	(308,337.00)					(308,337.00)	
<b>Total Debt Service Fund</b>							<u>308,337.00</u>	<u>(308,337.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(308,337.00)</u>	
<b>Enterprise Fund</b>														
National School Lunch Program	17-100-010-3350-023	18,409	7/1/16	6/30/17			17,050.82	(18,408.76)		(1,357.94)			-	
National School Lunch Program	16-100-010-3350-023	18,748	7/1/15	6/30/16			1,345.85			-			-	
<b>Total Enterprise Fund</b>						<u>(4,800.18)</u>	<u>18,396.67</u>	<u>(18,408.76)</u>	<u>-</u>	<u>(1,357.94)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total State Financial Assistance</b>						<u>\$ (660,665.77)</u>	<u>\$ 19,208.73</u>	<u>\$ (5,809,574.73)</u>	<u>\$ 19,864,161.06</u>	<u>\$ (20,287,074.53)</u>	<u>\$ 1,068,930.18</u>	<u>\$ (621,497.04)</u>	<u>\$ 66,187.03</u>	<u>\$ (4,718,990.68)</u>

Less:  
 TPAF Post Retirement Medical 4,515,161.00  
 TPAF Pension 5,229,408.00  
 TRAF Non-Contributory Pension Ins. 200,264.00  
**Total State financial Assistance Subject to State Single Audit. \$ (10,342,241.53)**

Note: See Accompanying Notes to Schedules of Expenditures of Awards / Financial Assistance.



**BOARD OF EDUCATION  
SCHOOL DISTRICT OF SOUTH ORANGE AND MAPLEWOOD**

NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, South Orange and Maplewood School District. The Board of Education is defined in Note 1 to the Boards' basic financial statements. All federal and state awards received directly from federal and state 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 of expenditures of awards and financial assistance are presented on 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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District did not allocate any indirect costs to any of its federal and/or state financial assistance programs during the 2015-2016 school year.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.

NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2017

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D.):**

The District is the recipient of several School Development Authority (SDA) grants to assist the District in maintaining and upgrading its buildings and grounds. Revenues from these grants is recognized in the financial statements (budgetary and modified accrual) at the point when the District completes the requisite reporting package and files for reimbursements. For purposes of preparing the Schedule of Expenditures of State Financial Assistance, expenditures and budgetary basis revenue/receivables are recognized in the proportions of current year expenditures as specified in the Final Eligible Cost (FEC) certification provided by the SDA. At June 30, 2017 a total of \$518,337 has been reported as expenditures of state financial assistance for the year then ended. Based upon approvals of FECs, \$1,088,139 of previously approved and unexpended SDA funding was cancelled. At June 30, 2017, \$2,970,577 of authorized SDA funding has not been submitted for reimbursement, and has not been recorded as revenues in the financial statements, pending project completion and filing for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$515,892) for the general fund and \$47,292 for the special revenue fund. See Note 1 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 basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$169,253	\$18,787,009	\$18,956,262
Special Revenue Fund	2,567,319	112,775	2,680,094
Capital Projects Fund		518,337	518,337
Debt Service Fund		308,337	308,337
Food Service Fund	<u>765,898</u>	<u>18,409</u>	<u>784,307</u>
Total Awards & Financial Assistance	<u>\$3,502,470</u>	<u>\$19,744,867</u>	<u>\$23,247,337</u>

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

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions and Post Retirement Medical represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section 1 - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  No

Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes  X  No

**Federal Awards**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  No

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

CFDA Number(s)	FAIN Numbers	Name of Federal Program or Cluster
		<b>Special Education Cluster</b>
84.027	H027A160100	I.D.E.A. Part B, Full-time
84.173	H173A160114	I.D.E.A. Part B, Preschool

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results (cont'd)

State Awards

Dollar threshold used to distinguish between Type A and B programs: \$ 750,000.00

Auditee qualified as low-risk auditee?  X  Yes   No

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

Internal Control over major programs:

1) Material weakness(es) identified?   Yes  X  No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses?   Yes  X  No

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08   Yes  X  No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>17-100-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>17-495-034-5120-017</u>	<u>Debt Service Aid</u>
<u>4900-030-14-1024</u>	<u>SDA-CHS Roof Replacement (B&amp;D Wings)</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards*.

**Significant Deficiency(ies)/Material Weaknesses**

None Noted.

**Noncompliance**

None Noted.

Section III - Federal Awards and State Financial Assistance 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 OMB Uniform Guidance and New Jersey OMB circular 15-08.

**Federal and State Award Programs:**

**Significant Deficiency(ies)/Material Weaknesses**

None Noted.

**Noncompliance**

None Noted.

SOUTH ORANGE AND MAPLEWOOD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I – Summary of Prior Year Federal and State Findings

N/A

Section II – Current Year Status

N/A