

ELMWOOD PARK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Elmwood Park, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Elmwood Park Board of Education

Elmwood Park, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION

ELMWOOD PARK PUBLIC SCHOOLS

OFFICE OF THE BOARD SECRETARY/BUSINESS ADMINISTRATOR

Anthony Iachetti
Superintendent
of Schools

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

John DiPaola
Business Administrator/
Board Secretary

November 12, 2019

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Elmwood Park Board of Education (the Board) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation (including all disclosures) rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Every district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the related U.S. Uniform Guidance and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Our District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed FY 2018/2019 with an average daily enrollment of 2,548. The following Average Daily Enrollment figures, reported in the School Summary Register, detail the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2018/19	2,548	-.020%
2017/18	2,601	.011%
2016/17	2,572	.015%
2015/16	2,533	.0008%
2014/15	2,531	.0016%
2013/14	2,527	-0.41%
2012/13	2,537	2.24%
2011/12	2,482	3.31%
2010/11	2,402	3.94%
2009/10	2,311	0.57%

2. ECONOMIC CONDITION AND OUTLOOK

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

The District's General Fund was in a deficit position at the end of the 2010-2011 and 2011-2012 school years. The District obtained a state aid advance loan in 2012-2013 in the amount of \$2,214,497, which was to be repaid over ten years. This loan was reflected as budgetary revenue pursuant to N.J.S.A. 18A:7A-56, and as another financing source on the GAAP basis governmental fund statements. As reflected in the June 2018 audit, the district identified funds to satisfy the loan. As of June 30, 2019, the district had paid off the outstanding amount in full. For purposes of the District-wide statements, the loan was reflected as a long-term liability of governmental activities at the prior year end.

3. MAJOR INITIATIVES

The Elmwood Park School District strives to meet the educational challenges of the various student population through a series of ambitious instructional initiatives. Planning is based upon a long range District Professional Development Plan (2019-2020), which encompasses the growth of general education students, ELL/ ESL, students with IEPs and other specific initiatives based on NJDOE mandates. Curriculum advances and enhancements include the areas of English Language Arts, Mathematics, Foreign Language, 21st Century Skills, Technology, Social Studies, and Science.

In-service professional development training is provided to all staff members to continue the progress of rigorous instruction, implementation of effective assessments, and the application of 21st century technology. The district also continues to offer frequent PLC articulation time throughout the school year, after-school hours and during summer recess. The Quality School Assurance Continuum addresses this area as “high performing” as of July 2019.

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

4. INTERNAL ACCOUNTING CONTROLS

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for FY 2018/2019 is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

On June 30, 2019, the District had \$24,700,000 outstanding in General Obligation Bonds. The proceeds of these bonds were used to provide funds for major capital improvements to the District's buildings and grounds.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

Independent Audit. State statute requires an annual audit by an independent certified public accountant or registered municipal accountant. The Board's Finance Committee selected the accounting firm of Lerch Vinci & Higgins, LLP, CPA's. In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and State Treasury Circular Letter OMB 15-08.

The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS

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

Respectfully submitted,

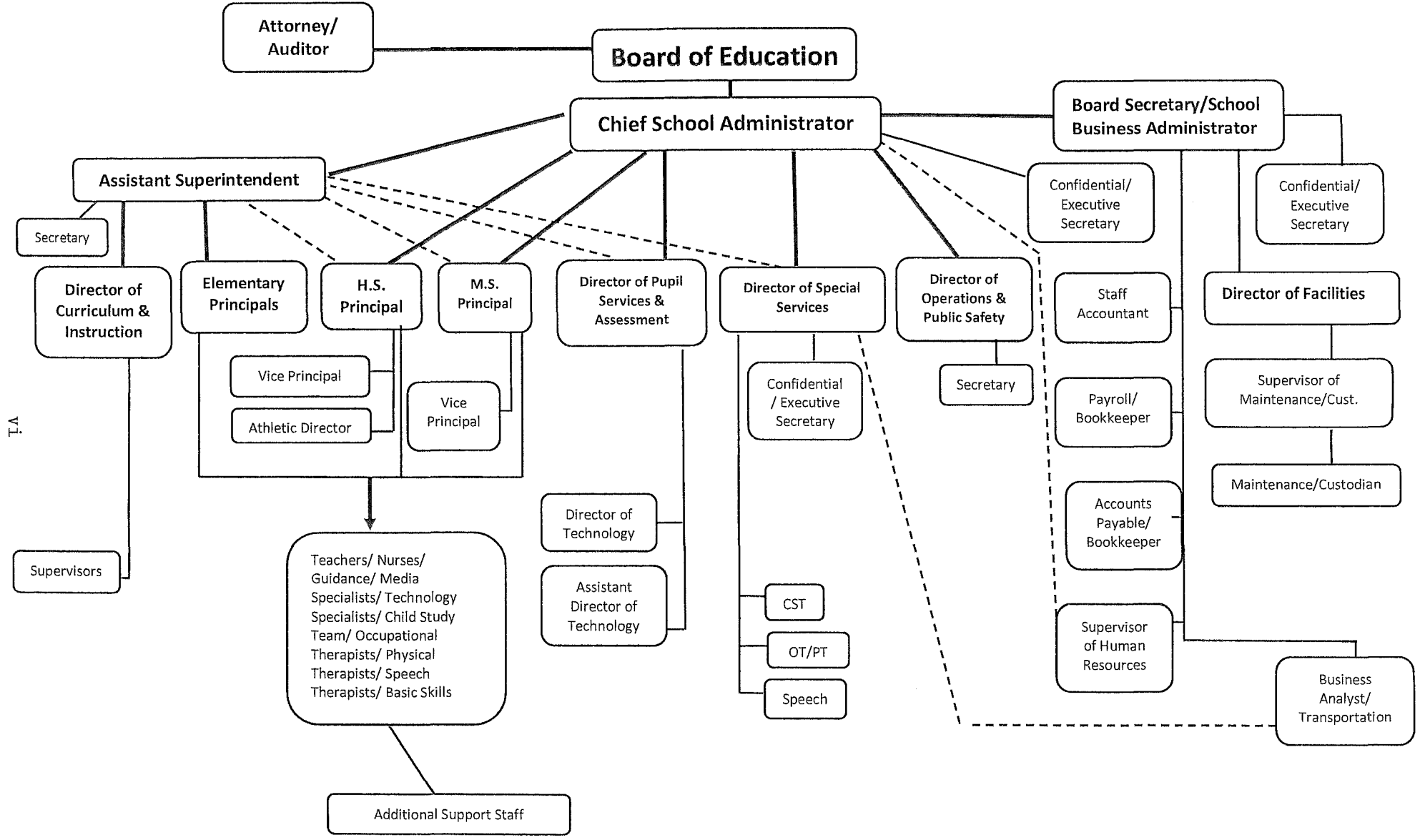


Anthony Iachetti
Superintendent of Schools
Elmwood Park Public Schools



John DiPaola
Business Administrator/Board Secretary
Elmwood Park Public Schools

Elmwood Park Board of Education
ADMINISTRATION
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Organizational Chart



ELMWOOD PARK SCHOOL DISTRICT
ELMWOOD Park, New Jersey

ROSTER OF OFFICIAL

June 30, 2019

Members of the Board of Education

Term Expires December 31

Louise Gerardi, President	2019
George Luke, Vice President	2021
Dorin Aspras	2020
Keith Cannizzo	2021
Douglas DeMatteo	2020
Jakub Golabek	2020
James Monaco	2019
Karen Pena	2021
Daniel Zoltek	2019

Other Officials

Anthony Iachetti, Superintendent

John DiPaola, Board Secretary/Business Administrator

Angelo DeSimone, State Monitor

Joanne Wilson, Treasurer of School Monies

Cleary, Giacobbe, Alfieri, Jacobs, LLC., Board Attorney

ELMWOOD PARK BOARD OF EDUCATION
Consultants and Advisors
JUNE 30, 2019

ARCHITECT

DiCara Rubino
30 Galesi Drive
Wayne, New Jersey 07470

AUDIT FIRM

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

ATTORNEY

Cleary Giacobbe Alfieri Jacobs, LLC
169 Ramapo Valley Road
Upper Level – Suite 105
Oakland, NJ 07436

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2019 on our consideration of the Elmwood Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elmwood Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Elmwood Park Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

As management of the Elmwood Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Elmwood Park Board of Education for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 fiscal year include the following:

- The assets and deferred outflows of resources of the Elmwood Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$19,291,171. (Net Position)
- The District's total net position increased by \$3,047,969 or 19%.
- Overall District revenues were \$56,281,495. General revenues accounted for \$41,070,624 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,210,871 or 27% of total revenues.
- The school district had \$52,097,075 in expenses for governmental activities; only \$14,108,091 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$41,070,624 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$8,268,345. Of this amount, \$5,484,720 is restricted for capital projects, \$1,699,570 is restricted for required maintenance of District facilities, \$137,857 is restricted for debt service, \$190,882 is restricted for other purposes and \$551,627 is assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$203,689.
- The General Fund fund balance at June 30, 2019 was \$8,130,488, an increase of \$1,438,448 compared to the ending fund balance at June 30, 2018 of \$6,692,040.
- The General Fund unassigned budgetary fund balance at June 30, 2019 was \$1,364,312, which represents an increase of \$484,794 when compared to the ending unassigned budgetary fund balance at June 30, 2018 of \$879,518.
- The District's total outstanding long-term liabilities decreased by \$4,181,580 during the current fiscal year.

ELMWOOD PARK BOARD OF EDUCATION

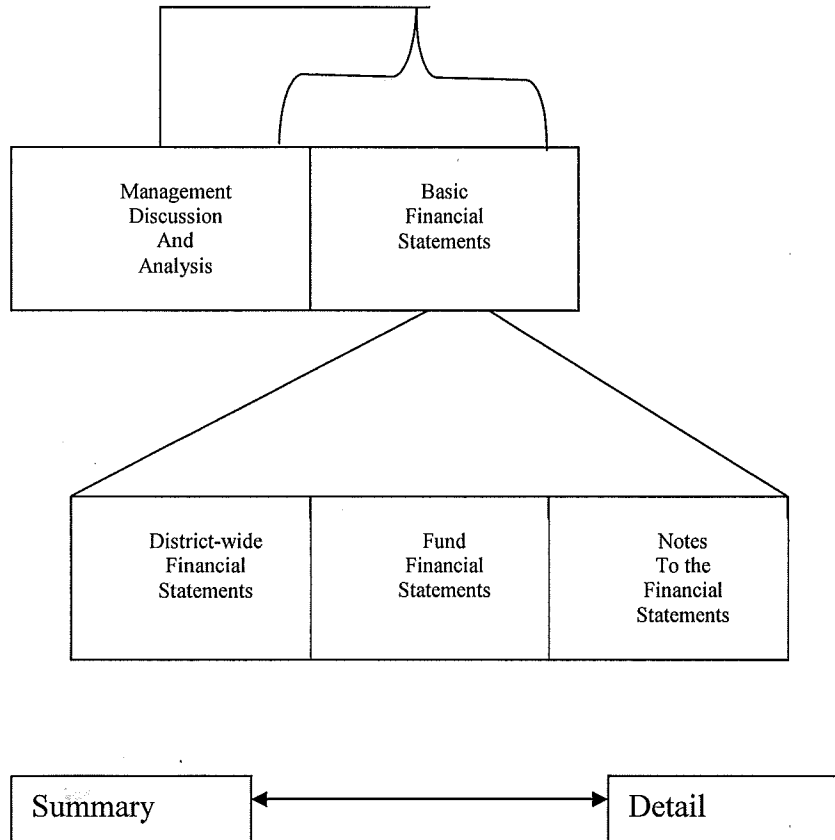
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



ELMWOOD PARK BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2019

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$19,291,171 and \$16,243,202 on June 30, 2019 and 2018, respectively as follows:

**Net Position
As of June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 8,945,819	\$ 7,727,200	\$ 250,114	\$ 351,083	\$ 9,195,933	\$ 8,078,283
Capital Assets	<u>46,006,537</u>	<u>47,215,093</u>	<u>177,929</u>	<u>121,482</u>	<u>46,184,466</u>	<u>47,336,575</u>
Total Assets	<u>54,952,356</u>	<u>54,942,293</u>	<u>428,043</u>	<u>472,565</u>	<u>55,380,399</u>	<u>55,414,858</u>
Total Deferred Outflows of Resources	<u>1,948,842</u>	<u>2,678,584</u>	<u>-</u>	<u>-</u>	<u>1,948,842</u>	<u>2,678,584</u>
Total Assets and Deferred Outflows of Resources	<u>56,901,198</u>	<u>57,620,877</u>	<u>428,043</u>	<u>472,565</u>	<u>57,329,241</u>	<u>58,093,442</u>
Liabilities						
Long-Term Liabilities	34,453,517	38,635,097	-	-	34,453,517	38,635,097
Other Liabilities	<u>1,137,391</u>	<u>1,393,029</u>	<u>21,979</u>	<u>40,169</u>	<u>1,159,370</u>	<u>1,433,198</u>
Total Liabilities	<u>35,590,908</u>	<u>40,028,126</u>	<u>21,979</u>	<u>40,169</u>	<u>35,612,887</u>	<u>40,068,295</u>
Deferred Inflows of Resources	<u>2,425,183</u>	<u>1,779,284</u>	<u>-</u>	<u>2,661</u>	<u>2,425,183</u>	<u>1,781,945</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,016,091</u>	<u>41,807,410</u>	<u>21,979</u>	<u>42,830</u>	<u>38,038,070</u>	<u>41,850,240</u>
Net Position						
Net Investment in Capital Assets	19,729,688	19,137,424	177,929	121,482	19,907,617	19,258,906
Restricted	7,184,290	5,191,524			7,184,290	5,191,524
Unrestricted	<u>(8,028,871)</u>	<u>(8,515,481)</u>	<u>228,135</u>	<u>308,253</u>	<u>(7,800,736)</u>	<u>(8,207,228)</u>
Total Net Position	<u>\$ 18,885,107</u>	<u>\$ 15,813,467</u>	<u>\$ 406,064</u>	<u>\$ 429,735</u>	<u>\$ 19,291,171</u>	<u>\$ 16,243,202</u>

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

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The District's total net position of \$19,291,171 at June 30, 2019 represents a \$3,047,969 or 19%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2019 and 2018.

Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 79,676	\$ 228,599	\$ 525,255	\$ 475,257	\$ 604,931	\$ 703,856
Operating Grants and Contributions	14,028,415	14,414,893	577,525	574,596	14,605,940	14,989,489
Capital Grants and Contributions	-	31,182			-	31,182
General Revenues						
Property Taxes, Levied	35,912,336	36,086,782			35,912,336	36,086,782
State Aid - Unrestricted	4,790,440	2,886,275			4,790,440	2,886,275
Miscellaneous Income	367,848	293,697	-	-	367,848	293,697
Total Revenues	55,178,715	53,941,428	1,102,780	1,049,853	56,281,495	54,991,281
Expenses						
Instruction						
Regular	17,907,427	18,591,827			17,907,427	18,591,827
Special	10,659,067	10,273,035			10,659,067	10,273,035
Other Instruction	1,159,106	1,130,913			1,159,106	1,130,913
School Sponsored Activities and Athletics	801,019	603,415			801,019	603,415
Support Services						
Student and Instruction Related Services	7,896,193	6,933,736			7,896,193	6,933,736
General Administrative Services	1,063,522	1,201,790			1,063,522	1,201,790
School Administrative Services	3,653,932	3,649,080			3,653,932	3,649,080
Central Administrative Services	1,372,111	1,413,974			1,372,111	1,413,974
Plant Operations and Maintenance	4,076,207	3,776,579			4,076,207	3,776,579
Pupil Transportation	2,608,161	2,109,614			2,608,161	2,109,614
Interest on Long-Term Debt	900,330	916,101			900,330	916,101
Food Services			1,098,382	1,003,913	1,098,382	1,003,913
Summer Session	-	-	38,069	19,719	38,069	19,719
Total Expenses	52,097,075	50,600,064	1,136,451	1,023,632	53,233,526	51,623,696
Increase in Net Position before Transfers	3,081,640	3,341,364	(33,671)	26,221	3,047,969	3,367,585
Transfers	(10,000)	(25,000)	10,000	25,000	-	-
Increase (Decrease) in Net Position	3,071,640	3,316,364	(23,671)	51,221	3,047,969	3,367,585
Net Position, Beginning of Year	15,813,467	12,497,103	429,735	378,514	16,243,202	12,875,617
Net Position, End of Year	\$ 18,885,107	\$ 15,813,467	\$ 406,064	\$ 429,735	\$ 19,291,171	\$ 16,243,202

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$55,178,715 for the fiscal year ended June 30, 2019, property taxes of \$35,912,336 represented 65% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$18,818,855 and represented 34% of revenues. In addition, charges for services from tuition and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

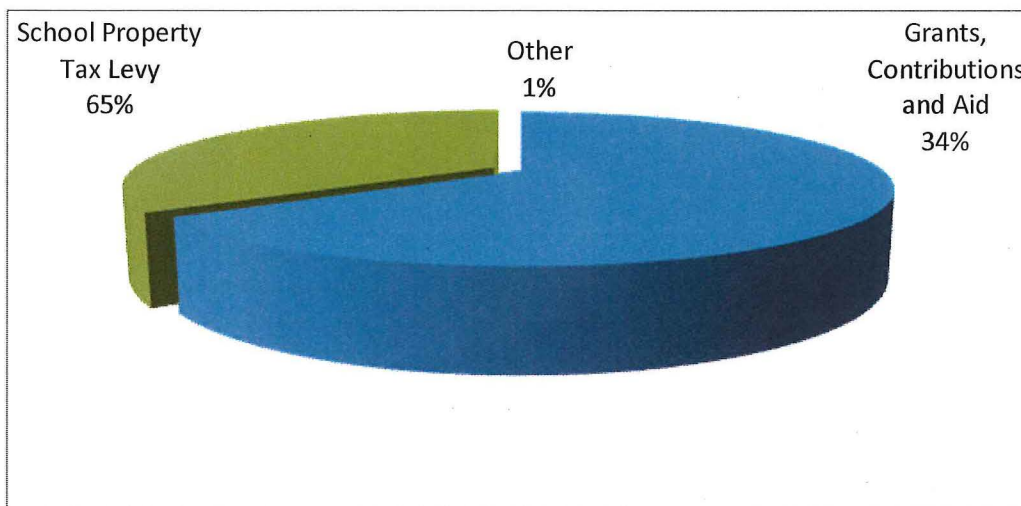
ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

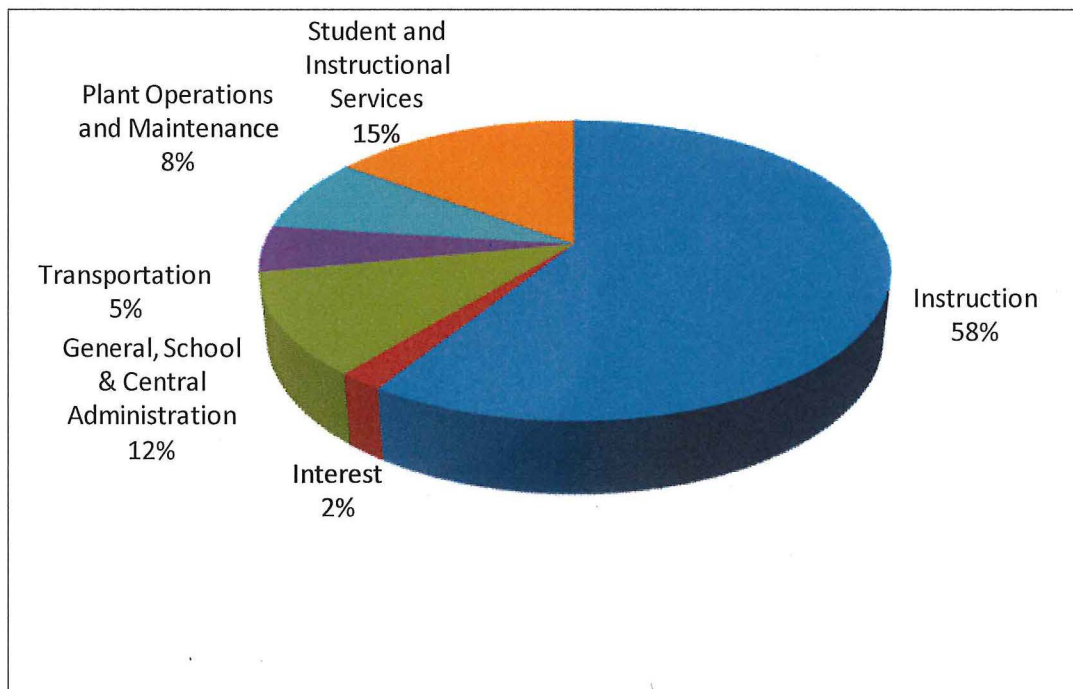
The total cost of all governmental activities programs and services was \$52,097,075 for the fiscal year ended June 30, 2019. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$30,526,619 (58%) of total expenses. Support services costs were \$20,670,126 (40%) of total expenses and interest on debt totaled \$900,330 (2%) of total expenses.

For fiscal year 2019, total governmental activities revenues exceeded expenses and transfers out increasing net position for governmental activities by \$3,071,640 from the previous year.

Revenues by Sources – Governmental Activities
For Fiscal Year 2019



Expenses by Use – Governmental Activities
For Fiscal Year 2019



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Total and Net Cost of Governmental Activities. The District's total cost of services was \$52,097,075. After applying program revenues, derived from operating and capital grants and contributions of \$14,028,415 and charges for services of \$79,676 the net cost of services of the District is \$37,988,984 for the fiscal year ended June 30, 2019.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction:				
Regular	\$ 17,907,427	\$ 18,591,827	\$ 12,781,277	\$ 12,153,290
Special Education	10,659,067	10,273,035	6,104,483	6,148,158
Other Instruction	1,159,106	1,130,913	850,911	756,154
School Sponsored Activities and Athletics	801,019	603,415	768,151	582,876
Support Services:				
Student & Instruction Related Services	7,896,193	6,933,736	6,283,432	5,101,536
General Administrative Services	1,063,522	1,201,790	1,044,852	1,166,317
School Administrative Services	3,653,932	3,649,080	2,800,423	2,638,775
Central Administrative Services	1,372,111	1,413,974	1,313,509	1,311,423
Plant Operations and Maintenance	4,076,207	3,776,579	3,241,187	3,380,157
Pupil Transportation	2,608,161	2,109,614	2,009,026	1,882,543
Interest on Long Term Debt	900,330	916,101	791,733	804,161
Total	<u>\$ 52,097,075</u>	<u>\$ 50,600,064</u>	<u>\$ 37,988,984</u>	<u>\$ 35,925,390</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,102,780 for the fiscal year ended June 30, 2019. Charges for services of \$525,255 accounted for 48% of total revenues and operating grants and contributions of \$577,525 accounted for 52% of total revenues. Transfers into the Business-Type Activities were \$10,000 and represented the general fund transfer to subsidize the summer session program operations.

Total cost of all business-type activities programs and services was \$1,136,451 for the fiscal year ended June 30, 2019. Food service expenses of \$1,098,382 represented 97% of total expense and the summer session program expenses of \$38,069 represented 3% of total expenses.

For fiscal year 2019, total business-type activities revenues and transfers were less than expenses decreasing net position by \$23,671 or 6% from the previous year.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$8,268,345 at June 30, 2019, an increase of \$1,453,940 from last year's fund balance of \$6,814,405. The District restricted fund balances increased \$1,173,761 and assigned fund balances increased \$385,087 while the unassigned fund balance of the governmental funds decreased \$104,908 at June 30, 2019.

Revenues for the District's governmental funds were \$51,506,583 while total expenditures were \$50,042,643 for the fiscal year ended June 30, 2019. Total financing uses of the District's governmental funds were \$10,000 for the fiscal year ended June 30, 2019.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Year Ended</u> <u>June 30, 2018</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 33,770,852	\$ 33,692,252	\$ 78,600	0%
Tuition and Fees	79,676	228,599	(148,923)	-65%
Miscellaneous	349,150	293,697	55,453	19%
State Sources	13,191,741	9,054,483	4,137,258	46%
Federal Sources	<u>9,689</u>	<u>9,564</u>	<u>125</u>	1%
Total General Fund Revenues	<u>\$ 47,401,108</u>	<u>\$ 43,278,595</u>	<u>\$ 4,122,513</u>	10%

For fiscal year 2019, total General Fund revenues increased \$4,122,513 or 10% from the previous year. Property taxes increased only \$78,600 or less than 1%. As indicated, State aid increased \$4,137,258 or 46% mainly due to increases in formula aid and on behalf TPAF pension contributions made by the State for the District's teaching professionals. Tuition and fees decreased \$148,923 or 65% due to a decrease in out of district student enrollment.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Year Ended</u> <u>June 30, 2018</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 25,385,799	\$ 23,753,739	\$ 1,632,060	7%
Support Services	18,262,179	15,873,449	2,388,730	15%
Debt Service	1,181,481	396,111	785,370	198%
Capital Outlay	<u>873,201</u>	<u>628,605</u>	<u>244,596</u>	39%
Total Expenditures	<u>\$ 45,702,660</u>	<u>\$ 40,651,904</u>	<u>\$ 5,050,756</u>	12%

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

GENERAL FUND (Continued)

For fiscal year 2019, total General Fund expenditures increased \$5,050,756 or 12% from the previous year. Contractual salary increases and related employee benefit costs including on-behalf state pension contributions and student transportation services costs were the major factors for this increase in expenditures for the current fiscal year.

In fiscal year 2019 General Fund revenues exceeded expenditures and other financing uses by \$1,438,448. Therefore, the total fund balance at June 30, 2018 of \$6,692,040 increased to a fund balance of \$8,130,488 at June 30, 2019. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from \$308,597 at June 30, 2018 to \$203,689 at June 30, 2019. However, restricted fund balances for capital reserve, maintenance reserve and other purposes increased \$1,158,269 at June 30, 2019.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2019, the District had \$46,006,537 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$177,929 for business type activity. The following is a comparison of the June 30, 2019 and 2018 balances:

**Capital Assets at June 30, 2019 and 2018
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Construction in Progress	-	4,848,964	\$ 48,328		-	4,897,292
Land Improvements	1,523,287	1,581,535			1,523,287	1,581,535
Buildings and Improvements	43,748,430	40,456,960	\$ 88,780		43,837,210	40,456,960
Furniture, Equipment and Vehicles	723,030	315,844	89,149	73,154	812,179	388,998
Total Capital Assets, Net	\$ 46,006,537	\$ 47,215,093	\$ 177,929	\$ 121,482	\$ 46,184,466	\$ 47,336,575

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

LONG TERM LIABILITIES

At June 30, 2019 the District had \$34,453,517 of total outstanding long term liabilities. Of this amount, \$26,816,947 is for serial bonds, \$617,150 is for compensated absences, and \$7,019,420 is for net pension liability. For fiscal year 2018/2019 total outstanding long-term liabilities decreased by \$4,181,580. The following is a comparison of the June 30, 2019 and 2018 balances:

**Outstanding Long-Term Debt
as of June 30, 2019 and 2018**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Serial Bonds (including unamortized premium)	\$ 26,816,947	\$ 28,602,702
State Aid Advance Loan Payable	-	1,064,497
Capital Leases	-	57,760
Lease-Purchase Agreements	-	57,609
Compensated Absences	617,150	608,437
Net Pension Liability	7,019,420	8,244,092
Total	\$ 34,453,517	\$ 38,635,097

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2019 General Fund budgetary revenues exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$2,028,150. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$484,794 from an unassigned fund balance of \$879,518 at June 30, 2018 to \$1,364,312 at June 30, 2019. In addition, the District increased its capital reserve by \$1,942,766 to a balance of \$5,484,720 at June 30, 2019, of which \$700,000 was designated in the 2019-2020 budget for capital outlay projects. Also, the District increased its maintenance reserve by \$50,000 to a balance of \$1,699,570 at June 30, 2019 for required maintenance to school facilities.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-2020 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2018-2019. Budgeted expenditures in the General Fund increased approximately 9% to \$45,422,292 for fiscal year 2019-2020. Budgeted regular and special education instruction costs, as well as, tuition and transportation costs were the main factors for the increase. This increase was primarily funded by additional state aid.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,560,140	\$ 122,742	\$ 8,682,882
Receivables, Net	385,679	117,647	503,326
Inventory		9,725	9,725
Capital Assets, Not Being Depreciated	11,790		11,790
Capital Assets, Being Depreciated, Net	45,994,747	177,929	46,172,676
Total Assets	54,952,356	428,043	55,380,399
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	402,241		402,241
Deferred Amounts on Net Pension Liability	1,546,601	-	1,546,601
Total Deferred Outflows of Resources	1,948,842	-	1,948,842
Total Assets and Deferred Outflows of Resources	56,901,198	428,043	57,329,241
LIABILITIES			
Accounts Payable and Other Current Liabilities	391,757		391,757
Payable to Other Governments	68,787		68,787
Accrued Interest Payable	459,917		459,917
Unearned Revenue	216,930	21,979	238,909
Noncurrent Liabilities			
Due Within One Year	1,600,000		1,600,000
Due Beyond One Year	32,853,517	-	32,853,517
Total Liabilities	35,590,908	21,979	35,612,887
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,425,183	-	2,425,183
Total Deferred Inflows of Resources	2,425,183	-	2,425,183
Total Liabilities and Deferred Inflows of Resources	38,016,091	21,979	38,038,070
NET POSITION			
Net Investment in Capital Assets	19,729,688	177,929	19,907,617
Restricted for:			
Capital Projects	5,484,720		5,484,720
Plant Maintenance	1,699,570		1,699,570
Unrestricted	(8,028,871)	228,135	(7,800,736)
Total Net Position	\$ 18,885,107	\$ 406,064	\$ 19,291,171

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

**ELMWOOD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:							
Instruction:							
Regular	\$ 17,907,427	\$ 79,676	\$ 5,046,474		\$ (12,781,277)		\$ (12,781,277)
Special Education	10,659,067		4,554,584		(6,104,483)		(6,104,483)
Other Instruction	1,159,106		308,195		(850,911)		(850,911)
School Sponsored Activities and Athletics	801,019		32,868		(768,151)		(768,151)
Support Services:							
Student & Instruction Related Services	7,896,193		1,612,761		(6,283,432)		(6,283,432)
General Administrative Services	1,063,522		18,670		(1,044,852)		(1,044,852)
School Administrative Services	3,653,932		853,509		(2,800,423)		(2,800,423)
Central Administrative Services	1,372,111		58,602		(1,313,509)		(1,313,509)
Plant Operations and Maintenance	4,076,207		835,020		(3,241,187)		(3,241,187)
Pupil Transportation	2,608,161		599,135		(2,009,026)		(2,009,026)
Interest on Long Term Debt	900,330	-	108,597	-	(791,733)	-	(791,733)
Total Governmental Activities	<u>52,097,075</u>	<u>79,676</u>	<u>14,028,415</u>	<u>-</u>	<u>(37,988,984)</u>	<u>-</u>	<u>(37,988,984)</u>
Business-Type Activities:							
Food Service	1,098,382	497,685	577,525			\$ (23,172)	(23,172)
Summer Session Program	38,069	27,570	-	-		(10,499)	(10,499)
Total Business-Type Activities	<u>1,136,451</u>	<u>525,255</u>	<u>577,525</u>	<u>-</u>	<u>-</u>	<u>(33,671)</u>	<u>(33,671)</u>
Total Primary Government	<u>\$ 53,233,526</u>	<u>\$ 604,931</u>	<u>\$ 14,605,940</u>	<u>\$ -</u>	<u>(37,988,984)</u>	<u>(33,671)</u>	<u>(38,022,655)</u>

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

(Continued)

ELMWOOD PARK BOARD OF EDUCATION
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 33,770,852		\$ 33,770,852
Levied for Debt Service	2,141,484		2,141,484
State Aid - Unrestricted	4,643,921		4,643,921
State Aid for Debt Service Principal	146,519		146,519
Interest Earnings	196,359		196,359
Miscellaneous Income	171,489		171,489
Transfers	(10,000)	\$ 10,000	-
 Total General Revenues and Transfers	<u>41,060,624</u>	<u>10,000</u>	<u>41,070,624</u>
 Change in Net Position	3,071,640	(23,671)	3,047,969
Net Position, Beginning of Year	<u>15,813,467</u>	<u>429,735</u>	<u>16,243,202</u>
Net Position, End of Year	<u>\$ 18,885,107</u>	<u>\$ 406,064</u>	<u>\$ 19,291,171</u>

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

FUND FINANCIAL STATEMENTS

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 8,216,711		\$ 137,857	\$ 205,572	\$ 8,560,140
Receivables From Other Governments	103,278	\$ 244,922			348,200
Other Receivables	37,479				37,479
Due from Other Funds	<u>33,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,673</u>
Total Assets	<u>\$ 8,391,141</u>	<u>\$ 244,922</u>	<u>\$ 137,857</u>	<u>\$ 205,572</u>	<u>\$ 8,979,492</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 161,859	\$ 131,104			\$ 292,963
Accrued Salaries and Wages	98,794				98,794
Payable to State Government		68,787			68,787
Due to Other Funds		33,673			33,673
Unearned Revenue	<u>-</u>	<u>11,358</u>	<u>-</u>	<u>205,572</u>	<u>216,930</u>
Total Liabilities	<u>260,653</u>	<u>244,922</u>	<u>-</u>	<u>205,572</u>	<u>711,147</u>
Fund Balances:					
Restricted:					
Capital Reserve	4,784,720				4,784,720
Capital Reserve - Designated for Subsequent Year's Expenditures	700,000				700,000
Maintenance Reserve	1,699,570				1,699,570
Excess Surplus - Designated for Subsequent Year's Expenditures	190,882				190,882
Debt Service			137,857		137,857
Assigned:					
Year End Encumbrances	551,627				551,627
Unassigned	<u>203,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,689</u>
Total Fund Balances	<u>8,130,488</u>	<u>-</u>	<u>137,857</u>	<u>-</u>	<u>8,268,345</u>
Total Liabilities and Fund Balances	<u>\$ 8,391,141</u>	<u>\$ 244,922</u>	<u>\$ 137,857</u>	<u>\$ 205,572</u>	<u>\$ 8,979,492</u>

ELMWOOD PARK BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2019

Total Fund Balances (Exhibit B-1) \$ 8,268,345

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$65,741,527 and the accumulated depreciation is \$19,734,990. 46,006,537

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 402,241

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 1,546,601	
Deferred Inflows of Resources	<u>(2,425,183)</u>	(878,582)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (459,917)

Long-term liabilities, are not due payable in the current period and therefore are not reported as liabilities in the funds

General Obligation Bonds (including unamortized premium)	26,816,947	
Compensated Absences	617,150	
Net Pension Liability	<u>7,019,420</u>	<u>(34,453,517)</u>

Total Net Assets of Governmental Activities (Exhibit A-1) \$ 18,885,107

**ELMWOOD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 33,770,852			\$ 2,141,484	\$ 35,912,336
Tuition	79,676				79,676
Miscellaneous	<u>349,150</u>	<u>\$ 35,654</u>	<u>18,698</u>	<u>-</u>	<u>403,502</u>
Total - Local Sources	34,199,678	35,654	18,698	2,141,484	36,395,514
State Sources	13,191,741	192,355		255,116	13,639,212
Federal Sources	<u>9,689</u>	<u>1,462,168</u>	<u>-</u>	<u>-</u>	<u>1,471,857</u>
Total Revenues	<u>47,401,108</u>	<u>1,690,177</u>	<u>18,698</u>	<u>2,396,600</u>	<u>51,506,583</u>
EXPENDITURES					
Current Expenditures					
Instruction					
Regular	14,572,967	723,172			15,296,139
Special Education	9,118,859	643,993			9,762,852
Other Instruction	974,417				974,417
School Sponsored Activities and Athletics	719,556				719,556
Support Services					
Student and Instruction Related Services	6,672,879	291,392			6,964,271
General Administrative Services	1,030,356				1,030,356
School Administrative Services	3,076,687				3,076,687
Central Administrative Services	1,220,314				1,220,314
Plant Operations and Maintenance	3,695,230				3,695,230
Pupil Transportation	2,566,713	31,620			2,598,333
Debt Service					
Principal	1,179,866			1,520,000	2,699,866
Interest	1,615			1,126,600	1,128,215
Capital Outlay	<u>873,201</u>	<u>-</u>	<u>\$ 3,206</u>	<u>-</u>	<u>876,407</u>
Total Expenditures	<u>45,702,660</u>	<u>1,690,177</u>	<u>3,206</u>	<u>2,646,600</u>	<u>50,042,643</u>
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	<u>1,698,448</u>	<u>-</u>	<u>15,492</u>	<u>(250,000)</u>	<u>1,463,940</u>
OTHER FINANCING SOURCES (USES)					
Transfers In				250,000	250,000
Transfers Out	<u>(260,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(260,000)</u>
Total Other Financing Sources (Uses)	<u>(260,000)</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>(10,000)</u>
Net Change in Fund Balances	1,438,448	-	15,492	-	1,453,940
Fund Balance, Beginning of Year	<u>6,692,040</u>	<u>-</u>	<u>122,365</u>	<u>-</u>	<u>6,814,405</u>
Fund Balance, End of Year	<u>\$ 8,130,488</u>	<u>\$ -</u>	<u>\$ 137,857</u>	<u>\$ -</u>	<u>\$ 8,268,345</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,453,940**

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

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

Capital Outlays	\$ 876,407	
Depreciation Expense	<u>(2,014,452)</u>	(1,138,045)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.

Less on Disposal of Capital Assets		(70,511)
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The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments:		
General Obligations Bonds	1,520,000	
Capital Leases/ Lease - Purchase Agreements	115,369	
State Aid Advance Loan Payable	<u>1,064,497</u>	2,699,866

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

Deferred Amounts on Refunding of Debt	(58,187)	
Original Issue Premium	<u>265,755</u>	207,568

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

Increase in Compensated Absences	(8,713)	
Increase in Pension Expense	<u>(92,782)</u>	(101,495)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

		<u>20,317</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 3,071,640**

**ELMWOOD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Non-Major Summer Session Program	Total
ASSETS			
Cash and Cash Equivalents	\$ 68,098	\$ 54,644	\$ 122,742
Intergovernmental Receivable	102,888		102,888
Other Accounts Receivable, Net	14,759		14,759
Inventories	<u>9,725</u>	<u>-</u>	<u>9,725</u>
Total Current Assets	<u>195,470</u>	<u>54,644</u>	<u>250,114</u>
Capital Assets			
Building Improvements	93,453		93,453
Equipment	362,920		362,920
Accumulated Depreciation	<u>(278,444)</u>	<u>-</u>	<u>(278,444)</u>
Total Capital Assets, Net	<u>177,929</u>	<u>-</u>	<u>177,929</u>
Total Assets	<u>373,399</u>	<u>54,644</u>	<u>428,043</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	-		-
Unearned Revenue	<u>8,906</u>	<u>13,073</u>	<u>21,979</u>
Total Current Liabilities	<u>8,906</u>	<u>13,073</u>	<u>21,979</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>8,906</u>	<u>13,073</u>	<u>21,979</u>
NET POSITION			
Investment in Capital Assets	177,929		177,929
Unrestricted	<u>186,564</u>	<u>41,571</u>	<u>228,135</u>
Total Net Position	<u>\$ 364,493</u>	<u>\$ 41,571</u>	<u>\$ 406,064</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Non-Major Summer Session Program	Total
OPERATING REVENUES			
Local Sources			
Daily Sales - Reimbursable Programs	\$ 297,096		\$ 297,096
Daily Sales - Non-Reimbursable Programs	200,589		200,589
Program Fees	<u>-</u>	<u>\$ 27,570</u>	<u>27,570</u>
Total Operating Revenues	<u>497,685</u>	<u>27,570</u>	<u>525,255</u>
OPERATING EXPENSES			
Salaries and Benefits	425,359	38,069	463,428
Cost of Sales - Reimbursable Programs	412,848		412,848
Cost of Sales - Non-Reimbursable Programs	74,691		74,691
Purchase Technical Services	45,793		45,793
Supplies and Materials	41,874		41,874
Other Purchased Services	26,475		26,475
Management Fee	40,442		40,442
Miscellaneous Expense	6,959		6,959
Depreciation	<u>23,941</u>	<u>-</u>	<u>23,941</u>
Total Operating Expenses	<u>1,098,382</u>	<u>38,069</u>	<u>1,136,451</u>
Operating (Loss)	<u>(600,697)</u>	<u>(10,499)</u>	<u>(611,196)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	12,109		12,109
Federal Sources			
School Breakfast Program	42,636		42,636
National School Lunch Program	460,031		460,031
Food Distribution Program	<u>62,749</u>	<u>-</u>	<u>62,749</u>
Total Nonoperating Revenues	<u>577,525</u>	<u>-</u>	<u>577,525</u>
Income (Loss) Before Transfers	(23,172)	(10,499)	(33,671)
Transfers In	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Change in Net Position	(23,172)	(499)	(23,671)
Total Net Position, Beginning of Year	<u>387,665</u>	<u>42,070</u>	<u>429,735</u>
Total Net Position, End of Year	<u>\$ 364,493</u>	<u>\$ 41,571</u>	<u>\$ 406,064</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Non-Major Summer Session Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 495,911	\$ 15,367	\$ 511,278
Cash Payments for Employees Salaries and Benefits	(425,359)	(38,069)	(463,428)
Cash Payments to Suppliers for Goods and Services	(596,257)	-	(596,257)
Net Cash Provided by (Used for) Operating Activities	(525,705)	(22,702)	(548,407)
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds	-	10,000	10,000
Cash Received from State and Federal Subsidy Reimbursements	448,935	-	448,935
Net Cash Provided by Noncapital Financing Activities	448,935	10,000	458,935
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(80,388)	-	(80,388)
Net Cash (Used For) Capital and Related Financing Activities	(80,388)	-	(80,388)
Net Increase (Decrease) in Cash and Cash Equivalents	(157,158)	(12,702)	(169,860)
Cash and Cash Equivalents, Beginning of Year	225,256	67,346	292,602
Cash and Cash Equivalents, End of Year	\$ 68,098	\$ 54,644	\$ 122,742
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating (Loss)	\$ (600,697)	\$ (10,499)	(611,196)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	23,941		23,941
Non-Cash Federal Assistance-Food Distribution Program	62,749		62,749
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(2,177)		(2,177)
(Increase)/Decrease in Inventory	(873)		(873)
Increase/(Decrease) in Accounts Payable	(6,390)		(6,390)
Increase/(Decrease) in Unearned Revenue	403	(12,203)	(11,800)
Increase/(Decrease) in Deferred Commodities Revenue	(2,661)	-	(2,661)
Total Adjustments	74,992	(12,203)	62,789
Net Cash Provided by (Used For) Operating Activities	\$ (525,705)	\$ (22,702)	\$ (548,407)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 60,088		

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

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>1,006,117</u>
Total Assets	\$ <u>1,006,117</u>
LIABILITIES	
Due to Student Groups	\$ 135,937
Payroll Deductions and Withholdings	132,177
Summer Savings Deposits	731,523
Flexible Spending Deposits	<u>6,480</u>
Total Liabilities	\$ <u>1,006,117</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2019, the District adopted the following GASB statements as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	15-20
Machinery and Equipment	5-10
Vehicles	10

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Long-Term Obligations (Continued)

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

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

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

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

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balance at year end.

ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Fund Balance Policies (Continued)*

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$4,293,976. The increase was funded by the appropriation of additional restricted and unassigned fund balance, additional state aid and grant awards and the reappropriation of prior year general fund encumbrances.

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

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 3,541,954
Increased by:		
Deposits Approved by Board Resolution	\$ 3,260,792	
Return of Unexpended Capital Outlay Appropriations		
Funded by Capital Reserve	<u>56,974</u>	
		<u>3,317,766</u>
		6,859,720
Decreased by:		
Withdrawals Approved by Board Resolution		<u>1,375,000</u>
Balance, June 30, 2019		<u>\$ 5,484,720</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$700,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 1,649,570
Increased by:	
Deposits Approved by Board Resolution	250,000
	<u>1,899,570</u>
Decreased by:	
Withdrawals Approved by Board Resolution	<u>200,000</u>
Balance, June 30, 2019	<u>\$ 1,699,570</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,102,483. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2019 is \$190,882. Of this amount, \$190,882 was designated and appropriated in the 2019/2020 original budget certified for taxes.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$9,688,999 and bank and brokerage firm balances of the Board's deposits amounted to \$12,611,887. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>12,611,887</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2019 for the district’s individual major funds, nonmajor in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 103,278		\$ 2,385	\$ 105,663
Federal		\$ 244,922	100,503	345,425
Accounts	37,479	-	14,759	52,238
Gross Receivables	140,757	244,922	117,647	503,326
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 140,757</u>	<u>\$ 244,922</u>	<u>\$ 117,647</u>	<u>\$ 503,326</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 11,358
Debt Service Fund	
Prepaid State Aid	205,572
Total Deferred Revenue for Governmental Funds	<u>\$ 216,930</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790			\$ 11,790
Construction in Progress	4,848,964	-	\$ (4,848,964)	-
Total Capital Assets, Not Being Depreciated	<u>4,860,754</u>	<u>-</u>	<u>(4,848,964)</u>	<u>11,790</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,840,847	31,330		1,872,177
Building and Building Improvements	56,557,335	5,036,669		61,594,004
Machinery and Equipment	1,727,964	657,372	\$ (121,780)	2,263,556
Total Capital Assets Being Depreciated	<u>60,126,146</u>	<u>5,725,371</u>	<u>(121,780)</u>	<u>65,729,737</u>
Less Accumulated Depreciation for:				
Land Improvements	(259,312)	(89,578)		(348,890)
Buildings and Improvements	(16,100,375)	(1,745,199)		(17,845,574)
Machinery and Equipment	(1,412,120)	(179,675)	51,269	(1,540,526)
Total Accumulated Depreciation	<u>(17,771,807)</u>	<u>(2,014,452)</u>	<u>51,269</u>	<u>(19,734,990)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,354,339</u>	<u>3,710,919</u>	<u>(70,511)</u>	<u>45,994,747</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,215,093</u>	<u>\$ 3,710,919</u>	<u>\$ (4,919,475)</u>	<u>\$ 46,006,537</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance, July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2019</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 48,328	\$ 45,125	\$ (93,453)	-
Total Capital Assets Not Being Depreciated	<u>48,328</u>	<u>45,125</u>	<u>(93,453)</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Building Improvements		\$ 93,453		\$ 93,453
Equipment	\$ 327,657	35,263	-	362,920
Total Capital Assets Being Depreciated	<u>327,657</u>	<u>128,716</u>	<u>-</u>	<u>456,373</u>
Less Accumulated Depreciation for:				
Building Improvements		(4,673)		(4,673)
Equipment	(254,503)	(19,268)	-	(273,771)
Total Accumulated Depreciation	<u>(254,503)</u>	<u>(23,941)</u>	<u>-</u>	<u>(278,444)</u>
Total Capital Assets, Being Depreciated, Net	<u>73,154</u>	<u>104,775</u>	<u>-</u>	<u>177,929</u>
Business-Type Activities Capital Assets, Net	<u>\$ 121,482</u>	<u>\$ 149,900</u>	<u>\$ (93,453)</u>	<u>\$ 177,929</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$ 833,257
Special Education	298,623
Other	58,877
School Sponsored	40,668
Total Instruction	<u>1,231,425</u>

Support Services

Student and Instruction Related Services	333,392
General Administrative Services	23,100
School Administrative Services	197,692
Central Administrative Services	72,510
Plant Operations and Maintenance	151,427
Student Transportation	4,906
Total Support Services	<u>783,027</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,014,452</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 23,941</u>
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Total Depreciation Expense - Business-Type Activities	<u>\$ 23,941</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
16th Avenue School Parking Lot Expansion	\$ 256,078
Tennis Court Rehabilitation	<u>200,000</u>
	<u>\$ 456,078</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ <u>33,673</u>

The above balance is the result of covering a cash balance which was in an overdraft position.

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>Debt Service Fund</u>	<u>Summer Session Program Fund</u>	<u>Total</u>
Transfer Out: General Fund	\$ <u>250,000</u>	\$ <u>10,000</u>	\$ <u>260,000</u>
Total	\$ <u>250,000</u>	\$ <u>10,000</u>	\$ <u>260,000</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Leases

Operating Leases

The District leases copies under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2019 were \$35,315. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ <u>26,487</u>
Total Minimum Lease Payments	\$ <u>26,487</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2019 are comprised of the following issues:

\$9,290,000, 2014 Bonds, due in annual installments of \$350,000 to \$600,000 through August 1, 2034, interest at 4.00% to 5.00%	\$7,935,000
\$21,275,000, 2014 Refunding Bonds, due in annual installments of \$1,200,000 to \$1,950,000 through August 1, 2029, interest at 4.00% to 5.00%	<u>16,765,000</u>
Total	<u>\$24,700,000</u>

State Aid Advance Loan Payable

In April, 2013 the Board entered into a loan agreement with the State of New Jersey in the amount of \$2,214,497 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund at June 30, 2012. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2013/2014 school year at a minimum amount of \$230,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2017/2018 school year. The District paid off the outstanding loan balance during fiscal year 2019.

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

Governmental Activities:

Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2020	\$ 1,575,000	\$ 1,072,300	\$ 2,647,300
2021	1,640,000	1,008,000	2,648,000
2022	1,715,000	932,325	2,647,325
2023	1,800,000	844,450	2,644,450
2024	1,890,000	752,200	2,642,200
2025-2029	10,760,000	2,310,225	13,070,225
2030-2034	4,720,000	415,400	5,135,400
2035	<u>600,000</u>	<u>12,000</u>	<u>612,000</u>
Totals	<u>\$ 24,700,000</u>	<u>\$ 7,346,900</u>	<u>\$ 32,046,900</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 89,114,276
Less: Net Debt Issued	<u>24,700,000</u>
Remaining Borrowing Power	<u>\$ 64,414,276</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds Payable	\$ 26,220,000		\$ 1,520,000	\$ 24,700,000	\$ 1,575,000
Add: Unamortized Premium	<u>2,382,702</u>	-	<u>265,755</u>	<u>2,116,947</u>	-
	28,602,702	-	1,785,755	26,816,947	1,575,000
Capital Leases	57,760		57,760	-	
Lease Purchase Agreements	57,609		57,609	-	
Compensated Absences	608,437	\$ 8,713		617,150	25,000
State Aid Advance Loan Payable	1,064,497		1,064,497	-	
Net Pension Liability	<u>8,244,092</u>	-	<u>1,224,672</u>	<u>7,019,420</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 38,635,097</u>	<u>\$ 8,713</u>	<u>\$ 4,190,293</u>	<u>\$ 34,453,517</u>	<u>\$ 1,600,000</u>

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019 the District has not estimated its arbitrage earnings due to the IRS, if any.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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.

The following represents the membership tiers for PERS:

Tier	Definition
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 to enroll 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 1/55th 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 reached 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, tier 3 and 4 members with 25 or more years of service credit before age 62, 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 their 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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 for 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.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represent the membership tiers for TPAF:

Tier	Definition
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 to enroll 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 1/55th 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 reached 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, tier 3 and 4 members with 25 or more years of service credit before age 62, 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans 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 TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of 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 committees 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 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 354,608	\$ 2,556,095	\$ 39,591
2018	328,084	1,870,951	25,415
2017	313,079	1,332,848	27,385

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,455, \$4,179 and \$2,241, respectively for PERS and the State contributed \$3,890, \$4,594 and \$4,773, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,046,153 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$7,019,420 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .03565 percent, which was an increase of 0.00023 percent from its proportionate share measured as of June 30, 2017 of .03542 percent.

ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$447,390 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 133,861	\$ 36,194
Changes of Assumptions	1,156,684	2,244,437
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		65,842
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>256,056</u>	<u>78,710</u>
Total	<u>\$ 1,546,601</u>	<u>\$ 2,425,183</u>

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 97,380
2020	(9,999)
2021	(430,799)
2022	(405,989)
2023	<u>(129,175)</u>
	<u>\$ (878,582)</u>

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
<u>2018</u>			
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>8,826,112</u>	\$ <u>7,019,420</u>	\$ <u>5,503,721</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,600,149 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$78,909,522. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was 0.12404 percent, which was an increase of 0.00554 percent from its proportionate share measured as of June 30, 2017 of 0.11850 percent.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 93,746,987	\$ 78,909,522	\$ 66,686,354

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,159,440, \$1,208,407 and \$1,110,565, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,787,518. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$48,045,330. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was 0.10420 percent, which was an increase of 0.00309 percent from its proportionate share measured as of June 30, 2017 of 0.10111 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ 54,237,692
Changes Recognized for the Fiscal Year:	
Service Cost	2,427,458
Interest on the Total OPEB Liability	2,006,606
Differences Between Expected and Actual Experience	(3,872,671)
Changes of Assumptions	(5,513,442)
Gross Benefit Payments	(1,284,715)
Contributions from the Member	44,402
Net Changes	\$ (6,192,362)
Balance, June 30, 2018 Measurement Date	\$ 48,045,330

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**ELMWOOD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>56,799,360</u>	\$ <u>48,045,330</u>	\$ <u>41,086,780</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>39,712,263</u>	\$ <u>48,045,330</u>	\$ <u>59,066,129</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

NOTE 5 SUBSEQUENT EVENTS

On July 31, 2019 the Board approved the appropriation of \$540,170 of unassigned fund balance of the General Fund to the 2019/2020 budget.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 34,770,852	\$ (1,000,000)	\$ 33,770,852	\$ 33,770,852	
Tuition from Other LEA's / Within State	23,092		23,092	79,676	\$ 56,584
Interest Earned in Maintenance Reserve	140		140		(140)
Interest Earned in Capital Reserve Funds	560		560		(560)
Unrestricted Miscellaneous	150,000	-	150,000	349,150	199,150
Total Local Revenues	<u>34,944,644</u>	<u>(1,000,000)</u>	<u>33,944,644</u>	<u>34,199,678</u>	<u>255,034</u>
State Sources					
Special Education Aid	1,551,273	767,110	2,318,383	2,318,383	-
Equalization Aid	2,276,873	2,572,445	4,849,318	4,849,318	-
Security Aid	600,229	160,445	760,674	760,674	-
Transportation Aid	547,120	-	547,120	547,120	-
Extraordinary Special Education Costs Aid				489,040	489,040
Nonpublic School Transportation Costs				51,330	51,330
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				2,503,686	2,503,686
Pension - NCGI Premium				52,409	52,409
Post Retirement Medical Benefit Contribution				1,159,440	1,159,440
Long Term Disability Insurance				3,890	3,890
Reimbursed Social Security Contribution	-	-	-	1,046,153	1,046,153
Total State Revenues	<u>4,975,495</u>	<u>3,500,000</u>	<u>8,475,495</u>	<u>13,781,443</u>	<u>5,305,948</u>
Federal Sources					
Special Education Medicaid Initiative Reimbursement	49,070	-	49,070	9,689	(39,381)
Total Federal Revenues	<u>49,070</u>	<u>-</u>	<u>49,070</u>	<u>9,689</u>	<u>(39,381)</u>
Total Revenues	<u>39,969,209</u>	<u>2,500,000</u>	<u>42,469,209</u>	<u>47,990,810</u>	<u>5,521,601</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	617,089	\$ (49,971)	567,118	554,599	12,519
Grades 1-5	3,089,783	8,529	3,098,312	2,997,136	101,176
Grades 6-8	1,805,837	173,100	1,978,937	1,769,959	208,978
Grades 9-12	2,741,071	(4,000)	2,737,071	2,666,313	70,758
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	7,000	22,000	21,350	650
Purchased Professional-Educational Services	16,000	(4,000)	12,000	7,036	4,964
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	111,726	-	111,726	84,365	27,361
Purchased Professional-Educational Services	11,500	-	11,500	9,971	1,529
Purchased Technical Services	58,000	23,775	81,775	81,004	771
Other Purchased Services	229,009	15,001	244,010	218,419	25,591
General Supplies	216,008	225,483	441,491	405,336	36,155
Textbooks	24,819	18,498	43,317	22,705	20,612
Total Regular Programs	<u>8,935,842</u>	<u>413,415</u>	<u>9,349,257</u>	<u>8,838,193</u>	<u>511,064</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 370,607	\$ 41,000	\$ 411,607	\$ 360,753	\$ 50,854
Other Salaries for Instruction	117,720	5,000	122,720	119,203	3,517
Total Learning / Language Disabilities	<u>488,327</u>	<u>46,000</u>	<u>534,327</u>	<u>479,956</u>	<u>54,371</u>
Behavioral Disabilities					
Salaries of Teachers	91,673	-	91,673	88,810	2,863
Other Salaries for Instruction	15,390	-	15,390	-	15,390
Total Behavioral Disabilities	<u>107,063</u>	<u>-</u>	<u>107,063</u>	<u>88,810</u>	<u>18,253</u>
Multiple Disabilities					
Salaries of Teachers	270,385	10,000	280,385	212,481	67,904
Other Salaries for Instruction	15,390	-	15,390	-	15,390
General Supplies	2,000	-	2,000	-	2,000
Total Multiple Disabilities	<u>287,775</u>	<u>10,000</u>	<u>297,775</u>	<u>212,481</u>	<u>85,294</u>
Resource Room / Resource Center					
Salaries of Teachers	1,239,037	29,050	1,268,087	1,208,585	59,502
Other Salaries for Instruction	129,390	-	129,390	62,750	66,640
General Supplies	1,000	-	1,000	333	667
Total Resource Room / Resource Center	<u>1,369,427</u>	<u>29,050</u>	<u>1,398,477</u>	<u>1,271,668</u>	<u>126,809</u>
Autism					
Salaries of Teachers	302,575	104,423	406,998	403,655	3,343
Other Salaries for Instruction	79,800	22,000	101,800	90,856	10,944
General Supplies	2,000	2,475	4,475	3,846	629
Total Autism	<u>384,375</u>	<u>128,898</u>	<u>513,273</u>	<u>498,357</u>	<u>14,916</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	169,942	1,577	171,519	171,519	-
Other Salaries for Instruction	79,800	(15,000)	64,800	53,989	10,811
Total Preschool Disabilities - Part - Time	<u>249,742</u>	<u>(13,423)</u>	<u>236,319</u>	<u>225,508</u>	<u>10,811</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	52,370	100	52,470	52,373	97
Other Salaries for Instruction	30,780	47,000	77,780	42,565	35,215
Total Preschool Disabilities - Full - Time	<u>83,150</u>	<u>47,100</u>	<u>130,250</u>	<u>94,938</u>	<u>35,312</u>
Home Instruction					
Salaries of Teachers	40,000	500	40,500	33,093	7,407
Purchased Professional and Educational Services	299	-	299	-	299
Total Home Instruction	<u>40,299</u>	<u>500</u>	<u>40,799</u>	<u>33,093</u>	<u>7,706</u>
Total Special Education	<u>3,010,158</u>	<u>248,125</u>	<u>3,258,283</u>	<u>2,904,811</u>	<u>353,472</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 358,762	\$ 15,500	\$ 374,262	\$ 371,068	\$ 3,194
Total Basic Skills/Remedial	<u>358,762</u>	<u>15,500</u>	<u>374,262</u>	<u>371,068</u>	<u>3,194</u>
Bilingual Education					
Salaries of Teachers	212,700	4,000	216,700	200,824	15,876
Total Bilingual Education	<u>212,700</u>	<u>4,000</u>	<u>216,700</u>	<u>200,824</u>	<u>15,876</u>
School Sponsored Co-Curricular Activities					
Salaries	129,860	11,890	141,750	122,532	19,218
Supplies and Materials	12,500	(3,500)	9,000	2,765	6,235
Total School Sponsored Co-Curricular Activities	<u>142,360</u>	<u>8,390</u>	<u>150,750</u>	<u>125,297</u>	<u>25,453</u>
School Sponsored Athletics - Instruction					
Salaries	294,866	(9,002)	285,864	272,490	13,374
Purchased Services	69,500	22,376	91,876	85,116	6,760
Supplies and Materials	41,505	29,229	70,734	49,129	21,605
Other Objects	11,555	3,500	15,055	10,569	4,486
Total School Sponsored Athletics - Instruction	<u>417,426</u>	<u>46,103</u>	<u>463,529</u>	<u>417,304</u>	<u>46,225</u>
Other Suppl./At Risk Program - Instruction					
Salaries of Teacher Tutors	5,000	52,710	57,710	57,675	35
Total Other Suppl./At Risk Program - Instruction	<u>5,000</u>	<u>52,710</u>	<u>57,710</u>	<u>57,675</u>	<u>35</u>
Total - Instruction	<u>13,077,248</u>	<u>735,533</u>	<u>13,812,781</u>	<u>12,857,497</u>	<u>955,284</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	560,073	(265,639)	294,434	133,284	161,150
Tuition to County Vocational School District-Reg.	534,798	72,619	607,417	499,754	107,663
Tuition to County Vocational School/Dist.-Spec.	756,000	89,000	845,000	844,176	824
Tuition to County Special Services School Districts & Regional Day Schools	1,384,820	153,000	1,537,820	1,475,613	62,207
Tuition to Private Schools - Disabled Within State	2,266,823	12,336	2,279,159	2,028,376	250,783
Tuition - State Facilities	40,784	-	40,784	40,784	-
Total Undistributed - Instruction (Tuition)	<u>5,543,298</u>	<u>61,316</u>	<u>5,604,614</u>	<u>5,021,987</u>	<u>582,627</u>
Attendance and Social Work Services					
Salaries	151,032	4,200	155,232	155,232	-
Supplies and Materials	600	-	600	535	65
Total Attendance and Social Work Services	<u>151,632</u>	<u>4,200</u>	<u>155,832</u>	<u>155,767</u>	<u>65</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 331,366	\$ 13,260	\$ 344,626	\$ 326,471	\$ 18,155
Purchased Professional and Technical Services	27,843	2,250	30,093	27,205	2,888
Supplies and Materials	7,234	4,431	11,665	8,887	2,778
Total Health Services	<u>366,443</u>	<u>19,941</u>	<u>386,384</u>	<u>362,563</u>	<u>23,821</u>
Speech, OT, PT and Related Services					
Salaries	384,821	107,000	491,821	474,817	17,004
Purchased Professional - Educational Services	349,000	189,400	538,400	265,176	273,224
Supplies and Materials	1,000	3,000	4,000	3,623	377
Total Speech, OT, PT and Related Services	<u>734,821</u>	<u>299,400</u>	<u>1,034,221</u>	<u>743,616</u>	<u>290,605</u>
Other Support Services-Students-Extra Services					
Salaries	737,850	66,900	804,750	654,261	150,489
Purchased Professional-Educational Services	851,500	256,138	1,107,638	1,072,389	35,249
Supplies and Materials	1,000	1,000	2,000	1,893	107
Total Other Support Services-Extra Services	<u>1,590,350</u>	<u>324,038</u>	<u>1,914,388</u>	<u>1,728,543</u>	<u>185,845</u>
Guidance					
Salaries of Other Professional Staff	359,385	(3,964)	355,421	350,433	4,988
Salaries of Secretarial and Clerical Assistants	39,400	2,100	41,500	41,101	399
Other Purchased Services	8,800	-	8,800	5,531	3,269
Supplies and Materials	1,000	-	1,000	397	603
Total Guidance	<u>408,585</u>	<u>(1,864)</u>	<u>406,721</u>	<u>397,462</u>	<u>9,259</u>
Child Study Team					
Salaries of Other Professional Staff	661,248	194,264	855,512	851,808	3,704
Salaries of Secretarial and Clerical Assistants	41,200	-	41,200	40,034	1,166
Other Purchased Professional and Technical Services	55,000	39,000	94,000	45,498	48,502
Other Purchased Services	6,000	-	6,000	4,833	1,167
Supplies and Materials	15,000	31,200	46,200	43,054	3,146
Total Child Study Team	<u>778,448</u>	<u>264,464</u>	<u>1,042,912</u>	<u>985,227</u>	<u>57,685</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	119,336	11,000	130,336	100,661	29,675
Salaries of Secretarial and Clerical Assistants	27,500	-	27,500	19,692	7,808
Other Purchased Professional and Technical Services	55,000	(2,500)	52,500	20,577	31,923
Other Purchased Services	8,313	-	8,313	5,228	3,085
Supplies and Materials	500	33,500	34,000	33,171	829
Total Improvement of Instruction Services	<u>210,649</u>	<u>42,000</u>	<u>252,649</u>	<u>179,329</u>	<u>73,320</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 118,338	\$ 26,680	\$ 145,018	\$ 144,152	\$ 866
Other Purchased Services	8,225	-	8,225	7,350	875
Supplies and Materials	6,660	75,174	81,834	80,603	1,231
Total Educational Media Services/School Library	<u>133,223</u>	<u>101,854</u>	<u>235,077</u>	<u>232,105</u>	<u>2,972</u>
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	101,736	-	101,736	60,021	41,715
Salaries of Secretarial and Clerical Assistants	27,500	400	27,900	19,693	8,207
Total Instructional Staff Training Services	<u>129,236</u>	<u>400</u>	<u>129,636</u>	<u>79,714</u>	<u>49,922</u>
Support Services General Administration					
Salaries	253,800	34,000	287,800	220,397	67,403
Salaries of State Fiscal Monitor	15,000	-	15,000	3,984	11,016
Repayment of Principal - NJDOE Loan	230,000	834,497	1,064,497	1,064,497	-
Legal Services	180,000	(13,100)	166,900	69,078	97,822
Audit Fees	48,000	32,000	80,000	37,191	42,809
Architectural/Engineering Services	12,000	23,000	35,000	34,377	623
Other Purchased Professional Services	24,430	(200)	24,230	4,696	19,534
Communications/Telephone	133,300	7,500	140,800	120,969	19,831
Miscellaneous Purchased Services	265,737	4,000	269,737	243,739	25,998
General Supplies	9,110	-	9,110	4,057	5,053
Miscellaneous Expenditures	2,000	700	2,700	2,685	15
BOE Membership Dues and Fees	25,205	-	25,205	18,310	6,895
Total Support Services General Administration	<u>1,198,582</u>	<u>922,397</u>	<u>2,120,979</u>	<u>1,823,980</u>	<u>296,999</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,483,480	70,000	1,553,480	1,522,348	31,132
Salaries of Secretarial and Clerical Assistants	421,917	-	421,917	397,912	24,005
Other Purchased Services	54,792	-	54,792	33,868	20,924
Supplies and Materials	43,044	(9,301)	33,743	26,334	7,409
Other Objects	600	-	600	-	600
Total Support Services School Administration	<u>2,003,833</u>	<u>60,699</u>	<u>2,064,532</u>	<u>1,980,462</u>	<u>84,070</u>
Central Services					
Salaries	527,279	(5,000)	522,279	513,537	8,742
Purchased Professional Services	46,200	3,000	49,200	43,507	5,693
Purchased Technical Services	18,500	2,000	20,500	16,344	4,156
Miscellaneous Purchased Services	13,281	3,500	16,781	12,892	3,889
Supplies and Materials	10,768	-	10,768	9,751	1,017
Interest on Lease Purchase Agreements	1,615	-	1,615	1,615	-
Total Central Services	<u>617,643</u>	<u>3,500</u>	<u>621,143</u>	<u>597,646</u>	<u>23,497</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Administration Information Technology					
Salaries	\$ 200,961	\$ 25,000	\$ 225,961	\$ 190,777	\$ 35,184
Purchased Technical Services	79,385	24,800	104,185	82,990	21,195
Other Purchased Services	44,052	-	44,052	7,412	36,640
Supplies and Materials	22,000	6,436	28,436	27,597	839
Other Objects	758	-	758	-	758
Total Administration Information Technology	<u>347,156</u>	<u>56,236</u>	<u>403,392</u>	<u>308,776</u>	<u>94,616</u>
Required Maintenance for School Facilities					
Salaries	262,521	(43,500)	219,021	201,677	17,344
Cleaning, Repair & Maintenance Services	249,973	92,904	342,877	318,356	24,521
General Supplies	75,984	15,860	91,844	59,516	32,328
Other Objects	-	80	80	80	-
Total Required Maintenance for School Facilities	<u>588,478</u>	<u>65,344</u>	<u>653,822</u>	<u>579,629</u>	<u>74,193</u>
Custodial Services					
Salaries	1,213,925	77,000	1,290,925	1,201,989	88,936
Salaries of Non-Instructional Aides	41,715	-	41,715	24,080	17,635
Cleaning, Repair and Maintenance Services	75,097	(600)	74,497	53,597	20,900
Other Purchased Property Services	34,286	13,600	47,886	47,234	652
Insurance	172,150	(13,000)	159,150	133,623	25,527
General Supplies	91,580	66,000	157,580	92,003	65,577
Energy (Natural Gas)	190,000	(59,500)	130,500	129,651	849
Energy (Electricity)	507,000	(10,000)	497,000	489,850	7,150
Energy (Gasoline)	10,000	-	10,000	-	10,000
Total Custodial Services	<u>2,335,753</u>	<u>73,500</u>	<u>2,409,253</u>	<u>2,172,027</u>	<u>237,226</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	71,573	65,500	137,073	128,814	8,259
General Supplies	14,325	8,000	22,325	15,307	7,018
Total Care and Upkeep of Grounds	<u>85,898</u>	<u>73,500</u>	<u>159,398</u>	<u>144,121</u>	<u>15,277</u>
Security					
Salaries	43,373	-	43,373	43,120	253
Purchased Professional and Technical Services	73,500	49,300	122,800	93,425	29,375
General Supplies	-	5,000	5,000	4,013	987
Total Security	<u>116,873</u>	<u>54,300</u>	<u>171,173</u>	<u>140,558</u>	<u>30,615</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	14,200	-	14,200	13,795	405
Salaries for Pupil Transportation (Between Home and School) - Special	14,200	-	14,200	13,795	405
Salaries for Pupil Transportation (Other Than Between Home & School)	18,500	2,000	20,500	20,065	435
Cleaning, Repair and Maintenance Services	9,500	-	9,500	3,282	6,218
Contracted Services - Aid-in-Lieu-Nonpublic Schools	200,000	(6,500)	193,500	189,000	4,500
Contracted Services (Other Than Between Home and School) - Vendors	39,000	20,000	59,000	38,293	20,707
Contracted Services (Regular) - ESC's & CTSA's	219,000	105,000	324,000	317,146	6,854
Contracted Services (Spec Ed) - ESC's & CTSA's	1,678,000	273,624	1,951,624	1,949,839	1,785
Miscellaneous Purchased Services - Transportation	6,393	(5,000)	1,393	150	1,243
Total Student Transportation Services	<u>2,198,793</u>	<u>389,124</u>	<u>2,587,917</u>	<u>2,545,365</u>	<u>42,552</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 420,250	\$ -	\$ 420,250	\$ 405,929	\$ 14,321
Other Retirement Contributions - PERS	365,489	-	365,489	356,063	9,426
Other Retirement Contributions - DCRP	25,600	19,500	45,100	39,591	5,509
Unemployment Compensation	73,032	6,000	79,032	78,742	290
Workmen's Compensation	234,350	-	234,350	202,169	32,181
Health Benefits	5,694,489	(193,243)	5,501,246	5,092,354	408,892
Tuition Reimbursement	64,260	-	64,260	45,000	19,260
Other Employee Benefits	115,086	(3,086)	112,000	79,687	32,313
Unused Sick Payment to Terminated/Retired Staff	10,000	8,086	18,086	16,979	1,107
Total Unallocated Benefits	<u>7,002,556</u>	<u>(162,743)</u>	<u>6,839,813</u>	<u>6,316,514</u>	<u>523,299</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		2,503,686	(2,503,686)
Pension -NCGI Premium				52,409	(52,409)
Post Retirement Medical Benefit Contribution		-		1,159,440	(1,159,440)
Long Term Disability Insurance				3,890	(3,890)
Reimbursed Social Security Contribution	-	-	-	1,046,153	(1,046,153)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,765,578</u>	<u>(4,765,578)</u>
Total Undistributed Expenditures	<u>26,542,250</u>	<u>2,651,606</u>	<u>29,193,856</u>	<u>31,260,969</u>	<u>(2,067,113)</u>
Total Expenditures - Current Expenditures	<u>39,624,498</u>	<u>3,439,849</u>	<u>43,064,347</u>	<u>44,176,141</u>	<u>(1,111,794)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Admin Info Technology		96,111	96,111	96,110	1
Undistributed Expenditures - Required Maint. For School Facilities		49,688	49,688	49,638	50
Undistributed Expenditures - School Buses Regular School Sponsored and Other Instructional Program	-	9,448	9,448	9,448	-
Total Equipment	<u>-</u>	<u>270,897</u>	<u>270,897</u>	<u>270,753</u>	<u>144</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	123,100	-	123,100	58,343	64,757
Construction Services	1,001,900	-	1,001,900	544,105	457,795
Assessment for Debt Service on SDA Funding	170,358	-	170,358	170,358	-
Total Facilities Acquisition and Construction Services	<u>1,295,358</u>	<u>-</u>	<u>1,295,358</u>	<u>772,806</u>	<u>522,552</u>
Interest on Capital Reserve	560		560		560
Interest on Maintenance Reserve	140	-	140	-	140
	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>700</u>
Total Capital Outlay	<u>1,296,058</u>	<u>270,897</u>	<u>1,566,955</u>	<u>1,043,559</u>	<u>523,396</u>
Transfer of Funds to Charter Schools	373,653	109,611	483,264	482,960	304
Total Expenditures	<u>41,294,209</u>	<u>3,820,357</u>	<u>45,114,566</u>	<u>45,702,660</u>	<u>(588,094)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,325,000)</u>	<u>(1,320,357)</u>	<u>(2,645,357)</u>	<u>2,288,150</u>	<u>4,933,507</u>

**ELMWOOD PARK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources/(Uses)					
Transfers Out - Summer Session Enterprise Fund	-	\$ (10,000)	\$ (10,000)	\$ (10,000)	-
Transfers Out - Debt Service Fund	\$ (250,000)	-	(250,000)	(250,000)	-
Total Other Financing Sources/(Uses)	<u>(250,000)</u>	<u>(10,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ (1,575,000)	(1,330,357)	(2,905,357)	2,028,150	\$ 4,933,507
Fund Balances Beginning of Year	<u>7,262,961</u>	<u>-</u>	<u>7,262,961</u>	<u>7,262,961</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 5,687,961</u>	<u>\$ (1,330,357)</u>	<u>\$ 4,357,604</u>	<u>\$ 9,291,111</u>	<u>\$ 4,933,507</u>
Recapitulation					
Restricted					
Capital Reserve				\$ 4,784,720	
Capital Reserve - Designated for Subsequent Year's Expenditures				700,000	
Maintenance Reserve				1,699,570	
Excess Surplus Designated for Subsequent Year's Expenditures				190,882	
Assigned					
Year End Encumbrances				551,627	
Unassigned				<u>1,364,312</u>	
Fund Balance Per State Budgetary Basis of Accounting				9,291,111	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(1,160,623)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 8,130,488</u>	

**ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 222,288	\$ 38,854	\$ 261,142	\$ 192,355	\$ (68,787)
Federal	1,226,444	377,753	1,604,197	1,462,168	(142,029)
Local Sources					
Miscellaneous	-	47,012	47,012	35,654	(11,358)
Total Revenues	<u>1,448,732</u>	<u>463,619</u>	<u>1,912,351</u>	<u>1,690,177</u>	<u>(222,174)</u>
EXPENDITURES					
Instruction					
Salaries	596,663	(192,795)	403,868	394,773	9,095
Tuition	561,313	89,493	650,806	643,993	6,813
Purchased Professional / Educational Services		32,811	32,811	2,716	30,095
General Supplies	14,963	189,627	204,590	186,720	17,870
Textbooks	7,318	318	7,636	7,609	27
Miscellaneous	-	250	250	250	-
Total Instruction	<u>1,180,257</u>	<u>119,704</u>	<u>1,299,961</u>	<u>1,236,061</u>	<u>63,900</u>
Support Services					
Salaries		3,750	3,750	1,875	1,875
Purchased Professional / Educational Service	268,475	(10,123)	258,352	194,934	63,418
Other Purchased Services		179,434	179,434	87,454	91,980
Supplies and Materials	-	8,129	8,129	7,129	1,000
Total Support Services	<u>268,475</u>	<u>181,190</u>	<u>449,665</u>	<u>291,392</u>	<u>158,273</u>
Transportation					
Contracted Services	-	31,620	31,620	-	31,620
Unallocated Employee Benefits	-	131,105	131,105	131,104	1
Total Expenditures	<u>1,448,732</u>	<u>463,619</u>	<u>1,912,351</u>	<u>1,690,177</u>	<u>222,174</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 47,990,810	\$ 1,690,177
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2018-2019)	(1,160,623)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2017-2018)	570,921	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 47,401,108</u>	<u>\$ 1,690,177</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 45,702,660	\$ 1,690,177
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 45,702,660</u>	<u>\$ 1,690,177</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	.03565%	.03542%	0.03524%	0..03370%	0.03506%	0.03396
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,019,420	\$ 8,244,092	\$ 10,437,473	\$ 7,565,220	\$ 6,564,359	\$ 6,489,881
District's Covered-Employee Payroll	\$ 2,441,484	\$ 2,449,487	\$ 2,336,786	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	287.51%	336.56%	446.66%	333.51%	266.36%	270.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 354,608	\$ 328,084	\$ 313,079	\$ 289,739	\$ 289,037	\$ 255,860
Contributions in Relation to the Contractually Required Contribution	<u>354,608</u>	<u>328,084</u>	<u>313,079</u>	<u>289,739</u>	<u>289,037</u>	<u>255,860</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,441,484	\$ 2,449,487	\$ 2,336,786	\$ 2,268,342	\$ 2,464,462	\$ 2,399,581
Contributions as a Percentage of Covered-Employee Payroll	14.52%	13.39%	13.40%	12.77%	11.78%	10.66%

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

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

Teachers Pension and Annuity Fund

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 78,909,522</u>	<u>\$ 79,894,315</u>	<u>\$ 91,219,332</u>	<u>\$ 72,022,972</u>	<u>\$ 63,892,836</u>	<u>\$ 63,489,527</u>
Total	<u>\$ 78,909,522</u>	<u>\$ 79,894,315</u>	<u>\$ 91,219,332</u>	<u>\$ 72,022,972</u>	<u>\$ 63,892,836</u>	<u>\$ 63,489,527</u>
District's Covered-Employee Payroll	\$ 13,693,149	\$ 13,506,891	\$ 12,040,919	\$ 11,393,763	\$ 11,250,968	\$ 11,244,012
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Change of Benefit Terms: None.

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

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 2,427,458	\$ 2,960,139
Interest on Total OPEB Liability	2,006,606	1,713,733
Differences Between Expected and Actual Experience	(3,872,671)	-
Changes of Assumptions	(5,513,442)	(7,165,584)
Gross Benefit Payments	(1,284,715)	(1,649,441)
Contribution from the Member	<u>44,402</u>	<u>60,737</u>
Net Change in Total OPEB Liability	(6,192,362)	(4,080,416)
Total OPEB Liability - Beginning	<u>\$ 54,237,692</u>	<u>58,318,108</u>
Total OPEB Liability - Ending	<u>\$ 48,045,330</u>	<u>\$ 54,237,692</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>48,045,330</u>	<u>54,237,692</u>
Total OPEB Liability - Ending	<u>\$ 48,045,330</u>	<u>\$ 54,237,692</u>
District's Covered-Employee Payroll	<u>\$ 16,134,633</u>	<u>\$ 15,956,378</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ELMWOOD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ESEA Title I	ESEA Title IIA	ESEA Title III	ESEA Title III Immigrant	ESEA Title IV	IDEA Basic	IDEA PreK	Local Grants	(Exhibit E-1a)	Total 2019
REVENUES										
Intergovernmental										
State									\$ 192,355	\$ 192,355
Federal	\$ 660,097	\$ 77,516	\$ 28,423	\$ 5,340	\$ 31,149	\$ 626,296	\$ 33,347		-	1,462,168
Other Sources	-	-	-	-	-	-	-	\$ 35,654	-	35,654
Total Revenues	\$ 660,097	\$ 77,516	\$ 28,423	\$ 5,340	\$ 31,149	\$ 626,296	\$ 33,347	\$ 35,654	\$ 192,355	\$ 1,690,177
EXPENDITURES										
Instruction										
Salaries	\$ 372,933		\$ 16,500	5,340					-	\$ 394,773
Tuition						\$ 610,646	\$ 33,347			643,993
Purchased Professional / Educational Services	2,000		716							2,716
General Supplies	152,813		5,407					\$ 23,509	\$ 4,991	186,720
Textbooks									7,609	7,609
Miscellaneous	-	-	-	-	-	-	-	250	-	250
Total Instruction	527,746	-	22,623	5,340	-	610,646	33,347	23,759	12,600	1,236,061
Support Services										
Salaries	1,875									1,875
Personnel Services - Employee Benefits	125,304		5,800							131,104
Purchased Professional/Educational Services					\$ 31,149	15,650			148,135	194,934
Other Purchased Professional Services	5,172	\$ 77,516						4,766		87,454
Contracted Services - Transportation									31,620	31,620
Supplies and Materials	-	-	-	-	-	-	-	7,129	-	7,129
Total Support Services	132,351	77,516	5,800	-	31,149	15,650	-	11,895	179,755	454,116
Total Expenditures	\$ 660,097	\$ 77,516	\$ 28,423	\$ 5,340	\$ 31,149	\$ 626,296	\$ 33,347	\$ 35,654	\$ 192,355	\$ 1,690,177

ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Chapter 192 Services			Chapter 193 Services			Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	Total Exhibit E-1a
	Compensatory Services	ESL	Transportation	Examination & Classification	Corrective Speech	Supplemental Instruction					
REVENUES											
Intergovernmental											
State	\$ 66,073	\$ 3,796	\$ 31,620	\$ 14,026	\$ 17,499	\$ 17,446	\$ 7,609	\$ 13,305	\$ 15,990	\$ 4,991	\$ 192,355
Federal	-	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 66,073</u>	<u>\$ 3,796</u>	<u>\$ 31,620</u>	<u>\$ 14,026</u>	<u>\$ 17,499</u>	<u>\$ 17,446</u>	<u>\$ 7,609</u>	<u>\$ 13,305</u>	<u>\$ 15,990</u>	<u>\$ 4,991</u>	<u>\$ 192,355</u>
EXPENDITURES											
Instruction											
General Supplies										\$ 4,991	4,991
Textbooks							7,609				\$ 7,609
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	-	7,609	-	-	4,991	12,600
Support Services											
Purchased Professional / Educational Services	\$ 66,073	\$ 3,796		\$ 14,026	\$ 17,499	\$ 17,446		\$ 13,305	\$ 15,990		148,135
Contracted Services - Transportation			\$ 31,620								31,620
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>66,073</u>	<u>3,796</u>	<u>31,620</u>	<u>14,026</u>	<u>17,499</u>	<u>17,446</u>	<u>-</u>	<u>13,305</u>	<u>15,990</u>	<u>-</u>	<u>179,755</u>
Total Expenditures	<u>\$ 66,073</u>	<u>\$ 3,796</u>	<u>\$ 31,620</u>	<u>\$ 14,026</u>	<u>\$ 17,499</u>	<u>\$ 17,446</u>	<u>\$ 7,609</u>	<u>\$ 13,305</u>	<u>\$ 15,990</u>	<u>\$ 4,991</u>	<u>\$ 192,355</u>

**ELMWOOD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2019</u>
		<u>Prior Years</u>	<u>Current Year</u>		
2014 Referendum Projects- Various Improvements to Memorial MS/HS, Gantner Ave School, Gilbert Avenue School, and Sixteenth Avenue School	\$ 9,992,250	\$ 9,869,885	\$ (15,492)	\$ (137,857)	\$ -
	<u>\$ 9,992,250</u>	<u>\$ 9,869,885</u>	<u>\$ (15,492)</u>	<u>\$ (137,857)</u>	<u>\$ -</u>
<u>Recapitulation to GAAP</u>					
Project Balance, June 30, 2019					\$ -
Fund Balance, June 30, 2019 - GAAP Basis					<u>\$ 137,857</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service					<u>\$ 137,857</u>

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Revenues and Other Financing Sources

Revenues:

Miscellaneous-Prior Year Accounts Payable Cancelled	\$ 18,698
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Total Revenues and Other Financing sources	18,698
--	--------

Expenditures and Other Financing Uses

Expenditures:

Facilities Acquisition and Construction Services

Salaries	3,000
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Architectural / Engineering Services	206
--------------------------------------	-----

Construction Services	-
-----------------------	---

Total Expenditures and Other Financing Uses	3,206
---	-------

Excess of Revenues and Other Financing Sources

Over Expenditures and Other Financing Uses	15,492
--	--------

Fund Balance, Beginning of Year

	122,365
--	---------

Fund Balance, End of Year

	\$ 137,857
--	------------

Reconciliation to GAAP

Fund Balance, June 30, 2019 - Budgetary Basis	\$ 137,857
---	------------

Fund Balance, June 30, 2019 - GAAP Basis	\$ 137,857
--	------------

**ELMWOOD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
2014 REFERNDUM PROJECTS-VARIOUS IMPROVEMENTS TO MEMORIAL MS/HS,
GANTNER AVENUE SCHOOL, GILBERT AVENUE SCHOOL AND SIXTEENTH AVENUE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 9,290,000	\$ (137,857)	\$ 9,152,143	\$ 9,290,000
Premium on Bonds	<u>702,250</u>	<u>-</u>	<u>702,250</u>	<u>702,250</u>
Total Revenues and Other Financing Sources	<u>9,992,250</u>	<u>(137,857)</u>	<u>9,854,393</u>	<u>9,992,250</u>
Expenditures and Other Financing Uses				
Salaries	39,342	3,000	42,342	37,954
Legal Services	27,649		27,649	26,369
Architectural / Engineering Services	845,948	206	846,154	1,105,039
Construction Services	8,697,915	(18,698)	8,679,217	8,532,549
Supplies	20,425		20,425	20,425
Other Objects	230,943		230,943	262,214
Equipment	<u>7,663</u>	<u>-</u>	<u>7,663</u>	<u>7,700</u>
Total Expenditures and Other Financing Uses	<u>9,869,885</u>	<u>(15,492)</u>	<u>9,854,393</u>	<u>9,992,250</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 122,365</u>	<u>\$ (122,365)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

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

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2019

PROPRIETARY FUNDS

**ELMWOOD PARK BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

**ELMWOOD PARK BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 135,937	\$ 870,180	\$ 1,006,117
Total Assets	<u>\$ 135,937</u>	<u>\$ 870,180</u>	<u>\$ 1,006,117</u>
LIABILITIES			
Due to Student Groups	\$ 135,937		\$ 135,937
Payroll Deductions and Withholdings		\$ 132,177	132,177
Summer Savings Deposits		731,523	731,523
Flexible Spending Deposits	<u>-</u>	<u>6,480</u>	<u>6,480</u>
Total Liabilities	<u>\$ 135,937</u>	<u>\$ 870,180</u>	<u>\$ 1,006,117</u>

**ELMWOOD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
NONEXPENDABLE TRUST FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**AGENCY FUNDS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
Elementary Schools:				
Gantner Avenue	\$ 1,536	\$ 10,857	\$ 10,100	\$ 2,293
Gilbert Avenue	261	12,579	9,839	3,001
Sixteenth Avenue	<u>232</u>	<u>9,663</u>	<u>8,882</u>	<u>1,013</u>
	<u>2,029</u>	<u>33,099</u>	<u>28,821</u>	<u>6,307</u>
Junior High School:				
Memorial Middle School	<u>29,113</u>	<u>77,894</u>	<u>80,253</u>	<u>26,754</u>
Senior High School:				
Memorial High School	76,724	139,664	114,451	101,937
Athletic Activities	<u>904</u>	<u>55,900</u>	<u>55,865</u>	<u>939</u>
	<u>77,628</u>	<u>195,564</u>	<u>170,316</u>	<u>102,876</u>
	<u>\$ 108,770</u>	<u>\$ 306,557</u>	<u>\$ 279,390</u>	<u>\$ 135,937</u>

ELMWOOD PARK BOARD OF EDUCATION
AGENCY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance, July 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2019</u>
ASSETS				
Cash	\$ 825,178	\$ 22,496,631	\$ 22,451,629	\$ 870,180
Total Assets	<u>\$ 825,178</u>	<u>\$ 22,496,631</u>	<u>\$ 22,451,629</u>	<u>\$ 870,180</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 121,744	\$ 9,656,920	\$ 9,646,487	\$ 132,177
Accrued Salaries and Wages		12,084,486	12,084,486	-
Summer Savings Deposits	698,608	731,118	698,203	731,523
Flexible Spending Deposits	<u>4,826</u>	<u>24,107</u>	<u>22,453</u>	<u>6,480</u>
Total Liabilities	<u>\$ 825,178</u>	<u>\$ 22,496,631</u>	<u>\$ 22,451,629</u>	<u>\$ 870,180</u>

LONG-TERM DEBT

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
School Bonds	7/9/2014	\$ 9,290,000	8/1/2019	\$ 375,000	4.000 %				
			8/1/2020	350,000	4.000				
			8/1/2021	375,000	5.000				
			8/1/2022	405,000	5.000				
			8/1/2023	445,000	5.000				
			8/1/2024	470,000	5.000				
			8/1/2025	500,000	5.000				
			8/1/2026	545,000	5.000				
			8/1/2027	555,000	4.000				
			8/1/2028	545,000	4.000				
			8/1/2029	370,000	4.000				
			8/1/2030	600,000	4.000				
			8/1/2031	600,000	4.000				
			8/1/2032	600,000	4.000				
			8/1/2033	600,000	4.000				
			8/1/2034	600,000	4.000	\$ 8,295,000		\$ 360,000	\$ 7,935,000
Refunding Schools Bonds	7/9/2014	\$ 21,275,000	8/1/2019	1,200,000	4.000				
			8/1/2020	1,290,000	4.000				
			8/1/2021	1,340,000	5.000				
			8/1/2022	1,395,000	5.000				
			8/1/2023	1,445,000	5.000				
			8/1/2024	1,500,000	5.000				
			8/1/2025	1,555,000	5.000				
			8/1/2026	1,605,000	5.000				
			8/1/2027	1,700,000	4.000				
			8/1/2028	1,785,000	4.000				
			8/1/2029	1,950,000	4.000				
						<u>17,925,000</u>	<u>-</u>	<u>1,160,000</u>	<u>16,765,000</u>
						<u>\$ 26,220,000</u>	<u>\$ -</u>	<u>\$ 1,520,000</u>	<u>\$ 24,700,000</u>
							<u>Paid by Budget</u>	<u>\$ 1,520,000</u>	

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASES AND LEASE - PURCHASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
<u>Capital Leases</u>						
Technology / Network Upgrade	275,000	2.00%	\$ 57,760	\$ -	\$ 57,760	\$ -
			<u>57,760</u>	<u>-</u>	<u>57,760</u>	<u>-</u>
<u>Lease - Purchase Agreements</u>						
Computer Supplies (IPADS)	281,855	2.69%	57,609	-	57,609	-
			<u>57,609</u>	<u>-</u>	<u>57,609</u>	<u>-</u>
			<u>\$ 115,369</u>	<u>\$ -</u>	<u>\$ 115,369</u>	<u>\$ -</u>

**ELMWOOD PARK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,141,484		\$ 2,141,484	\$ 2,141,484	
State Sources					
Debt Service State Aid	<u>255,116</u>	<u>-</u>	<u>255,116</u>	<u>255,116</u>	<u>-</u>
Total Revenues	<u>2,396,600</u>	<u>-</u>	<u>2,396,600</u>	<u>2,396,600</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,520,000		1,520,000	1,520,000	-
Interest	<u>1,126,600</u>	<u>-</u>	<u>1,126,600</u>	<u>1,126,600</u>	<u>-</u>
Total Expenditures	<u>2,646,600</u>	<u>-</u>	<u>2,646,600</u>	<u>2,646,600</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250,000)	-	(250,000)	(250,000)	-
OTHER FINANCING SOURCES					
Transfer from Capital Reserve Fund	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Sources	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balances					-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	2010	2011 (1)	2012	2013	Fiscal Year Ended June 30.		2016	2017	2018	2019
					2014 (2)	2015				
Governmental activities										
Net Investment in Capital Assets	\$ 15,496,530	\$ 15,110,080	\$ 15,092,220	\$ 14,516,671	\$ 15,208,895	\$ 15,057,857	\$ 17,710,996	\$ 18,431,982	\$ 19,137,424	\$ 19,729,688
Restricted	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740	5,191,524	7,184,290
Unrestricted	(1,556,592)	(1,670,542)	(3,718,193)	(3,083,523)	(10,703,259)	(10,022,879)	(9,819,821)	(9,905,619)	(8,515,481)	(8,028,871)
Total governmental activities net position	<u>\$ 13,941,153</u>	<u>\$ 13,439,989</u>	<u>\$ 11,374,474</u>	<u>\$ 11,683,925</u>	<u>\$ 6,950,983</u>	<u>\$ 8,113,709</u>	<u>\$ 10,983,109</u>	<u>\$ 12,497,103</u>	<u>\$ 15,813,467</u>	<u>\$ 18,885,107</u>
Business-type activities										
Net Investment in Capital Assets	\$ 193,635	\$ 173,825	\$ 170,511	\$ 27,671	\$ 17,135	\$ 9,466	\$ 23,456	\$ 79,223	\$ 121,482	\$ 177,929
Restricted										
Unrestricted	133,908	203,323	25,811	238,928	468,708	668,874	277,869	299,291	308,253	228,135
Total business-type activities net position	<u>\$ 327,543</u>	<u>\$ 377,148</u>	<u>\$ 196,322</u>	<u>\$ 266,599</u>	<u>\$ 485,843</u>	<u>\$ 678,340</u>	<u>\$ 301,325</u>	<u>\$ 378,514</u>	<u>\$ 429,735</u>	<u>\$ 406,064</u>
District-wide										
Net Investment in Capital Assets	\$ 15,690,165	\$ 15,283,905	\$ 15,262,731	\$ 14,544,342	\$ 15,226,030	\$ 15,067,323	\$ 17,734,452	\$ 18,511,205	\$ 19,258,906	\$ 19,907,617
Restricted	1,215	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740	5,191,524	7,184,290
Unrestricted	(1,422,684)	(1,467,219)	(3,692,382)	(2,844,595)	(10,234,551)	(9,354,005)	(9,541,952)	(9,606,328)	(8,207,228)	(7,800,736)
Total district net position	<u>\$ 14,268,696</u>	<u>\$ 13,817,137</u>	<u>\$ 11,570,796</u>	<u>\$ 11,950,524</u>	<u>\$ 7,436,826</u>	<u>\$ 8,792,049</u>	<u>\$ 11,284,434</u>	<u>\$ 12,875,617</u>	<u>\$ 16,243,202</u>	<u>\$ 19,291,171</u>

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

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,605,630	\$ 10,180,397	\$ 9,953,651	\$ 11,906,542	\$ 12,396,434	\$ 14,999,220	\$ 15,783,095	\$ 17,305,932	\$ 18,591,827	\$ 17,907,427
Special Education	2,446,906	2,579,766	2,608,782	9,041,608	8,781,930	9,844,230	9,663,299	10,436,257	10,273,035	10,659,067
Other Instruction	232,329	282,831	482,506	243,800	387,071	575,702	569,196	625,591	1,130,913	1,159,106
School Sponsored	631,532	685,764	666,997	565,044	541,451	572,849	613,296	672,594	603,415	801,019
Community Services	308									
Support Services:										
Tuition	4,261,058	4,470,522	5,221,404							
Student & instruction Related Services	4,515,442	4,536,180	4,548,825	5,134,658	4,658,155	5,439,445	5,600,381	6,667,445	6,933,736	7,896,193
General Administrative Services	929,528	944,202	920,605	1,119,619	1,409,617	1,807,366	1,272,670	1,256,669	1,201,790	1,063,522
School Administrative Services	1,762,373	2,163,535	1,699,593	2,382,539	2,484,316	2,801,552	2,890,800	3,438,947	3,649,080	3,653,932
Central Services and Admin. Info. Technolog	782,050	880,579	711,822	1,183,844	1,205,590	1,515,178	1,322,865	1,371,526	1,413,974	1,372,111
Plant Operations and Maintenance	3,333,374	3,152,087	3,587,272	2,884,042	3,554,579	3,700,896	3,669,476	3,754,899	3,776,579	4,076,207
Pupil Transportation	2,385,961	1,945,611	1,983,856	1,726,171	1,583,747	1,621,563	1,886,266	2,060,894	2,109,614	2,608,161
Unallocated Benefits	1,672,360	1,526,137	2,676,385			443,134				
Special Schools										
Charter Schools	13,057	94,588	149,739							
Interest on Long-Term Debt	1,215,136	1,178,271	1,139,256	1,113,954	1,072,951		913,382	912,312	916,101	900,330
Capital Outlay - Non-Depreciable	368,627	138,430	629,529							
Unallocated Depreciation	1,172,745	1,181,371	1,179,784							
Total Governmental Activities Expenses	<u>36,328,416</u>	<u>35,940,271</u>	<u>38,160,006</u>	<u>37,301,821</u>	<u>38,075,841</u>	<u>43,321,135</u>	<u>44,184,726</u>	<u>48,503,066</u>	<u>50,600,064</u>	<u>52,097,075</u>
Business-Type Activities:										
Food service	1,082,787	1,122,264	1,006,654	933,142	887,284	891,617	947,926	931,821	1,003,913	1,098,382
Before/After Care Program		40,775	329,677	143,731	137,066	129,686				
Summer Session Program				138,823	24,837	24,818	36,945	36,415	19,719	38,069
Total Business-Type Activities Expense	<u>1,082,787</u>	<u>1,163,039</u>	<u>1,336,331</u>	<u>1,215,696</u>	<u>1,049,187</u>	<u>1,046,121</u>	<u>984,871</u>	<u>968,236</u>	<u>1,023,632</u>	<u>1,136,451</u>
Total District Expenses	<u>\$ 37,411,203</u>	<u>\$ 37,103,310</u>	<u>\$ 39,496,337</u>	<u>\$ 38,517,517</u>	<u>\$ 39,125,028</u>	<u>\$ 44,367,256</u>	<u>\$ 45,169,597</u>	<u>\$ 49,471,302</u>	<u>\$ 51,623,696</u>	<u>\$ 53,233,526</u>
Program Revenues										
Governmental Activities:										
Charges for Services				164,664	260,002	213,843	197,399	124,088	228,599	79,676
Operating Grants and Contributions	1,791,333	1,412,092	1,485,896	5,703,017	6,437,292	9,327,421	10,694,109	12,918,625	14,414,893	14,028,415
Capital Grants and Contributions				12,679	6,963		77,000	9,410	31,182	
Total Governmental Activities Program Revenues	<u>1,791,333</u>	<u>1,412,092</u>	<u>1,485,896</u>	<u>5,880,360</u>	<u>6,704,257</u>	<u>9,541,264</u>	<u>10,968,508</u>	<u>13,052,123</u>	<u>14,674,674</u>	<u>14,108,091</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for Services										
Food Service	\$ 623,669	\$ 675,100	\$ 609,506	\$ 465,300	\$ 471,320	\$ 432,590	\$ 398,561	\$ 415,325	\$ 466,259	\$ 497,685
Before/After CARE Program		66,714	153,421	290,311	272,047	245,354	2,245			
Summer Session Program			165,009	148,497	22,547	17,667	22,656	16,149	8,998	27,570
Operating Grants and Contributions	458,894	470,631	508,293	504,652	502,374	531,571	566,237	588,951	574,596	577,525
Total Business Type Activities Program Revenues	<u>1,082,563</u>	<u>1,212,445</u>	<u>1,436,229</u>	<u>1,408,760</u>	<u>1,268,288</u>	<u>1,227,182</u>	<u>989,699</u>	<u>1,020,425</u>	<u>1,049,853</u>	<u>1,102,780</u>
Total District Program Revenues	<u>\$ 2,873,896</u>	<u>\$ 2,624,537</u>	<u>\$ 2,922,125</u>	<u>\$ 7,289,120</u>	<u>\$ 7,972,545</u>	<u>\$ 10,768,446</u>	<u>\$ 11,958,207</u>	<u>\$ 14,072,548</u>	<u>\$ 15,724,527</u>	<u>\$ 15,210,871</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (34,537,083)	\$ (34,528,179)	\$ (36,674,110)	\$ (31,421,461)	\$ (31,371,584)	\$ (33,779,871)	\$ (33,216,218)	\$ (35,450,943)	\$ (35,925,390)	\$ (37,988,984)
Business-Type Activities	(224)	49,406	99,898	193,064	219,101	181,061	4,828	52,189	26,221	(33,671)
Total District-Wide Net Expense	<u>\$ (34,537,307)</u>	<u>\$ (34,478,773)</u>	<u>\$ (36,574,212)</u>	<u>\$ (31,228,397)</u>	<u>\$ (31,152,483)</u>	<u>\$ (33,598,810)</u>	<u>\$ (33,211,390)</u>	<u>\$ (35,398,754)</u>	<u>\$ (35,899,169)</u>	<u>\$ (38,022,655)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	26,423,176	27,480,103	\$ 27,480,103	\$ 28,789,793	\$ 29,579,684	\$ 31,160,280	\$ 31,783,486	\$ 32,973,746	\$ 33,692,252	\$ 33,770,852
Taxes Levied for Debt Service	2,079,305	2,093,740	2,105,580	2,114,918	2,123,084	2,128,740	2,292,850	2,390,209	2,394,530	2,141,484
Unrestricted Federal and State Aid	5,332,263	4,254,542	4,640,263	723,691	1,176,221	1,269,440	1,232,660	1,241,807	2,743,495	4,643,921
State Aid for Debt Service Principal							169,176	140,550	142,780	146,519
Tuition Received	78,240	34,269	66,508							
Cancellation Accounts Receivable/Payable		(764)				82,582	-			
Investment earnings	2,899	4,676	3,219	7,306	16,581		90,730	64,241	124,589	196,359
Miscellaneous Income	88,135	160,449	31,850	95,204	232,953	312,991	134,873	179,384	169,108	171,489
Transfers			281,073			(11,436)	381,843	(25,000)	(25,000)	(10,000)
Total Governmental Activities	<u>34,004,018</u>	<u>34,027,015</u>	<u>34,608,596</u>	<u>31,730,912</u>	<u>33,128,523</u>	<u>34,942,597</u>	<u>36,085,618</u>	<u>36,964,937</u>	<u>39,241,754</u>	<u>41,060,624</u>
Business-Type Activities:										
Investment Earnings	6	201	348	279	143					
Miscellaneous										
Transfers			(281,073)			11,436	(381,843)	25,000	25,000	10,000
Total Business-Type Activities	<u>6</u>	<u>201</u>	<u>(280,725)</u>	<u>279</u>	<u>143</u>	<u>11,436</u>	<u>(381,843)</u>	<u>25,000</u>	<u>25,000</u>	<u>10,000</u>
Total District-Wide	<u>\$ 34,004,024</u>	<u>\$ 34,027,216</u>	<u>\$ 34,327,871</u>	<u>\$ 31,731,191</u>	<u>\$ 33,128,666</u>	<u>\$ 34,954,033</u>	<u>\$ 35,703,775</u>	<u>\$ 36,989,937</u>	<u>\$ 39,266,754</u>	<u>\$ 41,070,624</u>
Change in Net Position										
Governmental Activities	\$ (533,065)	\$ (501,164)	\$ (2,065,514)	\$ 309,451	\$ 1,756,939	\$ 1,162,726	\$ 2,869,400	\$ 1,513,994	\$ 3,316,364	\$ 3,071,640
Business-Type Activities	(218)	49,607	(180,827)	193,343	219,244	192,497	(377,015)	77,189	51,221	(23,671)
Total District	<u>\$ (533,283)</u>	<u>\$ (451,557)</u>	<u>\$ (2,246,341)</u>	<u>\$ 502,794</u>	<u>\$ 1,976,183</u>	<u>\$ 1,355,223</u>	<u>\$ 2,492,385</u>	<u>\$ 1,591,183</u>	<u>\$ 3,367,585</u>	<u>\$ 3,047,969</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1									
Unreserved	(184,980)									
Restricted		\$ 1	\$ 1	\$ 250,777	\$ 2,445,347	\$ 3,074,002	\$ 3,087,205	\$ 3,970,740	\$ 6,216,903	\$ 7,375,172
Committed				171,441						
Assigned				42,337	34,400	29,600	65,719	31,442	166,540	551,627
Unassigned	-	(704,548)	(2,295,555)	184,084	(48,023)	29,177	104,031	88,167	308,597	203,689
Total General Fund	<u>\$ (184,979)</u>	<u>\$ (704,547)</u>	<u>\$ (2,295,554)</u>	<u>\$ 648,639</u>	<u>\$ 2,431,724</u>	<u>\$ 3,132,779</u>	<u>\$ 3,256,955</u>	<u>\$ 4,090,349</u>	<u>\$ 6,692,040</u>	<u>\$ 8,130,488</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund	\$ 1,212									
Debt Service	3									
Restricted for:										
Capital Projects						6,969,798	2,300,730	1,186,862	122,365	
Debt Service		\$ 450	\$ 446			4,729	4,729			137,857
Unassigned	-	-	-		(765,913)	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,215</u>	<u>\$ 450</u>	<u>\$ 446</u>	<u>\$ -</u>	<u>\$ (765,913)</u>	<u>\$ 6,974,527</u>	<u>\$ 2,305,459</u>	<u>\$ 1,186,862</u>	<u>\$ 122,365</u>	<u>\$ 137,857</u>

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 28,502,481	\$ 29,573,843	\$ 29,585,683	\$ 30,904,711	\$ 31,702,768	\$ 33,289,020	\$ 34,076,336	\$ 35,363,955	\$ 36,086,782	\$ 35,912,336
Tuition			50,831	162,103	260,002	213,843	197,399	124,088	228,599	79,676
Transportation Fees				2,561	-					
E-Rate	78,240	34,269	15,677							
Interest Earnings	2,899	4,676	3,219							
Miscellaneous	92,691	162,267	55,111	125,564	262,683	413,670	302,922	293,649	352,359	403,502
State Sources	5,440,939	4,401,048	4,892,190	5,242,835	6,117,289	6,340,110	7,098,021	7,393,918	9,520,545	13,639,212
Federal Sources	1,678,101	1,263,766	1,210,708	1,173,498	1,490,038	1,416,690	1,528,353	1,345,434	1,375,067	1,471,857
Total revenue	35,795,351	35,439,869	35,813,419	37,611,272	39,832,780	41,673,333	43,203,031	44,521,044	47,563,352	51,506,583
Expenditures										
Instruction										
Regular Instruction	8,883,555	8,337,606	8,213,620	11,377,399	12,025,350	12,904,644	13,187,793	13,749,348	14,562,038	15,296,139
Special Education Instruction	1,936,935	2,005,274	2,261,707	8,698,198	8,534,760	9,123,082	8,884,888	9,268,202	9,005,598	9,762,852
Other Instruction	183,655	219,475	374,630	232,598	387,071	499,891	477,517	480,301	859,341	974,417
School Sponsored/Other Instructional	525,437	564,179	547,661	539,793	541,451	565,270	598,011	615,310	558,829	719,556
Community Service Programs	308									
Support Services:										
Instruction - Tuition	4,261,058	4,470,522	5,221,404							
Student & Inst. Related Services	3,856,949	3,780,524	3,836,671	4,928,362	4,441,742	4,818,144	4,922,487	5,600,004	5,684,434	6,964,271
General Administration	837,952	852,507	844,668	1,074,436	1,334,462	1,106,989	1,204,673	1,134,287	1,125,445	1,030,356
School Administration	1,386,686	1,678,728	1,339,609	2,271,932	2,394,816	2,434,687	2,419,779	2,695,700	2,832,222	3,076,687
Central Administrative Services	653,867	720,638	534,170	1,109,333	1,146,524	1,429,273	1,227,405	1,194,069	1,183,349	1,220,314
Operations and Maintenance	2,938,699	2,737,355	3,186,256	2,756,848	3,310,981	3,462,358	3,399,914	3,284,256	3,324,884	3,695,230
Student Transportation	1,950,843	1,484,400	1,965,964	1,665,612	1,572,649	1,615,070	1,881,373	2,050,381	2,095,373	2,598,333
Employee Benefits	6,285,671	6,781,472	6,854,988							
Transfer to Charter Schools	13,057	94,588	149,739							
Capital Outlay	449,155	138,430	789,390	207,441	787,583	3,110,577	6,748,440	1,604,646	1,724,284	876,407
Debt Service										
Principal	850,000	900,000	950,000	1,142,748	1,493,782	1,658,332	1,945,688	1,906,088	1,877,373	2,699,866
Interest and Other Charges	1,229,303	1,193,740	1,155,584	1,127,311	1,089,891	542,893	1,231,798	1,198,655	1,167,988	1,128,215
Payment to Escrow Agent						736,846				
Cost of Issuance						604,928				
Total Governmental Fund Expenditures	36,243,130	35,959,438	38,226,061	37,132,011	39,061,062	44,612,984	48,129,766	44,781,247	46,001,158	50,042,643
Excess (Deficiency) of revenues over (under) expenditures	(447,779)	(519,569)	(2,412,642)	479,261	771,718	(2,939,651)	(4,926,735)	(260,203)	1,562,194	1,463,940

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Transfers in	\$ 10	\$ 448	\$ 281,073	\$ 1		\$ 44,539	\$ 416,843			\$ 250,000
Transfers out	(10)	(448)		(1)		(55,975)	(35,000)	(25,000)	(25,000)	(260,000)
Proceeds State Aid Advance Loan				2,214,497						
Proceeds from the Sale of Bonds						30,565,000				
Premium on Bonds						3,652,727				
Payments to Refunding Escrow						(23,382,000)				
Cancellation of Accounts Receivable		(10,240)								
Cancellation of Accounts Payable		9,476								
Capital Leases/Lease Purchase Proceeds	163,404		540,558	249,989	\$ 245,454	556,855	-	-	-	-
Total other financing sources (uses)	163,404	(764)	821,631	2,464,486	245,454	11,381,146	381,843	(25,000)	(25,000)	(10,000)
Net change in fund balances	\$ (284,375)	\$ (520,333)	\$ (1,591,011)	\$ 2,943,747	\$ 1,017,172	\$ 8,441,495	\$ (4,544,892)	\$ (285,203)	\$ 1,537,194	\$ 1,453,940
Debt service as a percentage of noncapital expenditures	5.81%	5.85%	5.62%	6.15%	6.75%	5.30%	7.68%	7.19%	6.88%	7.79%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Transfer from Payroll Trust and Agency</u>	<u>E-Rate</u>	<u>Athletic Gate Receipts</u>	<u>Energy Credits</u>	<u>Rebates/ Refunds</u>	<u>Other Misc.</u>	<u>Total</u>
2010		\$ 2,888		\$ 78,240			\$ 19,291	\$ 68,845	\$ 169,264
2011		4,676		34,269				160,449	199,394
2012	\$ 50,831	3,219		15,677				31,850	101,577
2013	162,103	5,997		65,981			20,617	12,476	267,174
2014	260,002	16,581	\$ 60,367	69,544			1,668	101,374	509,536
2015	213,843	38,043		64,634				248,357	564,877
2016	197,399	90,730		76,982				57,891	423,002
2017	124,088	64,241	5,569	69,826	\$ 3,336		30,595	70,058	367,713
2018	228,599	127,589		73,914	4,914	\$ 10,686	44,794	31,800	522,296
2019	76,976	196,359		61,639	3,525	\$ 17,223	20,522	52,582	428,826

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 19,156,000	\$ 1,580,256,800		\$ 287,015,300	\$ 119,348,700	\$ 63,267,700	\$ 2,069,044,500	\$ 2,042,994	\$ 2,071,087,494	\$ 2,513,582,993	\$ 1.402
2011	18,924,000	1,583,522,000		278,337,200	112,838,500	63,267,700	2,056,889,400	1,734,845	2,058,624,245	2,374,358,577	1.437
2012	16,880,100	1,583,487,400		274,953,900	112,063,500	60,905,700	2,048,290,600	1,786,220	2,050,076,820	2,295,775,313	1.500
2013	14,564,100	1,589,876,300		267,590,000	116,242,400	60,905,700	2,049,178,500	96	2,049,178,596	2,162,263,204	1.530
2014	14,055,500	1,584,939,900		264,753,100	115,007,700	72,861,200	2,051,617,400	100	2,051,617,500	2,058,172,110	1.585
2015	12,807,700	1,586,494,000		260,312,600	114,720,800	76,758,700	2,051,093,800	100	2,051,093,900	2,097,262,176	1.657
2016	12,184,900	1,593,960,300		259,987,400	114,105,700	82,130,300	2,062,368,600	99	2,062,368,699	2,105,355,467	1.684
2017	11,813,900	1,605,280,300		258,841,400	114,292,500	82,130,300	2,072,358,400	100	2,072,358,500	2,117,435,483	1.724
2018	12,723,200	1,608,122,000		257,549,400	114,568,400	82,130,300	2,075,093,300	90	2,075,093,390	2,309,774,854	1.730
2019	13,299,200	1,612,285,000		255,198,700	114,568,400	80,915,300	2,076,266,600	100	2,076,266,700	2,317,059,270	1.760

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Elmwood Park Local School District	Municipality of Elmwood Park	County of Bergen	
2010	\$ 1.402	\$ 0.799	\$ 0.239	\$ 2.440
2011	1.437	0.819	0.236	2.492
2012	1.500	0.845	0.246	2.591
2013	1.530	0.864	0.242	2.636
2014	1.585	0.880	0.234	2.699
2015	1.657	0.881	0.245	2.783
2016	1.684	0.861	0.250	2.795
2017	1.724	0.908	0.257	2.889
2018	1.730	0.920	0.273	2.923
2019	1.760	0.919	0.272	2.951

Source: County Abstract of Ratables

* Includes Library

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Marcal Paper Co	\$ 14,490,900	0.70%	\$ 14,669,500	0.71%
RD Elmwood Associates, LLP			14,490,900	0.70%
Riverfront Residential 2 LLC	14,000,000	0.67%		
Exchange Market Street LLC	11,700,000	0.56%		
35 Market Street, LLP			11,700,000	0.56%
LKD-1, LLC			11,496,700	0.56%
200 RiverfrontBoulevard HP LLC	10,954,500	0.53%		
RFC-1, LLC			10,954,500	0.53%
Altair Garden House			10,700,100	0.52%
EF SBC	9,900,000	0.48%		
LKD-3, LLC	9,750,000	0.47%		
Hartz Mountain Industries			9,676,500	0.47%
One Eighty Broadway LLC	9,467,000	0.46%		
669 River Drive Assoc., LLC			9,574,000	0.46%
Banker Financial Corp.			9,467,000	0.46%
Riverfront Residential 2 LLC	9,269,100	0.45%		
E. Coast Elmwood Vill. LLC	9,107,900	0.44%		
SG National LLC	8,776,500	0.42%		
	<u>\$ 107,415,900</u>	<u>5.17%</u>	<u>\$ 113,733,100</u>	<u>5.50%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 28,502,481	\$ 28,502,481	100.00%	
2011	29,573,843	29,573,843	100.00%	
2012	29,585,683	29,585,683	100.00%	
2013	30,904,711	30,904,711	100.00%	
2014	31,702,768	31,702,768	100.00%	
2015	33,289,020	33,289,020	100.00%	
2016	34,076,336	34,076,336	100.00%	
2017	35,363,955	35,363,955	100.00%	
2018	36,086,782	36,086,782	100.00%	
2019	35,912,336	35,912,336	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Population	Per Capita
	General Obligation Bonds	Loans Payable	Capital Leases/Lease- Purchase				
2010	\$ 28,382,000		\$ 226,130	\$ 28,608,130	19,514	\$ 1,466	
2011	27,482,000		78,280	27,560,280	19,625	1,404	
2012	26,532,000		442,082	26,974,082	19,686	1,370	
2013	25,532,000	\$ 2,214,497	549,323	28,295,820	20,035	1,412	
2014	24,482,000	1,984,497	580,995	27,047,492	20,070	1,348	
2015	30,565,000	1,754,497	809,518	33,129,015	20,113	1,647	
2016	29,165,000	1,524,497	493,830	31,183,327	20,096	1,552	
2017	27,705,000	1,294,497	277,742	29,277,239	20,142	1,454	
2018	26,220,000	1,064,497	115,369	27,399,866	20,120 *	1,362	
2019	24,700,000	-	-	24,700,000	20,120	1,228	

Source: District records

* Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 28,382,000	-	\$ 28,382,000	1.37%	\$ 1,454
2011	27,482,000	-	27,482,000	1.33%	1,400
2012	26,532,000	-	26,532,000	1.29%	1,348
2013	25,532,000	-	25,532,000	1.25%	1,274
2014	24,482,000	-	24,482,000	1.19%	1,220
2015	30,565,000	-	30,565,000	1.49%	1,520
2016	29,165,000	-	29,165,000	1.41%	1,451
2017	27,705,000	-	27,705,000	1.34%	1,375
2018	26,220,000	-	26,220,000	1.26%	1,303
2019	24,700,000	137,857	24,562,143	1.18%	1,221

Source: District records

**ELMWOOD PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 24,700,000
Borough of Elmwood Park	<u>18,735,930</u>
Total Direct Debt	<u>43,435,930</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	18,690,875
Passaic Valley Sewerage Commission (B)	<u>4,094,946</u>
Total Overlapping Debt	<u>22,785,821</u>
Total Direct and Overlapping Debt	<u>\$ 66,221,751</u>

Source:

(1) Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis
	2018 \$ 2,299,782,002
	2017 2,291,924,795
	2016 2,091,863,881
	<u>\$ 6,683,570,678</u>
Average equalized valuation of taxable property	<u>\$ 2,227,856,893</u>
Debt limit (4 % of average equalization value)	\$ 89,114,276
Total Net Debt Applicable to Limit	<u>24,700,000</u>
Legal debt margin	<u>\$ 64,414,276</u>

Fiscal Year Ending June 30,

	<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>2018</u>	<u>2019</u>
Debt limit	\$ 101,430,998	\$ 98,851,575	\$ 95,146,742	\$ 90,574,712	\$ 86,218,443	\$ 83,525,942	\$ 82,663,201	\$ 83,368,272	\$ 86,164,254	\$ 89,114,276
Total net debt applicable to limit	<u>28,382,000</u>	<u>27,482,000</u>	<u>23,532,000</u>	<u>25,532,000</u>	<u>34,474,250</u>	<u>30,565,000</u>	<u>29,165,000</u>	<u>27,705,000</u>	<u>26,220,000</u>	<u>24,700,000</u>
Legal debt margin	<u>\$ 73,048,998</u>	<u>\$ 71,369,575</u>	<u>\$ 71,614,742</u>	<u>\$ 65,042,712</u>	<u>\$ 51,744,193</u>	<u>\$ 52,960,942</u>	<u>\$ 53,498,201</u>	<u>\$ 55,663,272</u>	<u>\$ 59,944,254</u>	<u>\$ 64,414,276</u>
Total net debt applicable to the limit as a percentage of debt limit	27.98%	27.80%	24.73%	28.19%	39.98%	36.59%	35.28%	33.23%	30.43%	27.72%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	19,514	\$ 65,992	8.10%
2011	19,625	68,865	10.20%
2012	19,686	71,789	10.40%
2013	20,035	71,100	6.40%
2014	20,070	73,637	7.10%
2015	20,113	76,821	6.00%
2016	20,096	77,901	5.50%
2017	20,142	81,203	5.10%
2018	20,120	Not Available	4.60%
2019	20,120 *	Not Available	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

* Estimated

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

	2019		2010	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Employer				

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</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>2018</u>	<u>2019</u>
Instruction										
Regular	164.0	177.0	123.0	123.0	129.0	121.0	126.0	112.0	117.0	130.0
Special Education	40.0	40.0	44.0	54.0	65.0	65.0	65.0	65.0	70.3	73.2
Other Instruction			6.0	6.0	3.5	2.0	2.0	2.0	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services	55.0	55.0	59.5	50.5	53.0	56.0	55.3	56.8	59.7	65.9
General administrative Services	7.0	7.0	1.0	1.0	4.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services	26.0	27.0	20.5	20.5	20.0	19.0	19.0	19.0	22.0	22.0
Business Administrative Services	8.5	9.5	9.5	9.5	13.0	11.6	10.6	13.8	12.3	12.3
Plant Operations and Maintenance	24.5	27.0	43.0	50.0	23.5	22.0	23.0	22.0	21.0	22.0
Pupil transportation	3.0	1.0	1.0	1.0	0.7	0.7	0.7	0.7	0.7	0.7
Total	<u>328.0</u>	<u>343.5</u>	<u>307.5</u>	<u>315.5</u>	<u>311.7</u>	<u>300.3</u>	<u>304.6</u>	<u>294.3</u>	<u>308.0</u>	<u>331.1</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior High School	High School				
2010	2,326	\$ 33,714,674	\$ 14,495	4.32%	328	1:16	1:18	1:16	2,311.0	2,201.0	0.57%	95.24%
2011	2,473	33,727,268	13,638	-5.91%	307	1:16	1:18	1:16	2,402.0	2,281.0	3.94%	94.96%
2012	2,502	35,331,087	14,121	3.54%	307	1:16	1:18	1:16	2,481.5	2,367.6	3.31%	95.41%
2013	2,544	34,654,511	13,622	-3.53%	316	1:16	1:18	1:16	2,537.0	2,415.0	2.24%	95.19%
2014	2,519	35,689,806	14,168	4.01%	312	1:21	1:18	1:18	2,526.7	2,409.8	-0.41%	95.37%
2015	2,541	37,959,408	14,939	5.44%	300	1:14	1:15	1:17	2,530.8	2,422.1	0.16%	95.70%
2016	2,508	38,203,840	15,233	1.97%	305	1:15	1:15	1:13	2,532.5	2,429.0	0.07%	95.91%
2017	2,542	40,071,858	15,764	3.49%	294	1:16	1:18	1:16	2,571.2	2,455.5	1.53%	95.50%
2018	2,601	41,231,513	15,852	0.56%	308	1:15	1:15	1:17	2,601.3	2,476.2	1.17%	95.19%
2019	2,548	45,338,155	17,794	12.25%	331	1:13	1:14	1:17	2,548.1	2,430.7	-2.05%	95.39%

Sources: District records

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

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

<u>District Building</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>2018</u>	<u>2019</u>
Ganter Elementary School										
Square Feet	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
Enrollment	313	313	313	393	375	354	375	359	352	317
Gilbert Elementary School										
Square Feet	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767	54,767
Enrollment	338	338	338	404	409	395	406	414	449	412
16th Avenue School										
Square Feet	63,525	63,525	63,525	63,525	53,525	53,525	53,525	53,525	53,525	53,525
Enrollment	302	302	302	474	462	325	467	466	485	470
High School/Middle School										
Square Feet	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822	210,822
Enrollment	1,194	1,194	1,194	1,273	1,273	1,267	1,260	1,303	1,315	1,349

Number of Schools at June 30, 2019
 Elementary = 3
 High/Middle School = 1

Source: District Records

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Facilities										
Memorial/Middle/High School	\$ 402,690	\$ 390,385	\$ 254,008	\$ 182,018	\$ 412,841	\$ 320,628	\$ 317,224	\$ 265,472	\$ 385,596	\$ 332,452
Gantner Avenue Elementary School	152,108	110,108	133,309	95,527	76,460	62,269	57,860	48,420	70,331	60,638
Gilbert Avenue Elementary School	163,660	107,292	113,709	81,482	129,661	60,464	82,414	68,964	100,170	86,364
Sixteenth Avenue Elementary School	<u>157,723</u>	<u>126,686</u>	<u>121,008</u>	<u>86,712</u>	<u>128,675</u>	<u>118,539</u>	<u>95,586</u>	<u>79,993</u>	<u>116,189</u>	<u>100,175</u>
Grand Total	<u>\$ 876,181</u>	<u>\$ 734,471</u>	<u>\$ 622,034</u>	<u>\$ 445,739</u>	<u>\$ 747,637</u>	<u>\$ 561,900</u>	<u>\$ 553,084</u>	<u>\$ 462,849</u>	<u>\$ 672,286</u>	<u>\$ 579,629</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -(1)		
Building and Contents (All Locations)	\$ 88,788,436	\$ 5,000
Boiler and Machinery	Included	1,000
EDP Equipment	2,000,000	1,000
Automobile Liability Coverage	16,000,000	1,000
Comprehensive General Liability	16,000,000	
School Leaders Errors & Omissions Liability	16,000,000	10,000
Workers Compensation and Employer's Liability	2,000,000	
Public Employee Dishonest with Faithful Performance	50,000	500
School Violent Act Coverage (2)	1,000,000	
Cyber Liability (3)	10,000,000	
Surety Bonds (4)		
Board Secretary/Business Administrator	300,000	
Treasurer of School Monies	300,000	

- (1) New Jersey School Insurance Group
- (2) AIG/National Union Fire Insurance Company
- (3) Beazley Insurance Company
- (4) Hartford Fire Insurance Company

Source: District records

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Elmwood Park Board of Education's basic financial statements and have issued our report thereon dated November 12, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

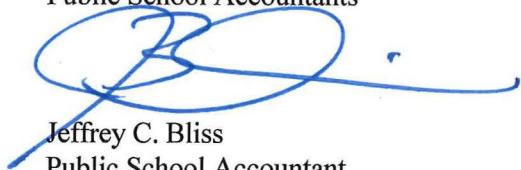
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elmwood Park Board of Education's internal control or on compliance. This report is an integral part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

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Elmwood Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Elmwood Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2019. The Elmwood Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Elmwood Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

The Elmwood Park Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Elmwood Park Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 12, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2019

ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Carryover/ (Walkover)	Carryover/ (Walkover)	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2019			Memo GAAP Receivable
						(Account Receivable)	Deferred Revenue	Due to Grantor	Amount Def. Rev.	Amount A/R					(Account Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																		
Passed-through State Department of Education																		
<u>Enterprise Fund</u>																		
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	\$ 39,986	\$ (3,463)				\$ 3,463								\$ -
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/18-6/30/19	42,636	-				33,442	\$ 42,636			\$ (9,194)				\$ (9,194)
National School Lunch Program	10.555	181NJ304N1099																
Cash Assistance			N/A	7/1/17-6/30/18	450,384	(32,701)				32,701								-
Cash Assistance			N/A	7/1/18-6/30/19	460,031	-				368,722	460,031			(91,309)				(91,309)
Non-Cash Assistance (Food Distribution)			N/A	7/1/17-6/30/18	71,159		\$ 2,661				2,661							-
Non-Cash Assistance (Food Distribution)			N/A	7/1/18-6/30/19	60,088	-	-	-	-	60,088	60,088			-				-
Total Child Nutrition Cluster/Enterprise Fund						(36,164)	2,661	-	-	498,416	565,416			(100,503)				(100,503)
<u>Special Revenue Fund</u>																		
ESEA																		
Title I	84.010	S010A170030	NCLB031345-18	7/1/17-6/30/18	638,334	(264,165)	54,899	\$ (54,899)	\$ 54,899	209,266								
Title I	84.010	S010A180030	NCLB031345-19	7/1/18-6/30/19	643,160	-	-	54,899	(54,899)	452,046	660,097			\$ (246,013)	\$ 37,962			\$ (208,051)
Title I SIA	84.010	S010A180030	NCLB031345-19	7/1/18-6/30/19	18,641	-	-	-	-	-	-			(18,641)	18,641			-
Total ESEA Title I						(264,165)	54,899	-	-	661,312	660,097			(264,654)	56,603			(208,051)
Title II, Part A	84.367A	S367A170029	NCLB031345-18	7/1/17-6/30/18	74,312	(26,168)	15,446	(15,446)	15,446	10,722								-
Title II, Part A	84.367A	S367A180029	NCLB031345-19	7/1/18-6/30/19	69,582	-	-	15,446	(15,446)	59,477	77,516			(25,551)	7,512			(18,039)
Total ESEA Title II, Part A						(26,168)	15,446	-	-	70,199	77,516			(25,551)	7,512			(18,039)
Title III	84.365	S365A170030	NLB031345-18	7/1/17-6/30/18	27,560	(15,823)	5,647	(5,647)	5,647	10,176								-
Title III	84.365	S365A180030	NLB031345-19	7/1/18-6/30/19	23,318	-	-	5,647	(5,647)	17,379	28,423			(11,586)	542			(11,044)
Title III, Immigrant	84.365	S365A180030	NLB031345-19	7/1/18-6/30/19	11,081	-	-	-	-	5,340	5,340			(5,741)	5,741			-
Total ESEA Title III						(15,823)	5,647	-	-	32,895	33,763			(17,327)	6,283			(11,044)
ESEA Title IV	84.424	S424A170031	NLB031345-18	7/1/17-6/30/18	10,000	(10,000)	662	(662)	662	9,338								-
ESEA Title IV	84.424	S424A180031	NLB031345-19	7/1/18-6/30/19	38,618	-	-	662	(662)	29,154	31,149			(10,126)	8,131			(1,995)
Total ESEA Title IV						(10,000)	662	-	-	38,492	31,149			(10,126)	8,131			(1,995)
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA-1345-18	7/1/17-6/30/18	623,209	(109,658)	73,758	(73,758)	73,758	35,900								-
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA-1345-19	7/1/18-6/30/19	627,866	-	-	73,758	(73,758)	624,671	626,296			(76,953)	75,328			(1,625)
I.D.E.A. Part B, Preschool	84.173	H173A170114	IDEA-1345-18	7/1/17-6/30/18	22,405	(27,741)	17,140	(17,140)	17,140	10,601								-
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA-1345-19	7/1/18-6/30/19	23,020	-	-	17,140	(17,140)	29,179	33,347			(10,981)	6,813			(4,168)
Total Special Education Cluster IDEA						(137,399)	90,898	-	-	700,351	659,643			(87,934)	82,141			(5,793)
Race to the Top		N/A	N/A	9/1/11-11/30/15	38,468	(2,118)	2,118	-	-	-	-			-	-			-
Total Special Revenue Fund						(455,673)	169,670	-	-	1,503,249	1,462,168			(405,592)	160,670			(244,922)
<u>U.S. Department of Health and Human Services</u>																		
<u>General Fund</u>																		
Medical Assistance Program	93.778	1905NJ5MAP	N/A	7/1/18-6/30/19	9,689	-	-	-	-	9,689	9,689			-	-			-
Total General Fund						-	-	-	-	9,689	9,689			-	-			-
Total Federal Awards						\$ (491,837)	\$ 172,331	\$ -	\$ -	\$ 2,011,354	\$ 2,037,273	\$ -	\$ -	\$ (506,095)	\$ 160,670	\$ -		\$ (345,425)

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

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo		
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education													
Current Expense:													
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 2,276,873	\$ (142,546)	\$ 142,546								
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	4,849,318		4,465,067	\$ 4,849,318		\$ (384,251)				\$ 4,849,318	
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	500,000	(31,303)	31,303							-	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,551,273	(97,119)	97,119							-	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,318,383		2,134,678	2,318,383		(183,705)				2,318,383	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	195,455	(12,237)	12,237							-	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	760,674		700,400	760,674		(60,274)				760,674	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	26,780	(1,677)	1,677							-	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	26,780	(1,676)	1,676							-	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	26,390	(1,652)	1,652							-	
Total State Aid Public Cluster			12,531,926	(288,210)	7,588,355	7,928,375		(628,230)				7,928,375	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	135,016	(8,453)	8,453							-	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	547,120		503,767	547,120		(43,353)				547,120	
Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	56,124	(56,124)	56,124							-	
Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	51,330		-	51,330		(51,330)			\$ (51,330)	51,330	
Extraordinary Aid	18-495-034-5120-473	7/1/17-6/30/18	274,258	(274,258)	274,258							-	
Extraordinary Aid	19-495-034-5120-473	7/1/18-6/30/19	489,040			489,040		(489,040)				489,040	
On Behalf Payments													
TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	983,881	(48,595)	48,595							-	
TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	1,046,153		994,205	1,046,153		(51,948)			(51,948)	1,046,153	
TPAF Pension and OPEB													
Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	52,409		52,409	52,409						52,409	
Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	2,503,686		2,503,686	2,503,686						2,503,686	
Post Retirement Medical Benefit Contribution	19-495-034-5094-001	7/1/18-6/30/19	1,159,440		1,159,440	1,159,440						1,159,440	
Long Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	3,890		3,890	3,890						3,890	
Total General Fund				(675,640)	13,193,182	13,781,443		(1,263,901)				(103,278)	13,781,443
Special Revenue:													
Auxiliary Services Chpt 192:													
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	\$ 108,072	\$ 32,067			\$ 32,067					-	
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	94,755		\$ 94,755	\$ 66,073			\$ 28,682			\$ 66,073	
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	10,840	7,227			7,227					-	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	6,039		6,039	3,796			2,243			3,796	
Transportation	19-100-034-5120-067	7/1/18-6/30/19	31,620		31,620	31,620						31,620	
Total Auxiliary Services (Chpt 192) Cluster				39,294	132,414	101,489		39,294			30,925		101,489
Handicapped Services Chpt 193:													
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	31,850	3,283			3,283					-	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	32,214		32,214	14,026			18,188			14,026	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	33,034	22,856			22,856					-	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	23,034		23,034	17,499			5,535			17,499	
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	21,569	2,300			2,300					-	
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	25,375		25,375	17,446			7,929			17,446	
Total Handicapped Services (Chpt 193) Cluster				28,439	80,623	48,971		28,439			31,652		48,971
New Jersey Nonpublic Aid:													
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	7,636		7,636	7,609				27		7,609	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	13,871		13,871	13,305				566		13,305	
Nonpublic Technology	18-100-034-5120-373	7/1/17-6/30/18	6,179	96			96					-	
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	5,148		5,148	4,991				157		4,991	
Nonpublic Security	18-100-034-5120-084	7/1/17-6/30/18	12,525	1,395			1,395					-	
Nonpublic Security	19-100-034-5120-084	7/1/18-6/30/19	21,450		21,450	15,990				5,460		15,990	
Total Special Revenue Fund				69,224	261,142	192,355		69,224			68,787		192,355

ELMWOOD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo		
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Agriculture													
Food Service:													
National School Lunch Program													
(State Share)	18-100-010-3350-023	7/1/17-6/30/18	\$ 11,645	\$ (883)	\$ 883	-	-	-	-	-	-	-	
(State Share)	19-100-010-3350-023	7/1/18-6/30/19	12,109	-	9,724	12,109	-	(2,385)	-	-	-	(2,385)	
Total Food Service Fund				(883)	10,607	12,109	-	(2,385)	-	-	-	(2,385)	12,109
Debt Service Fund													
Type II Debt Service Aid													
	19-495-034-5120-075	7/1/18-6/30/19	255,116	-	255,116	255,116	-	-	-	-	-	-	255,116
Total State Financial Assistance Subject to Single Audit Determination				\$ (607,299)	13,720,047	14,241,023	\$ 69,224	\$ (1,266,286)	-	\$ 68,787	\$ (105,663)	14,241,023	
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF Pension System Contributions-NCGI													
	19-100-034-5094-004	7/1/18-6/30/19	52,409	-	(52,409)	(52,409)	-	-	-	-	-	-	(52,409)
On-Behalf TPAF Pension System Contributions- Normal													
	19-100-034-5094-002	7/1/18-6/30/19	2,503,686	-	(2,503,686)	(2,503,686)	-	-	-	-	-	-	(2,503,686)
On-Behalf TPAF Post-Retirement Medical Contribution													
	19-100-034-5094-001	7/1/18-6/30/19	1,159,440	-	(1,159,440)	(1,159,440)	-	-	-	-	-	-	(1,159,440)
On-Behalf TPAF Long Term Disability Insurance													
	19-100-034-5094-004	7/1/18-6/30/19	3,890	-	(3,890)	(3,890)	-	-	-	-	-	-	(3,890)
Total State Financial Assistance Subject to Major Program Determination				\$ (607,299)	\$ 10,000,622	\$ 10,521,598	\$ 69,224	\$ (1,266,286)	\$ -	\$ 68,787	\$ (105,663)	\$ 10,521,598	

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$589,702 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,689	\$ 13,191,741	\$ 13,201,430
Special Revenue Fund	1,462,168	192,355	1,654,523
Debt Service Fund		255,116	255,116
Food Service Fund	<u>565,416</u>	<u>12,109</u>	<u>577,525</u>
Total Financial Assistance	<u>\$ 2,037,273</u>	<u>\$ 13,651,321</u>	<u>\$ 15,688,594</u>

**ELMWOOD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,046,153 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$2,556,095, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,159,440 and TPAF Long-Term Disability Insurance in the amount of \$3,890 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section 516(a) of Circular U.S. Uniform Guidance _____ yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
_____	_____
_____	_____

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

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

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

CURRENT YEAR STATE AWARDS

Finding 2019-001

A review of the application for State Extraordinary Aid revealed the following:

- There were certain costs claimed that did not have supporting documentation or did not agree to supporting documentation provided for audit.
- The incorrect Social Security contribution rate was utilized in determining the costs for aides.
- It does not appear that SEMI reimbursements were deducted from the total costs reported.
- The support cost amount utilized did not agree with the amount per the New Jersey State Department of Education.

Information on the State Program

Extraordinary Aid	495-034-5120-473
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Criteria or Specific Requirement

NJ Department of Education – Grant Compliance Supplement

Condition

See Finding 2019-001

Questioned Costs

Unknown.

**ELMWOOD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

CURRENT YEAR STATE AWARDS

Finding 2019-001 (Continued)

Context

- Certain costs reported for salaries of aides, benefits and related services costs did not have supporting documentation or did not agree to supporting documentation provided for audit.
- The Social Security contribution rate utilized was 8.2% instead of the actual rate of 7.65%.
- The District did not review the detail of SEMI payments received to determine whether amounts received should have been deducted from costs reported for students claimed on the Extraordinary Aid application.
- The District utilized a support cost amount of \$1,742 per student however; the amount in the State Department of Education was \$2,049 per student.

Effect

Costs reported on the Extraordinary Aid application may not accurately reflect the costs related to each student.

Recommendation

Internal control procedures be reviewed and revised to ensure costs are accurately reported on the Application for State Extraordinary Aid.

Views of Responsible Officials and Planned Corrective Action

Management has reviewed the finding and has indicated it will implement procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

There were none.