

**ELMWOOD PARK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020**

**Prepared by  
Business Office**

**ELMWOOD PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-v
Organizational Chart	vi
Roster of Officials	vii
Consultants and Advisors	viii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-3
<b>REQUIRED SUPPLEMENTARY INFORMATION- PART I</b>	
Management's Discussion and Analysis	4-14
<b>Basic Financial Statements</b>	
<b>A. District-wide Financial Statements</b>	
A-1 Statement of Net Position	15
A-2 Statement of Activities	16-17
<b>B. Fund Financial Statements</b>	
<i>Governmental Funds</i>	
B-1 Balance Sheet	18-19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	21
<i>Proprietary Funds</i>	
B-4 Statement of Net Position	22
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	23
B-6 Statement of Cash Flows	24
<i>Fiduciary Funds</i>	
B-7 Statement of Agency Assets and Liabilities	25
B-8 Statement of Changes in Fiduciary Net Position – Not Applicable	26
<b>Notes to the Financial Statements</b>	27-69

**ELMWOOD PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule – General Fund	70-77
C-2 Budgetary Comparison Schedule – Special Revenue Fund	78
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>	
C-3 Budgetary Comparison Schedule – Notes to Required Supplementary Information	79
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	80
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	81
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	82
L-4 Notes to Required Supplementary Information	83
L-5 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	84
L-6 Required Supplemental Information – Schedule of Changes in the District’s Proportionate Share of the OPEB Liability and Schedule of the District Proportionate Share of the OPEB Liability – Notes to the Required Supplementary Information	85
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>D. School Level Schedules – Not Applicable</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	86-87
E-2 Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	88
<b>F. Capital Projects Fund</b>	
F-1 Summary Statement of Project Expenditures – Budgetary Basis	89
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	90
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	91

**ELMWOOD PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Statement of Net Position	92
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position	92
G-3 Combining Statement of Cash Flows	92
<b>H. Fiduciary Funds</b>	
H-1 Combining Statement of Agency Assets and Liabilities	93
H-2 Combining Statement of Changes in Fiduciary Net Position – Not Applicable	94
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4 Payroll Agency Fund Schedule of Changes in Assets and Liabilities	95
<b>I. Long-Term Debt</b>	
I-1 Schedule of Serial Bonds	96
I-2 Schedule of Capital Leases and Lease-Purchases Payable – Not Applicable	97
I-3 Debt Service Fund Budgetary Comparison Schedule	98
<b>J. STATISTICAL SECTION (Unaudited)</b>	
J-1 Net Position by Component	99
J-2 Changes in Net Position	100-101
J-3 Fund Balances – Governmental Funds	102
J-4 Changes in Fund Balances, Governmental Funds	103-104
J-5 General Fund Other Local Revenue by Source	105
J-6 Assessed Value and Actual Value of Taxable Property	106
J-7 Direct and Overlapping Property Tax Rates	107
J-8 Principal Property Taxpayers	108
J-9 Property Tax Levies and Collections	109
J-10 Ratios of Outstanding Debt by Type	110
J-11 Ratios of Net General Bonded Debt Outstanding	111
J-12 Direct and Overlapping Governmental Activities Debt	112
J-13 Legal Debt Margin Information	113
J-14 Demographic and Economic Statistics	114
J-15 Principal Employers	115
J-16 Full-Time Equivalent District Employees by Function/Program	116
J-17 Operating Statistics	117
J-18 School Building Information	118
J-19 Schedule of Required Maintenance for School Facilities	119
J-20 Insurance Schedule	120

**ELMWOOD PARK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION**

**K.**

K-1	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	121-122
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08 Independent Auditor’s Report	123-125
K-3	Schedule of Expenditure of Federal Awards	126
K-4	Schedule of Expenditures of State Financial Assistance	127-128
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	129-130
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	131-132
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	133
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	134-135
K-8	Summary Schedule of Prior Year Findings	136

## **INTRODUCTORY SECTION**

# **ELMWOOD PARK PUBLIC SCHOOLS**

**OFFICE OF THE BOARD SECRETARY/BUSINESS ADMINISTRATOR**

**Anthony Iachetti**  
Superintendent  
of Schools

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

**John DiPaola**  
Business Administrator/  
Board Secretary

December 23, 2020

Members of the Board of Education  
Elmwood Park Public Schools  
60 East 53<sup>rd</sup> 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, 2020 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 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Our District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped, school-aged individuals. The District completed with an average daily enrollment of 2,563. 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>
2019/20	2,563	.006%
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%

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.

### 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 (2020-2021), 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, 21<sup>st</sup> Century Skills, Technology, Social Studies, and Science.

During the 2020-2021 school year, in-service professional development training has focused on supporting remote and hybrid instructional models in order to address the various areas affected by the COVID-19 Pandemic. Specifically, the training provided to staff members included the implementation of effective and engaging remote and hybrid instruction for all students, and to ensure that all staff are well-versed in utilizing video conferencing platforms and remote learning programs. The district has also provided formal and ongoing training to assist the instructional staff in maximizing the school day by making data-driven decisions to differentiate and tier instruction based on the needs and proficiency of our students within both synchronous, asynchronous instruction.

The district has also implemented a new SEL program for students in grades Pre-K through 12. This program will allow the district to provide the addition supports necessary for those students impacted by the pandemic and assist with a smooth transition to hybrid learning and eventually entire back to a traditional school schedule. Staff members have and will continue to be trained to evaluate and monitor the program periodically through the year, and provide the staff with avenues of support and resources regarding their students and their own emotional well-being.

In addition to the above professional development, training will continue to be provided to all staff members to continue the progress of rigorous instruction, implementation of effective assessments, and the application of 21<sup>st</sup> 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 2020.

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 2019/2020 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, 2020.

#### 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, 2020, the District had \$23,125,000 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 SCHOOL DISTRICT  
ELMWOOD Park, New Jersey

ROSTER OF OFFICIAL

June 30, 2020

**Members of the Board of Education**

**Term Expires December 31**

George Luke, President	2021
Dorin Aspras, Vice President	2020
Keith Cannizzo	2021
Douglas DeMatteo	2020
Jakub Golabek	2020
Carrie Paretti	2020
Karen Pena	2021
Daniel Zoltek	2022
Louise Gerardi	2022

**Other Officials**

Anthony Iachetti, Superintendent

Jillian Torrento, Assistant Superintendent

John DiPaola, Board Secretary/Business Administrator

Joanne Wilson, Treasurer of School Monies

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

**ELMWOOD PARK BOARD OF EDUCATION**  
**Consultants and Advisors**  
**JUNE 30, 2020**

**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  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

## 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 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, 2020 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, 2020, 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.

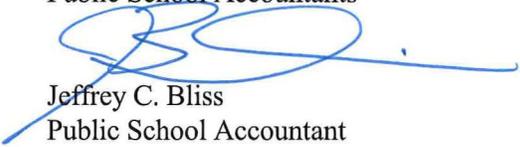
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2020 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 solely 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  
December 23, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

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, 2020. 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 2019-2020 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 \$23,559,947 (Net Position)
- The District's total net position increased by \$4,268,776 or 22%.
- Overall District revenues were \$57,744,926. General revenues accounted for \$43,502,306 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,242,620 or 25% of total revenues.
- The school district had \$52,568,670 in expenses for governmental activities; only \$13,421,445 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$43,502,306 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 \$12,084,789. Of this amount, \$8,319,777 is restricted for capital projects, \$1,699,570 is restricted for required maintenance of District facilities, \$137,857 is restricted for debt service, \$1,550,000 is restricted for other purposes, \$343,154 is assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$34,431.
- The General Fund fund balance at June 30, 2020 was \$11,946,932, an increase of \$3,816,444 compared to the ending fund balance at June 30, 2019 of \$8,130,488.
- The General Fund unassigned budgetary fund balance at June 30, 2020 was \$1,474,369, which represents an increase of \$110,057 when compared to the ending unassigned budgetary fund balance at June 30, 2019 of \$1,364,312.
- The District's total outstanding long-term liabilities decreased by \$2,627,771 during the current fiscal year.

# ELMWOOD PARK BOARD OF EDUCATION

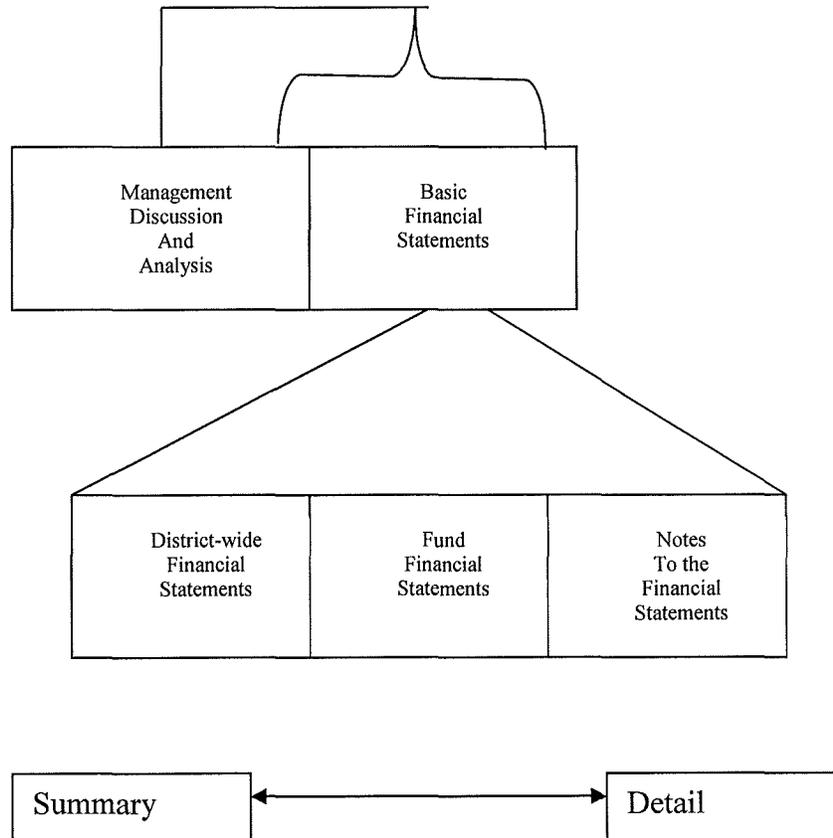
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

### 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, 2020

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, 2020

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, 2020

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position.** The District's *combined* net position was \$23,559,947 and \$19,291,171 on June 30, 2020 and 2019, respectively as follows:

**Net Position  
As of June 30, 2020 and 2019**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>						
Current and Other Assets	\$ 12,974,933	\$ 8,945,819	\$ 174,130	\$ 250,114	\$ 13,149,063	\$ 9,195,933
Capital Assets	44,800,354	46,006,537	161,155	177,929	44,961,509	46,184,466
<b>Total Assets</b>	<u>57,775,287</u>	<u>54,952,356</u>	<u>335,285</u>	<u>428,043</u>	<u>58,110,572</u>	<u>55,380,399</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,219,789</u>	<u>1,948,842</u>	<u>-</u>	<u>-</u>	<u>1,219,789</u>	<u>1,948,842</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>58,995,076</u>	<u>56,901,198</u>	<u>335,285</u>	<u>428,043</u>	<u>59,330,361</u>	<u>57,329,241</u>
<b>Liabilities</b>						
Long-Term Liabilities	31,825,746	34,453,517	-	-	31,825,746	34,453,517
Other Liabilities	1,323,811	1,137,391	15,526	21,979	1,339,337	1,159,370
<b>Total Liabilities</b>	<u>33,149,557</u>	<u>35,590,908</u>	<u>15,526</u>	<u>21,979</u>	<u>33,165,083</u>	<u>35,612,887</u>
<b>Deferred Inflows of Resources</b>	<u>2,605,311</u>	<u>2,425,183</u>	<u>-</u>	<u>-</u>	<u>2,605,311</u>	<u>2,425,183</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>35,754,868</u>	<u>38,016,091</u>	<u>15,526</u>	<u>21,979</u>	<u>35,770,394</u>	<u>38,038,070</u>
<b>Net Position</b>						
Net Investment in Capital Assets	20,286,423	19,729,688	161,155	177,929	20,447,578	19,907,617
Restricted	10,019,347	7,184,290	-	-	10,019,347	7,184,290
Unrestricted	(7,065,582)	(8,028,871)	158,604	228,135	(6,906,978)	(7,800,736)
<b>Total Net Position</b>	<u>\$ 23,240,188</u>	<u>\$ 18,885,107</u>	<u>\$ 319,759</u>	<u>\$ 406,064</u>	<u>\$ 23,559,947</u>	<u>\$ 19,291,171</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, 2020

The District's total net position of \$23,559,947 at June 30, 2020 represents a \$4,268,776 or 22%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2020 and 2019.

Changes in Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 26,350	\$ 79,676	\$ 344,755	\$ 525,255	\$ 371,105	\$ 604,931
Operating Grants and Contributions	13,395,095	14,028,415	476,420	577,525	13,871,515	14,605,940
General Revenues						
Property Taxes, Levied	36,837,699	35,912,336			36,837,699	35,912,336
State Aid - Unrestricted	6,297,003	4,790,440			6,297,003	4,790,440
Miscellaneous Income	367,604	367,848	-	-	367,604	367,848
<b>Total Revenues</b>	<b>56,923,751</b>	<b>55,178,715</b>	<b>821,175</b>	<b>1,102,780</b>	<b>57,744,926</b>	<b>56,281,495</b>
<b>Expenses</b>						
Instruction						
Regular	17,840,223	17,907,427			17,840,223	17,907,427
Special	11,693,525	10,659,067			11,693,525	10,659,067
Other Instruction	1,177,948	1,159,106			1,177,948	1,159,106
School Sponsored Activities and Athletics	776,127	801,019			776,127	801,019
Support Services						
Student and Instruction Related Services	7,687,696	7,896,193			7,687,696	7,896,193
General Administrative Services	1,478,353	1,063,522			1,478,353	1,063,522
School Administrative Services	3,402,486	3,653,932			3,402,486	3,653,932
Central Administrative Services	1,468,876	1,372,111			1,468,876	1,372,111
Plant Operations and Maintenance	3,684,940	4,076,207			3,684,940	4,076,207
Pupil Transportation	2,500,364	2,608,161			2,500,364	2,608,161
Interest on Long-Term Debt	858,132	900,330			858,132	900,330
Food Services			873,687	1,098,382	873,687	1,098,382
Summer Session	-	-	33,793	38,069	33,793	38,069
<b>Total Expenses</b>	<b>52,568,670</b>	<b>52,097,075</b>	<b>907,480</b>	<b>1,136,451</b>	<b>53,476,150</b>	<b>53,233,526</b>
<b>Increase in Net Position before Transfers</b>	<b>4,355,081</b>	<b>3,081,640</b>	<b>(86,305)</b>	<b>(33,671)</b>	<b>4,268,776</b>	<b>3,047,969</b>
<b>Transfers</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>4,355,081</b>	<b>3,071,640</b>	<b>(86,305)</b>	<b>(23,671)</b>	<b>4,268,776</b>	<b>3,047,969</b>
<b>Net Position, Beginning of Year</b>	<b>18,885,107</b>	<b>15,813,467</b>	<b>406,064</b>	<b>429,735</b>	<b>19,291,171</b>	<b>16,243,202</b>
<b>Net Position, End of Year</b>	<b>\$ 23,240,188</b>	<b>\$ 18,885,107</b>	<b>\$ 319,759</b>	<b>\$ 406,064</b>	<b>\$ 23,559,947</b>	<b>\$ 19,291,171</b>

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$56,923,751 for the fiscal year ended June 30, 2020, property taxes of \$36,837,699 represented 65% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$19,692,098 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.

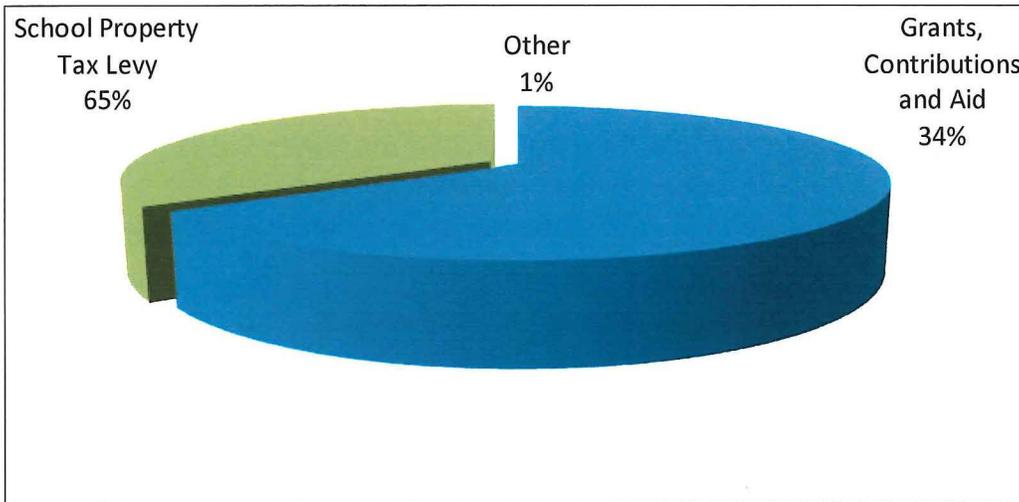
ELMWOOD PARK BOARD OF EDUCATION

Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2020

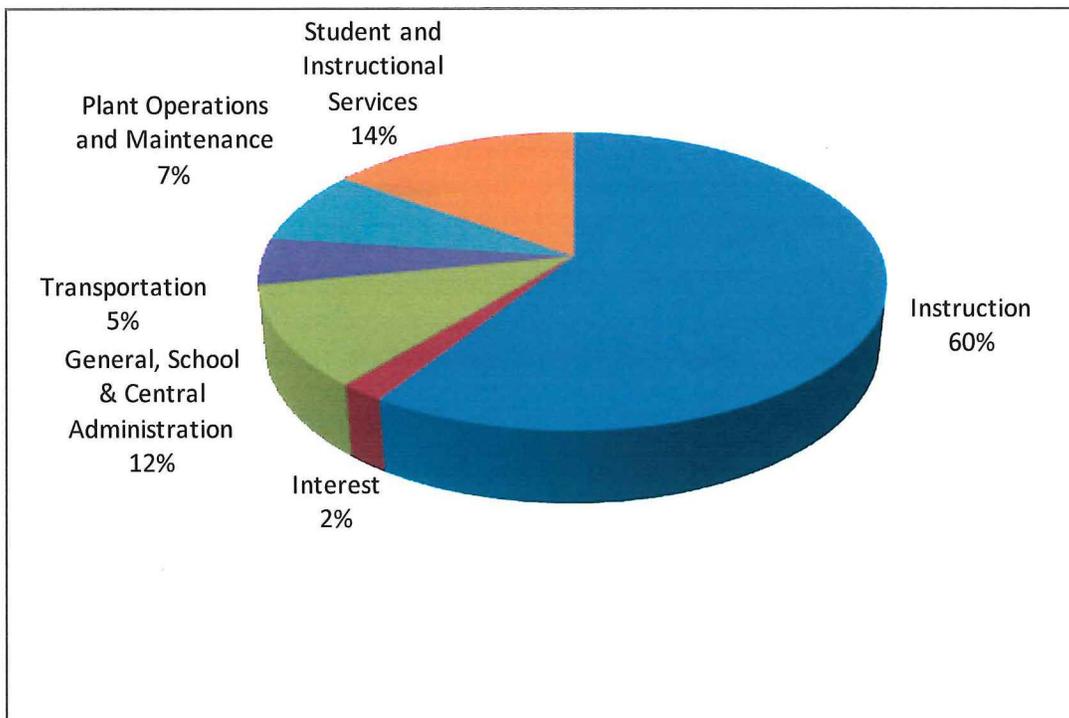
The total cost of all governmental activities programs and services was \$52,568,670 for the fiscal year ended June 30, 2020. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$31,487,823 (60%) of total expenses. Support services costs were \$20,222,715 (38%) of total expenses and interest on debt totaled \$858,132 (2%) of total expenses.

For fiscal year 2020, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$4,355,081 from the previous year.

Revenues by Sources – Governmental Activities  
For Fiscal Year 2020



Expenses by Use – Governmental Activities  
For Fiscal Year 2020



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$52,568,670. After applying program revenues, derived from operating and capital grants and contributions of \$13,395,095 and charges for services of \$26,350 the net cost of services of the District is \$39,147,225 for the fiscal year ended June 30, 2020.

**Total and Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction:				
Regular	\$ 17,840,223	\$ 17,907,427	\$ 13,409,843	\$ 12,781,277
Special Education	11,693,525	10,659,067	6,932,343	6,104,483
Other Instruction	1,177,948	1,159,106	888,337	850,911
School Sponsored Activities and Athletics	776,127	801,019	762,277	768,151
Support Services:				
Student & Instruction Related Services	7,687,696	7,896,193	6,139,919	6,283,432
General Administrative Services	1,478,353	1,063,522	1,340,004	1,044,852
School Administrative Services	3,402,486	3,653,932	2,742,645	2,800,423
Central Administrative Services	1,468,876	1,372,111	1,382,253	1,313,509
Plant Operations and Maintenance	3,684,940	4,076,207	2,876,496	3,241,187
Pupil Transportation	2,500,364	2,608,161	1,918,617	2,009,026
Interest on Long Term Debt	858,132	900,330	754,491	791,733
<b>Total</b>	<b><u>\$ 52,568,670</u></b>	<b><u>\$ 52,097,075</u></b>	<b><u>\$ 39,147,225</u></b>	<b><u>\$ 37,988,984</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$821,175 for the fiscal year ended June 30, 2020. Charges for services of \$344,755 accounted for 42% of total revenues and operating grants and contributions of \$476,420 accounted for 58% of total revenues.

Total cost of all business-type activities programs and services was \$907,480 for the fiscal year ended June 30, 2020. Food service expenses of \$873,687 represented 96% of total expense and the summer session program expenses of \$33,793 represented 4% of total expenses.

For fiscal year 2020, total business-type activities revenues were less than expenses decreasing net position by \$86,305 or 21% from the previous year.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**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 \$12,084,789 at June 30, 2020, an increase of \$3,816,444 from last year's fund balance of \$8,268,345. The District restricted fund balances increased \$4,194,175 and assigned fund balances decreased \$208,473 while the unassigned fund balance of the governmental funds decreased \$169,258 at June 30, 2020.

Revenues for the District's governmental funds were \$54,457,889 while total expenditures were \$50,641,445 for the fiscal year ended June 30, 2020.

**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, 2020</u>	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 34,446,269	\$ 33,770,852	\$ 675,417	2%
Tuition and Fees	26,350	79,676	(53,326)	-67%
Miscellaneous	366,279	349,150	17,129	5%
State Sources	15,285,029	13,191,741	2,093,288	16%
Federal Sources	<u>8,671</u>	<u>9,689</u>	<u>(1,018)</u>	-11%
Total General Fund Revenues	<u>\$ 50,132,598</u>	<u>\$ 47,401,108</u>	<u>\$ 2,731,490</u>	6%

For fiscal year 2020, total General Fund revenues increased \$2,731,490 or 6% from the previous year. Property taxes increased only \$675,417 or 2%. As indicated, State aid increased \$2,093,288 or 16% 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 \$53,326 or 67% 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, 2020</u>	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 27,018,383	\$ 25,385,799	\$ 1,632,584	6%
Support Services	18,428,526	18,262,179	166,347	1%
Debt Service		1,181,481	(1,181,481)	-100%
Capital Outlay	<u>870,570</u>	<u>873,201</u>	<u>(2,631)</u>	0%
Total Expenditures	<u>\$ 46,317,479</u>	<u>\$ 45,702,660</u>	<u>\$ 614,819</u>	1%

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**GENERAL FUND (Continued)**

For fiscal year 2020, total General Fund expenditures increased \$614,819 or 1% from the previous year. Contractual salary increases and related employee benefit costs including on-behalf state pension contributions and out of District tuition services costs were the major factors for this increase in expenditures for the current fiscal year.

In fiscal year 2020 General Fund revenues and other financing sources exceeded expenditures by \$3,816,444. Therefore, the total fund balance at June 30, 2019 of \$8,130,488 increased to a fund balance of \$11,946,932 at June 30, 2020. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from \$203,689 at June 30, 2019 to \$34,431 at June 30, 2020. However, restricted fund balances for capital reserve, maintenance reserve and other purposes increased \$4,194,175 at June 30, 2020.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2020, the District had \$44,800,354 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$161,155 for business type activity. The following is a comparison of the June 30, 2020 and 2019 balances:

**Capital Assets at June 30, 2020 and 2019  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Construction in Progress	57,500	-			57,500	-
Land Improvements	1,712,132	1,523,287			1,712,132	1,523,287
Buildings and Improvements	42,481,542	43,748,430	\$ 84,107	\$ 88,780	42,565,649	43,837,210
Furniture, Equipment and Vehicles	537,390	723,030	77,048	89,149	614,438	812,179
<b>Total Capital Assets, Net</b>	<b><u>\$ 44,800,354</u></b>	<b><u>\$ 46,006,537</u></b>	<b><u>\$ 161,155</u></b>	<b><u>\$ 177,929</u></b>	<b><u>\$ 44,961,509</u></b>	<b><u>\$ 46,184,466</u></b>

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

**LONG TERM LIABILITIES**

At June 30, 2020 the District had \$31,825,746 of total outstanding long term liabilities. Of this amount, \$25,001,506 is for serial bonds, \$728,925 is for compensated absences, and \$6,095,315 is for net pension liability. For fiscal year 2019/2020 total outstanding long-term liabilities decreased by \$2,627,771. The following is a comparison of the June 30, 2020 and 2019 balances:

**Outstanding Long-Term Debt  
as of June 30, 2020 and 2019**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Serial Bonds (including unamortized premium)	\$ 25,001,506	\$ 26,816,947
Compensated Absences	728,925	617,150
Net Pension Liability	6,095,315	7,019,420
<b>Total</b>	<b><u>\$ 31,825,746</u></b>	<b><u>\$ 34,453,517</u></b>

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

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

### **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 unassigned fund balance.

For fiscal year 2020 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$4,095,759. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$110,057 from an unassigned fund balance of \$1,364,312 at June 30, 2019 to \$1,474,369 at June 30, 2020. In addition, the District increased its capital reserve by \$2,835,057 to a balance of \$8,319,777 at June 30, 2020, of which \$1,050,000 was designated in the 2020-2021 budget for capital outlay projects. Also, the District established an emergency reserve of \$450,000 at June 30, 2020 and designated \$125,000 of the maintenance reserve for use in the 2020-2021 budget.

### **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 2020-2021 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 2020-2021. Budgeted expenditures in the General Fund increased approximately 7% to \$48,447,880 for fiscal year 2020-2021. 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 53<sup>rd</sup> Street, Elmwood Park, NJ 07407.

## **FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,668,079	\$ 113,622	\$ 12,781,701
Receivables, Net	306,854	42,154	349,008
Inventory		18,354	18,354
Capital Assets, Not Being Depreciated	69,290		69,290
Capital Assets, Being Depreciated, Net	<u>44,731,064</u>	<u>161,155</u>	<u>44,892,219</u>
Total Assets	<u>57,775,287</u>	<u>335,285</u>	<u>58,110,572</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	349,718		349,718
Deferred Amounts on Net Pension Liability	<u>870,071</u>	<u>-</u>	<u>870,071</u>
Total Deferred Outflows of Resources	<u>1,219,789</u>	<u>-</u>	<u>1,219,789</u>
Total Assets and Deferred Outflows of Resources	<u>58,995,076</u>	<u>335,285</u>	<u>59,330,361</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	811,897	15,526	827,423
Payable to Other Governments	71,407		71,407
Accrued Interest Payable	433,667		433,667
Unearned Revenue	6,840		6,840
Noncurrent Liabilities			
Due Within One Year	1,665,000		1,665,000
Due Beyond One Year	<u>30,160,746</u>	<u>-</u>	<u>30,160,746</u>
Total Liabilities	<u>33,149,557</u>	<u>15,526</u>	<u>33,165,083</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>2,605,331</u>	<u>-</u>	<u>2,605,331</u>
Total Deferred Inflows of Resources	<u>2,605,331</u>	<u>-</u>	<u>2,605,331</u>
Total Liabilities and Deferred Inflows of Resources	<u>35,754,888</u>	<u>15,526</u>	<u>35,770,414</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,286,423	161,155	20,447,578
Restricted for:			
Capital Projects	8,319,777		8,319,777
Plant Maintenance	1,699,570		1,699,570
Unrestricted	<u>(7,065,582)</u>	<u>158,604</u>	<u>(6,906,978)</u>
Total Net Position	<u>\$ 23,240,188</u>	<u>\$ 319,759</u>	<u>\$ 23,559,947</u>

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

**ELMWOOD PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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	\$ 17,840,223	\$ 26,350	\$ 4,404,030		\$ (13,409,843)		\$ (13,409,843)
Special Education	11,693,525		4,761,182		(6,932,343)		(6,932,343)
Other Instruction	1,177,948		289,611		(888,337)		(888,337)
School Sponsored Activities and Athletics	776,127		13,850		(762,277)		(762,277)
Support Services:							
Student & Instruction Related Services	7,687,696		1,547,777		(6,139,919)		(6,139,919)
General Administrative Services	1,478,353		138,349		(1,340,004)		(1,340,004)
School Administrative Services	3,402,486		659,841		(2,742,645)		(2,742,645)
Central Administrative Services	1,468,876		86,623		(1,382,253)		(1,382,253)
Plant Operations and Maintenance	3,684,940		808,444		(2,876,496)		(2,876,496)
Pupil Transportation	2,500,364		581,747		(1,918,617)		(1,918,617)
Interest on Long Term Debt	858,132	-	103,641	-	(754,491)	-	(754,491)
Total Governmental Activities	<u>52,568,670</u>	<u>26,350</u>	<u>13,395,095</u>	<u>-</u>	<u>(39,147,225)</u>	<u>-</u>	<u>(39,147,225)</u>
Business-Type Activities:							
Food Service	873,687	332,230	476,420			\$ (65,037)	(65,037)
Summer Session Program	33,793	12,525	-	-	-	(21,268)	(21,268)
Total Business-Type Activities	<u>907,480</u>	<u>344,755</u>	<u>476,420</u>	<u>-</u>	<u>-</u>	<u>(86,305)</u>	<u>(86,305)</u>
Total Primary Government	<u>\$ 53,476,150</u>	<u>\$ 371,105</u>	<u>\$ 13,871,515</u>	<u>\$ -</u>	<u>(39,147,225)</u>	<u>(86,305)</u>	<u>(39,233,530)</u>

16

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, 2020**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 34,446,269		\$ 34,446,269
Levied for Debt Service	2,391,430		2,391,430
State Aid - Unrestricted	6,144,774		6,144,774
State Aid for Debt Service Principal	152,229		152,229
Interest Earnings	157,171		157,171
Miscellaneous Income	210,433		210,433
Transfers	-	\$ -	-
Total General Revenues and Transfers	43,502,306	-	43,502,306
Change in Net Position	4,355,081	(86,305)	4,268,776
Net Position, Beginning of Year	18,885,107	406,064	19,291,171
Net Position, End of Year	\$ 23,240,188	\$ 319,759	\$ 23,559,947

**FUND FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 12,530,222		\$ 137,857		\$ 12,668,079
Receivables From Other Governments	8,394	\$ 296,751			305,145
Other Receivables	1,709				1,709
Due from Other Funds	98,115	-	-	-	98,115
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 12,638,440</u>	<u>\$ 296,751</u>	<u>\$ 137,857</u>	<u>\$ -</u>	<u>\$ 13,073,048</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 645,589	\$ 120,424			\$ 766,013
Accrued Salaries and Wages	7,354				7,354
Compensated Absences Payable	38,530				38,530
Payable to State Government	35	71,372			71,407
Due to Other Funds		98,115			98,115
Unearned Revenue	-	6,840	-	-	6,840
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>691,508</u>	<u>296,751</u>	<u>-</u>	<u>-</u>	<u>988,259</u>
Fund Balances:					
Restricted					
Capital Reserve	7,269,777				7,269,777
Capital Reserve - Designated for Subsequent Year's Expenditures	1,050,000				1,050,000
Maintenance Reserve	1,574,570				1,574,570
Maintenance Reserve - Designated for Subsequent Year's Expenditures	125,000				125,000
Emergency Reserve	450,000				450,000
Reserved Excess Surplus	1,100,000				1,100,000
Debt Service			137,857		137,857
Assigned					
Year End Encumbrances	343,154				343,154
Unassigned	34,431	-	-	-	34,431
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>11,946,932</u>	<u>-</u>	<u>137,857</u>	<u>-</u>	<u>12,084,789</u>
Total Liabilities and Fund Balances	<u>\$ 12,638,440</u>	<u>\$ 296,751</u>	<u>\$ 137,857</u>	<u>\$ -</u>	<u>\$ 13,073,048</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

**Total Fund Balances (Exhibit B-1)** \$ 12,084,789

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 \$66,612,097 and the accumulated depreciation is \$21,811,743.

44,800,354

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.

349,718

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  
Deferred Inflows of Resources

\$ 870,071  
(2,605,331)

(1,735,260)

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

(433,667)

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)  
Compensated Absences  
Net Pension Liability

25,001,506  
728,925  
6,095,315

(31,825,746)

**Total Net Assets of Governmental Activities (Exhibit A-1)** \$ 23,240,188

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Property Tax Levy	\$ 34,446,269			\$ 2,391,430	\$ 36,837,699
Tuition	26,350				26,350
Miscellaneous	366,279	\$ 25,535	1,325	-	393,139
	<u>34,838,898</u>	<u>25,535</u>	<u>1,325</u>	<u>2,391,430</u>	<u>37,257,188</u>
Total - Local Sources					
State Sources	15,285,029	163,689	-	255,870	15,704,588
Federal Sources	8,671	1,487,442	-	-	1,496,113
	<u>15,293,700</u>	<u>1,651,131</u>	<u>-</u>	<u>255,870</u>	<u>17,200,701</u>
Total Revenues	<u>50,132,598</u>	<u>1,676,666</u>	<u>1,325</u>	<u>2,647,300</u>	<u>54,457,889</u>
<b>EXPENDITURES</b>					
Current Expenditures					
Instruction					
Regular	15,044,994	716,247			15,761,241
Special Education	10,245,565	706,260			10,951,825
Other Instruction	1,000,688	24,144			1,024,832
School Sponsored Activities and Athletics	727,136				727,136
Support Services					
Student and Instruction Related Services	6,702,889	204,643			6,907,532
General Administrative Services	1,389,431				1,389,431
School Administrative Services	2,992,220				2,992,220
Central Administrative Services	1,363,533				1,363,533
Plant Operations and Maintenance	3,511,625				3,511,625
Pupil Transportation	2,468,828	25,372			2,494,200
Debt Service					
Principal				1,575,000	1,575,000
Interest				1,072,300	1,072,300
Capital Outlay	870,570	-	\$ -	-	870,570
	<u>870,570</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>870,570</u>
Total Expenditures	<u>46,317,479</u>	<u>1,676,666</u>	<u>-</u>	<u>2,647,300</u>	<u>50,641,445</u>
Excess (Deficiencies) of Revenues					
Over/(Under) Expenditures	<u>3,815,119</u>	<u>-</u>	<u>1,325</u>	<u>-</u>	<u>3,816,444</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,325				1,325
Transfers Out	-	-	(1,325)	-	(1,325)
	<u>1,325</u>	<u>-</u>	<u>(1,325)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	3,816,444	-	-	-	3,816,444
Fund Balance, Beginning of Year	8,130,488	-	137,857	-	8,268,345
	<u>8,130,488</u>	<u>-</u>	<u>137,857</u>	<u>-</u>	<u>8,268,345</u>
Fund Balance, End of Year	<u>\$ 11,946,932</u>	<u>\$ -</u>	<u>\$ 137,857</u>	<u>\$ -</u>	<u>\$ 12,084,789</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, 2020**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 3,816,444**

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	\$ 870,570	
Depreciation Expense	<u>(2,076,753)</u>	(1,206,183)

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:		1,575,000
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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	(52,523)	
Original Issue Premium	<u>240,441</u>	187,918

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	(111,775)	
Decrease in Pension Expense	<u>67,427</u>	(44,348)

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>26,250</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 4,355,081**

**ELMWOOD PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Food <u>Service</u>	Non-Major Summer <u>Session Program</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 93,319	\$ 20,303	\$ 113,622
Intergovernmental Receivable	12,560		12,560
Other Accounts Receivable, Net	29,594		29,594
Inventories	18,354	-	18,354
Total Current Assets	<u>153,827</u>	<u>20,303</u>	<u>174,130</u>
Capital Assets			
Building Improvements	93,453		93,453
Equipment	366,025		366,025
Accumulated Depreciation	(298,323)	-	(298,323)
Total Capital Assets, Net	<u>161,155</u>	<u>-</u>	<u>161,155</u>
Total Assets	<u>314,982</u>	<u>20,303</u>	<u>335,285</u>
<b>LIABILITIES</b>			
Current Liabilities			
Unearned Revenue	15,526	-	15,526
Total Current Liabilities	<u>15,526</u>	<u>-</u>	<u>15,526</u>
<b>NET POSITION</b>			
Investment in Capital Assets	161,155		161,155
Unrestricted	138,301	20,303	174,130
Total Net Position	<u>\$ 299,456</u>	<u>\$ 20,303</u>	<u>\$ 335,285</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, 2020**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Food</b>	<b>Non-Major</b>	<b>Total</b>
	<b>Service</b>	<b>Summer Session Program</b>	
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales - Reimbursable Programs	\$ 218,285		\$ 218,285
Daily Sales - Non-Reimbursable Programs	113,945		113,945
Program Fees	-	\$ 12,525	12,525
Total Operating Revenues	<u>332,230</u>	<u>12,525</u>	<u>344,755</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	71,336	33,793	105,129
Cost of Sales - Reimbursable Programs	13,180		13,180
Cost of Sales - Non-Reimbursable Programs	58,752		58,752
Purchase Technical Services	12,972		12,972
Supplies and Materials	10,955		10,955
Other Purchased Services	661,057		661,057
Management Fee	22,200		22,200
Miscellaneous Expense	3,356		3,356
Depreciation	19,879	-	19,879
Total Operating Expenses	<u>873,687</u>	<u>33,793</u>	<u>907,480</u>
Operating (Loss)	<u>(541,457)</u>	<u>(21,268)</u>	<u>(562,725)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	8,543		8,543
Federal Sources			
School Breakfast Program	49,467		49,467
National School Lunch Program	351,089		351,089
Food Distribution Program	67,321	-	67,321
Total Nonoperating Revenues	<u>476,420</u>	<u>-</u>	<u>476,420</u>
Change in Net Position	(65,037)	(21,268)	(86,305)
Total Net Position, Beginning of Year	<u>364,493</u>	<u>41,571</u>	<u>406,064</u>
Total Net Position, End of Year	<u>\$ 299,456</u>	<u>\$ 20,303</u>	<u>\$ 319,759</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, 2020**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Non-Major Summer Session Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 324,015	\$ 1,178	\$ 325,193
Cash Payments for Employees Salaries and Benefits	(71,336)	(33,793)	(105,129)
Cash Payments to Suppliers for Goods and Services	(723,780)	-	(723,780)
Cash Payments to Customers - Refunds	-	(1,726)	(1,726)
Net Cash (Used for) Operating Activities	<u>(471,101)</u>	<u>(34,341)</u>	<u>(505,442)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from Other Funds			-
Cash Received from State and Federal Subsidy Reimbursements	499,427	-	499,427
Net Cash Provided by Noncapital Financing Activities	<u>499,427</u>	<u>-</u>	<u>499,427</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(3,105)	-	(3,105)
Net Cash (Used For) Capital and Related Financing Activities	<u>(3,105)</u>	<u>-</u>	<u>(3,105)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,221	(34,341)	(9,120)
Cash and Cash Equivalents, Beginning of Year	68,098	54,644	122,742
Cash and Cash Equivalents, End of Year	<u>\$ 93,319</u>	<u>\$ 20,303</u>	<u>\$ 113,622</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities			
Operating (Loss)	\$ (541,457)	\$ (21,268)	(562,725)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	19,879		19,879
Non-Cash Federal Assistance-Food Distribution Program	67,321		67,321
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(14,835)		(14,835)
(Increase)/Decrease in Inventory	(8,629)		(8,629)
Increase/(Decrease) in Accounts Payable			-
Increase/(Decrease) in Unearned Revenue	6,620	(13,073)	(6,453)
Increase/(Decrease) in Deferred Commodities Revenue	-	-	-
Total Adjustments	<u>70,356</u>	<u>(13,073)</u>	<u>57,283</u>
Net Cash (Used For) Operating Activities	<u>\$ (471,101)</u>	<u>\$ (34,341)</u>	<u>\$ (505,442)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 67,321		

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, 2020**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>896,216</u>
Total Assets	\$ <u><u>896,216</u></u>
<b>LIABILITIES</b>	
Due to Student Groups	\$ 143,998
Payroll Deductions and Withholdings	91
Summer Savings Deposits	741,813
Flexible Spending Deposits	<u>10,314</u>
Total Liabilities	\$ <u><u>896,216</u></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, 2020**

**NOT APPLICABLE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District who is responsible for the general supervision over all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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, before and summer session 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**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**B. New Accounting Standards (Continued)**

- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**C. Basis of Presentation - Financial Statements**

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

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

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

Additionally, the District 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.

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

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

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

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**4. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	15-20
Machinery and Equipment	5-10
Vehicle	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, 2020**

**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 only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. It 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 sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated 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 outflow 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.

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.

ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

*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 2020/2021 District budget certified for taxes.

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

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

*Reserved Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**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 balances at year end.

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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**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 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and 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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$1,453,964. The increase was funded by the additional appropriation of unassigned fund balance, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved the additional fund balance appropriation of \$540,170 from the general fund.

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 5,484,720
Increased by:		
Deposits Approved by Board Resolution	\$ 3,392,333	
Return of Unexpended Capital Outlay Appropriations		
Funded by Capital Reserve	<u>142,724</u>	
		<u>3,535,057</u>
		9,019,777
Decreased by:		
Withdrawals Approved in District Budget		<u>700,000</u>
Balance, June 30, 2020		<u>\$ 8,319,777</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects is \$30,219,482. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,050,000 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**C. Maintenance Reserve**

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	<u>\$ 1,699,570</u>
Balance, June 30, 2020	<u>\$ 1,699,570</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,102,483. \$125,000 of the maintenance reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**D. Emergency Reserve**

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

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ -
Increased by:	
Deposits Approved by Board Resolution	<u>450,000</u>
Balance, June 30, 2020	<u>\$ 450,000</u>

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$1,100,000. This amount, will be appropriated in the 2021/2022 original budget certified for taxes.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the book value of the Board's deposits were \$13,677,917 and bank and brokerage firm balances of the Board's deposits amounted to \$14,839,466. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ <u>14,839,466</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, 2020 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, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

As of June 30, 2020, 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, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 8,394	18,747	\$ 121	\$ 27,262
Federal		\$ 278,004	12,439	290,443
Accounts	<u>1,709</u>	<u>-</u>	<u>29,594</u>	<u>31,303</u>
Gross Receivables	10,103	296,751	42,154	349,008
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 10,103</u>	<u>\$ 296,751</u>	<u>\$ 42,154</u>	<u>\$ 349,008</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 6,840</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 6,840</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790			\$ 11,790
Construction in Progress	<u>-</u>	<u>57,500</u>	<u>\$ -</u>	<u>57,500</u>
Total Capital Assets, Not Being Depreciated	<u>11,790</u>	<u>57,500</u>	<u>-</u>	<u>69,290</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,872,177	293,077		2,165,254
Building and Building Improvements	61,594,004	506,662		62,100,666
Machinery and Equipment	<u>2,263,556</u>	<u>13,331</u>	<u>\$ -</u>	<u>2,276,887</u>
Total Capital Assets Being Depreciated	<u>65,729,737</u>	<u>813,070</u>	<u>-</u>	<u>66,542,807</u>
Less Accumulated Depreciation for:				
Land Improvements	(348,890)	(104,232)		(453,122)
Buildings and Improvements	(17,845,574)	(1,773,550)		(19,619,124)
Machinery and Equipment	<u>(1,540,526)</u>	<u>(198,971)</u>	<u>-</u>	<u>(1,739,497)</u>
Total Accumulated Depreciation	<u>(19,734,990)</u>	<u>(2,076,753)</u>	<u>-</u>	<u>(21,811,743)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,994,747</u>	<u>(1,263,683)</u>	<u>-</u>	<u>44,731,064</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,006,537</u>	<u>\$ (1,206,183)</u>	<u>\$ -</u>	<u>\$ 44,800,354</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ -	\$ -	-
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Building Improvements	\$ 93,453			93,453
Equipment	362,920	3,105	-	366,025
Total Capital Assets Being Depreciated	<u>456,373</u>	<u>3,105</u>	<u>-</u>	<u>459,478</u>
Less Accumulated Depreciation for:				
Building Improvements	(4,673)	(4,673)		(9,346)
Equipment	(273,771)	(15,206)	-	(288,977)
Total Accumulated Depreciation	<u>(278,444)</u>	<u>(19,879)</u>	<u>-</u>	<u>(298,323)</u>
Total Capital Assets, Being Depreciated, Net	<u>177,929</u>	<u>(16,774)</u>	<u>-</u>	<u>161,155</u>
Business-Type Activities Capital Assets, Net	<u>\$ 177,929</u>	<u>\$ (16,774)</u>	<u>\$ -</u>	<u>\$ 161,155</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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	\$ 861,538
Special Education	327,200
Other	65,117
School Sponsored	40,126
Total Instruction	<u>1,293,981</u>
Support Services	
Student and Instruction Related Services	334,361
General Administrative Services	42,110
School Administrative Services	188,443
Central Administrative Services	70,855
Plant Operations and Maintenance	141,954
Student Transportation	5,049
Total Support Services	<u>782,772</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,076,753</u>

**Business-Type Activities:**

Food Service Fund	<u>\$ 19,879</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 19,879</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
Tennis Court Rehabilitation	<u>142,500</u>
	<u>\$ 142,500</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

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

The composition of interfund balances as of June 30, 2020, 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>\$ 98,115</u>

The above balances are the result of covering cash balances which were in an overdraft position.

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

**Interfund transfers**

	<u>Transfer In:</u>
	<u>General Fund</u>
Transfer Out:	
Capital Projects Fund	<u>\$ 1,325</u>
Total	<u>\$ 1,325</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 copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2020 were \$30,280. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	23,232
2022	23,232
2023	23,232
2024	23,232
2025	<u>13,552</u>
Total Minimum Lease Payments	<u>\$ 106,480</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 or other purposes permitted by statute. 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, 2020 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%	\$7,560,000
\$21,275,000, 2014 Refunding Bonds, due in annual installments of \$1,290,000 to \$1,950,000 through August 1, 2029, interest at 4.00% to 5.00%	<u>15,565,000</u>
Total	<u>\$23,125,000</u>

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

**Governmental Activities:**

Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,970,000	655,700	2,625,700
2026-2030	11,110,000	1,781,925	12,891,925
2031-2035	<u>3,000,000</u>	<u>300,000</u>	<u>3,300,000</u>
Totals	<u>\$ 23,125,000</u>	<u>\$ 6,274,600</u>	<u>\$ 29,399,600</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 114,615,927
Less: Net Debt Issued	<u>23,125,000</u>
Remaining Borrowing Power	<u>\$ 91,490,927</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 24,700,000		\$ 1,575,000	\$ 23,125,000	\$ 1,640,000
Add: Unamortized Premium	2,116,947	-	240,441	1,876,506	-
	26,816,947	-	1,815,441	25,001,506	1,640,000
Compensated Absences	617,150	\$ 150,305	38,530	728,925	25,000
Net Pension Liability	7,019,420	-	924,105	6,095,315	-
Governmental Activity Long-Term Liabilities	<u>\$ 34,453,517</u>	<u>\$ 150,305</u>	<u>\$ 2,778,076</u>	<u>\$ 31,825,746</u>	<u>\$ 1,665,000</u>

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, 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, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

**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](http://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.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://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.

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 PERS 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](http://www.state.nj.us/treasury/pensions).

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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](http://www.state.nj.us/treasury/doinvest).

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 329,049	\$ 2,858,971	\$ 51,648
2019	354,608	2,556,095	39,591
2018	328,084	1,870,951	25,415

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,182, \$1,455 and \$4,179, respectively for PERS and the State contributed \$3,594, \$3,890 and \$4,594, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB 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 \$1,099,291 during the fiscal year ended June 30, 2020 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 both 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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$6,095,315 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .03383 percent, which was a decrease of .00182 percent from its proportionate share measured as of June 30, 2018 of .03565 percent.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$261,622 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>2019</b>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 109,403	\$ 26,926
Changes of Assumptions	608,640	2,115,664
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	96,217
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>152,028</u>	<u>366,524</u>
Total	<u>\$ 870,071</u>	<u>\$ 2,605,331</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (190,032)
2022	(610,832)
2023	(586,022)
2024	(309,207)
2025	<u>(39,167)</u>
	<u>\$ (1,735,260)</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 6.28% 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,699,373</u>	<u>\$ 6,095,315</u>	<u>\$ 4,743,669</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 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](http://www.state.nj.us/treasury/pensions).

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,608,040 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$78,125,309. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .12730 percent, which was an increase of .00326 percent from its proportionate share measured as of June 30, 2018 of .12404 percent.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b><u>1% Decrease (4.60%)</u></b>	<b><u>Current Discount Rate (5.60%)</u></b>	<b><u>1% Increase (6.60%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 92,127,031</u>	<u>\$ 78,125,309</u>	<u>\$ 66,508,301</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program 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, 2019. 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, 2020**

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>364,943</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, 2019 is \$47.1 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, 2018 which were rolled forward to June 30, 2019.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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 over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$1,060,626, \$1,159,440 and \$1,208,407, 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, 2018 through June 30, 2019. 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.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,777,419. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$44,150,016. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .10580 percent, which was an increase of .00160 percent from its proportionate share measured as of June 30, 2018 of .10420 percent.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**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 2.00% as of June 30, 2019.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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)**

**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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>48,045,330</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,223,563
Interest on the Total OPEB Liability	1,920,201
Differences Between Expected and Actual Experience	(7,382,258)
Changes of Assumptions	658,280
Gross Benefit Payments	(1,355,274)
Contributions from the Member	<u>40,174</u>
<b>Net Changes</b>	<b>\$ <u>(3,895,314)</u></b>
Balance, June 30, 2019 Measurement Date	\$ <u>44,150,016</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 52,158,616	\$ 44,150,016	\$ 37,788,423

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 36,377,645	\$ 44,150,016	\$ 54,439,039

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**NOTE 5 SUBSEQUENT EVENTS**

**Appropriation of Fund Balance**

On July 21, 2020 the Board approved the appropriation of an additional \$1,100,000 of General Fund unassigned fund balance to the 2020/2021 budget as well as a reduction to the 2020/2021 budget appropriations in the amount of \$536,188 as a result of a reduction in 2020/2021 state aid anticipated in the adopted budget certified for taxes.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**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, 2020**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 34,446,269	\$ -	\$ 34,446,269	\$ 34,446,269	
Tuition from Other LEA's / Within State				26,350	\$ 26,350
Interest Earned in Maintenance Reserve	140		140		(140)
Interest Earned in Capital Reserve Funds	560		560		(560)
Unrestricted Miscellaneous	150,000	-	150,000	366,279	216,279
<b>Total Local Revenues</b>	<b>34,596,969</b>	<b>-</b>	<b>34,596,969</b>	<b>34,838,898</b>	<b>241,929</b>
State Sources					
Special Education Aid	2,318,383	-	2,318,383	2,318,383	-
Equalization Aid	6,267,216	-	6,267,216	6,267,216	-
Security Aid	760,674	-	760,674	760,674	-
Transportation Aid	547,120	-	547,120	547,120	-
Extraordinary Special Education Costs Aid				640,075	640,075
Nonpublic School Transportation Costs				8,394	8,394
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				2,808,629	2,808,629
Pension - NCGI Premium				50,342	50,342
Post Retirement Medical Benefit Contribution				1,060,626	1,060,626
Long Term Disability Insurance				3,594	3,594
Reimbursed Social Security Contribution	-	-	-	1,099,291	1,099,291
<b>Total State Revenues</b>	<b>9,893,393</b>	<b>-</b>	<b>9,893,393</b>	<b>15,564,344</b>	<b>5,670,951</b>
Federal Sources					
Special Education Medicaid Initiative Reimbursement	41,048	-	41,048	8,671	(32,377)
<b>Total Federal Revenues</b>	<b>41,048</b>	<b>-</b>	<b>41,048</b>	<b>8,671</b>	<b>(32,377)</b>
<b>Total Revenues</b>	<b>44,531,410</b>	<b>-</b>	<b>44,531,410</b>	<b>50,411,913</b>	<b>5,880,503</b>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	570,842	\$ (108,686)	462,156	456,239	5,917
Grades 1-5	3,350,720	210,718	3,561,438	3,211,120	350,318
Grades 6-8	2,091,324	(22,300)	2,069,024	1,799,232	269,792
Grades 9-12	2,860,287	21,000	2,881,287	2,685,884	195,403
Regular Programs - Home Instruction					
Salaries of Teachers	15,000	-	15,000	4,995	10,005
Purchased Professional-Educational Services	16,000	-	16,000	3,270	12,730
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	101,590	30,525	132,115	113,387	18,728
Purchased Professional-Educational Services	15,000	-	15,000	9,866	5,134
Purchased Technical Services	81,000	2,000	83,000	47,716	35,284
Other Purchased Services	115,000	950	115,950	86,681	29,269
General Supplies	519,490	(52,994)	466,496	240,204	226,292
Textbooks	124,819	282,650	407,469	400,945	6,524
<b>Total Regular Programs</b>	<b>9,861,072</b>	<b>363,863</b>	<b>10,224,935</b>	<b>9,059,539</b>	<b>1,165,396</b>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 382,905	\$ 25,000	\$ 407,905	\$ 372,521	\$ 35,384
Other Salaries for Instruction	135,800	30,000	165,800	133,179	32,621
Total Learning / Language Disabilities	<u>518,705</u>	<u>55,000</u>	<u>573,705</u>	<u>505,700</u>	<u>68,005</u>
Behavioral Disabilities					
Salaries of Teachers	97,308	-	97,308	92,008	5,300
Other Salaries for Instruction	17,400	-	17,400	-	17,400
Total Behavioral Disabilities	<u>114,708</u>	<u>-</u>	<u>114,708</u>	<u>92,008</u>	<u>22,700</u>
Multiple Disabilities					
Salaries of Teachers	325,937	43,000	368,937	294,628	74,309
Other Salaries for Instruction	17,400	17,400	34,800	30,098	4,702
General Supplies	2,000	-	2,000	-	2,000
Total Multiple Disabilities	<u>345,337</u>	<u>60,400</u>	<u>405,737</u>	<u>324,726</u>	<u>81,011</u>
Resource Room / Resource Center					
Salaries of Teachers	1,461,172	2,000	1,463,172	1,416,407	46,765
Other Salaries for Instruction	133,400	(30,400)	103,000	63,411	39,589
General Supplies	1,000	-	1,000	401	599
Total Resource Room / Resource Center	<u>1,595,572</u>	<u>(28,400)</u>	<u>1,567,172</u>	<u>1,480,219</u>	<u>86,953</u>
Autism					
Salaries of Teachers	381,255	87,500	468,755	403,187	65,568
Other Salaries for Instruction	113,800	8,000	121,800	113,643	8,157
General Supplies	5,000	-	5,000	3,695	1,305
Total Autism	<u>500,055</u>	<u>95,500</u>	<u>595,555</u>	<u>520,525</u>	<u>75,030</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	175,879	1,000	176,879	176,579	300
Other Salaries for Instruction	52,200	4,000	56,200	52,657	3,543
Total Preschool Disabilities - Part - Time	<u>228,079</u>	<u>5,000</u>	<u>233,079</u>	<u>229,236</u>	<u>3,843</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	53,843	-	53,843	53,843	-
Other Salaries for Instruction	69,600	12,000	81,600	45,685	35,915
Total Preschool Disabilities - Full - Time	<u>123,443</u>	<u>12,000</u>	<u>135,443</u>	<u>99,528</u>	<u>35,915</u>
Home Instruction					
Salaries of Teachers	40,000	-	40,000	19,102	20,898
Purchased Professional and Educational Services	299	-	299	-	299
Total Home Instruction	<u>40,299</u>	<u>-</u>	<u>40,299</u>	<u>19,102</u>	<u>21,197</u>
Total Special Education	<u>3,466,198</u>	<u>199,500</u>	<u>3,665,698</u>	<u>3,271,044</u>	<u>394,654</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 380,508	\$ 2,125	\$ 382,633	\$ 382,433	\$ 200
Total Basic Skills/Remedial	<u>380,508</u>	<u>2,125</u>	<u>382,633</u>	<u>382,433</u>	<u>200</u>
Bilingual Education					
Salaries of Teachers	229,659	(125)	229,534	209,451	20,083
Total Bilingual Education	<u>229,659</u>	<u>(125)</u>	<u>229,534</u>	<u>209,451</u>	<u>20,083</u>
School Sponsored Co-Curricular Activities					
Salaries	133,688	9,568	143,256	123,163	20,093
Purchased Services		2,600	2,600	1,550	1,050
Supplies and Materials	9,000	17,988	26,988	3,969	23,019
Total School Sponsored Co-Curricular Activities	<u>142,688</u>	<u>30,156</u>	<u>172,844</u>	<u>128,682</u>	<u>44,162</u>
School Sponsored Athletics - Instruction					
Salaries	319,299	9,000	328,299	277,481	50,818
Purchased Services	88,750	4,418	93,168	71,737	21,431
Supplies and Materials	58,413	(2,734)	55,679	45,296	10,383
Other Objects	15,055	-	15,055	11,013	4,042
Total School Sponsored Athletics - Instruction	<u>481,517</u>	<u>10,684</u>	<u>492,201</u>	<u>405,527</u>	<u>86,674</u>
Other Suppl./At Risk Program - Instruction					
Salaries of Teacher Tutors	50,000	1,500	51,500	41,780	9,720
Total Other Suppl./At Risk Program - Instruction	<u>50,000</u>	<u>1,500</u>	<u>51,500</u>	<u>41,780</u>	<u>9,720</u>
Total - Instruction	<u>14,561,642</u>	<u>606,203</u>	<u>15,167,845</u>	<u>13,456,676</u>	<u>1,711,169</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	452,333	9,397	461,730	422,043	39,687
Tuition to County Vocational School District-Reg.	523,631	-	523,631	458,187	65,444
Tuition to County Vocational School/Dist.-Spec.	910,980	174,020	1,085,000	962,861	122,139
Tuition to County Special Services School Districts & Regional Day Schools	1,620,940	238,040	1,858,980	1,806,650	52,330
Tuition to Private Schools - Disabled Within State	2,916,028	(980,540)	1,935,488	1,803,267	132,221
Tuition - State Facilities	155,758	-	155,758	155,758	-
Tuition - Other	-	20,000	20,000	-	20,000
Total Undistributed - Instruction (Tuition)	<u>6,579,670</u>	<u>(539,083)</u>	<u>6,040,587</u>	<u>5,608,766</u>	<u>431,821</u>
Attendance and Social Work Services					
Salaries	160,195	2,000	162,195	161,733	462
Supplies and Materials	600	-	600	-	600
Total Attendance and Social Work Services	<u>160,795</u>	<u>2,000</u>	<u>162,795</u>	<u>161,733</u>	<u>1,062</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 348,241	\$ (2,000)	\$ 346,241	\$ 341,971	\$ 4,270
Purchased Professional and Technical Services	27,843	3,100	30,943	25,895	5,048
Supplies and Materials	7,903	18,750	26,653	22,139	4,514
Total Health Services	<u>383,987</u>	<u>19,850</u>	<u>403,837</u>	<u>390,005</u>	<u>13,832</u>
Speech, OT, PT and Related Services					
Salaries	446,236	58,500	504,736	481,642	23,094
Purchased Professional - Educational Services	613,400	(203,000)	410,400	318,923	91,477
Supplies and Materials	4,000	(1,600)	2,400	2,319	81
Total Speech, OT, PT and Related Services	<u>1,063,636</u>	<u>(146,100)</u>	<u>917,536</u>	<u>802,884</u>	<u>114,652</u>
Other Support Services-Students-Extra Services					
Salaries	871,400	(31,500)	839,900	741,602	98,298
Purchased Professional-Educational Services	941,500	165,000	1,106,500	1,020,519	85,981
Supplies and Materials	2,000	-	2,000	-	2,000
Total Other Support Services-Extra Services	<u>1,814,900</u>	<u>133,500</u>	<u>1,948,400</u>	<u>1,762,121</u>	<u>186,279</u>
Guidance					
Salaries of Other Professional Staff	390,520	1,000	391,520	348,806	42,714
Salaries of Secretarial and Clerical Assistants	40,651	2,000	42,651	42,502	149
Other Purchased Services	8,800	-	8,800	4,127	4,673
Supplies and Materials	1,000	-	1,000	394	606
Total Guidance	<u>440,971</u>	<u>3,000</u>	<u>443,971</u>	<u>395,829</u>	<u>48,142</u>
Child Study Team					
Salaries of Other Professional Staff	844,491	60,000	904,491	829,172	75,319
Salaries of Secretarial and Clerical Assistants	42,230	-	42,230	41,735	495
Other Purchased Professional and Technical Services	97,000	-	97,000	16,968	80,032
Other Purchased Services	6,000	-	6,000	3,858	2,142
Supplies and Materials	15,000	12,000	27,000	16,979	10,021
Total Child Study Team	<u>1,004,721</u>	<u>72,000</u>	<u>1,076,721</u>	<u>908,712</u>	<u>168,009</u>
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	107,968	(11,625)	96,343	94,640	1,703
Salaries of Secretarial and Clerical Assistants	29,210	(23,000)	6,210	5,404	806
Other Purchased Professional and Technical Services	70,000	(6,000)	64,000	45,958	18,042
Other Purchased Services	10,000	-	10,000	3,050	6,950
Supplies and Materials	1,500	4,000	5,500	845	4,655
Total Improvement of Instruction Services	<u>218,678</u>	<u>(36,625)</u>	<u>182,053</u>	<u>149,897</u>	<u>32,156</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media Services/School Library					
Salaries	\$ 155,894	\$ 14,400	\$ 170,294	\$ 165,939	\$ 4,355
Other Purchased Services	9,000	(3,000)	6,000	5,438	562
Supplies and Materials	7,330	(632)	6,698	4,660	2,038
<b>Total Educational Media Services/School Library</b>	<b>172,224</b>	<b>10,768</b>	<b>182,992</b>	<b>176,037</b>	<b>6,955</b>
Instructional Staff Training Services					
Salaries of Supervisor of Instruction	85,318	46,500	131,818	70,118	61,700
Salaries of Secretarial and Clerical Assistants	29,210	(1,500)	27,710	5,404	22,306
<b>Total Instructional Staff Training Services</b>	<b>114,528</b>	<b>45,000</b>	<b>159,528</b>	<b>75,522</b>	<b>84,006</b>
Support Services General Administration					
Salaries	413,365	80,000	493,365	420,449	72,916
Salaries of State Fiscal Monitor	7,500	-	7,500	7,500	7,500
Legal Services	140,000	(24,300)	115,700	78,637	37,063
Audit Fees	60,000	13,050	73,050	38,187	34,863
Architectural/Engineering Services	22,000	25,000	47,000	44,799	2,201
Other Purchased Professional Services	24,430	-	24,430	10,085	14,345
Communications/Telephone	153,300	50,000	203,300	120,417	82,883
Miscellaneous Purchased Services	311,373	-	311,373	247,135	64,238
General Supplies	9,110	-	9,110	4,133	4,977
Miscellaneous Expenditures	2,000	-	2,000	1,470	530
BOE Membership Dues and Fees	25,205	-	25,205	23,811	1,394
<b>Total Support Services General Administration</b>	<b>1,168,283</b>	<b>143,750</b>	<b>1,312,033</b>	<b>989,123</b>	<b>322,910</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,464,981	37,200	1,502,181	1,489,215	12,966
Salaries of Secretarial and Clerical Assistants	418,320	800	419,120	392,308	26,812
Other Purchased Services	59,792	-	59,792	52,119	7,673
Supplies and Materials	43,624	(6,557)	37,067	20,439	16,628
Other Objects	600	(200)	400	65	335
<b>Total Support Services School Administration</b>	<b>1,987,317</b>	<b>31,243</b>	<b>2,018,560</b>	<b>1,954,146</b>	<b>64,414</b>
Central Services					
Salaries	543,414	(3,500)	539,914	533,821	6,093
Purchased Professional Services	51,500	2,000	53,500	51,605	1,895
Purchased Technical Services	17,000	3,500	20,500	19,540	960
Miscellaneous Purchased Services	16,581	(1,000)	15,581	11,447	4,134
Supplies and Materials	10,768	3,000	13,768	13,148	620
<b>Total Central Services</b>	<b>639,263</b>	<b>4,000</b>	<b>643,263</b>	<b>629,561</b>	<b>13,702</b>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Administration Information Technology					
Salaries	\$ 230,743	\$ (33,000)	\$ 197,743	\$ 173,636	\$ 24,107
Purchased Technical Services	84,385	66,000	150,385	131,376	19,009
Other Purchased Services	44,052	(12,000)	32,052	6,649	25,403
Supplies and Materials	28,236	12,000	40,236	27,922	12,314
Total Administration Information Technology	<u>387,416</u>	<u>33,000</u>	<u>420,416</u>	<u>339,583</u>	<u>80,833</u>
Required Maintenance for School Facilities					
Salaries	220,171	-	220,171	201,629	18,542
Cleaning, Repair & Maintenance Services	261,877	61,083	322,960	273,094	49,866
General Supplies	75,904	-	75,904	50,297	25,607
Other Objects	80	500	580	550	30
Total Required Maintenance for School Facilities	<u>558,032</u>	<u>61,583</u>	<u>619,615</u>	<u>525,570</u>	<u>94,045</u>
Custodial Services					
Salaries	1,285,493	20,000	1,305,493	1,140,544	164,949
Salaries of Non-Instructional Aides	53,460	36,540	90,000	30,761	59,239
Cleaning, Repair and Maintenance Services	74,497	20,000	94,497	44,626	49,871
Other Purchased Property Services	37,886	-	37,886	33,659	4,227
Insurance	169,150	(20,000)	149,150	140,022	9,128
General Supplies	91,580	6,053	97,633	61,824	35,809
Energy (Natural Gas)	190,000	(20,000)	170,000	134,147	35,853
Energy (Electricity)	507,000	21,000	528,000	448,216	79,784
Energy (Gasoline)	10,000	-	10,000	-	10,000
Total Custodial Services	<u>2,419,066</u>	<u>63,593</u>	<u>2,482,659</u>	<u>2,033,799</u>	<u>448,860</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	71,573	18,000	89,573	82,002	7,571
General Supplies	14,325	6,000	20,325	19,132	1,193
Total Care and Upkeep of Grounds	<u>85,898</u>	<u>24,000</u>	<u>109,898</u>	<u>101,134</u>	<u>8,764</u>
Security					
Salaries	44,414	-	44,414	44,414	-
Purchased Professional and Technical Services	150,000	(22,688)	127,312	118,090	9,222
General Supplies	5,000	1,200	6,200	6,105	95
Total Security	<u>199,414</u>	<u>(21,488)</u>	<u>177,926</u>	<u>168,609</u>	<u>9,317</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	14,650	500	15,150	14,879	271
Salaries for Pupil Transportation (Between Home and School) - Special	14,650	500	15,150	14,879	271
Salaries for Pupil Transportation (Other Than Between Home & School)	19,000	2,000	21,000	20,655	345
Cleaning, Repair and Maintenance Services	9,500	-	9,500	5,684	3,816
Contracted Services - Aid-in-Lieu-Nonpublic Schools	200,000	-	200,000	124,444	75,556
Contracted Services (Other Than Between Home and School) - Vendors	65,000	-	65,000	15,617	49,383
Contracted Services (Regular) - ESC's & CTSA's	356,574	-	356,574	274,054	82,520
Contracted Services (Spec Ed) - ESC's & CTSA's	2,049,551	151,130	2,200,681	1,974,190	226,491
Miscellaneous Purchased Services - Transportation	1,393	-	1,393	150	1,243
Total Student Transportation Services	<u>2,730,318</u>	<u>154,130</u>	<u>2,884,448</u>	<u>2,444,552</u>	<u>439,896</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits					
Social Security Contributions	\$ 455,000	-	\$ 455,000	\$ 413,075	\$ 41,925
Other Retirement Contributions - PERS	409,472	-	409,472	330,231	79,241
Other Retirement Contributions - DCRP	60,466	-	60,466	51,648	8,818
Unemployment Compensation	73,032	\$ 12,000	85,032	76,132	8,900
Workmen's Compensation	234,350	-	234,350	227,919	6,431
Health Benefits	5,867,959	(248,189)	5,619,770	5,154,671	465,099
Tuition Reimbursement	64,260	-	64,260	45,000	19,260
Other Employee Benefits	-	-	-	-	-
Unused Sick Payment to Terminated/Retired Staff	125,086	44,000	169,086	167,073	2,013
Total Unallocated Benefits	<u>7,289,625</u>	<u>(192,189)</u>	<u>7,097,436</u>	<u>6,465,749</u>	<u>631,687</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution	-	-	-	2,808,629	(2,808,629)
Pension -NCGI Premium	-	-	-	50,342	(50,342)
Post Retirement Medical Benefit Contribution	-	-	-	1,060,626	(1,060,626)
Long Term Disability Insurance	-	-	-	3,594	(3,594)
Reimbursed Social Security Contribution	-	-	-	1,099,291	(1,099,291)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,022,482</u>	<u>(5,022,482)</u>
Total Undistributed Expenditures	<u>29,418,742</u>	<u>(134,068)</u>	<u>29,284,674</u>	<u>31,105,814</u>	<u>(1,821,140)</u>
Interest on Maintenance Reserve	<u>140</u>	<u>-</u>	<u>140</u>	<u>-</u>	<u>140</u>
Total Expenditures - Current Expenditures	<u>44,030,524</u>	<u>473,635</u>	<u>44,504,159</u>	<u>44,604,270</u>	<u>(100,111)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures - Admin Info Technology	-	40,000	40,000	39,918	82
Total Equipment	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>39,918</u>	<u>82</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	50,000	9,500	59,500	16,040	43,460
Construction Services	650,000	456,078	1,106,078	854,530	251,548
Assessment for Debt Service on SDA Funding	170,358	-	170,358	170,358	-
Total Facilities Acquisition and Construction Services	<u>870,358</u>	<u>465,578</u>	<u>1,335,936</u>	<u>1,040,928</u>	<u>295,008</u>
Interest on Capital Reserve	<u>560</u>	<u>-</u>	<u>560</u>	<u>-</u>	<u>560</u>
Total Capital Outlay	<u>870,918</u>	<u>505,578</u>	<u>1,376,496</u>	<u>1,080,846</u>	<u>295,650</u>
Transfer of Funds to Charter Schools	<u>520,850</u>	<u>112,583</u>	<u>633,433</u>	<u>632,363</u>	<u>1,070</u>
Total Expenditures	<u>45,422,292</u>	<u>1,091,796</u>	<u>46,514,088</u>	<u>46,317,479</u>	<u>196,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(890,882)</u>	<u>(1,091,796)</u>	<u>(1,982,678)</u>	<u>4,094,434</u>	<u>6,077,112</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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 In - Capital Projects Fund	-	\$ -	\$ -	\$ 1,325	1,325
Total Other Financing Sources/(Uses)	-	-	-	1,325	1,325
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$ (890,882)	(1,091,796)	(1,982,678)	4,095,759	\$ 6,078,437
Fund Balances Beginning of Year	9,291,111	-	9,291,111	9,291,111	-
Fund Balances, End of Year	\$ 8,400,229	\$ (1,091,796)	\$ 7,308,433	\$ 13,386,870	\$ 6,078,437
<b>Recapitulation</b>					
<b>Restricted</b>					
Capital Reserve				\$ 7,269,777	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,050,000	
Maintenance Reserve				1,574,570	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				125,000	
Emergency Reserve				450,000	
Reserved Excess Surplus				1,100,000	
<b>Assigned</b>					
Year End Encumbrances				343,154	
<b>Unassigned</b>					
				<u>1,474,369</u>	
Fund Balance Per State Budgetary Basis of Accounting				13,386,870	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(1,439,938)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 11,946,932</u>	

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 205,133	\$ 29,928	\$ 235,061	\$ 163,689	\$ (71,372)
Federal	1,283,357	299,867	1,583,224	1,487,442	(95,782)
Local Sources					
Miscellaneous	-	32,373	32,373	25,535	(6,838)
Total Revenues	<u>1,488,490</u>	<u>362,168</u>	<u>1,850,658</u>	<u>1,676,666</u>	<u>(173,992)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	590,484	(236,872)	353,612	347,705	5,907
Tuition	593,427	112,833	706,260	706,260	-
Purchased Professional / Educational Services		2,921	2,921	1,200	1,721
General Supplies	21,278	277,052	298,330	263,183	35,147
Textbooks	6,109	2,008	8,117	7,629	488
Miscellaneous	-	250	250	250	-
Total Instruction	<u>1,211,298</u>	<u>158,192</u>	<u>1,369,490</u>	<u>1,326,227</u>	<u>43,263</u>
Support Services					
Salaries		17,293	17,293	7,778	9,515
Purchased Professional / Educational Service	209,170	(2,054)	207,116	124,276	82,840
Other Purchased Services	68,022	19,883	87,905	66,042	21,863
Supplies and Materials	-	8,547	8,547	6,547	2,000
Total Support Services	<u>277,192</u>	<u>43,669</u>	<u>320,861</u>	<u>204,643</u>	<u>116,218</u>
Transportation					
Contracted Services	-	31,785	31,785	25,372	6,413
Unallocated Employee Benefits	-	128,522	128,522	120,424	8,098
Total Expenditures	<u>1,488,490</u>	<u>362,168</u>	<u>1,850,658</u>	<u>1,676,666</u>	<u>173,992</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, 2020**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 50,411,913	\$ 1,676,666
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2019-2020)	(1,439,938)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2018-2019)	1,160,623	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	<u>-</u>	<u>-</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 50,132,598</u>	 <u>\$ 1,676,666</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 46,317,479	\$ 1,676,666
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 46,317,479</u>	 <u>\$ 1,676,666</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 Seven Fiscal Years\***

	<u>2020</u>	<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)	.03383%	.03565%	.03542%	0.03524%	0.03370%	0.03506%	0.03396
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,095,315	\$ 7,019,420	\$ 8,244,092	\$ 10,437,473	\$ 7,565,220	\$ 6,564,359	\$ 6,489,881
District's Covered-Employee Payroll	\$ 2,417,083	\$ 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	252.18%	287.51%	336.56%	446.66%	333.51%	266.36%	270.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	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 Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 329,049	\$ 354,608	\$ 328,084	\$ 313,079	\$ 289,739	\$ 289,037	\$ 255,860
Contributions in Relation to the Contractually Required Contribution	<u>329,049</u>	<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>						
District's Covered-Employee Payroll	\$ 2,486,928	\$ 2,417,083	\$ 2,441,484	\$ 2,449,487	\$ 2,336,786	\$ 2,268,342	\$ 2,464,462
Contributions as a Percentage of Covered-Employee Payroll	13.23%	14.52%	13.44%	12.78%	12.40%	12.74%	10.38%

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 Seven Fiscal Years\***

	<u>2020</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 78,125,309</u>	<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>\$ 78,125,309</u>	<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 Payroll	\$ 14,606,965	\$ 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 Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	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, 2020**

**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 Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,223,563	\$ 2,427,458	\$ 2,960,139
Interest on Total OPEB Liability	1,920,201	2,006,606	1,713,733
Differences Between Expected and Actual Experience	(7,382,258)	(3,872,671)	-
Changes of Assumptions	658,280	(5,513,442)	(7,165,584)
Gross Benefit Payments	(1,355,274)	(1,284,715)	(1,649,441)
Contribution from the Member	<u>40,174</u>	<u>44,402</u>	<u>60,737</u>
<b>Net Change in Total OPEB Liability</b>	(3,895,314)	(6,192,362)	(4,080,416)
<b>Total OPEB Liability - Beginning</b>	<u>\$ 48,045,330</u>	<u>\$ 54,237,692</u>	<u>58,318,108</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 44,150,016</u>	<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>48,045,330</u>	<u>54,237,692</u>
Total OPEB Liability - Ending	<u>\$ 48,045,330</u>	<u>\$ 48,045,330</u>	<u>\$ 54,237,692</u>
District's Covered Payroll	<u>\$ 17,093,893</u>	<u>\$ 16,110,232</u>	<u>\$ 15,948,375</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2020**

**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, 2020

	<u>ESEA Title I</u>	<u>ESEA Title II A</u>	<u>ESEA Title III</u>	<u>ESEA Title III Immigrant</u>	<u>ESEA Title IV</u>	<u>IDEA Basic</u>	<u>IDEA PreK</u>	<u>Local Grants</u>	<u>(Exhibit E-1a)</u>	<u>Total 2020</u>
<b>REVENUES</b>										
Intergovernmental										
State									\$ 163,689	\$ 163,689
Federal	\$ 650,086	\$ 51,204	\$ 24,144	\$ 5,178	\$ 44,820	\$ 681,862	\$ 30,148		-	1,487,442
Other Sources	-	-	-	-	-	-	-	\$ 25,535	-	25,535
<b>Total Revenues</b>	<b>\$ 650,086</b>	<b>\$ 51,204</b>	<b>\$ 24,144</b>	<b>\$ 5,178</b>	<b>\$ 44,820</b>	<b>\$ 681,862</b>	<b>\$ 30,148</b>	<b>\$ 25,535</b>	<b>\$ 163,689</b>	<b>\$ 1,676,666</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 331,205		\$ 16,500						-	\$ 347,705
Tuition						\$ 676,112	\$ 30,148			706,260
Purchased Professional / Educational Services	1,200									1,200
General Supplies	193,595		1,706		\$ 42,872			\$ 10,900	\$ 14,110	263,183
Textbooks									7,629	7,629
Miscellaneous	-	-	-	-	-	-	-	250	-	250
<b>Total Instruction</b>	<b>526,000</b>	<b>-</b>	<b>18,206</b>	<b>-</b>	<b>42,872</b>	<b>676,112</b>	<b>30,148</b>	<b>11,150</b>	<b>21,739</b>	<b>1,326,227</b>
Support Services										
Salaries	2,600			\$ 5,178						7,778
Personnel Services - Employee Benefits	114,486		5,938							120,424
Purchased Professional/Educational Services					\$ 1,948	5,750			116,578	124,276
Other Purchased Professional Services										-
Other Purchased Services	7,000	\$ 51,204						7,838		66,042
Contracted Services - Transportation									25,372	25,372
Supplies and Materials	-	-	-	-	-	-	-	6,547	-	6,547
<b>Total Support Services</b>	<b>124,086</b>	<b>51,204</b>	<b>5,938</b>	<b>5,178</b>	<b>1,948</b>	<b>5,750</b>	<b>-</b>	<b>14,385</b>	<b>141,950</b>	<b>350,439</b>
<b>Total Expenditures</b>	<b>\$ 650,086</b>	<b>\$ 51,204</b>	<b>\$ 24,144</b>	<b>\$ 5,178</b>	<b>\$ 44,820</b>	<b>\$ 681,862</b>	<b>\$ 30,148</b>	<b>\$ 25,535</b>	<b>\$ 163,689</b>	<b>\$ 1,676,666</b>

ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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					
<b>REVENUES</b>											
Intergovernmental											
State	\$ 53,101	\$ 1,158	\$ 25,372	\$ 23,948	\$ 10,366	\$ 15,866	\$ 7,629	\$ 12,139	\$ 8,650	\$ 5,460	\$ 163,689
Federal											
Other Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 53,101</u>	<u>\$ 1,158</u>	<u>\$ 25,372</u>	<u>\$ 23,948</u>	<u>\$ 10,366</u>	<u>\$ 15,866</u>	<u>\$ 7,629</u>	<u>\$ 12,139</u>	<u>\$ 8,650</u>	<u>\$ 5,460</u>	<u>\$ 163,689</u>
<b>EXPENDITURES</b>											
Instruction											
General Supplies									\$ 8,650	\$ 5,460	14,110
Textbooks							7,629				\$ 7,629
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	-	7,629	-	8,650	5,460	21,739
Support Services											
Purchased Professional / Educational Services	\$ 53,101	\$ 1,158		\$ 23,948	\$ 10,366	\$ 15,866		\$ 12,139			116,578
Contracted Services - Transportation			\$ 25,372								25,372
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 53,101</u>	<u>\$ 1,158</u>	<u>\$ 25,372</u>	<u>\$ 23,948</u>	<u>\$ 10,366</u>	<u>\$ 15,866</u>	<u>\$ 7,629</u>	<u>\$ 12,139</u>	<u>\$ 8,650</u>	<u>\$ 5,460</u>	<u>\$ 163,689</u>

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2020</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	\$ 9,854,393	\$ 9,854,393	\$ -	\$ -	\$ -
	\$ 9,854,393	\$ 9,854,393	\$ -	\$ -	\$ -
 <b><u>Recapitulation to GAAP</u></b>					
Project Balance, June 30, 2020					\$ -
Add: Fund Balance Restricted for Debt Service					137,857
Fund Balance, June 30, 2020 - GAAP Basis					\$ 137,857
 <b><u>Recapitulation of Fund Balance</u></b>					
Restricted for Debt Service					\$ 137,857

**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, 2020**

**Revenues and Other Financing Sources**

Revenues:

Miscellaneous-Interest on Investments	\$ <u>1,325</u>
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Total Revenues and Other Financing sources	<u>1,325</u>
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**Expenditures and Other Financing Uses**

Other Financing Uses:

Transfer to General Fund	<u>1,325</u>
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Total Expenditures and Other Financing Uses	<u>1,325</u>
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Excess of Revenues and Other Financing Sources

Over Expenditures and Other Financing Uses	-
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Fund Balance, Beginning of Year	<u>137,857</u>
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Fund Balance, End of Year	\$ <u><u>137,857</u></u>
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**Reconciliation to GAAP**

Fund Balance, June 30, 2020 - Budgetary Basis	\$ <u>137,857</u>
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Fund Balance, June 30, 2020 - GAAP Basis	\$ <u><u>137,857</u></u>
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**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, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 9,152,143		\$ 9,152,143	\$ 9,290,000
Premium on Bonds	702,250	-	702,250	702,250
	<u>9,854,393</u>	<u>-</u>	<u>9,854,393</u>	<u>9,992,250</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	42,342		42,342	37,954
Legal Services	27,649		27,649	26,369
Architectural / Engineering Services	846,154		846,154	1,105,039
Construction Services	8,679,217		8,679,217	8,532,549
Supplies	20,425		20,425	20,425
Other Objects	230,943		230,943	262,214
Equipment	7,663	-	7,663	7,700
	<u>9,854,393</u>	<u>-</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>\$ -</u>	<u>\$ -</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
Reduction 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, 2020**

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, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 143,998	\$ 752,218	\$ 896,216
Total Assets	<u>\$ 143,998</u>	<u>\$ 752,218</u>	<u>\$ 896,216</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 143,998		\$ 143,998
Payroll Deductions and Withholdings		\$ 91	91
Summer Savings Deposits		741,813	741,813
Flexible Spending Deposits	<u>-</u>	<u>10,314</u>	<u>10,314</u>
Total Liabilities	<u>\$ 143,998</u>	<u>\$ 752,218</u>	<u>\$ 896,216</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, 2020**

NOT APPLICABLE

**AGENCY FUNDS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>Elementary Schools:</b>				
Gantner Avenue	\$ 2,307	\$ 3,974	\$ 3,225	\$ 3,056
Gilbert Avenue	3,001	2,285	4,330	956
Sixteenth Avenue	1,013	1,045	1,815	243
	<u>6,321</u>	<u>7,304</u>	<u>9,370</u>	<u>4,255</u>
<b>Junior High School:</b>				
Memorial Middle School	<u>27,257</u>	<u>53,324</u>	<u>36,876</u>	<u>43,705</u>
<b>Senior High School:</b>				
Memorial High School	101,420	43,859	50,104	95,175
Athletic Activities	939	60,000	60,076	863
	<u>102,359</u>	<u>103,859</u>	<u>110,180</u>	<u>96,038</u>
	<u>\$ 135,937</u>	<u>\$ 164,487</u>	<u>\$ 156,426</u>	<u>\$ 143,998</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, 2020

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
<b>ASSETS</b>				
Cash	\$ 870,180	\$ 23,567,520	\$ 23,685,482	\$ 752,218
Total Assets	<u>\$ 870,180</u>	<u>\$ 23,567,520</u>	<u>\$ 23,685,482</u>	<u>\$ 752,218</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 132,177	\$ 9,992,332	\$ 10,124,418	\$ 91
Accrued Salaries and Wages		12,775,424	12,775,424	-
Summer Savings Deposits	731,523	758,091	747,801	741,813
Flexible Spending Deposits	<u>6,480</u>	<u>41,673</u>	<u>37,839</u>	<u>10,314</u>
Total Liabilities	<u>\$ 870,180</u>	<u>\$ 23,567,520</u>	<u>\$ 23,685,482</u>	<u>\$ 752,218</u>

**LONG-TERM DEBT**

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<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, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
School Bonds	7/9/2014	\$ 9,290,000	8/1/2020	350,000	4.000	\$ 7,935,000			\$ 7,560,000
			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				
Refunding Schools Bonds	7/9/2014	\$ 21,275,000	8/1/2020	1,290,000	4.000	16,765,000		1,200,000	15,565,000
			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>\$ 24,700,000</u>	<u>\$ -</u>	<u>\$ 1,575,000</u>	<u>\$ 23,125,000</u>
							Paid by Budget	<u>\$ 1,575,000</u>	

ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF CAPITAL LEASES AND LEASE - PURCHASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
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NOT APPLICABLE

**ELMWOOD PARK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,391,430		\$ 2,391,430	\$ 2,391,430	
State Sources					
Debt Service State Aid	<u>255,870</u>	<u>-</u>	<u>255,870</u>	<u>255,870</u>	<u>-</u>
Total Revenues	<u>2,647,300</u>	<u>-</u>	<u>2,647,300</u>	<u>2,647,300</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,575,000		1,575,000	1,575,000	-
Interest	<u>1,072,300</u>	<u>-</u>	<u>1,072,300</u>	<u>1,072,300</u>	<u>-</u>
Total Expenditures	<u>2,647,300</u>	<u>-</u>	<u>2,647,300</u>	<u>2,647,300</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
<b>OTHER FINANCING SOURCES</b>					
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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)*

	Fiscal Year Ended June 30.									
	2011 (1)	2012	2013	2014 (2)	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 20,286,423
Restricted	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740	5,191,524	7,184,290	10,019,347
Unrestricted	<u>(1,670,542)</u>	<u>(3,718,193)</u>	<u>(3,083,523)</u>	<u>(10,703,259)</u>	<u>(10,022,879)</u>	<u>(9,819,821)</u>	<u>(9,905,619)</u>	<u>(8,515,481)</u>	<u>(8,028,871)</u>	<u>(7,065,582)</u>
<b>Total governmental activities net position</b>	<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>	<u>\$ 23,240,188</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 173,825	\$ 170,511	\$ 27,671	\$ 17,135	\$ 9,466	\$ 23,456	\$ 79,223	\$ 121,482	\$ 177,929	\$ 161,155
Restricted										
Unrestricted	<u>203,323</u>	<u>25,811</u>	<u>238,928</u>	<u>468,708</u>	<u>668,874</u>	<u>277,869</u>	<u>299,291</u>	<u>308,253</u>	<u>228,135</u>	<u>158,604</u>
<b>Total business-type activities net position</b>	<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>	<u>\$ 319,759</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 20,447,578
Restricted	451	447	250,777	2,445,347	3,078,731	3,091,934	3,970,740	5,191,524	7,184,290	10,019,347
Unrestricted	<u>(1,467,219)</u>	<u>(3,692,382)</u>	<u>(2,844,595)</u>	<u>(10,234,551)</u>	<u>(9,354,005)</u>	<u>(9,541,952)</u>	<u>(9,606,328)</u>	<u>(8,207,228)</u>	<u>(7,800,736)</u>	<u>(6,906,978)</u>
<b>Total district net position</b>	<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>	<u>\$ 23,559,947</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 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	\$ 17,840,223
Special Education	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	11,693,525
Other Instruction	282,831	482,506	243,800	387,071	575,702	569,196	625,591	1,130,913	1,159,106	1,177,948
School Sponsored	685,764	666,997	565,044	541,451	572,849	613,296	672,594	603,415	801,019	776,127
Community Services										
Support Services:										
Tuition	4,470,522	5,221,404								
Student & instruction Related Services	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	7,687,696
General Administrative Services	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	1,478,353
School Administrative Services	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	3,402,486
Central Services and Admin. Info. Technolog	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	1,468,876
Plant Operations and Maintenance	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	3,684,940
Pupil Transportation	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	2,500,364
Unallocated Benefits	1,526,137	2,676,385			443,134					
Special Schools										
Charter Schools	94,588	149,739								
Interest on Long-Term Debt	1,178,271	1,139,256	1,113,954	1,072,951		913,382	912,312	916,101	900,330	858,132
Capital Outlay - Non-Depreciable	138,430	629,529								
Unallocated Depreciation	1,181,371	1,179,784								
<b>Total Governmental Activities Expenses</b>	<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>	<u>52,568,670</u>
<b>Business-Type Activities:</b>										
Food service	1,122,264	1,006,654	933,142	887,284	891,617	947,926	931,821	1,003,913	1,098,382	873,687
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	33,793
<b>Total Business-Type Activities Expense</b>	<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>	<u>907,480</u>
<b>Total District Expenses</b>	<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>	<u>\$ 53,476,150</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services			164,664	260,002	213,843	197,399	124,088	228,599	79,676	26,350
Operating Grants and Contributions	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	13,395,095
Capital Grants and Contributions			12,679	6,963		77,000	9,410	31,182		
<b>Total Governmental Activities Program Revenues</b>	<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>	<u>13,421,445</u>

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

	2011	2012	2013	2014	Fiscal Year Ended June 30,		2017	2018	2019	2020
					2015	2016				
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 675,100	\$ 609,506	\$ 465,300	\$ 471,320	\$ 432,590	\$ 398,561	\$ 415,325	\$ 466,259	\$ 497,685	\$ 332,230
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	12,525
Operating Grants and Contributions	470,631	508,293	504,652	502,374	531,571	566,237	588,951	574,596	577,525	476,420
Total Business Type Activities Program Revenues	1,212,445	1,436,229	1,408,760	1,268,288	1,227,182	989,699	1,020,425	1,049,853	1,102,780	821,175
Total District Program Revenues	\$ 2,624,537	\$ 2,922,125	\$ 7,289,120	\$ 7,972,545	\$ 10,768,446	\$ 11,958,207	\$ 14,072,548	\$ 15,724,527	\$ 15,210,871	\$ 14,242,620
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (39,147,225)
Business-Type Activities	49,406	99,898	193,064	219,101	181,061	4,828	52,189	26,221	(33,671)	(86,305)
Total District-Wide Net Expense	\$ (34,478,773)	\$ (36,574,212)	\$ (31,228,397)	\$ (31,152,483)	\$ (33,598,810)	\$ (33,211,390)	\$ (35,398,754)	\$ (35,899,169)	\$ (38,022,655)	\$ (39,233,530)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	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	\$ 34,446,269
Taxes Levied for Debt Service	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	2,391,430
Unrestricted Federal and State Aid	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	6,144,774
State Aid for Debt Service Principal						169,176	140,550	142,780	146,519	152,229
Tuition Received	34,269	66,508								
Cancellation Accounts Receivable/Payable	(764)				82,582	-				
Investment earnings	4,676	3,219	7,306	16,581		90,730	64,241	124,589	196,359	157,171
Miscellaneous Income	160,449	31,850	95,204	232,953	312,991	134,873	179,384	169,108	171,489	210,433
Transfers		281,073			(11,436)	381,843	(25,000)	(25,000)	(10,000)	
Total Governmental Activities	34,027,015	34,608,596	31,730,912	33,128,523	34,942,597	36,085,618	36,964,937	39,241,754	41,060,624	43,502,306
Business-Type Activities:										
Investment Earnings	201	348	279	143						
Miscellaneous										
Transfers		(281,073)			11,436	(381,843)	25,000	25,000	10,000	
Total Business-Type Activities	201	(280,725)	279	143	11,436	(381,843)	25,000	25,000	10,000	-
Total District-Wide	\$ 34,027,216	\$ 34,327,871	\$ 31,731,191	\$ 33,128,666	\$ 34,954,033	\$ 35,703,775	\$ 36,989,937	\$ 39,266,754	\$ 41,070,624	\$ 43,502,306
<b>Change in Net Position</b>										
Governmental Activities	\$ (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	\$ 4,355,081
Business-Type Activities	49,607	(180,827)	193,343	219,244	192,497	(377,015)	77,189	51,221	(23,671)	(86,305)
Total District	\$ (451,557)	\$ (2,246,341)	\$ 502,794	\$ 1,976,183	\$ 1,355,223	\$ 2,492,385	\$ 1,591,183	\$ 3,367,585	\$ 3,047,969	\$ 4,268,776

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 1	\$ 1	\$ 250,777	\$ 2,445,347	\$ 3,074,002	\$ 3,087,205	\$ 3,970,740	\$ 6,216,903	\$ 7,375,172	\$ 11,569,347
Committed			171,441							
Assigned			42,337	34,400	29,600	65,719	31,442	166,540	551,627	343,154
Unassigned	(704,548)	(2,295,555)	184,084	(48,023)	29,177	104,031	88,167	308,597	203,689	34,431
<b>Total General Fund</b>	<b><u>\$ (704,547)</u></b>	<b><u>\$ (2,295,554)</u></b>	<b><u>\$ 648,639</u></b>	<b><u>\$ 2,431,724</u></b>	<b><u>\$ 3,132,779</u></b>	<b><u>\$ 3,256,955</u></b>	<b><u>\$ 4,090,349</u></b>	<b><u>\$ 6,692,040</u></b>	<b><u>\$ 8,130,488</u></b>	<b><u>\$ 11,946,932</u></b>
All Other Governmental Funds										
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	137,857
Unassigned	-	-		(765,913)	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b><u>\$ 450</u></b>	<b><u>\$ 446</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (765,913)</u></b>	<b><u>\$ 6,974,527</u></b>	<b><u>\$ 2,305,459</u></b>	<b><u>\$ 1,186,862</u></b>	<b><u>\$ 122,365</u></b>	<b><u>\$ 137,857</u></b>	<b><u>\$ 137,857</u></b>

102

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 36,837,699
Tuition		50,831	162,103	260,002	213,843	197,399	124,088	228,599	79,676	26,350
Miscellaneous	201,212	74,007	128,125	262,683	413,670	302,922	293,649	352,359	403,502	393,139
State Sources	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	15,704,588
Federal Sources	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	1,496,113
<b>Total revenue</b>	<b>35,439,869</b>	<b>35,813,419</b>	<b>37,611,272</b>	<b>39,832,780</b>	<b>41,673,333</b>	<b>43,203,031</b>	<b>44,521,044</b>	<b>47,563,352</b>	<b>51,506,583</b>	<b>54,457,889</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	15,761,241
Special Education Instruction	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	10,951,825
Other Instruction	219,475	374,630	232,598	387,071	499,891	477,517	480,301	859,341	974,417	1,024,832
School Sponsored/Other Instructional	564,179	547,661	539,793	541,451	565,270	598,011	615,310	558,829	719,556	727,136
<b>Support Services:</b>										
Instruction - Tuition	4,470,522	5,221,404								
Student & Inst. Related Services	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	6,907,532
General Administration	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	1,389,431
School Administration	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	2,992,220
Central Administrative Services	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	1,363,533
Operations and Maintenance	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	3,511,625
Student Transportation	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	2,494,200
Employee Benefits	6,781,472	6,854,988								
Transfer to Charter Schools	94,588	149,739								
Capital Outlay	138,430	789,390	207,441	787,583	3,110,577	6,748,440	1,604,646	1,724,284	876,407	870,570
<b>Debt Service</b>										
Principal	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	1,575,000
Interest and Other Charges	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	1,072,300
Payment to Escrow Agent					736,846					
Cost of Issuance					604,928					
<b>Total Governmental Fund Expenditures</b>	<b>35,959,438</b>	<b>38,226,061</b>	<b>37,132,011</b>	<b>39,061,062</b>	<b>44,612,984</b>	<b>48,129,766</b>	<b>44,781,247</b>	<b>46,001,158</b>	<b>50,042,643</b>	<b>50,641,445</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(519,569)</b>	<b>(2,412,642)</b>	<b>479,261</b>	<b>771,718</b>	<b>(2,939,651)</b>	<b>(4,926,735)</b>	<b>(260,203)</b>	<b>1,562,194</b>	<b>1,463,940</b>	<b>3,816,444</b>

**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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 448	\$ 281,073	\$ 1		\$ 44,539	\$ 416,843			\$ 250,000	\$ 1,325
Transfers out	(448)		(1)		(55,975)	(35,000)	(25,000)	(25,000)	(260,000)	(1,325)
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		540,558	249,989	\$ 245,454	556,855	-	-	-	-	
Total other financing sources (uses)	(764)	821,631	2,464,486	245,454	11,381,146	381,843	(25,000)	(25,000)	(10,000)	-
Net change in fund balances	<u>\$ (520,333)</u>	<u>\$ (1,591,011)</u>	<u>\$ 2,943,747</u>	<u>\$ 1,017,172</u>	<u>\$ 8,441,495</u>	<u>\$ (4,544,892)</u>	<u>\$ (285,203)</u>	<u>\$ 1,537,194</u>	<u>\$ 1,453,940</u>	<u>\$ 3,816,444</u>
Debt service as a percentage of noncapital expenditures	5.85%	5.62%	6.15%	6.75%	5.30%	7.68%	7.19%	6.88%	7.79%	5.32%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30,</b>	<b>Tuition</b>	<b>Interest on Investments</b>	<b>Transfer from Payroll Trust and Agency</b>	<b>E-Rate</b>	<b>Athletic Gate Receipts</b>	<b>Energy Credits</b>	<b>Rebates/ Refunds</b>	<b>Other Misc.</b>	<b>Total</b>
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
2020	26,350	154,521		84,609	7,975	10,573	15,339	93,262	392,629

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 <sup>a</sup>
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
2020	13,576,600	1,620,518,200		247,144,200	117,300,000	80,915,300	2,079,454,300	89	2,079,454,389	2,341,089,896	1.781

Source: County Abstract of Ratables

<sup>a</sup> 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		
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
2020	1.781	0.941	0.280		3.002

Source: County Abstract of Ratables

\* Includes Library

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

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
		2,079,454,389.00		
East Coast Elmwood Vill. LLC	\$ 32,706,300	1.57%	\$ 32,706,300	1.59%
Elmwood V. Associates, LP			23,373,500	1.14%
RD Elmwood Assoc. c/o Ryan PTS	16,360,900	0.79%		
Riverfront Residential 2 LLC	14,000,000	0.67%		
Elmwood Terr Inc.	12,000,000	0.58%	13,600,000	0.66%
35 Market Street LP			11,700,000	0.57%
Xchange Market Street LLC	11,700,000	0.56%		
LKD-1, LLC			22,500,600	1.09%
Marcal Paper Mill Inc			20,900,000	1.02%
Sanzari Ent			13,418,900	0.65%
Bankers Financial Corp.			12,268,600	0.60%
EF SBC REO	9,900,000	0.48%		
LKD-3 LLC	9,750,000	0.47%		
Riverfront Residential 2 LLC	9,269,100	0.45%		
SG National LLC	8,776,500	0.42%	9,676,500	0.47%
GRE River Dr LLC			9,574,000	0.47%
Accordia River Drive LLC	8,750,000	0.42%		
	<u>\$ 133,212,800</u>	<u>6.41%</u>	<u>\$ 169,718,400</u>	<u>8.26%</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	
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%	
2020	36,837,699	36,837,699	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			
2011	\$ 27,482,000		\$ 78,280	\$ 27,560,280	19,513	\$ 1,412
2012	26,532,000		442,082	26,974,082	19,625	1,374
2013	25,532,000	\$ 2,214,497	549,323	28,295,820	19,683	1,438
2014	24,482,000	1,984,497	580,995	27,047,492	20,031	1,350
2015	30,565,000	1,754,497	809,518	33,129,015	20,064	1,651
2016	29,165,000	1,524,497	493,830	31,183,327	20,101	1,551
2017	27,705,000	1,294,497	277,742	29,277,239	20,078	1,458
2018	26,220,000	1,064,497	115,369	27,399,866	20,118	1,362
2019	24,700,000	-	-	24,700,000	20,038	1,233
2020	23,125,000	-	-	23,125,000	19,966	1,158

Source: District records

**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		
2011	\$ 27,482,000	-	\$ 27,482,000	1.33%	\$ 1,408
2012	26,532,000	-	26,532,000	1.29%	1,352
2013	25,532,000	-	25,532,000	1.25%	1,297
2014	24,482,000	-	24,482,000	1.19%	1,222
2015	30,565,000	-	30,565,000	1.49%	1,523
2016	29,165,000	-	29,165,000	1.41%	1,451
2017	27,705,000	-	27,705,000	1.34%	1,380
2018	26,220,000	-	26,220,000	1.26%	1,303
2019	24,700,000	\$ 137,857	24,562,143	1.18%	1,226
2020	23,125,000	137,857	22,987,143	1.11%	1,151

Source: District records

**ELMWOOD PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
(Unaudited)**

	<u><b>Total Debt</b></u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 23,125,000
Borough of Elmwood Park	<u>22,040,940</u>
Total Direct Debt	<u>45,165,940</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	18,101,562
Passaic Valley Sewerage Commission (B)	<u>2,606,280</u>
Total Overlapping Debt	<u>20,707,842</u>
Total Direct and Overlapping Debt	<u>\$ 65,873,782</u>

## Source:

(1) Borough's 2019 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2019 equalized value by the total 2019 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 2020

	Equalized valuation basis
	2019 \$ 4,004,487,716
	2018 2,299,782,002
	2017 2,291,924,795
	<u>\$ 8,596,194,513</u>
Average equalized valuation of taxable property	<u>\$ 2,865,398,171</u>
Debt limit (4% of average equalization value)	\$ 114,615,927
Total Net Debt Applicable to Limit	<u>23,125,000</u>
Legal debt margin	<u>\$ 91,490,927</u>

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 114,615,927
Total net debt applicable to limit	<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>	<u>23,125,000</u>
Legal debt margin	<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>	<u>\$ 91,490,927</u>
Total net debt applicable to the limit as a percentage of debt limit	27.80%	24.73%	28.19%	39.98%	36.59%	35.28%	33.23%	30.43%	27.72%	20.18%

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>
2011	19,513	\$ 64,229	10.20%
2012	19,625	66,064	10.40%
2013	19,683	69,053	6.40%
2014	20,031	72,152	7.10%
2015	20,064	71,679	6.00%
2016	20,101	74,452	5.50%
2017	20,078	77,666	5.10%
2018	20,118	79,145	4.60%
2019	20,038	81,483	4.20%
2020	19,966	85,951	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

\* Estimated

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

	<u>2020</u>		<u>2011</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</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>	<u>2020</u>
Instruction										
Regular	177.0	123.0	123.0	129.0	121.0	126.0	112.0	117.0	130.0	134.0
Special Education	40.0	44.0	54.0	65.0	65.0	65.0	65.0	70.3	73.2	76.8
Other Instruction		6.0	6.0	3.5	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services	55.0	59.5	50.5	53.0	56.0	55.3	56.8	59.7	65.9	63.5
General administrative Services	7.0	1.0	1.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services	27.0	20.5	20.5	20.0	19.0	19.0	19.0	22.0	22.0	22.0
Business Administrative Services	9.5	9.5	9.5	13.0	11.6	10.6	13.8	12.3	12.3	10.8
Plant Operations and Maintenance	27.0	43.0	50.0	23.5	22.0	23.0	22.0	21.0	22.0	22.0
Pupil transportation	1.0	1.0	1.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total	<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>	<u>334.8</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	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				
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%
2020	2,563	47,125,575	18,387	3.33%	335	1:12	1:13	1:14	2,562.8	2,466.3	0.58%	96.23%

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)

<b>District Building</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Ganter Elementary School</b>										
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	393	375	354	375	359	352	317	310
<b>Gilbert Elementary School</b>										
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	404	409	395	406	414	449	412	411
<b>16th Avenue School</b>										
Square Feet	63,525	63,525	63,525	53,525	53,525	53,525	53,525	53,525	53,525	53,525
Enrollment	302	302	474	462	325	467	466	485	470	470
<b>High School/Middle School</b>										
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	1,273	1,273	1,267	1,260	1,303	1,315	1,349	1,372

Number of Schools at June 30, 2020  
 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>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>	<u>2020</u>
<b>School Facilities</b>										
Memorial/Middle/High School	\$ 390,385	\$ 254,008	\$ 182,018	\$ 412,841	\$ 320,628	\$ 317,224	\$ 265,472	\$ 385,596	\$ 332,452	\$ 306,447
Gantner Avenue Elementary School	110,108	133,309	95,527	76,460	62,269	57,860	48,420	70,331	60,638	54,982
Gilbert Avenue Elementary School	107,292	113,709	81,482	129,661	60,464	82,414	68,964	100,170	86,364	73,309
Sixteenth Avenue Elementary School	<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>	<u>90,832</u>
Grand Total	<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>	<u>\$ 525,570</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2020  
(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  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, 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 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, 2020 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 December 23, 2020.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Elmwood Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 23, 2020.

### **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  
December 23, 2020



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Elmwood Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Elmwood Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2020. 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 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, 2020.

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elmwood Park Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated December 23, 2020, which contained unmodified opinions. 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  
December 23, 2020

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2020			Memo GAAP Receivable
						(Account Receivable)	Deferred Revenue	Due to Grantor							(Account Receivable)	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																		
<b>Passed-through State Department of Education</b>																		
<b>Enterprise Fund</b>																		
School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/17-6/30/18	\$ 49,467					\$ 44,649	\$ 49,467				(4,818)			\$ (4,818)
School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	42,636	(9,194)				9,194								
National School Lunch Program	10.555	201NJ304N1099																
Cash Assistance			N/A	7/1/19-6/30/20	351,089					343,468	351,089				(7,621)			(7,621)
Cash Assistance			N/A	7/1/18-6/30/19	460,031	(91,309)				91,309								-
Non-Cash Assistance (Food Distribution)			N/A	7/1/19-6/30/20	67,621	-	-	-	-	67,321	67,321				-	-	-	-
Total Child Nutrition Cluster/Enterprise Fund					(100,503)	-	-	-	-	555,941	467,877				(12,439)	-	-	(12,439)
<b>Special Revenue Fund</b>																		
<b>ESEA</b>																		
Title I	84.010	S010A200030	ESEA031345-20	7/1/19-9/30/20	602,763			\$ 37,962	\$ (37,962)	425,415	624,940				\$ (215,310)	\$ 15,785		\$ (199,525)
Title I	84.010	S010A190030	ESEA031345-19	7/1/18-6/30/19	643,160	(246,013)	\$ 37,962		(37,962)	208,052			(1)		-	-		-
Title I SIA	84.010	S010A200030	ESEA031345-20	7/1/19-9/30/20	13,900				(18,641)	(18,641)	13,018	25,146			(19,523)	7,395		(12,128)
Title I SIA	84.010	S010A190030	ESEA031345-19	7/1/18-6/30/19	18,641	(18,641)	18,641	-	(18,641)	18,641	-	-			-	-		-
Title I Reallocated	84.010	S010A200030	ESEA031345-20	7/1/19-9/30/20	11,682	-	-	-	-	-	-	-			(11,682)	11,682		-
Total ESEA Title I					(264,654)	56,603	-	-	-	646,485	650,086	(1)		(246,515)	34,862	-		(211,653)
Title II, Part A	84.367A	S367A200029	ESEA031345-20	7/1/19-9/30/20	65,555			7,512	(7,512)	51,204	51,204				(21,863)	21,863		-
Title II, Part A	84.367A	S367A190029	ESEA031345-19	7/1/18-6/30/19	69,582	(25,551)	7,512	-	(7,512)	18,039					-	-		-
Total ESEA Title II, Part A					(25,551)	7,512	-	-	-	69,243	51,204				(21,863)	21,863		-
Title III	84.365	S365A170030	ESEA031345-20	7/1/19-9/30/20	25,891			542	(542)	16,556	24,144				(9,877)	2,289		(7,588)
Title III	84.365	S365A180030	ESEA031345-19	7/1/18-6/30/19	23,318	(11,586)	542	-	(542)	11,044					-	-		-
Title III, Immigrant	84.365	S365A200030	ESEA031345-20	7/1/19-9/30/20	11,982			5,741	(5,741)	4,728	5,178				(12,995)	12,545		(450)
Title III, Immigrant	84.365	S365A190030	ESEA031345-19	7/1/18-6/30/19	11,081	(5,741)	5,741	-	(5,741)	5,741	-	-			-	-		-
					(17,327)	6,283	-	-	-	32,328	29,322				(22,872)	14,834		(8,038)
ESEA Title IV	84.424	S424A170031	ESEA031345-20	7/1/19-9/30/20	37,536			8,131	(8,131)		44,820				(45,667)	847		(44,820)
ESEA Title IV	84.424	S424A190031	ESEA031345-19	7/1/18-6/30/19	38,618	(10,126)	8,131	-	(8,131)	1,995	-				-	-		-
					(10,126)	8,131	-	-	-	1,995	44,820				(45,667)	847		(44,820)
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA-1345-20	7/1/19-9/30/20	629,940			75,328	(75,328)	670,137	681,862				(35,131)	23,406		(11,725)
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA-1345-19	7/1/18-6/30/19	627,866	(76,953)	75,328	-	(75,328)	1,625					-	-		-
I.D.E.A. Part B, Preschool	84.173	H173A170114	IDEA-1345-20	7/1/19-9/30/20	23,335			6,813	(6,813)	28,380	30,148				(1,768)	-		(1,768)
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA-1345-19	7/1/18-6/30/19	23,020	(10,981)	6,813	-	(6,813)	4,168					-	-		-
Total Special Education Cluster IDEA					(87,934)	82,141	-	-	-	704,310	712,010				(36,899)	23,406		(13,493)
CARES Act	84.425D	5425D200027	N/A	3/3/20-9/30/22	484,634	-	-	-	-	-	-				(484,634)	484,634		-
Total Special Revenue Fund					(405,592)	160,670	-	-	-	1,454,361	1,487,442	(1)		(858,450)	580,446	-		(278,004)
<b>U.S. Department of Health and Human Services</b>																		
<b>General Fund</b>																		
Medical Assistance Program	93.778	12005NJ5MAP	N/A	7/1/19-6/30/20	8,671	-	-	-	-	8,671	8,671				-	-		-
Total General Fund					-	-	-	-	-	8,671	8,671				-	-		-
Total Federal Awards					\$ (506,095)	\$ 160,670	\$ -	\$ -	\$ -	\$ 2,018,973	\$ 1,963,990	\$ (1)	\$ -	\$ (870,889)	\$ 580,446	\$ -	\$ -	\$ (290,443)

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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019 (Restated)	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>Current Expense:</b>												
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 6,267,216		\$ 5,760,523	\$ 6,267,216		\$ (506,693)				\$ 6,267,216
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	4,849,318	\$ (384,251)	384,251			-				-
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	2,318,383		2,130,946	2,318,383		(187,437)				2,318,383
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,318,383	(183,705)	183,705			-				-
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	760,674		699,175	760,674		(61,499)				760,674
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	760,674	(60,274)	60,274			-				-
<b>Total State Aid Public Cluster</b>			<b>17,274,648</b>	<b>(628,230)</b>	<b>9,218,874</b>	<b>9,346,273</b>	<b>-</b>	<b>(755,629)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,346,273</b>
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	547,120		502,886	547,120		(44,234)				547,120
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	547,120	(43,353)	43,353			-				-
Nonpublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	8,394			8,394		(8,394)			\$ (8,394)	8,394
Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	51,330	(51,330)	51,330			-				-
Extraordinary Aid	20-495-034-5120-473	7/1/19-6/30/20	640,075			640,075		(640,075)				640,075
Extraordinary Aid	19-495-034-5120-473	7/1/18-6/30/19	489,040	(489,040)	489,040			-				-
<b>On Behalf Payments</b>												
TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	1,099,291		1,099,326	1,099,291				35		1,099,291
TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	1,046,153	(51,948)	51,948			-				-
<b>TPAF Pension and OPEB</b>												
Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	50,342		50,342	50,342						50,342
Pension Benefit Contribution	20-495-034-5094-002	7/1/19-6/30/20	2,808,629		2,808,629	2,808,629						2,808,629
Post Retirement Medical Benefit Contribution	20-495-034-5094-001	7/1/19-6/30/20	1,060,626		1,060,626	1,060,626						1,060,626
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	3,594	-	3,594	3,594		-	-	-		3,594
<b>Total General Fund</b>				<b>(1,263,901)</b>	<b>15,379,948</b>	<b>15,564,344</b>	<b>-</b>	<b>(1,448,332)</b>	<b>-</b>	<b>35</b>	<b>(8,394)</b>	<b>15,564,344</b>
<b>Special Revenue:</b>												
<b>Auxiliary Services Chpt 192:</b>												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	\$ 70,574		63,517	53,101		\$ (7,057)		17,473	(7,057)	53,101
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	94,755	28,682			\$ 28,682			-		-
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	3,309		2,978	1,158		(331)		2,151	(331)	1,158
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	6,039	2,243			2,243			-		-
Transportation	20-100-034-5120-067	7/1/19-6/30/20	31,785	-	28,607	25,372		(3,178)		6,413	(3,178)	25,372
<b>Total Auxiliary Services (Chpt 192) Cluster</b>				<b>30,925</b>	<b>95,102</b>	<b>79,631</b>	<b>30,925</b>	<b>(10,566)</b>	<b>-</b>	<b>26,037</b>	<b>(10,566)</b>	<b>79,631</b>
<b>Handicapped Services Chpt 193:</b>												
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	32,142		27,698	23,948		(4,444)		8,194	(4,444)	23,948
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	32,214	18,188			18,188			-		-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	23,696		21,752	10,366		(1,944)		13,330	(1,944)	10,366
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	23,034	5,535			5,535			-		-
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	21,856		20,063	15,866		(1,793)		5,990	(1,793)	15,866
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	25,375	7,929	-	-	7,929			-		-
<b>Total Handicapped Services (Chpt 193) Cluster</b>				<b>31,652</b>	<b>69,513</b>	<b>50,180</b>	<b>31,652</b>	<b>(8,181)</b>	<b>-</b>	<b>27,514</b>	<b>(8,181)</b>	<b>50,180</b>
<b>New Jersey Nonpublic Aid:</b>												
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	8,117		8,117	7,629				488		7,629
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	7,636	27			27			-		-
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	14,938		14,938	12,139				2,799		12,139
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	13,871	566			566			-		-
Nonpublic Technology	20-100-034-5120-373	7/1/19-6/30/20	5,544		5,544	5,460				84		5,460
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	5,148	157			157			-		-
Nonpublic Security	20-100-034-5120-084	7/1/19-6/30/20	23,100		23,100	8,650				14,450		8,650
Nonpublic Security	19-100-034-5120-084	7/1/18-6/30/19	21,450	5,460	-	-	5,460			-		-
<b>Total Special Revenue Fund</b>				<b>68,787</b>	<b>216,314</b>	<b>163,689</b>	<b>68,787</b>	<b>(18,747)</b>	<b>-</b>	<b>71,372</b>	<b>(18,747)</b>	<b>163,689</b>

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019 (Restated)	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Agriculture</b>												
Food Service:												
National School Lunch Program												
(State Share)	20-100-010-3350-023	7/1/19-6/30/20	\$ 8,543		\$ 8,422	\$ 8,543	-	(121)	-	-	(121)	8,543
(State Share)	19-100-010-3350-023	7/1/18-6/30/19	12,109	\$ (2,385)	2,385	-	-	-	-	-	-	\$ -
Total Food Service Fund				(2,385)	10,807	8,543	-	(121)	-	-	(121)	8,543
Debt Service Fund												
Type II Debt Service Aid	20-495-034-5120-075	7/1/19-6/30/20	255,870	205,572	50,298	255,870	-	-	-	-	-	255,870
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				\$ (991,927)	15,657,367	15,992,446	\$ 68,787	\$ (1,467,200)	-	\$ 71,407	\$ (27,262)	15,992,446
<b>State Financial Assistance Not Subject to Major Program Determination</b>												
General Fund												
On-Behalf TPAF Pension System Contributions-NCGI	20-100-034-5094-004	7/1/19-6/30/20	50,342		(50,342)	(50,342)						(50,342)
On-Behalf TPAF Pension System Contributions- Normal	20-100-034-5094-002	7/1/19-6/30/20	2,808,629		(2,808,629)	(2,808,629)						(2,808,629)
On-Behalf TPAF Post-Retirement Medical Contribution	20-100-034-5094-001	7/1/19-6/30/20	1,060,626		(1,060,626)	(1,060,626)						(1,060,626)
On-Behalf TPAF Long Term Disability Insurance	20-100-034-5094-004	7/1/19-6/30/20	3,594	-	(3,594)	(3,594)	-	-	-	-	-	(3,594)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				\$ (991,927)	\$ 11,734,176	\$ 12,069,255	\$ 68,787	\$ (1,467,200)	\$ -	\$ 71,407	\$ (27,262)	\$ 12,069,255

**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, 2020**

**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 \$279,315 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	\$ 8,671	\$ 15,285,029	\$ 15,293,700
Special Revenue Fund	1,487,442	163,689	1,651,131
Debt Service Fund		255,870	255,870
Food Service Fund	<u>467,877</u>	<u>8,543</u>	<u>476,420</u>
Total Financial Assistance	<u>\$ 1,963,990</u>	<u>\$ 15,713,131</u>	<u>\$ 17,677,121</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, 2020**

**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 \$1,099,291 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$2,858,971, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,060,626 and TPAF Long-Term Disability Insurance in the amount of \$3,594 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**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 payments 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. Guidance.

**NOTE 8 RESTATEMENT**

The schedule of expenditures of state financial assistance beginning balance at July 1, 2019 has been restated to include the deferred revenue at June 30, 2019 from Type II Debt Service Aid in the amount of \$205,572.





**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*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, 2020**

*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, 2020

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**ELMWOOD PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Finding 2019-01**

**Condition**

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.

**Current Status**

Corrective action was taken.