

**ELMWOOD PARK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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, 2013**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



# ELMWOOD PARK PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

RICHARD D. TOMKO, Ph.D.  
SUPERINTENDENT OF SCHOOLS

60 EAST 53RD STREET  
ELMWOOD PARK, NEW JERSEY 07407

(201) 796-8700 EXT. 3979  
FAX (201) 794-4677

WAYNE DEMIKOFF  
INTERIM BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

November 26, 2013

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 of the Elmwood Park Board of Education (the Board or District) for the fiscal year ended June 30, 2013 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.

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 it. The District's MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (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.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133. "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**"WE ARE CRUSADERS FOR OUR KIDS!"**



1. REPORTING ENTITY AND ITS SERVICES

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped youngsters. The District completed FY 2012/2013 with an average daily enrollment of . The following Average Daily Enrollment figures, reported in the School Summary Register, details the changes in student enrollment over the last seven (7) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2012/13		
2011/12	2,482	3.33%
2010/11	2,402	4.0%
2009/10	2,311	4.1%
2008/09	2,299	3.93%
2007/08	2,212	3.75%
2006/07	2,132	0.51%

2. ECONOMIC CONDITION AND OUTLOOK

The Borough of Elmwood Park is almost fully developed and only a nominal amount of vacant land remains undeveloped. Most land use changes reflect the results of redevelopment. This has resulted in a static tax base. This appears to be the picture in 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 must be repaid over the next ten years. This loan is reflected as budgetary revenue pursuant to N.J.S.A. 18A:7A-56, and is not recognized on the GAAP basis as revenue but rather a fund liability. The District was able to increase its budgetary fund balance by \$3,646,026 due to the realization as budget revenue, the state aid advance loan payment and by reducing costs during the fiscal year. The District was also able to transfer \$250,000 to its capital reserve to be available to finance needed capital improvements in the future.

3. MAJOR INITIATIVES

The District continues to meet its educational challenges, through a series of ambitious curriculum reviews based on the Long Range Curriculum Plan, which must be completed to maintain educational integrity. The curriculum reviews are in the areas of environmental education, mathematics, health education, technology, social studies, and science.

In order to maintain dialogue with the staff, in service training in the curriculum areas are offered to committee members. The district also continues to offer technology staff training during the school day, as well as after-school hours and summer recess. The Quality School Assurance Continuum addresses this area.

In addition to technology, in-service training has focused on reading, language and mathematics instruction to address the NJASK 3-8 requirements and the iReady program. District in-service has focused on a diversified curriculum meeting the needs of each child as well establishing a Professional Learning Community 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 2012/2013 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, 2013.

#### 6. ACCOUNTING SYSTEM AND REPORTS

The District's 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

At June 30, 2013 the District had \$25,532,000 in General Obligation Bonds outstanding. 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

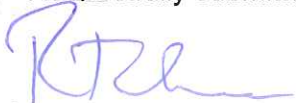
Independent Audit – State statute requires an annual audit by independent certified public accountants or registered municipal accounts. The Board's Finance Committee selected the accounting firm of Lerch Vinci & Higgins, LLP, CPA's. In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04.

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 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Richard Tomko, PH.D  
Superintendent



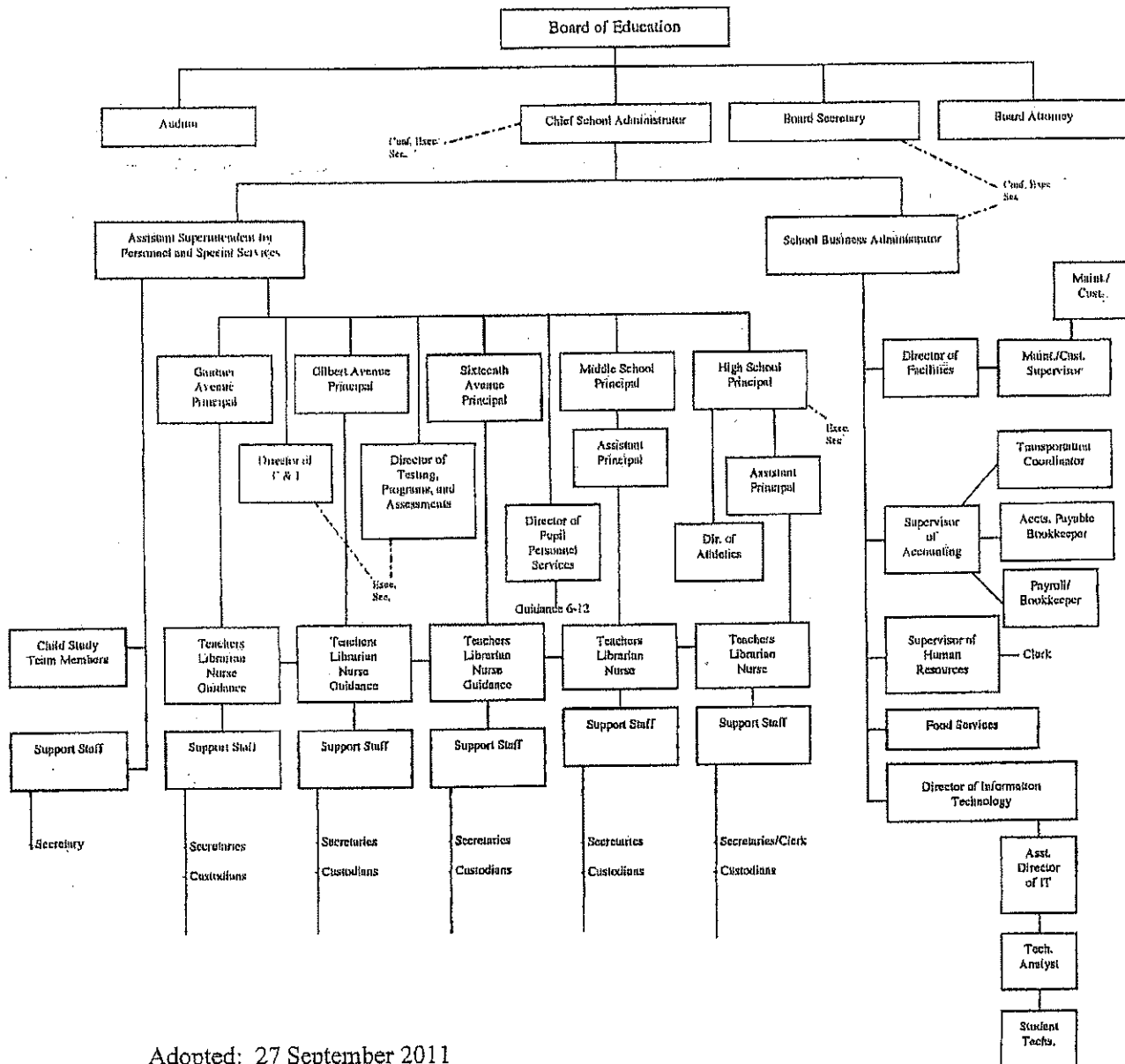
Wayne Demikoff  
Interim Business Administrator/Board Secretary

# POLICY

## ELMWOOD PARK BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

### 1110. ORGANIZATIONAL CHART



Adopted: 27 September 2011



**ELMWOOD PARK SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

**Members of the Board of Education**

**Term Expires December 31**

Douglas DeMatteo, President	2014
Louise Geradi, Vice President	2013
Keith Cannizzo	2013
Jeanne Freitag	2015
Jennifer Pellegrine	2013
Arlene Perna-Rudmann	2014
Kathleen Policano	2014
Peter Scolaro	2015
Stephen Zaccone	2015

**Other Officials**

Richard Tomko, Ph., D., Superintendent

William P. Moffitt, Board Secretary/Business Administrator

Schwartz Simon Elestein Celso, Esqs., Board Attorney

Deyanira Rodriguez, Treasurer of School Monies

Thomas Egan, State Monitor

**ELMWOOD PARK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2013**

**ARCHITECT**

DiCara Rubino  
30 Galesi Drive  
Wayne, New Jersey 07470

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

Valley National Bank  
80 Broadway  
Elmwood Park, New Jersey 07407

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
EDWARD N. KERE, CPA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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



## *Opinions*

In our opinion, the financial statements referred to previously 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, 2013, 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 and budgetary comparison 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 non-major fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, 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 non-major 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 non-major fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

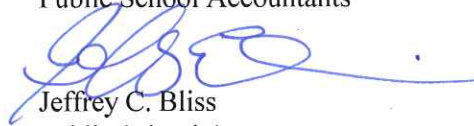
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2013 on our consideration of the Elmwood Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Elmwood Park Board of Education's internal control over financial reporting and compliance.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 26, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

This section of Elmwood Park Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- The assets of the Elmwood Park Board of Education exceeded its liabilities and deferred inflows at the close of the fiscal year by \$12,073,590. (Net Position)
- The District's total net position increased by \$502,794 or 4%.
- Overall District revenues were \$39,020,311. General revenues accounted for \$31,731,191 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,289,120 or 19% of total revenues.
- The school district had \$37,301,821 in expenses for governmental activities; only \$5,880,360 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$31,730,912 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 deficit of \$1,565,858. Of this amount, \$250,001 is restricted for capital projects, \$776 is restricted for state aid loan repayments, \$213,778 is committed and assigned for year end encumbrances and the remaining amount is the unassigned fund deficit of \$2,030,413.
- The General Fund fund deficit at June 30, 2013 was \$1,565,858, a decrease in the deficit of \$729,696 compared to the ending fund deficit at June 30, 2012 of \$2,295,554.
- The General Fund unassigned budgetary fund balance at June 30, 2013 was \$966,981, which represents an increase of \$3,181,472 compared to the ending unassigned budgetary fund deficit at June 30, 2012 of \$2,214,491.

ELMWOOD PARK BOARD OF EDUCATION

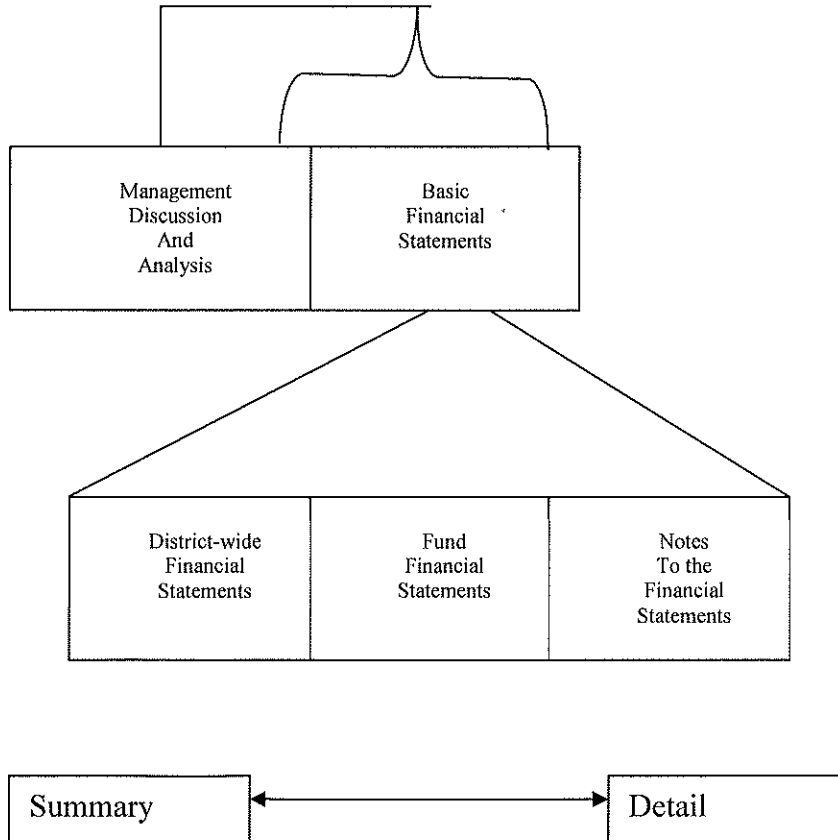
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' 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 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, 2013

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 thereafter; 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 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

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

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.

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, child care program, community school and summer 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 five enterprise funds, for its food service (cafeteria) program, child care program, community school, summer camp program and summer session program.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

**Fund Financial Statements (Continued)**

- *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.

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

**Net Position.** The District's *combined* net position was \$12,073,590 and \$11,570,796 on June 30, 2013 and 2012, respectively as follows:

	<b>Net Position</b>					
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Assets</b>						
Current and Other Assets	\$ 1,687,750	\$ 1,400,529	\$ 325,362	\$ 324,140	\$ 2,013,112	\$ 1,724,669
Capital Assets	<u>40,597,994</u>	<u>41,625,471</u>	<u>150,737</u>	<u>170,511</u>	<u>40,748,731</u>	<u>41,795,982</u>
<b>Total Assets</b>	<u>42,285,744</u>	<u>43,026,000</u>	<u>476,099</u>	<u>494,651</u>	<u>42,761,843</u>	<u>43,520,651</u>
<b>Liabilities</b>						
Current Long-Term Liabilities	3,713,580	4,168,966	79,287	294,872	3,792,867	4,463,838
Non-Current Liabilities	<u>26,888,239</u>	<u>27,482,560</u>	<u>-</u>	<u>-</u>	<u>26,888,239</u>	<u>27,482,560</u>
<b>Total Liabilities</b>	<u>30,601,819</u>	<u>31,651,526</u>	<u>79,287</u>	<u>294,872</u>	<u>30,681,106</u>	<u>31,946,398</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>7,147</u>	<u>3,457</u>	<u>7,147</u>	<u>3,457</u>
<b>Net Position</b>						
Net Investment in Capital Assets	14,516,671	15,092,220	150,737	170,511	14,667,408	15,262,731
Restricted	250,777	447	-	-	250,777	447
Unrestricted	<u>(3,083,523)</u>	<u>(3,718,193)</u>	<u>238,928</u>	<u>25,811</u>	<u>(2,844,595)</u>	<u>(3,692,382)</u>
<b>Total Net Position</b>	<u>\$ 11,683,925</u>	<u>\$ 11,374,474</u>	<u>\$ 389,665</u>	<u>\$ 196,322</u>	<u>\$ 12,073,590</u>	<u>\$ 11,570,796</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. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

The District's total net position of \$12,073,590 at June 30, 2013 represents a \$502,794 or 4%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2013 and 2012.



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

Changes in Net Position  
For the Fiscal Years Ended June 30, 2013 and 2012

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services and Sales	\$ 164,664		\$ 904,108	\$ 927,936	\$ 1,068,772	\$ 927,936
Operating Grants and Contributions	5,703,017	\$ 1,485,896	504,652	508,293	6,207,669	1,994,189
Capital Grants and Contributions	12,679				12,679	
<b>General Revenues</b>						
Property Taxes, Levied for General Purposes	30,904,711	29,585,683			30,904,711	29,585,683
Federal and State Aid - Unrestricted	723,691	4,640,263			723,691	4,640,263
Miscellaneous Income	102,510	101,577	279	348	102,789	101,925
<b>Total Revenues</b>	<b>37,611,272</b>	<b>35,813,419</b>	<b>1,409,039</b>	<b>1,436,577</b>	<b>39,020,311</b>	<b>37,249,996</b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	11,906,542	9,953,651			11,906,542	9,953,651
Special	9,041,608	2,608,782			9,041,608	2,608,782
Other Instruction	243,800	482,506			243,800	482,506
School Sponsored Activities and Athletics	565,044	666,997			565,044	666,997
<b>Support Services</b>						
Student and Instruction Related Services	5,134,658	4,548,825			5,134,658	4,548,825
General Administrative Services	1,119,619	920,605			1,119,619	920,605
School Administrative Services	2,382,539	1,699,593			2,382,539	1,699,593
Central Administrative Services	1,183,844	711,822			1,183,844	711,822
Plant Operations and Maintenance	2,884,042	3,587,272			2,884,042	3,587,272
Pupil Transportation	1,726,171	1,983,856			1,726,171	1,983,856
Unallocated Expense		9,856,841			-	9,856,841
Interest on Long-Term Debt	1,113,954	1,139,256			1,113,954	1,139,256
Food Services			933,142	1,006,654	933,142	1,006,654
Before / After CARE Program			143,731	111,802	143,731	111,802
Other Programs	-	-	138,823	217,875	138,823	217,875
<b>Total Expenses</b>	<b>37,301,821</b>	<b>38,160,006</b>	<b>1,215,696</b>	<b>1,336,331</b>	<b>38,517,517</b>	<b>39,496,337</b>
<b>Change in Net Position Before Transfers</b>	<b>309,451</b>	<b>(2,346,587)</b>	<b>193,343</b>	<b>100,246</b>	<b>502,794</b>	<b>(2,246,341)</b>
<b>Transfers</b>	<b>-</b>	<b>281,073</b>	<b>-</b>	<b>(281,073)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>309,451</b>	<b>(2,065,514)</b>	<b>193,343</b>	<b>(180,827)</b>	<b>502,794</b>	<b>(2,246,341)</b>
<b>Net Position, Beginning of Year</b>	<b>11,374,474</b>	<b>13,439,988</b>	<b>196,322</b>	<b>377,149</b>	<b>11,570,796</b>	<b>13,817,137</b>
<b>Net Position, End of Year</b>	<b>\$ 11,683,925</b>	<b>\$ 11,374,474</b>	<b>\$ 389,665</b>	<b>\$ 196,322</b>	<b>\$ 12,073,590</b>	<b>\$ 11,570,796</b>

# ELMWOOD PARK BOARD OF EDUCATION

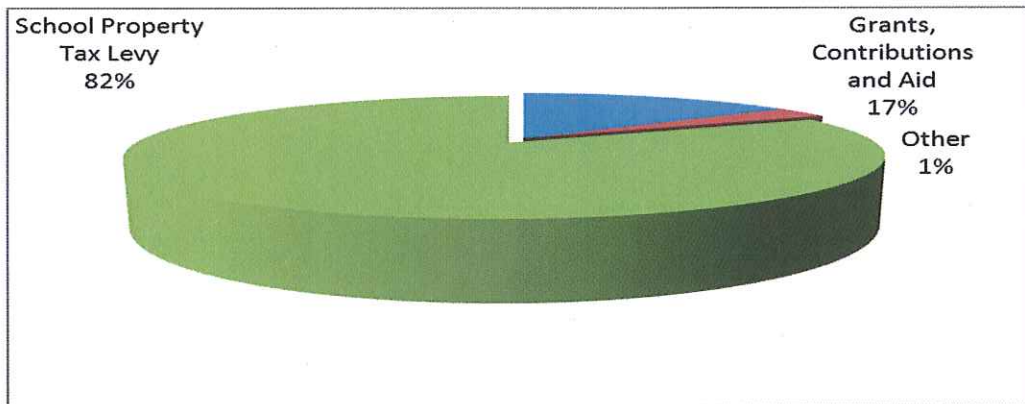
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$37,611,272 for the fiscal year ended June 30, 2013, property taxes of \$30,904,711 represented 82% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted federal and state aid which totaled \$6,439,387 and represented 17% of revenues. In addition, charges for services from tuition and transportation fees and general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

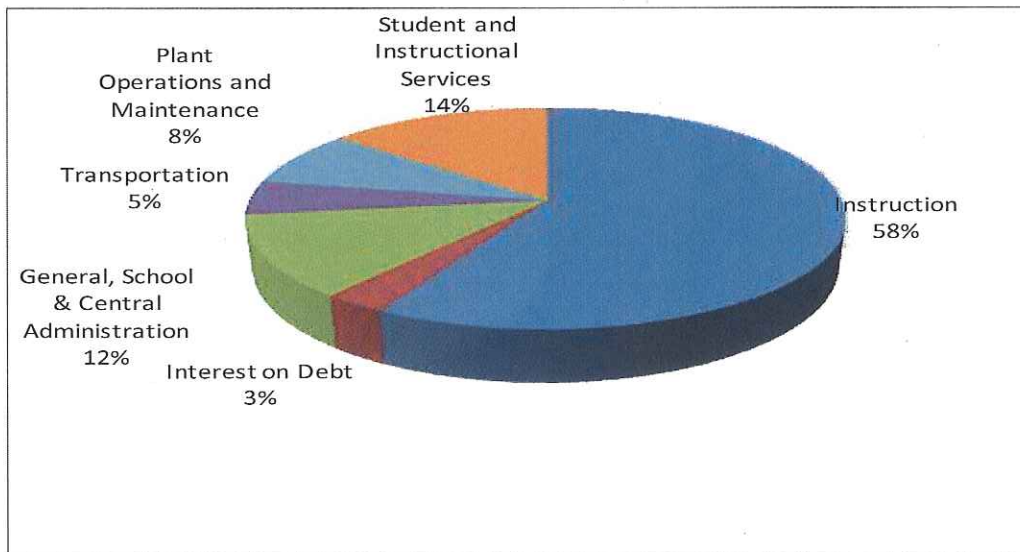
The total cost of all governmental activities programs and services was \$37,301,821 for the fiscal year ended June 30, 2013. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$21,756,994 (58%) of total expenses. Student support services costs were \$14,430,873 (39%) of total expenses and interest on debt totaled \$1,113,954, (3%) of total expenses.

For fiscal year 2013, total governmental activities revenues exceeded expenses and transfers out increasing net position for governmental activities by \$309,451 from the previous year.

**Revenues by Sources – Governmental Activities  
For Fiscal Year 2013**



**Expenses by Use – Governmental Activities  
For Fiscal Year 2013**



ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

**Net Cost of Governmental Activities.** The District's total cost of services was \$37,301,821. After applying program revenues, derived from operating and capital grants and contributions of \$5,715,696, and charges for services of \$164,664, the net cost of services of the District is \$31,421,461 for the fiscal year ended June 30, 2013.

**Total and Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Instruction:</b>				
Regular	\$ 11,906,542	\$ 9,953,651	\$ 9,883,474	\$ 9,120,641
Special Education	9,041,608	2,608,782	6,554,589	2,608,782
Other Instruction	243,800	482,506	207,521	482,506
School Sponsored Activities and Athletics	565,044	666,997	565,044	666,997
<b>Support Services:</b>				
Student & Instruction Related Services	5,134,658	4,548,825	4,401,030	4,064,268
General Administrative Services	1,119,619	920,605	1,079,212	920,605
School Administrative Services	2,382,539	1,699,593	2,134,696	1,699,593
Central Administrative Services	1,183,844	711,822	1,153,913	711,822
Plant Operations and Maintenance	2,884,042	3,587,272	2,751,295	3,587,272
Pupil Transportation	1,726,171	1,983,856	1,576,733	1,983,856
Unallocated Expense		9,856,841		9,688,512
Interest on Long Term Debt	1,113,954	1,139,256	1,113,954	1,139,256
<b>Total</b>	<b>\$ 37,301,821</b>	<b>\$ 38,160,006</b>	<b>\$ 31,421,461</b>	<b>\$ 36,674,110</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$1,409,039 for the fiscal year ended June 30, 2013. Charges for services of \$904,108 accounted for 64% of total revenues and capital grants and contributions of \$504,652 accounted for 36% of total revenues.

Total cost of all business-type activities programs and services was \$1,215,696 for the fiscal year ended June 30, 2013. Food service expenses of \$933,142 represented 77% of total expense and the before/after CARE program expenses of \$143,731 represented 12% of total expenses.

For fiscal year 2013, total business-type activities revenues exceeded expenses, increasing net position by \$193,343 or 98% over the previous year.

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

**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 deficit of \$1,565,858 at June 30, 2013, a decrease in the deficit of \$729,250 from last year's fund deficit of \$2,295,108. This change was mainly attributable to revenues which exceeded budget estimates as well as expenditures which were less than amounts budgeted for the 2012/2013 school year.

Revenues for the District's governmental funds were \$37,611,272, while total expenditures were \$37,132,012 for the fiscal year ended June 30, 2013. Total financing sources of the District's governmental funds were \$249,989 for the fiscal year ended June 30, 2013.

**GENERAL FUND**

The General Fund includes the primary operations of the District in providing educational services to students from 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, 2013</u>	<u>Year Ended</u> <u>June 30, 2012</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 28,789,793	\$ 27,480,103	\$ 1,309,690	5%
Tuition and Fees	164,664	50,831	113,833	224%
Miscellaneous	102,510	50,746	51,764	102%
State Sources	5,043,609	4,629,002	414,607	9%
Federal Sources	24,205	11,261	12,944	115%
Total General Fund Revenues	<u>\$ 34,124,781</u>	<u>\$ 32,221,943</u>	<u>\$ 1,902,838</u>	6%

For fiscal year 2013, total General Fund revenues increased \$1,902,838 or 6% from the previous year. Property taxes increased \$1,309,103 or 5% to support increases in operating costs. As indicated, State aid increased \$414,607 or 9% mainly due to increases in on-behalf pension and post-retirement medical benefit contributions paid by the State for the District's teachers.

The following schedule presents a summary of General Fund expenditures.

	<u>Year Ended</u> <u>June 30, 2013</u>	<u>Year Ended</u> <u>June 30, 2012</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 19,907,933	\$ 10,564,608	\$ 9,343,325	88%
Support Services	13,387,364	23,448,912	(10,061,548)	-43%
Debt Service	154,694	-	154,694	100%
Capital Outlay	195,082	621,061	(425,979)	-69%
Total Expenditures	<u>\$ 33,645,073</u>	<u>\$ 34,634,581</u>	<u>\$ (989,508)</u>	-3%

ELMWOOD PARK BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2013

**GENERAL FUND (Continued)**

For fiscal year 2013, total General Fund expenditures decreased \$989,508 or 3% from the previous year. Decreases in plant operation and maintenance costs and student transportation costs were the main factors in the overall reduction in expenditures for the current year.

In fiscal year 2013 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$729,696. Therefore, the total fund deficit decreased from \$2,295,554 at June 30, 2012 to \$1,565,858 at June 30, 2013. After deducting restricted, committed and assigned fund balances, the unassigned fund deficit decreased from \$2,295,555 at June 30, 2012 to \$2,030,413 at June 30, 2013. In addition, the District transferred \$250,000 to its capital reserve at the end of June 30, 2013.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2013, the District had \$40,597,994 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$150,737, for business type activity. The following is a comparison of the June 30, 2013 and 2012 balances:

**Capital Assets at June 30, 2013 and 2012  
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 11,790	\$ 11,790			\$ 11,790	\$ 11,790
Land Improvements	12,359				12,359	
Buildings and Improvements	40,288,644	41,446,145			40,288,644	41,446,145
Furniture, Equipment and Vehicles	285,201	167,536	\$ 150,737	\$ 170,511	435,938	338,047
<b>Total Capital Assets, Net</b>	<b>\$ 40,597,994</b>	<b>\$ 41,625,471</b>	<b>\$ 150,737</b>	<b>\$ 170,511</b>	<b>\$ 40,748,731</b>	<b>\$ 41,795,982</b>

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

**LONG TERM LIABILITIES**

At June 30, 2013 the District had \$26,888,239 of total outstanding debt. Of this amount, \$25,532,000 is for serial bonds, \$549,323 is for capital leases and \$806,916 is for compensated absences. The following is a comparison of the June 30, 2013 and 2012 balances:

**Outstanding Long-Term Debt  
as of June 30, 2013 and 2012**

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Serial Bonds	\$ 25,532,000	\$ 26,532,000
Capital Leases	549,323	442,082
Compensated Absences	806,916	508,478
	<u>\$ 26,888,239</u>	<u>\$ 27,482,560</u>

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

# ELMWOOD PARK BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

### **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.

During the current year the District was approved for a state aid advance loan and received \$2,214,497 which was realized as revenue on the budgetary basis of accounting in accordance with State statute. This loan must be paid back over ten (10) years with additional payments for any unassigned budgetary fund balance that exceeds 1.5% of General Fund expenditures. This loan was approved to eliminate the unassigned budgetary fund deficit of the previous year.

For fiscal year 2013 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$3,646,026 from the previous year. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$3,181,472, from a fund deficit of \$2,214,491 at June 30, 2012 to a fund balance of \$966,981 at June 30, 2013. In addition, the District increased its capital reserve \$250,000 from \$1 at June 30, 2012 to \$250,001 at June 30, 2013.

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

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs 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 2013-2014 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 2013-2014. Budgeted expenditures in the General Fund increased approximately 5% to \$33,080,538 for fiscal year 2013-2014. Increases in contractual salary requirement and related employee benefits were the main factors for the increase.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Elmwood Park Board of Education, 60 East 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, 2013**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 615,535	\$ 186,902	\$ 802,437
Receivables, Net	1,072,215	116,619	1,188,834
Inventory		21,841	21,841
Capital Assets, Not Being Depreciated	11,790		11,790
Capital Assets, Being Depreciated, Net	<u>40,586,204</u>	<u>150,737</u>	<u>40,736,941</u>
Total Assets	<u>42,285,744</u>	<u>476,099</u>	<u>42,761,843</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	760,253	51,946	812,199
Payable to Other Governments	220,311		220,311
Accrued Interest Payable	459,972		459,972
State Aid Advance Loan Payable	2,214,497		2,214,497
Unearned Revenue	58,547	27,341	85,888
Noncurrent Liabilities			
Due within one year	1,295,050		1,295,050
Due beyond one year	<u>25,593,189</u>	<u>-</u>	<u>25,593,189</u>
Total Liabilities	<u>30,601,819</u>	<u>79,287</u>	<u>30,681,106</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>-</u>	<u>7,147</u>	<u>7,147</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>7,147</u>	<u>7,147</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,601,819</u>	<u>86,434</u>	<u>30,688,253</u>
<b>NET POSITION</b>			
Invested in Capital Assets	14,516,671	150,737	14,667,408
Restricted for:			
Capital Projects	250,001		250,001
Other	776		776
Unrestricted	<u>(3,083,523)</u>	<u>238,928</u>	<u>(2,844,595)</u>
	<u>\$ 11,683,925</u>	<u>\$ 389,665</u>	<u>\$ 12,073,590</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, 2013**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 11,906,542	\$ 98,164	\$ 1,912,225	\$ 12,679	\$ (9,883,474)	\$	\$ (9,883,474)
Special Education	9,041,608	63,939	2,423,080		(6,554,589)		(6,554,589)
Other Instruction	243,800		36,279		(207,521)		(207,521)
School Sponsored Activities and Athletics	565,044				(565,044)		(565,044)
<b>Support Services:</b>							
Student & Instruction Related Services	5,134,658		733,628		(4,401,030)		(4,401,030)
General Administrative Services	1,119,619		40,407		(1,079,212)		(1,079,212)
School Administrative Services	2,382,539		247,843		(2,134,696)		(2,134,696)
Central Administrative Services	1,183,844		29,931		(1,153,913)		(1,153,913)
Plant Operations and Maintenance	2,884,042		132,747		(2,751,295)		(2,751,295)
Pupil Transportation	1,726,171	2,561	146,877		(1,576,733)		(1,576,733)
Interest on Long Term Debt	1,113,954	-	-		(1,113,954)		(1,113,954)
<b>Total Governmental Activities</b>	<b>37,301,821</b>	<b>164,664</b>	<b>5,703,017</b>	<b>12,679</b>	<b>(31,421,461)</b>	<b>-</b>	<b>(31,421,461)</b>
<b>Business-Type Activities:</b>							
Food Service	933,142	465,300	504,652			\$ 36,810	36,810
Before / After CARE Program	143,731	290,311				146,580	146,580
Community School	414	250				(164)	(164)
Summer Camp Program	112,094	121,615				9,521	9,521
Summer Session Program	26,315	26,632				317	317
<b>Total Business-Type Activities</b>	<b>1,215,696</b>	<b>904,108</b>	<b>504,652</b>	<b>-</b>	<b>-</b>	<b>193,064</b>	<b>193,064</b>
<b>Total Primary Government</b>	<b>\$ 38,517,517</b>	<b>\$ 1,068,772</b>	<b>\$ 6,207,669</b>	<b>\$ 12,679</b>	<b>(31,421,461)</b>	<b>193,064</b>	<b>(31,228,397)</b>

ELMWOOD PARK BOARD OF EDUCATION  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,789,793		\$ 28,789,793
Levied for Debt Service	2,114,918		2,114,918
State Aid - Unrestricted	723,691		723,691
Interest Earnings	7,306	\$ 279	7,585
Miscellaneous Income	95,204	-	95,204
	<u>31,730,912</u>	<u>279</u>	<u>31,731,191</u>
Total General Revenues			
Change in Net Position	309,451	193,343	502,794
Net Position, Beginning of Year (Restated)	<u>11,374,474</u>	<u>196,322</u>	<u>11,570,796</u>
Net Position, End of Year	<u>\$ 11,683,925</u>	<u>\$ 389,665</u>	<u>\$ 12,073,590</u>

**FUND FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 615,535			\$ 615,535
Receivables From Other Governments	183,102	\$ 870,992		1,054,094
Other Accounts Receivable, Net	4,823			4,823
Due from Other Funds	<u>535,537</u>	<u>-</u>	<u>-</u>	<u>535,537</u>
<b>Total Assets</b>	<u>\$ 1,338,997</u>	<u>\$ 870,992</u>	<u>\$ -</u>	<u>\$ 2,209,989</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 593,634	\$ 95,554		\$ 689,188
Compensated Absences Payable	71,065			71,065
Due to Other Funds		522,239		522,239
Payable to State Government		27,314		27,314
Payable to Federal Government		167,338		167,338
Payable to Other Governments	25,659			25,659
State Aid Advance Loan Payable	2,214,497			2,214,497
Unearned Revenue	<u>-</u>	<u>58,547</u>	<u>-</u>	<u>58,547</u>
<b>Total Liabilities</b>	<u>2,904,855</u>	<u>870,992</u>	<u>-</u>	<u>3,775,847</u>
Fund Balances (Deficits):				
Restricted				
Capital Reserve	250,001			250,001
State Aid Advance Loan Repayment	776			776
Committed				
Year End Encumbrances	171,441			171,441
Assigned				
Year End Encumbrances	42,337			42,337
Unassigned	<u>(2,030,413)</u>	<u>-</u>	<u>-</u>	<u>(2,030,413)</u>
<b>Total Fund Balances (Deficits)</b>	<u>(1,565,858)</u>	<u>-</u>	<u>-</u>	<u>(1,565,858)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,338,997</u>	<u>\$ 870,992</u>	<u>\$ -</u>	
Amounts reported for <i>governmental activities</i> 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 \$51,403,940 and the accumulated depreciation is \$10,805,946.				
				40,597,994
The District has financed capital assets through the issuance of serial bonds, long-term lease obligations, and notes. The interest accrual at year end is:				
				(459,972)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds				
	General Obligation Bonds	\$ 25,532,000		
	Capital Leases Payable	549,323		
	Compensated Absences	<u>806,916</u>		
				<u>(26,888,239)</u>
<b>Net Assets of Governmental Activities</b>				<u>\$ 11,683,925</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Property Tax Levy	\$ 28,789,793		\$ 2,114,918	\$ 30,904,711
Tuition	162,103			162,103
Transportation Fees	2,561			2,561
Miscellaneous	<u>102,510</u>	<u>\$ 23,054</u>	<u>-</u>	<u>125,564</u>
Total - Local Sources	29,056,967	23,054	2,114,918	31,194,939
State Sources	5,043,609	199,226		5,242,835
Federal Sources	<u>24,205</u>	<u>1,149,293</u>	<u>-</u>	<u>1,173,498</u>
Total Revenues	<u>34,124,781</u>	<u>1,371,573</u>	<u>2,114,918</u>	<u>37,611,272</u>
<b>EXPENDITURES</b>				
Instruction				
Regular	10,935,256	442,143		11,377,399
Special Education	8,204,165	494,033		8,698,198
Other Instruction	228,719	3,879		232,598
School Sponsored Activities and Athletics	539,793			539,793
Support Services				
Student and Instruction Related Services	4,526,843	401,519		4,928,362
General Administrative Services	1,074,436			1,074,436
School Administrative Services	2,271,932			2,271,932
Central Administrative Services	1,109,333			1,109,333
Plant Operations and Maintenance	2,756,848			2,756,848
Pupil Transportation	1,647,972	17,640		1,665,612
Debt Service				
Principal	142,748		1,000,000	1,142,748
Interest	11,946		1,115,365	1,127,311
Capital Outlay	<u>195,082</u>	<u>12,359</u>	<u>-</u>	<u>207,441</u>
Total Expenditures	<u>33,645,073</u>	<u>1,371,573</u>	<u>2,115,365</u>	<u>37,132,011</u>
Excess (Deficiencies) of Revenues				
Over/(Under) Expenditures	<u>479,708</u>	<u>-</u>	<u>(447)</u>	<u>479,261</u>
<b>OTHER FINANCING SOURCES / (USES)</b>				
Capital Leases (Non-Budgeted)	249,989			249,989
Transfers In			1	1
Transfers Out	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Total Other Financing Sources / (Uses)	<u>249,988</u>	<u>-</u>	<u>1</u>	<u>249,989</u>
Net Change in Fund Balances	729,696	-	(446)	729,250
Fund Balance (Deficit), Beginning of Year	<u>(2,295,554)</u>	<u>-</u>	<u>446</u>	<u>(2,295,108)</u>
Fund Balance (Deficit), End of Year	<u>\$ (1,565,858)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,565,858)</u>

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

**ELMWOOD PARK BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 729,250

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

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

Capital Outlays	\$ 207,441	
Depreciation Expense	<u>(1,234,918)</u>	(1,027,477)

The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement activities.

Capital Lease Proceeds		(249,989)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Capital Lease	142,748	
Serial Bonds	<u>1,000,000</u>	1,142,748

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when paid. The accrued interest in an increase to the reconciliation. (+)

13,357

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is 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		<u>(298,438)</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** \$ 309,451

**ELMWOOD PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2013**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before / After CARE Program</u>	<u>Non-Major Enterprise Funds</u>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 16,580	\$ 138,204	\$ 32,118	\$ 186,902
Intergovernmental Receivable	96,757			96,757
Other Accounts Receivable, Net	4,281	15,581		19,862
Inventories	21,841	-	-	21,841
<b>Total Current Assets</b>	<u>139,459</u>	<u>153,785</u>	<u>32,118</u>	<u>325,362</u>
Capital Assets				
Equipment	333,401			333,401
Accumulated Depreciation	(182,664)	-	-	(182,664)
<b>Total Capital Assets, Net</b>	<u>150,737</u>	<u>-</u>	<u>-</u>	<u>150,737</u>
<b>Total Assets</b>	<u>290,196</u>	<u>153,785</u>	<u>32,118</u>	<u>476,099</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	51,907	39		51,946
Unearned Revenue	5,704	255	21,382	27,341
<b>Total Current Liabilities</b>	<u>57,611</u>	<u>294</u>	<u>21,382</u>	<u>79,287</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Commodities Revenue	7,147	-	-	7,147
<b>Total Liabilities and Deferred Inflow of Resources</b>	<u>64,758</u>	<u>294</u>	<u>21,382</u>	<u>86,434</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	150,737			150,737
Unrestricted	74,701	153,491	10,736	238,928
<b>Total Net Position</b>	<u>\$ 225,438</u>	<u>\$ 153,491</u>	<u>\$ 10,736</u>	<u>\$ 389,665</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, 2013**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before / After CARE Program</u>	<u>Non-Major Enterprise Funds</u>	
<b>OPERATING REVENUES</b>				
Local Sources				
Daily Sales	\$ 417,752			\$ 417,752
Special Events	47,548			47,548
Program Fees		\$ 290,311	\$ 148,247	438,558
Miscellaneous Revenue	-	-	250	250
<b>Total Operating Revenues</b>	<u>465,300</u>	<u>290,311</u>	<u>148,497</u>	<u>904,108</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	337,435	114,428	100,072	551,935
Cost of Sales	416,625			416,625
Repairs & Maintenance	55,289			55,289
Supplies and Materials	38,979	28,731	23,518	91,228
Other Purchased Services	15,983		15,233	31,216
Management Fee	32,390			32,390
Miscellaneous Expense	13,917	572		14,489
Depreciation	22,524	-	-	22,524
<b>Total Operating Expenses</b>	<u>933,142</u>	<u>143,731</u>	<u>138,823</u>	<u>1,215,696</u>
Operating Income (Loss)	<u>(467,842)</u>	<u>146,580</u>	<u>9,674</u>	<u>(311,588)</u>
<b>Nonoperating Revenues</b>				
State Sources				
State School Lunch Program	12,584			12,584
Federal Sources				
School Breakfast Program	50,545			50,545
National School Lunch Program	441,523			441,523
Interest Earnings	205	-	74	279
<b>Total Nonoperating Revenues</b>	<u>504,857</u>	<u>-</u>	<u>74</u>	<u>504,931</u>
Changes in Net Position	37,015	146,580	9,748	193,343
Total Net Position, Beginning of Year	<u>188,423</u>	<u>6,911</u>	<u>988</u>	<u>196,322</u>
Total Net Position, End of Year	<u>\$ 225,438</u>	<u>\$ 153,491</u>	<u>\$ 10,736</u>	<u>\$ 389,665</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, 2013**

	Business-Type Activities			Total
	Enterprise Funds			
	Food Service	Before / After CARE Program	Non-Major Enterprise Funds	
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 466,781	\$ 240,595	\$ 53,851	\$ 761,227
Cash Payments for Employees Salaries and Benefits	(337,435)	(114,428)	(100,072)	(551,935)
Cash Payments to Suppliers for Goods and Services	(587,690)	(29,264)	(36,336)	(653,290)
Net Cash Provided by (Used for) Operating Activities	(458,344)	96,903	(82,557)	(443,998)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from/(Paid to) Other Funds	(47,501)	32,686	(8,621)	(23,436)
Cash Received from State and Federal Subsidy Reimbursements	426,884	-	-	426,884
Net Cash Provided by Noncapital Financing Activities	379,383	32,686	(8,621)	403,448
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(2,750)	-	-	(2,750)
Net Cash (Used By) Capital and Related Financing Activities	(2,750)	-	-	(2,750)
<b>Cash Flows from Investing Activities</b>				
Interest Earnings Received	205	-	74	279
Net Cash Provided by Investing Activities	205	-	74	279
Net Increase (Decrease) in Cash and Cash Equivalents	(81,506)	129,589	(91,104)	(43,021)
Cash and Cash Equivalents, Beginning of Year	98,086	8,615	123,222	229,923
Cash and Cash Equivalents, End of Year	\$ 16,580	\$ 138,204	\$ 32,118	\$ 186,902
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (467,842)	\$ 146,580	\$ 9,674	(311,588)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	22,524			22,524
Non-Cash Federal Assistance-Food Distribution Program	14,877			14,877
Change in Assets, Liabilities and Deferred Inflows				
(Increase)/Decrease in Accounts Receivable	(4,223)	(14,240)	600	(17,863)
(Increase)/Decrease in Inventory	(4,524)		2,505	(2,019)
(Increase)/Decrease in Prepaid Expense	2,948			2,948
Increase/(Decrease) in Accounts Payable	(31,498)	39	(90)	(31,549)
Increase/(Decrease) in Unearned Revenue	5,704	(35,476)	(95,246)	(125,018)
Increase/(Decrease) in Deferred Commodities Revenue	3,690	-	-	3,690
Total Adjustments	9,498	(49,677)	(92,231)	(132,410)
Net Cash Provided by (Used For) Operating Activities	\$ (458,344)	\$ 96,903	\$ (82,557)	\$ (443,998)
Non-Cash Investing, Capital and Financing Activities:				
Value Received - Food Distribution Program	\$ 18,567			

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

**ELMWOOD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2013**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>683,173</u>
Total Assets	\$ <u>683,173</u>
<b>LIABILITIES</b>	
Due to Student Groups	\$ 85,394
Payroll Deductions and Withholdings	584,481
Due to Other Funds	<u>13,298</u>
Total Liabilities	\$ <u>683,173</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, 2013**

**NOT APPLICABLE**

**NOTES TO THE FINANCIAL STATEMENTS**

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2013, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

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

The basic 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.

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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**District-Wide Financial Statements**

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 the food service and before/after CARE 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 *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

The *before/after CARE fund* accounts for the activities of the District's Children's Alternative Resources in Education, "CARE", childcare program which provides before and after school childcare activities throughout the year.



**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**Fund Financial Statements (continued)**

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

The *community school program fund* accounts for the activities of the District's community outreach program which provides sports and cultural arts programs to community members.

The *summer camp program fund* accounts for activities of the District's summer enrichment program which provides activities and trip for participants during the summer recess.

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

Additionally, the government reports the following fund type:

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

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

**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, 2013**

**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, transportation fees, 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

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

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

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

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

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

***2. Receivables***

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

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**3. Inventories**

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

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

**4. Deferred Outflows/Inflows of Resources**

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 government has only one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. It is the *deferred commodities revenue*, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**5. Capital Assets**

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

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

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

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

ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**6. *Compensated Absences***

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

**7. *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.

**8. *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 2C.)

*State Aid Advance Loan Repayment* – This restriction was created in accordance with N.J.S.A. 18A:7A-56(c) to represent the amount of the District's unassigned general fund balance in excess of 1.5% of general fund expenditures which will be the additional amount applied to the 2013/2014 fiscal year loan repayment.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**8. Net Position/Fund Balance (Continued)**

**Governmental Fund Statements (Continued)**

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

**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.

**9. Reclassifications**

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

**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 revenue.

**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 revenue is 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.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2011-2012 and 2012-2013 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 Non-Operating Revenues and Expenses***

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**A. Budgetary Information (Continued)**

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 2012/2013. During 2012/2013 the Board increased the original budget by \$76,027. The increase was funded by additional aid and grant awards.

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

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

**B. Deficit Fund Equity**

The District has an unassigned (deficit) fund balance of \$2,030,413 in the General Fund as of June 30, 2013 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2012/2013 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund balance deficits in the future.

In addition to the delayed State aid payments, N.J.S.A. 18A:7A-56 provides that a District which receives an advance State aid payment in the form of a loan must record the payment as revenue for budget purposes in the school year in which the advance State aid payment is provided. During the 2012/2013 school year, the District was approved for and received an advance State aid payment in the amount of \$2,214,497 for the purpose of eliminating the unassigned budgetary fund deficit to the General Fund at June 30, 2012. Since the District is obligated to repay the advanced State aid payment amount back to the State within ten (10) years, it constitutes a liability in the form of a loan under generally accepted accounting principles and, therefore, the District cannot recognize such payment on the GAAP (fund) financial statements.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$2,030,413 in the General Fund is less than the total of both the delayed state aid payments of \$782,897 and the State aid advance loan balance outstanding at June 30, 2013 of \$2,214,497.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**C. Capital Reserve**

A capital reserve account was established by the District on September 16, 2000. 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, 2013 is as follows:

Balance, July 1, 2012	\$ 1
Increased by:	
Deposits Approved by State Monitor	<u>250,000</u>
Balance, June 30, 2013	<u>\$ 250,001</u>

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



**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**Cash Deposits (Continued)**

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$1,485,610 and bank and brokerage firm balances of the Board's deposits amounted to \$2,920,012. The Board's deposits which are displayed on the various fund balance sheets and statement of net position as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ <u>2,920,012</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, 2013 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2013, 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.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**B. Receivables**

Receivables as of June 30, 2013 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>Before/After CARE Program</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 12,448	\$ 6,218			\$ 18,666
State	170,654	5,029	\$ 3,066		178,749
Federal		859,745	93,691		953,436
Accounts	<u>9,050</u>	<u>-</u>	<u>4,281</u>	<u>\$ 66,321</u>	<u>79,652</u>
Gross Receivables	192,152	870,992	101,038	66,321	1,230,503
Less: Allowance for Uncollectibles	<u>(4,227)</u>	<u>-</u>	<u>-</u>	<u>(50,740)</u>	<u>(54,967)</u>
Net Total Receivables	<u>\$ 187,925</u>	<u>\$ 870,992</u>	<u>\$ 101,038</u>	<u>\$ 15,581</u>	<u>\$ 1,175,536</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	\$ 39,253
Grant Draw Downs Reserved for Encumbrances	<u>19,294</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 58,547</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance, <u>July 1, 2012</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2013</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,790	-	-	\$ 11,790
<b>Total Capital Assets, Not Being Depreciated</b>	<u>11,790</u>	<u>-</u>	<u>-</u>	<u>11,790</u>
Capital Assets, Being Depreciated:				
Land Improvements		12,359		12,359
Building and Building Improvements	49,863,238			49,863,238
Machinery and Equipment	1,321,471	195,082	-	1,516,553
<b>Total Capital Assets Being Depreciated</b>	<u>51,184,709</u>	<u>207,441</u>	<u>-</u>	<u>51,392,150</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(8,417,093)	(1,157,501)		(9,574,594)
Machinery and Equipment	(1,153,935)	(77,417)	-	(1,231,352)
<b>Total Accumulated Depreciation</b>	<u>(9,571,028)</u>	<u>(1,234,918)</u>	<u>-</u>	<u>(10,805,946)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>41,613,681</u>	<u>(1,027,477)</u>	<u>-</u>	<u>40,586,204</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 41,625,471</u>	<u>\$ (1,027,477)</u>	<u>\$ -</u>	<u>\$ 40,597,994</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Equipment	\$ 330,651	\$ 2,750	-	\$ 333,401
<b>Total Capital Assets Being Depreciated</b>	<u>330,651</u>	<u>2,750</u>	<u>-</u>	<u>333,401</u>
Less Accumulated Depreciation for:				
Equipment	(160,140)	(22,524)	-	(182,664)
<b>Total Accumulated Depreciation</b>	<u>(160,140)</u>	<u>(22,524)</u>	<u>-</u>	<u>(182,664)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>170,511</u>	<u>(19,774)</u>	<u>-</u>	<u>150,737</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 170,511</u>	<u>\$ (19,774)</u>	<u>\$ -</u>	<u>\$ 150,737</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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	\$ 397,183
Special	297,986
Other	8,307
School Sponsored	19,606
Total Instruction	<u>723,082</u>

Support Services	
Student and Instruction Related	164,421
General Administration	39,025
School Administration	82,519
Central Services	62,439
Operations and Maintenance of Plant	103,576
Student Transportation	59,856
Total Support Services	<u>511,836</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,234,918</u>
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**Business-Type Activities:**

Food Service Fund	<u>22,524</u>
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Total Depreciation Expense - Business-Type Activities	<u>\$ 22,524</u>
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**Construction Commitments**

The District has the following active construction projects as of June 30, 2013:

<u>Project</u>	<u>Remaining Commitment</u>
High School Auditorium Seating	\$ 134,276
High School Lockers	23,185
High School Stage Upgrades	13,980
	<u>\$ 171,441</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

The composition of interfund balances as of June 30, 2013, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 522,239
General Fund	Payroll Agency Fund	<u>13,298</u>
Total		<u>\$ 535,537</u>

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

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

**Interfund transfers**

	<u>Transfer In:</u>
	Debt Service Fund
Transfer Out:	
General Fund	<u>\$ 1</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, 2013 were \$100,954. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2014	\$ 100,954
2015	100,954
2016	100,954
2017	100,954
2018	<u>84,128</u>
Total	<u>\$ 487,944</u>

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**F. Leases (Continued)**

**Capital Leases (Note: Other than Certificates of Participation)**

The District is leasing computer equipment totaling \$790,547 under capital leases. The leases are for terms of three (3) to five (5) years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$735,640</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2014	\$ 178,903
2015	174,524
2016	170,144
2017	<u>57,652</u>
Total Minimum Lease Payments	581,223
Less: Amount Representing Interest	<u>(31,900)</u>
Present Value of Minimum Lease Payments	<u>\$ 549,323</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2013 are comprised of the following issues:

\$31,482,000, 2004 Bonds, due in annual installments of \$1,050,000 to \$2,132,000 through August 1, 2029, interest at 4.125% to 4.500%	<u>\$25,532,000</u>
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**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**G. Long-Term Debt (Continued)**

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>	
2014	\$ 1,050,000	\$ 1,073,084	\$ 2,123,084
2015	1,100,000	1,028,740	2,128,740
2016	1,150,000	982,334	2,132,334
2017	1,200,000	933,865	2,133,865
2018	1,250,000	883,334	2,133,334
2019-2023	7,150,000	3,576,262	10,726,262
2024-2028	8,550,000	1,897,981	10,447,981
2029-2033	<u>4,082,000</u>	<u>187,785</u>	<u>4,269,785</u>
	<u>\$ 25,532,000</u>	<u>\$ 10,563,385</u>	<u>\$ 36,095,385</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 90,574,712
Less: Net Debt	<u>25,532,000</u>
Remaining Borrowing Power	<u>\$ 65,042,712</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance,</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2013</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 26,532,000		\$ 1,000,000	\$ 25,532,000	\$ 1,050,000
Capital Lease Payable	442,082	\$ 249,989	142,748	549,323	164,359
Compensated Absences Payable	<u>508,478</u>	<u>410,306</u>	<u>111,868</u>	<u>806,916</u>	<u>80,691</u>
Governmental activity					
Long-term liabilities	<u>\$ 27,482,560</u>	<u>\$ 660,295</u>	<u>\$ 1,254,616</u>	<u>\$ 26,888,239</u>	<u>\$ 1,295,050</u>

For governmental activities, the liabilities for compensated absences are generally liquidated by the General Fund.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**G. Long-Term Debt (Continued)**

**State Aid Advance Loan Payable**

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

	Balance, <u>July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	Balance, <u>June 30, 2013</u>
State Aid Advance Loan	\$ -	\$ 2,214,497	\$ -	\$ 2,214,497

**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 Board Association Insurance Group (NJSBAIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against property, liability, student accident and surety bonds.

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

NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the NJSBAIG 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.



**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION**

**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, 2013, 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, 2013, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

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

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

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

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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

**Basis of Accounting**

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

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Significant Legislation (Continued)**

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

**Funding Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 77.5 percent and \$11.6 billion.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 percent for TPAF.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2013	\$ 369,482	\$ 811,728	\$ 10,822
2012	362,170	769,725	
2011	315,765	34,787	

The State contributed \$811,728 and \$769,725 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$34,787 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$855,300 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

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

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**Basis of Accounting**

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

**Significant Legislation**

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

**ELMWOOD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$917,859, \$769,725 and \$738,880, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**ELMWOOD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Hurricane Sandy**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The District has incurred certain costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the District has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of June 30, 2013. As of June 30, 2013, the District has not received any FEMA reimbursements relating to Hurricane Sandy.

**NOTE 5 RESTATEMENT**

In the previously issued financial statements for the year ended June 30, 2012, the Elmwood Park Board of Education did not record certain governmental activities capital assets. The District has determined that the effect of recording the amounts related to its government activities capital assets as of June 30, 2012 is as follows:

**Statement of Net Position - June 30, 2012**

	<u>Governmental Activities</u>		
	<u>As Originally Reported</u>	<u>As Adjusted</u>	<u>Effect of Change</u>
<b>ASSETS</b>			
Capital Assets, Being Depreciated, Net	\$ 41,453,820	\$ 41,613,681	\$ 159,861
Total Capital Assets	41,465,610	41,625,471	159,861
Total Assets	42,866,139	43,026,000	159,861
<b>NET POSITION</b>			
Net Investment in Capital Assets	14,932,359	15,092,220	159,861
Total Net Position	11,214,613	11,374,474	159,861

**BUDGETARY COMPARISON SCHEDULES**



**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,789,793		\$ 28,789,793	\$ 28,789,793	
Tuition				162,103	\$ 162,103
Transportation Fees				2,561	2,561
Unrestricted Miscellaneous	50,000	-	50,000	102,510	52,510
<b>Total Local Revenues</b>	<u>28,839,793</u>	<u>-</u>	<u>28,839,793</u>	<u>29,056,967</u>	<u>217,174</u>
State Sources					
State Aid Advance - Loan				2,214,497	2,214,497
Special Education Aid	1,518,263		1,518,263	1,518,263	-
Equalization Aid	743,218		743,218	743,218	-
Security Aid	140,026		140,026	140,026	-
Transportation Aid	105,438		105,438	105,438	-
Extraordinary Special Education Costs Aid	148,782		148,782	623,090	474,308
Nonpublic School Transportation Costs				30,520	30,520
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				771,155	771,155
Pension - NCGI Premium				40,573	40,573
Post Retirement Medical Benefit Contribution				917,859	917,859
Reimbursed Social Security Contribution	-	-	-	855,300	855,300
<b>Total State Revenues</b>	<u>2,655,727</u>	<u>-</u>	<u>2,655,727</u>	<u>7,959,939</u>	<u>5,304,212</u>
Federal Sources					
Education Jobs Fund		\$ 3,221	3,221	3,221	
Special Education Medicaid Initiative Reimbursement	43,911	-	43,911	20,984	(22,927)
	<u>43,911</u>	<u>3,221</u>	<u>47,132</u>	<u>24,205</u>	<u>(22,927)</u>
<b>Total Revenues</b>	<u>31,539,431</u>	<u>3,221</u>	<u>31,542,652</u>	<u>37,041,111</u>	<u>5,498,459</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	487,920	45,929	533,849	532,914	935
Grades 1-5	2,514,774	(19,253)	2,495,521	2,495,521	-
Grades 6-8	1,375,312	(59,861)	1,315,451	1,315,451	-
Grades 9-12	2,382,123	(50,727)	2,331,396	2,331,396	-
Regular Programs - Home Instruction					
Salaries of Teachers		11,651	11,651	9,289	2,362
Purchased Professional-Educational Services		15,680	15,680	14,657	1,023
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	88,452	(59,271)	29,181	29,181	-
Purchased Professional-Educational Services	1,694	4,391	6,085	4,828	1,257
Purchased Technical Services	65,000	(10,075)	54,925	54,925	-
Other Purchased Services	293,398	(60,653)	232,745	229,036	3,709
General Supplies	414,955	(327,224)	87,731	60,685	27,046
Textbooks	70,578	(29,715)	40,863	40,862	1
<b>Total Regular Programs</b>	<u>7,694,206</u>	<u>(539,128)</u>	<u>7,155,078</u>	<u>7,118,745</u>	<u>36,333</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 231,669	\$ (26,337)	\$ 205,332	\$ 205,332	-
Other Salaries for Instruction	14,742	47,544	62,286	52,613	\$ 9,673
General Supplies	149	(149)	-	-	-
Total Learning / Language Disabilities	<u>246,560</u>	<u>21,058</u>	<u>267,618</u>	<u>257,945</u>	<u>9,673</u>
Behavioral Disabilities					
Salaries of Teachers	166,933	16,495	183,428	183,428	-
Other Salaries for Instruction	29,484	892	30,376	27,388	2,988
General Supplies	4,000	(3,000)	1,000	-	1,000
Total Behavioral Disabilities	<u>200,417</u>	<u>14,387</u>	<u>214,804</u>	<u>210,816</u>	<u>3,988</u>
Multiple Disabilities					
Salaries of Teachers	67,474	(20,974)	46,500	46,500	-
Other Salaries for Instruction	21,408	4,647	26,055	26,055	-
General Supplies	1,000	(1,000)	-	-	-
Total Multiple Disabilities	<u>89,882</u>	<u>(17,327)</u>	<u>72,555</u>	<u>72,555</u>	<u>-</u>
Resource Room / Resource Center					
Salaries of Teachers	1,168,394	4,414	1,172,808	1,172,808	-
Other Salaries for Instruction	147,420	(39,741)	107,679	101,155	6,524
General Supplies	3,150	(3,150)	-	-	-
Total Resource Room / Resource Center	<u>1,318,964</u>	<u>(38,477)</u>	<u>1,280,487</u>	<u>1,273,963</u>	<u>6,524</u>
Autism					
Salaries of Teachers	95,638	59,380	155,018	155,018	-
Other Salaries for Instruction	44,226	17,383	61,609	54,695	6,914
General Supplies	150	1,345	1,495	1,432	63
Total Autism	<u>140,014</u>	<u>78,108</u>	<u>218,122</u>	<u>211,145</u>	<u>6,977</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	306,514	(61,219)	245,295	245,295	-
Other Salaries for Instruction	88,452	17,864	106,316	80,870	25,446
General Supplies	699	(699)	-	-	-
Total Preschool Disabilities - Full - Time	<u>395,665</u>	<u>(44,054)</u>	<u>351,611</u>	<u>326,165</u>	<u>25,446</u>
Home Instruction					
Salaries of Teachers	-	26,359	26,359	26,359	-
Purchased Professional and Educational Services	-	287	287	287	-
Total Home Instruction	<u>-</u>	<u>26,646</u>	<u>26,646</u>	<u>26,646</u>	<u>-</u>
Total Special Education	<u>2,391,502</u>	<u>40,341</u>	<u>2,431,843</u>	<u>2,379,235</u>	<u>52,608</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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					
General Supplies	\$ 1,400	\$ (1,400)	-	-	-
Total Basic Skills/Remedial	<u>1,400</u>	<u>(1,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bilingual Education					
Salaries of Teachers	149,288	2,258	\$ 151,546	\$ 151,546	-
General Supplies	2,000	1,134	3,134	2,499	\$ 635
Total Bilingual Education	<u>151,288</u>	<u>3,392</u>	<u>154,680</u>	<u>154,045</u>	<u>635</u>
School Sponsored Co-Curricular Activities					
Salaries	94,558	-	94,558	57,462	37,096
Supplies and Materials	5,100	-	5,100	150	4,950
Total School Sponsored Co-Curricular Activities	<u>99,658</u>	<u>-</u>	<u>99,658</u>	<u>57,612</u>	<u>42,046</u>
School Sponsored Athletics - Instruction					
Salaries	281,720	-	281,720	238,003	43,717
Purchased Services	65,433	-	65,433	58,034	7,399
Supplies and Materials	40,994	-	40,994	36,161	4,833
Other Objects	10,252	-	10,252	9,370	882
Total School Sponsored Athletics - Instruction	<u>398,399</u>	<u>-</u>	<u>398,399</u>	<u>341,568</u>	<u>56,831</u>
Total - Instruction	<u>10,736,453</u>	<u>(496,795)</u>	<u>10,239,658</u>	<u>10,051,205</u>	<u>188,453</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	222,120	33,397	255,517	253,517	2,000
Tuition to County Vocational School District-Reg.	163,506	228,511	392,017	391,477	540
Tuition to County Vocational School/Dist.-Spec.	540,850	(32,902)	507,948	507,948	-
Tuition to County Special Services - School Districts & Regional Day Schools	1,329,500	(323,307)	1,006,193	1,006,193	-
Tuition to Private Schools - Disabled Within State	3,226,896	(352,140)	2,874,756	2,868,764	5,992
Tuition - State Facilities	22,771	-	22,771	22,771	-
Total Undistributed Expenditures - Instruction	<u>5,505,643</u>	<u>(446,441)</u>	<u>5,059,202</u>	<u>5,050,670</u>	<u>8,532</u>
Attendance and Social Work Services					
Salaries	117,078	19,563	136,641	134,130	2,511
Supplies and Materials	2,500	(2,411)	89	89	-
Total Attendance and Social Work Services	<u>119,578</u>	<u>17,152</u>	<u>136,730</u>	<u>134,219</u>	<u>2,511</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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>					
Health Services					
Salaries	\$ 292,595	\$ 1,550	\$ 294,145	\$ 294,145	-
Purchased Professional and Technical Services	25,000	(3,925)	21,075	21,075	-
Supplies and Materials	6,310	(2,891)	3,419	3,419	-
Total Health Services	323,905	(5,266)	318,639	318,639	-
Speech, OT, PT and Related Services					
Salaries	257,318	(51,307)	206,011	206,011	-
Purchased Professional - Educational Services	80,432	431,746	512,178	512,129	\$ 49
Total Speech, OT, PT and Related Services	337,750	380,439	718,189	718,140	49
Other Support Services-Students-Extra Services					
Salaries	457,002	(52,366)	404,636	401,400	3,236
Purchased Professional-Educational Services	602,615	(129,967)	472,648	472,647	1
Supplies and Materials	17,214	(16,241)	973	948	25
Total Other Support Services-Extra	1,076,831	(198,574)	878,257	874,995	3,262
Guidance					
Salaries of Other Professional Staff	490,983	(136,700)	354,283	354,283	-
Salaries of Secretarial and Clerical Assistants	33,641	(472)	33,169	33,169	-
Other Purchased Services	8,413	686	9,099	9,099	-
Supplies and Materials	4,000	(1,493)	2,507	2,507	-
Total Guidance	537,037	(137,979)	399,058	399,058	-
Child Study Team					
Salaries of Other Professional Staff	675,882	(163,387)	512,495	512,495	-
Salaries of Secretarial and Clerical Assistants	38,910	(1,490)	37,420	37,420	-
Purchased Professional - Educational Services	4,000	21,455	25,455	16,380	9,075
Other Purchased Professional and Technical Services	40,806	(4,863)	35,943	34,471	1,472
Miscellaneous Purchased Services	8,913	186	9,099	9,099	-
Residential Costs		188,822	188,822	188,822	-
Supplies and Materials	1,993	909	2,902	2,902	-
Total Child Study Team	770,504	41,632	812,136	801,589	10,547
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	115,999	(68,307)	47,692	47,692	-
Salaries of Other Professional Staff	47,214	21,094	68,308		68,308
Salaries of Secretarial and Clerical Assistants		25,628	25,628	25,628	-
Other Purchased Professional and Technical Services	5,000	-	5,000	218	4,782
Other Purchased Services	8,413	686	9,099	9,099	-
Supplies and Materials	2,000	-	2,000	429	1,571
Other Objects	100	330	430	430	-
Total Improvement of Instruction Services	178,726	(20,569)	158,157	83,496	74,661

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 54,806	\$ (12,285)	\$ 42,521	\$ 42,521	-
Other Purchased Services	8,413	686	9,099	9,099	-
Supplies and Materials	23,798	(17,070)	6,728	6,728	-
<b>Total Educational Media Services/School Library</b>	<b>87,017</b>	<b>(28,669)</b>	<b>58,348</b>	<b>58,348</b>	<b>-</b>
Instructional Staff Training Services					
Salaries of Supervisor of Instruction		47,692	47,692	47,692	-
Salaries of Other Professional Staff	115,999	(69,377)	46,622	46,622	\$ 46,622
Salaries of Secretarial and Clerical Assistants	-	21,686	21,686	21,686	-
<b>Total Instructional Staff Training Services</b>	<b>115,999</b>	<b>1</b>	<b>116,000</b>	<b>69,378</b>	<b>46,622</b>
Support Services General Administration					
Salaries	260,535	61,783	322,318	322,318	-
Legal Services	85,000	30,869	115,869	115,869	-
Audit Fees	36,000	39,719	75,719	45,220	30,499
Architectural/Engineering Services		21,256	21,256	21,256	-
Other Purchased Professional Services	29,500	(23,825)	5,675	5,675	-
Purchased Technical Services	8,000	(8,000)			-
Communications/Telephone	30,452	71,779	102,231	102,231	-
BOE Other Purchased Services	3,000	3,667	6,667	6,667	-
Miscellaneous Purchased Services	36,588	91,725	128,313	128,313	-
General Supplies	19,000	(14,006)	4,994	4,991	3
Judgments Against the District		31,191	31,191	31,191	-
Miscellaneous Expenditures	7,000	(3,898)	3,102	3,102	-
BOE Membership Dues and Fees	23,100	(2,556)	20,544	20,544	-
<b>Total Support Services General Administration</b>	<b>538,175</b>	<b>299,704</b>	<b>837,879</b>	<b>807,377</b>	<b>30,502</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	818,613	340,645	1,159,258	1,159,258	-
Salaries of Other Professional Staff	333,941	(333,941)			-
Salaries of Secretarial and Clerical Assistants		310,866	310,866	310,866	-
Purchased Professional and Technical Services	86	544	630	630	-
Other Purchased Services	42,564	3,532	46,096	46,096	-
Supplies and Materials	21,631	13,989	35,620	35,620	-
Other Objects	1,076	(776)	300	300	-
<b>Total Support Services School Administration</b>	<b>1,217,911</b>	<b>334,859</b>	<b>1,552,770</b>	<b>1,552,770</b>	<b>-</b>
Central Services					
Salaries	472,495	30,276	502,771	502,771	-
Purchased Professional Services	20,500	8,136	28,636	28,636	-
Purchased Technical Services	6,500	1,731	8,231	8,231	-
Miscellaneous Purchased Services	13,913	(4,119)	9,794	9,794	-
Supplies and Materials	2,000	4,724	6,724	6,724	-
Interest on Lease Purchase Agreements		11,947	11,947	11,947	-
Miscellaneous Expenditures	500	1,500	2,000	2,000	-
<b>Total Central Services</b>	<b>515,908</b>	<b>54,195</b>	<b>570,103</b>	<b>570,103</b>	<b>-</b>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 103,116	\$ 25,978	\$ 129,094	\$ 129,094	-
Purchased Technical Services	69,100	(6,572)	62,528	62,528	-
Other Purchased Services	41,543	(10,873)	30,670	30,670	-
Supplies and Materials	25,000	102	25,102	25,102	-
Other Objects	800	(138)	662	662	-
Total Administration Information Technology	<u>239,559</u>	<u>8,497</u>	<u>248,056</u>	<u>248,056</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	253,563	(6,075)	247,488	247,488	-
Cleaning, Repair & Maintenance Services	95,000	249,233	344,233	161,252	\$ 182,981
General Supplies	102,000	(44,430)	57,570	36,999	20,571
Total Required Maintenance for School Facilities	<u>450,563</u>	<u>198,728</u>	<u>649,291</u>	<u>445,739</u>	<u>203,552</u>
Custodial Services					
Salaries	1,118,177	(202,305)	915,872	906,716	9,156
Salaries of Non-Instructional Aides		56,184	56,184	56,184	-
Cleaning, Repair and Maintenance Services	140,000	(62,207)	77,793	75,638	2,155
Other Purchased Property Services	35,000	(8,411)	26,589	25,640	949
Insurance	114,923	3,858	118,781	118,781	-
General Supplies	15,000	25,924	40,924	35,410	5,514
Energy (Electricity)	681,450	(259,249)	422,201	422,201	-
Total Custodial Services	<u>2,104,550</u>	<u>(446,206)</u>	<u>1,658,344</u>	<u>1,640,570</u>	<u>17,774</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services		54,639	\$ 54,639	\$ 40,049	14,590
General Supplies	-	16,646	16,646	16,404	242
Total Care and Upkeep of Grounds	<u>-</u>	<u>71,285</u>	<u>71,285</u>	<u>56,453</u>	<u>14,832</u>
Security					
Salaries	-	25,785	25,785	25,785	-
Total Security	<u>-</u>	<u>25,785</u>	<u>25,785</u>	<u>25,785</u>	<u>-</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	24,913	(11,866)	13,047	13,047	-
Salaries for Pupil Transportation (Between Home and School) - Special	24,913	(11,878)	13,035	13,035	-
Salaries for Pupil Transportation (Other Than Between Home & School)	6,000	4,801	10,801	10,711	90
Cleaning, Repair and Maintenance Services	5,000	(1,090)	3,910	3,910	-
Contracted Services (Other Than Between Home and School) - Vendors	78,903	(39,663)	39,240	23,993	15,247
Contracted Services (Regular) - ESC's & CTSA's	222,252	11,288	233,540	223,743	9,797
Contracted Services (Spec Ed) - ESC's & CTSA's	1,380,282	(83,022)	1,297,260	1,223,567	73,693
Contracted Services - Aid-in-Lieu-Nonpublic Schools	95,000	14,366	109,366	109,292	74
Miscellaneous Purchased Services - Transportation	8,413	686	9,099	9,099	-
Other Objects	-	65	65	65	-
Total Student Transportation Services	<u>1,845,676</u>	<u>(116,313)</u>	<u>1,729,363</u>	<u>1,630,462</u>	<u>98,901</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 346,531	\$ (9,182)	\$ 337,349	\$ 332,556	\$ 4,793
Other Retirement Contributions - PERS	416,495	(47,013)	369,482	369,482	-
Other Retirement Contributions - Regular		18,000	18,000	10,822	7,178
Unemployment Compensation	5,000	60,000	65,000	61,736	3,264
Workmen's Compensation	183,274	52,443	235,717	235,717	-
Health Benefits	3,552,060	322,019	3,874,079	3,866,903	7,176
Tuition Reimbursement	60,000	10,256	70,256	60,410	9,846
Other Employee Benefits	70,223	44,704	114,927	114,927	-
<b>Total Unallocated Benefits</b>	<u>4,633,583</u>	<u>451,227</u>	<u>5,084,810</u>	<u>5,052,553</u>	<u>32,257</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution		-		771,155	(771,155)
Pension -NCGI Premium				40,573	(40,573)
Post Retirement Medical Benefit Contribution		-		917,859	(917,859)
Reimbursed Social Security Contribution	-	-	-	855,300	(855,300)
<b>Total On-Behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,584,887</u>	<u>(2,584,887)</u>
<b>Total Undistributed Expenditures</b>	<u>20,598,915</u>	<u>483,487</u>	<u>21,082,402</u>	<u>23,123,287</u>	<u>(2,040,885)</u>
<b>Total Expenditures - Current Expenditures</b>	<u>31,335,368</u>	<u>(13,308)</u>	<u>31,322,060</u>	<u>33,174,492</u>	<u>(1,852,432)</u>
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	110,483	-	110,483	110,483	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>110,483</u>	<u>-</u>	<u>110,483</u>	<u>110,483</u>	<u>-</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures					
Instruction	-	-	-	249,989	(249,989)
<b>Total Assets Acquired Under Capital Leases (Non-Budgeted)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,989</u>	<u>(249,989)</u>
<b>Total Capital Outlay</b>	<u>110,483</u>	<u>-</u>	<u>110,483</u>	<u>360,472</u>	<u>(249,989)</u>
Transfer of Funds to Charter Schools	93,580	16,529	110,109	110,109	-
<b>Total Expenditures</b>	<u>31,539,431</u>	<u>3,221</u>	<u>31,542,652</u>	<u>33,645,073</u>	<u>(2,102,421)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	3,396,038	3,396,038
Other Financing Sources/(Uses)					
Capital Leases (Non-Budgeted)	-	-	-	249,989	249,989
Transfers Out - Debt Service Fund	-	-	-	(1)	(1)
<b>Total Other Financing Sources/(Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,988</u>	<u>249,988</u>

**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	-	\$ 3,646,026	\$ 3,646,026
Fund Balances (Deficits), Beginning of Year	\$ (2,214,490)	-	\$ (2,214,490)	(2,214,490)	-
Fund Balances, End of Year	\$ (2,214,490)	\$ -	\$ (2,214,490)	\$ 1,431,536	\$ 3,646,026
<b>Recapitulation</b>					
<b>Restricted</b>					
Capital Reserve				\$ 250,001	
State Aid Loan Repayment				776	
<b>Committed</b>					
Year End Encumbrances				171,441	
<b>Assigned</b>					
Year End Encumbrances				42,337	
<b>Unassigned</b>					
				<u>966,981</u>	
Fund Balance Per State Budgetary Basis of Accounting				1,431,536	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				(782,897)	
Less State Aid Advance - Loan				<u>(2,214,497)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ (1,565,858)</u>	



**ELMWOOD PARK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
EDUCATION JOBS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Federal Sources					
Education Jobs Fund	\$ -	\$ 3,221	\$ 3,221	\$ 3,221	\$ -
Total Revenues	-	3,221	3,221	3,221	-
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Other Support Services-Students-Extra Services					
Salaries	-	3,221	3,221	3,221	-
Total Attendance and Social Work Services	-	3,221	3,221	3,221	-
Total Expenditures	-	3,221	3,221	3,221	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	781,090	(537,451)	243,639	206,354	(37,285)
Federal	1,195,615	552,960	1,748,575	1,147,305	(601,270)
Local Sources					
Miscellaneous	-	57,295	57,295	31,558	(25,737)
Total Revenues	<u>1,976,705</u>	<u>72,804</u>	<u>2,049,509</u>	<u>1,385,217</u>	<u>(664,292)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	483,029	(219,909)	263,120	193,085	70,035
Purchased Professional / Educational Services		73,593	73,593	-	73,593
Other Purchased Services	621,133	(21,114)	600,019	494,033	105,986
General Supplies	21,714	188,432	210,146	77,380	132,766
Textbooks	11,682	163,572	175,254	151,822	23,432
Other Objects	-	500	500	500	-
Total Instruction	<u>1,137,558</u>	<u>185,074</u>	<u>1,322,632</u>	<u>916,820</u>	<u>405,812</u>
Support Services - Instruction					
Salaries		54,184	54,184	33,498	20,686
Purchased Professional / Educational Service	769,408	(408,942)	360,466	302,676	57,790
Purchased Professional / Technical Services		30,468	30,468	11,850	18,618
Other Purchased Services	69,739	77,953	147,692	32,655	115,037
Supplies and Materials	-	47,378	47,378	14,297	33,081
Total Support Services	<u>839,147</u>	<u>(198,959)</u>	<u>640,188</u>	<u>394,976</u>	<u>245,212</u>
Transportation					
Contracted Services	-	17,640	17,640	17,640	-
Unallocated Employee Benefits	-	51,690	51,690	38,839	12,851
Capital Outlay					
Instructional Equipment	-	5,000	5,000	4,583	417
Non-Instructional Equipment	-	12,359	12,359	12,359	-
Total Capital Outlay	<u>-</u>	<u>17,359</u>	<u>17,359</u>	<u>16,942</u>	<u>417</u>
Total Expenditures	<u>1,976,705</u>	<u>72,804</u>	<u>2,049,509</u>	<u>1,385,217</u>	<u>664,292</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>

**ELMWOOD PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 37,041,111	\$ 1,385,217
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2012-2013)	(782,897)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2011-2012)	81,064	
State Aid advance loan recognized for budgetary purposes, not recognized for GAAP statements	(2,214,497)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2013		(19,294)
Encumbrances , June 30, 2012	-	5,650
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 34,124,781</u>	<u>\$ 1,371,573</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 33,645,073	\$ 1,385,217
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.		
Encumbrances , June 30, 2013		(19,294)
Encumbrances , June 30, 2012	-	5,650
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 33,645,073</u>	<u>\$ 1,371,573</u>

**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, 2013

	NCLB Title I	NCLB Title IIA	NCLB Title III	IDEA Basic	IDEA Preschool	Race to the Top	Local Grants	Nonpublic Technology	(Exhibit) E-1a	Total 2013
<b>REVENUES</b>										
Intergovernmental										
State	\$ 471,217	\$ 38,002	\$ 3,879	\$ 599,456	\$ 22,596	\$ 12,155	\$ -	\$ 4,452	\$ 201,902	\$ 206,354
Federal	-	-	-	-	-	-	\$ 31,558	-	-	\$ 1,147,305
Other Sources	-	-	-	-	-	-	-	-	-	\$ 31,558
<b>Total Revenues</b>	<b>\$ 471,217</b>	<b>\$ 38,002</b>	<b>\$ 3,879</b>	<b>\$ 599,456</b>	<b>\$ 22,596</b>	<b>\$ 12,155</b>	<b>\$ 31,558</b>	<b>\$ 4,452</b>	<b>\$ 201,902</b>	<b>\$ 1,385,217</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 190,689	\$ 2,396								\$ 193,085
Purchased Professional / Educational Services			\$ 3,879	\$ 471,437	\$ 22,596					\$ 494,033
Other Purchased Services	69,049							\$ 4,452		77,380
General Supplies	140,142									151,822
Textbooks										
Other Objects							\$ 500			500
<b>Total Instruction</b>	<b>\$ 399,880</b>	<b>\$ 2,396</b>	<b>\$ 3,879</b>	<b>\$ 471,437</b>	<b>\$ 22,596</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 4,452</b>	<b>\$ 11,680</b>	<b>\$ 916,820</b>
Support Services										
Salaries	32,498									33,498
Personnel Services - Employee Benefits	38,839						1,000			38,839
Purchased Professional / Educational Services		2,075		128,019		\$ 11,850			172,582	302,676
Other Purchased Professional / Technical Services										11,850
Other Purchased Services		32,655								32,655
Transportation - Contracted Services						305				17,640
Supplies and Materials		876					13,116			14,297
<b>Total Support Services</b>	<b>\$ 71,337</b>	<b>\$ 35,606</b>	<b>\$ -</b>	<b>\$ 128,019</b>	<b>\$ -</b>	<b>\$ 12,155</b>	<b>\$ 14,116</b>	<b>\$ -</b>	<b>\$ 190,222</b>	<b>\$ 451,455</b>
Capital Outlay										
Instructional Equipment							4,583			4,583
Non-Instructional Equipment							12,359			12,359
<b>Total Capital Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,942</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,942</b>
<b>Total Expenditures</b>	<b>\$ 471,217</b>	<b>\$ 38,002</b>	<b>\$ 3,879</b>	<b>\$ 599,456</b>	<b>\$ 22,596</b>	<b>\$ 12,155</b>	<b>\$ 31,558</b>	<b>\$ 4,452</b>	<b>\$ 201,902</b>	<b>\$ 1,385,217</b>

ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Chapter 192 Services				Chapter 193 Services				Total Exhibit E-1a	
	Compensatory Services	ESL	Transportation	Home Instruction	Examination & Classification	Corrective Speech	Supplemental Instruction	Nonpublic Textbooks		Nonpublic Nursing
<b>REVENUES</b>										
Intergovernmental										
State	\$ 85,941	\$ 15,688	\$ 17,640	\$ 5,029	\$ 15,133	\$ 21,092	\$ 12,974	\$ 11,680	\$ 16,725	\$ 201,902
Federal	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 85,941</b>	<b>\$ 15,688</b>	<b>\$ 17,640</b>	<b>\$ 5,029</b>	<b>\$ 15,133</b>	<b>\$ 21,092</b>	<b>\$ 12,974</b>	<b>\$ 11,680</b>	<b>\$ 16,725</b>	<b>\$ 201,902</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries										
Purchased Professional / Educational Services										
Other Purchased Services										
General Supplies										
Textbooks								\$ 11,680		\$ 11,680
Other Objects										
<b>Total Instruction</b>								<b>11,680</b>		<b>11,680</b>
Support Services										
Salaries										
Personnel Services - Employee Benefits										
Purchased Professional / Educational Services	\$ 85,941	\$ 15,688	\$ -	\$ 5,029	\$ 15,133	\$ 21,092	\$ 12,974	\$ -	\$ 16,725	\$ 172,582
Purchased Professional / Technical Services										
Other Purchased Services			\$ 17,640							17,640
Transportation - Contracted Services										
Supplies and Materials		\$ -								
<b>Total Support Services</b>	<b>85,941</b>	<b>15,688</b>	<b>17,640</b>	<b>5,029</b>	<b>15,133</b>	<b>21,092</b>	<b>12,974</b>	<b>-</b>	<b>16,725</b>	<b>190,222</b>
Capital Outlay										
Instructional Equipment										
Non - Instructional Equipment										
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 85,941</b>	<b>\$ 15,688</b>	<b>\$ 17,640</b>	<b>\$ 5,029</b>	<b>\$ 15,133</b>	<b>\$ 21,092</b>	<b>\$ 12,974</b>	<b>\$ 11,680</b>	<b>\$ 16,725</b>	<b>\$ 201,902</b>

**ELMWOOD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE



**CAPITAL PROJECTS FUND**

EXHIBIT F-1

**ELMWOOD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

EXHIBIT F-2

**CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

EXHIBIT F-2A

**CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

**PROPRIETARY FUNDS**

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 739	\$ 9,649	\$ 21,730	\$ 32,118
Total Assets	<u>739</u>	<u>9,649</u>	<u>21,730</u>	<u>32,118</u>
<b>LIABILITIES</b>				
Current Liabilities				
Unearned Revenue	<u>-</u>	<u>-</u>	<u>21,382</u>	<u>21,382</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>21,382</u>	<u>21,382</u>
<b>NET POSITION</b>				
Unrestricted	<u>739</u>	<u>9,649</u>	<u>348</u>	<u>10,736</u>
Total Net Position	<u>\$ 739</u>	<u>\$ 9,649</u>	<u>\$ 348</u>	<u>\$ 10,736</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>OPERATING REVENUES</b>				
Charges for Services				
Program Fees	\$ -	\$ 121,615	\$ 26,632	\$ 148,247
Miscellaneous Revenue	250	-	-	250
	<u>250</u>	<u>-</u>	<u>-</u>	<u>250</u>
Total Operating Revenues	<u>250</u>	<u>121,615</u>	<u>26,632</u>	<u>148,497</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	-	74,171	25,901	100,072
Supplies and Materials	414	22,690	414	23,518
Purchased Services	-	15,233	-	15,233
	<u>414</u>	<u>112,094</u>	<u>26,315</u>	<u>138,823</u>
Total Operating Expenses	<u>414</u>	<u>112,094</u>	<u>26,315</u>	<u>138,823</u>
Operating Income (Loss)	(164)	9,521	317	9,674
<b>NONOPERATING REVENUES</b>				
Interest Earnings	<u>3</u>	<u>65</u>	<u>6</u>	<u>74</u>
Change in Net Position	(161)	9,586	323	9,748
Total Net Position, Beginning of Year	<u>900</u>	<u>63</u>	<u>25</u>	<u>988</u>
Total Net Position, End of Year	<u>\$ 739</u>	<u>\$ 9,649</u>	<u>\$ 348</u>	<u>\$ 10,736</u>

**ELMWOOD PARK BOARD OF EDUCATION  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Community School Program</u>	<u>Summer Camp Program</u>	<u>Summer Session Program</u>	<u>Total Non-Major Enterprise Fund</u>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 250	\$ 29,779	\$ 23,822	\$ 53,851
Cash Payments for Employees				
Salaries & Benefits	-	(74,171)	(25,901)	(100,072)
Cash Payments to Suppliers for Goods and Services	(504)	(35,418)	(414)	(36,336)
Net Cash (Used for) Operating Activities	(254)	(79,810)	(2,493)	(82,557)
<b>Cash Flows from Noncapital Financing Activities</b>				
Cash Received from (Paid to) Other Funds	(252)	(8,369)	-	(8,621)
Net Cash (Used for) Noncapital Financing Activities	(252)	(8,369)	-	(8,621)
<b>Cash Flows from Investing Activities</b>				
Interest Earnings Received	3	65	6	74
Net Cash Provided by Investing Activities	3	65	6	74
Net (Decrease) in Cash and Cash Equivalents	(503)	(88,114)	(2,487)	(91,104)
Cash and Cash Equivalents, Beginning of Year	1,242	97,763	24,217	123,222
Cash and Cash Equivalents, End of Year	<u>\$ 739</u>	<u>\$ 9,649</u>	<u>\$ 21,730</u>	<u>\$ 32,118</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities</b>				
Operating Income (Loss)	\$ (164)	\$ 9,521	\$ 317	\$ 9,674
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities				
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable			600	600
(Increase) Decrease in Inventories		2,505		2,505
Increase/(Decrease) in Accounts Payable	(90)			(90)
Increase/(Decrease) in Unearned Revenue	-	(91,836)	(3,410)	(95,246)
Total Adjustments	(90)	(89,331)	(2,810)	(92,231)
Net Cash (Used for) Operating Activities	<u>\$ (254)</u>	<u>\$ (79,810)</u>	<u>\$ (2,493)</u>	<u>\$ (82,557)</u>

**FIDUCIARY FUNDS**

**AGENCY FUNDS**

**ELMWOOD PARK BOARD OF EDUCATION  
AGENCY FUNDS  
COMBINING STATEMENT OF AGENCY FUND NET POSITION  
AS OF JUNE 30, 2013**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 85,394	\$ 597,779	\$ 683,173
Total Assets	<u>\$ 85,394</u>	<u>\$ 597,779</u>	<u>\$ 683,173</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 85,394		\$ 85,394
Payroll Deductions and Withholdings		\$ 584,481	584,481
Due to Other Funds	<u>-</u>	<u>13,298</u>	<u>13,298</u>
Total Liabilities	<u>\$ 85,394</u>	<u>\$ 597,779</u>	<u>\$ 683,173</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, 2013**

NOT APPLICABLE

**AGENCY FUNDS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Balance, July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2013</u>
<b>Elementary Schools:</b>				
Gantner Avenue	\$ 7,538	\$ 7,299	\$ 6,123	\$ 8,714
Gilbert Avenue	370	8,377	7,364	1,383
Sixteenth Avenue	9	10,450	10,447	12
	<u>7,917</u>	<u>26,126</u>	<u>23,934</u>	<u>10,109</u>
<b>Junior High School:</b>				
Memorial Middle School	<u>24,844</u>	<u>3,780</u>	<u>3,697</u>	<u>24,927</u>
<b>Senior High School:</b>				
Memorial High School	40,314	149,212	146,028	43,498
Athletic Activities	<u>2,843</u>	<u>47,272</u>	<u>43,255</u>	<u>6,860</u>
	<u>43,157</u>	<u>196,484</u>	<u>189,283</u>	<u>50,358</u>
	<u>\$ 75,918</u>	<u>\$ 226,390</u>	<u>\$ 216,914</u>	<u>\$ 85,394</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, 2013**

	<b>Balance, July 1, <u>2012</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance, June 30, <u>2013</u></b>
<b>ASSETS</b>				
Cash	\$ 381,429	\$ 17,778,384	\$ 17,562,034	\$ 597,779
Due from Other Funds	<u>111,357</u>	<u>-</u>	<u>111,357</u>	<u>-</u>
Total Assets	<u>\$ 492,786</u>	<u>\$ 17,778,384</u>	<u>\$ 17,673,391</u>	<u>\$ 597,779</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 492,786	\$ 8,008,960	\$ 7,917,265	\$ 584,481
Accrued Salaries and Wages		9,756,126	9,756,126	-
Due to Other Funds	<u>-</u>	<u>13,298</u>	<u>-</u>	<u>13,298</u>
Total Liabilities	<u>\$ 492,786</u>	<u>\$ 17,778,384</u>	<u>\$ 17,673,391</u>	<u>\$ 597,779</u>

**LONG-TERM DEBT**

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	%	Balance	
							July 1, 2012	June 30, 2013
School Bonds	10/15/2004	\$ 31,482,000	8/1/2013	\$ 1,050,000	4.125		\$ 26,532,000	\$ 25,532,000
			8/1/2014	1,100,000	4.125			
			8/1/2015	1,150,000	4.125			
			8/1/2016	1,200,000	4.125			
			8/1/2017	1,250,000	4.125			
			8/1/2018	1,300,000	1.125			
			8/1/2019	1,350,000	4.125			
			8/1/2020	1,450,000	4.125			
			8/1/2021	1,500,000	4.125			
			8/1/2022	1,550,000	4.250			
			8/1/2023	1,600,000	4.250			
			8/1/2024	1,650,000	4.375			
			8/1/2025	1,700,000	4.400			
			8/1/2026	1,750,000	4.500			
			8/1/2027	1,850,000	4.500			
			8/1/2028	1,950,000	4.500			
			8/1/2029	2,132,000	4.500			
							\$ 1,000,000	\$ 1,000,000
							\$ 26,532,000	\$ 25,532,000

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF CAPITAL LEASES PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Original Issue</u>	<u>Balance, July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
Computer Equipment and Vehicle	\$ 163,404	\$ 9,636	\$	9,636	
Computer Equipment	540,558	432,446		108,112	\$ 324,334
Computer Equipment	249,989	-	249,989	25,000	224,989
		\$ 442,082	\$ 249,989	\$ 142,748	\$ 549,323

**ELMWOOD PARK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,114,918	-	\$ 2,114,918	\$ 2,114,918	-
Total Revenues	<u>2,114,918</u>	<u>-</u>	<u>2,114,918</u>	<u>2,114,918</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,000,000		1,000,000	1,000,000	-
Interest	1,115,366	-	1,115,366	1,115,365	\$ 1
Total Expenditures	<u>\$ 2,115,366</u>	<u>-</u>	<u>2,115,366</u>	<u>2,115,365</u>	<u>1</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(448)</u>	<u>-</u>	<u>(448)</u>	<u>(447)</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In - General Fund	-	-	-	1	(1)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Net Change in Fund Balance	(448)	-	(448)	(446)	(2)
Fund Balance, Beginning of Year	\$ 446	-	\$ 446	\$ 446	-
Fund Balance, End of Year	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (2)</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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 1,756,864	\$ 306,741	\$ 282,287	\$ 15,045,243	\$ 16,111,490	\$ 15,744,171	\$ 15,496,530	\$ 15,110,080	\$ 15,092,220	\$ 14,516,671
Unrestricted	(414,990)	13,691,399	23,881,069	28,923	1	1,213	1,215	451	447	250,777
Total governmental activities net position	191,780	3,811	(9,460,120)	(359,438)	(1,273,477)	(1,271,168)	(1,556,592)	(1,670,542)	(3,718,193)	(3,083,523)
	\$ 1,533,654	\$ 14,001,951	\$ 14,703,236	\$ 14,714,728	\$ 14,838,014	\$ 14,474,216	\$ 13,941,153	\$ 13,439,989	\$ 11,374,474	\$ 11,683,925
<b>Business-type activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 32,566	\$ 26,593	\$ 21,720	\$ 16,511	\$ 235,693	\$ 213,981	\$ 193,635	\$ 173,825	\$ 170,511	\$ 150,737
Unrestricted	125,916	163,971	217,385	265,944	61,639	113,778	133,908	203,323	25,811	238,928
Total business-type activities net position	\$ 158,482	\$ 190,564	\$ 239,105	\$ 282,455	\$ 297,332	\$ 327,759	\$ 327,543	\$ 377,148	\$ 196,322	\$ 389,665
<b>District-wide</b>										
Net Investment in Capital Assets										
Restricted	\$ 1,789,430	\$ 333,334	\$ 304,007	\$ 15,061,754	\$ 16,347,183	\$ 15,958,152	\$ 15,690,165	\$ 15,283,905	\$ 15,262,731	\$ 14,667,408
Unrestricted	(414,990)	13,691,399	23,881,069	28,923	1	1,213	1,215	451	447	250,777
Total district net position	317,696	167,782	(9,242,735)	(93,494)	(1,211,838)	(1,157,390)	(1,422,684)	(1,467,219)	(3,692,382)	(2,844,595)
	\$ 1,692,136	\$ 14,192,515	\$ 14,942,341	\$ 14,997,183	\$ 15,133,346	\$ 14,801,975	\$ 14,268,696	\$ 13,817,137	\$ 11,570,796	\$ 12,073,590



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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 7,995,935	\$ 8,494,227	\$ 8,475,723	\$ 8,791,600	\$ 9,676,914	\$ 9,906,168	\$ 10,605,630	\$ 10,180,397	\$ 9,953,651	\$ 11,906,542
Special Education	1,408,095	1,491,869	1,453,409	1,481,307	1,669,072	1,967,996	2,446,906	2,579,766	2,608,782	9,041,608
Other Instruction	254,471	156,040	157,058	197,320	185,120	191,243	232,329	282,831	482,506	243,800
School Sponsored	500,538	496,405	500,180	501,845	532,383	540,908	631,532	685,764	666,997	565,044
Community Services	7,083	5,944	2,469		1,165		308			
Support Services:										
Tuition	3,064,172	3,604,468	3,994,685	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404	
Student & instruction Related Services	3,093,302	3,422,487	3,624,642	3,814,286	3,965,471	4,238,705	4,515,442	4,536,180	4,548,825	5,134,658
School Administrative Services	1,302,801	1,410,231	1,465,431	1,472,905	1,547,126	1,681,513	1,762,373	2,163,535	1,699,593	2,382,539
General Administrative Services	901,787	882,755	796,692	830,081	862,801	919,151	929,528	944,202	920,605	1,119,619
Central Services and Admin. Info. Technology		652,743	689,203	774,438	1,041,321	973,597	782,050	880,579	711,822	1,183,844
Plant Operations and Maintenance	2,017,827	2,276,861	2,737,707	2,933,948	3,142,158	3,182,293	3,333,374	3,152,087	3,587,272	2,884,042
Pupil Transportation	1,537,545	1,481,993	1,929,782	2,173,118	2,186,617	2,556,248	2,385,961	1,945,611	1,983,856	1,726,171
Business and Other Support Services	715,376		1,793,806	2,574,892	2,633,142	1,495,579	1,672,360	1,526,137	2,676,385	
Unallocated Benefits	1,583,650	1,780,684								
Special Schools	12,019									
Charter Schools			16,056	2,852	6,267	22,842	13,057	94,588	149,739	
Interest on Long-Term Debt	16,620	933,249	1,336,693	1,310,636	1,280,803	1,248,970	1,215,136	1,178,271	1,139,256	1,113,954
Capital Outlay - Non-Depreciable	101,229	110,444	120,096		227,712	174,850	368,627	138,430	629,529	
Unallocated Depreciation	44,713	54,103	41,180	49,567	80,973	1,188,500	1,172,745	1,181,371	1,179,784	
Total Governmental Activities Expenses	24,557,163	27,254,503	29,134,812	31,423,111	33,196,579	34,562,310	36,328,416	35,940,271	38,160,006	37,301,821
Business-Type Activities:										
Food service	522,387	574,131	571,672	595,076	739,078	946,234	1,082,787	1,122,264	1,006,654	933,142
Before/After Care Program								40,775	329,677	143,731
Non Major Business-Type Programs										138,823
Total Business-Type Activities Expense	522,387	574,131	571,672	595,076	739,078	946,234	1,082,787	1,163,039	1,336,331	1,215,696
Total District Expenses	\$ 25,079,550	\$ 27,828,634	\$ 29,706,484	\$ 32,018,187	\$ 33,935,657	\$ 35,508,544	\$ 37,411,203	\$ 37,103,310	\$ 39,496,337	\$ 38,517,517
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	1,186,066	1,213,856	1,428,213	1,340,785	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	164,664
Operating Grants and Contributions	1,186,066	1,213,856	1,428,213	1,340,785	1,296,038	1,332,917	1,791,333	1,412,092	1,485,896	5,715,696
Total Governmental Activities Program Revenues										5,880,360

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	\$ 391,261	\$ 420,771	\$ 404,925	\$ 377,816	\$ 436,801	\$ 615,782	\$ 623,669	\$ 675,100	\$ 609,506	\$ 465,300
Before/After CARE Program								66,714	153,421	290,311
Non Major Business-Type Programs	164,874	185,442	215,288	260,610	317,153	360,880	458,894	470,631	165,009	148,497
Operating Grants and Contributions	556,135	606,213	620,213	638,426	753,954	976,662	1,082,563	1,212,445	508,293	504,652
Total Business-Type Activities Program Revenues	\$ 1,742,201	\$ 1,820,069	\$ 2,048,426	\$ 1,979,211	\$ 2,049,992	\$ 2,309,579	\$ 2,873,896	\$ 2,624,537	\$ 2,922,125	\$ 1,408,760
Total District Program Revenues										\$ 7,289,120
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (23,371,097)	\$ (26,040,647)	\$ (27,706,599)	\$ (30,082,326)	\$ (31,900,541)	\$ (33,229,393)	\$ (34,557,083)	\$ (34,528,179)	\$ (36,674,110)	\$ (31,421,461)
Business-Type Activities	33,748	32,082	48,541	43,350	14,876	30,428	(224)	49,406	99,898	193,064
Total District-Wide Net Expense	\$ (23,337,349)	\$ (26,008,565)	\$ (27,658,058)	\$ (30,038,976)	\$ (31,885,665)	\$ (33,198,965)	\$ (34,557,307)	\$ (34,478,773)	\$ (36,574,212)	\$ (31,228,397)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 20,748,682	\$ 21,227,696	\$ 21,660,863	\$ 23,573,986	\$ 24,403,769	\$ 25,780,937	\$ 26,423,176	\$ 27,480,103	\$ 27,480,103	\$ 28,789,793
Taxes Levied for Debt Service			1,716,487	1,462,374	2,043,302	2,062,302	2,079,305	2,093,740	2,105,580	2,114,918
State Facilities Grant		12,768,613								
Unrestricted Federal and State Aid	4,054,072	3,822,966	4,087,714	4,709,567	5,211,022	4,887,394	5,332,263	4,254,542	4,640,263	723,691
Federal and State Aid - Capital Outlay										
Tuition Received							78,240	34,269	66,508	
Cancellation Accounts Receivable/Payable								(764)		
Investment earnings	36,670	651,429	936,194	290,268	254,989	64,889	2,899	4,676	3,219	7,306
Miscellaneous Income	73,439	38,240	6,628	57,623	110,745	70,074	88,135	160,449	31,850	95,204
Transfers									281,073	
Total Governmental Activities	24,912,863	38,508,944	28,407,886	30,093,818	32,023,827	32,865,596	34,004,018	34,027,015	34,608,596	31,730,912
Business-Type Activities:										
Investment Earnings										
Miscellaneous										
Transfers										
Total Business-Type Activities										
Total District-Wide	\$ 24,912,863	\$ 38,508,944	\$ 28,407,886	\$ 30,093,818	\$ 32,023,827	\$ 32,865,596	\$ 34,004,018	\$ 34,027,015	\$ 34,608,596	\$ 31,730,912
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,541,766	\$ 12,468,297	\$ 701,287	\$ 11,492	\$ 123,286	\$ (363,797)	\$ (533,065)	\$ (501,164)	\$ (2,065,514)	\$ 309,451
Business-Type Activities	33,748	32,082	48,541	43,350	14,876	30,428	(218)	49,607	(180,827)	193,343
Total District	\$ 1,575,514	\$ 12,500,379	\$ 749,828	\$ 54,842	\$ 138,162	\$ (333,369)	\$ (533,283)	\$ (451,557)	\$ (2,246,341)	\$ 502,794

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 1,045,201	\$ 349,575	\$ 714,443	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 250,777
Unreserved	1,031,746	1,737,189	1,641,016	884,626	80,084	99,399	(184,980)			171,441
Restricted										42,337
Committed										
Assigned										
Unassigned								(704,548)	(2,295,555)	(2,030,413)
<b>Total General Fund</b>	<b>\$ 2,076,947</b>	<b>\$ 2,086,764</b>	<b>\$ 2,355,459</b>	<b>\$ 884,627</b>	<b>\$ 80,085</b>	<b>\$ 99,400</b>	<b>\$ (184,979)</b>	<b>\$ (704,547)</b>	<b>\$ (2,295,554)</b>	<b>\$ (1,565,858)</b>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	\$ (4,987)	\$ (4,987)	\$ (4,987)	\$ (4,987)	\$ (3,274)					
Capital Projects Fund	(1,473,475)	41,610,449	22,606,696	28,921		1,212	1,212			
Debt Service	13,283	573,212	559,929	1			3			
Restricted for:										
Debt Service								\$ 450	\$ 446	
<b>Total all other governmental funds</b>	<b>\$ (1,465,179)</b>	<b>\$ 42,178,674</b>	<b>\$ 23,161,638</b>	<b>\$ 23,935</b>	<b>\$ (3,274)</b>	<b>\$ 1,212</b>	<b>\$ 1,215</b>	<b>\$ 450</b>	<b>\$ 446</b>	<b>\$ -</b>

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax Levy	\$ 20,748,682	\$ 21,227,696	\$ 23,377,350	\$ 25,036,360	\$ 26,447,071	\$ 27,843,239	\$ 28,502,481	\$ 29,573,843	\$ 29,585,683	\$ 30,904,711
Tuition									50,831	162,103
Transportation Fees										2,561
E-Rate							78,240	34,269	15,677	
Interest Earnings	36,670	651,459	936,194	290,268	254,989	64,889	2,899	4,676	3,219	
Miscellaneous	74,973	38,740	69,764	58,065	120,305	73,939	92,691	162,267	55,111	125,564
State Sources	4,443,247	16,984,272	4,458,450	5,126,723	5,628,413	5,223,223	5,440,939	4,401,048	4,892,190	5,242,835
Federal Sources	795,357	820,663	994,340	923,186	869,087	993,224	1,678,101	1,263,766	1,210,708	1,173,498
<b>Total revenue</b>	<b>26,098,929</b>	<b>39,722,830</b>	<b>29,836,098</b>	<b>31,434,602</b>	<b>33,319,865</b>	<b>34,198,514</b>	<b>35,795,351</b>	<b>35,439,869</b>	<b>35,813,419</b>	<b>37,611,272</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	6,725,705	7,147,357	7,109,419	7,376,607	8,129,925	8,420,729	8,883,555	8,337,606	8,213,620	11,377,399
Special Education Instruction	1,122,015	1,185,082	1,156,008	1,175,954	1,339,158	1,589,747	1,936,935	2,005,274	2,261,707	8,698,198
Other Special Instruction	202,861	124,490	125,460	156,705	148,238	154,102	183,655	219,475	374,630	
Other Instruction										
School Sponsored/Other Instructional	424,392	417,050	417,105	415,415	445,087	453,796	525,437	564,179	547,661	232,598
Community Service Programs	5,636	4,706	1,959		1,165		308			539,793
Support Services:										
Instruction - Tuition	3,064,172	3,604,468	3,994,685	4,514,316	4,158,699	4,272,582	4,261,058	4,470,522	5,221,404	4,928,362
Student & Inst. Related Services	2,678,845	2,991,614	3,204,880	3,339,794	3,450,879	3,672,990	3,856,949	3,780,524	3,836,671	1,074,436
General Administration	830,611	814,991	716,132	747,987	762,510	836,309	837,952	852,507	844,668	2,271,932
School Administration	1,118,839	1,206,191	1,244,895	1,194,070	1,256,752	1,359,026	1,386,686	1,678,728	1,339,609	1,109,333
Central Administrative Services		556,395	580,910	661,644	933,911	873,885	653,867	720,638	534,170	2,756,848
Operations and Maintenance	1,783,909	2,000,868	2,441,060	2,611,127	2,792,628	2,824,951	2,938,699	2,737,355	3,186,256	1,665,612
Student Transportation	1,521,772	1,481,993	1,605,560	1,821,578	1,805,549	2,172,430	1,950,845	1,484,400	1,965,964	
Business and Other Support Services	595,157	4,774,256	5,216,827	6,052,178	6,503,776	5,413,181	6,285,671	6,781,472	6,854,988	
Employee Benefits	4,457,860									
Special Schools	10,406									
Transfer to Charter Schools			16,056	2,852	6,267	22,842	13,057	94,588	149,739	
Capital Outlay	1,662,294	1,352,122	19,140,575	23,950,607	624,932	253,127	449,155	138,430	789,390	207,441
Debt Service										
Principal				700,000	750,000	800,000	850,000	900,000	950,000	1,142,748
Interest and Other Charges			1,729,769	1,322,303	1,293,303	1,262,303	1,229,303	1,193,740	1,155,584	1,127,311
<b>Total Governmental Fund Expenditures</b>	<b>26,204,474</b>	<b>27,661,573</b>	<b>48,701,500</b>	<b>56,043,137</b>	<b>34,401,614</b>	<b>34,383,165</b>	<b>36,243,130</b>	<b>35,959,438</b>	<b>38,226,061</b>	<b>37,132,011</b>
Excess (Deficiency) of revenues over (under) expenditures	(105,545)	12,061,257	(18,865,202)	(24,608,535)	(1,081,749)	(184,651)	(447,779)	(519,569)	(2,412,642)	479,261

ELMWOOD PARK BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other Financing sources (uses)</b>										
Transfers in	\$ 13,283	\$ 559,929	\$ 817,115	\$ 1,402,669	\$ 389,127	\$ 20,766	10	\$ 448	\$ 281,073	\$ 1
Transfers out	(13,283)	(559,929)	(817,115)	(1,402,669)	(389,127)	(20,766)	(10)	(448)		(1)
Proceeds from the Sale of Bonds		31,482,000						(10,240)		
Cancellation of Accounts Receivable								9,476		
Cancellation of Accounts Payable	101,229	110,444	116,862		250,000	208,452	\$ 163,404		540,558	\$ 249,989
Capital Leases (Non-Budgeted)	101,229	31,592,444	116,862	-	250,000	208,452	163,404	(764)	821,631	249,989
Total other financing sources (uses)	\$ (4,316)	\$ 43,653,701	\$ (18,748,340)	\$ (24,608,535)	\$ (831,749)	\$ 23,801	\$ (284,375)	\$ (520,333)	\$ (1,591,011)	\$ 729,250
Net change in fund balances	0.00%	0.00%	5.85%	6.30%	6.05%	6.04%	5.81%	5.85%	5.62%	6.15%
Debt service as a percentage of noncapital expenditures										

\* 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>Transportation Fees</b>	<b>Interest on Investments</b>	<b>E-Rate</b>	<b>Other Misc.</b>	<b>Rebates/ Refunds</b>	<b>Total</b>
2004			\$ 23,387	\$	65,114	8,325	\$ 96,826
2005			91,500		37,793	447	129,740
2006			119,079		6,628		125,707
2007			193,292		19,753	37,870	250,915
2008			85,549		18,258	59,557	163,364
2009			10,023		2,746	56,094	68,863
2010			2,888	\$ 78,240	68,845	19,291	169,264
2011			4,676	34,269	160,449		199,394
2012	\$ 50,831		3,219	15,677	31,850		101,577
2013	162,103	2,561	5,997	65,981	9,915	20,617	267,174

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

Fiscal Year Ended June 30,	Total Assessed Value										Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Value							
2004	\$ 14,991,000	\$ 844,749,400	\$ 975,600	\$ 172,149,200	\$ 67,830,200	\$ 42,299,900	\$ 1,142,995,300	\$ 1,391,469	\$ 1,144,386,769	\$ 1,720,508,039	\$ 1.830			
2005 (A)	29,615,900	1,524,319,000	2,065,400	294,413,900	124,847,100	67,596,700	2,042,838,000	2,082,201	2,044,940,201	1,948,721,561	1.100			
2006	27,799,800	1,526,131,100		294,076,100	124,489,800	67,128,700	2,039,625,500	1,954,197	2,041,579,697	2,282,969,417	1.176			
2007	23,822,600	1,534,921,200		297,067,700	123,075,400	68,441,500	2,047,328,400	1,954,197	2,049,282,597	2,469,216,942	1.256			
2008	26,194,300	1,553,311,900		290,844,500	116,621,500	63,267,700	2,050,239,700	1,674,243	2,051,913,943	2,587,919,237	1.354			
2009	20,420,400	1,574,061,200		288,186,500	119,348,700	63,267,700	2,065,284,500	1,674,243	2,066,958,743	2,607,177,526	1.334			
2010	19,156,000	1,580,256,800		287,015,300	119,348,700	63,267,700	2,069,044,500	2,042,994	2,071,087,494	2,513,582,993	1.402			
2011	18,924,000	1,583,522,000		278,337,200	112,838,500	63,267,700	2,068,889,400	1,734,845	2,068,624,245	2,374,358,577	1.437			
2012	16,880,100	1,583,487,400		274,953,900	112,063,500	60,903,700	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	60,903,700	2,049,178,500	96	2,049,178,596	2,162,263,204	1.530			

Source: County Abstract of Ratables

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

(A) The Borough undertook a revaluation of real property which became effective for the 2005 calendar year.

N/A Not Available

EXHIBIT J-7

**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	
2003	\$ 1.7600	\$ 0.8500	\$ 0.2900	\$ 2.9000
2004	1.830	0.950	0.310	3.090
2005 (A)	1.100	0.579	0.191	1.870
2006	1.176	0.626	0.208	2.010
2007	1.256	0.678	0.216	2.150
2008	1.352	0.718	0.232	2.302
2009	1.334	0.758	0.243	2.335
2010	1.402	0.799	0.239	2.440
2011	1.437	0.819	0.236	2.492
2012	1.500	0.845	0.246	2.591
2013	1.530	0.864	0.242	2.636

Source: County Abstract of Ratables

(A) The Borough undertook a revaluation of real property which became effective for the 2005 calendar year.



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

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Elmwood V. Assoc. L.P.			\$ 23,000,000	2.01%
East Coast Elmwood Village LLC	\$ 32,706,300	1.60%		
RD Elmwood Associates, L.P.	23,373,500	1.14%	10,751,600	0.94%
Elmwood Terrance Inc	13,600,000	0.66%	10,222,000	0.89%
River Drive Center Assoc.			7,652,000	0.68%
35 Market Street, L.P.	11,700,000	0.57%		
Lacram Land LLC			6,569,700	0.57%
Hartz Mtn. Ind. Inc.			6,559,000	0.57%
R.D. Elmwood Assoc. L.P.			6,528,000	0.57%
LKD-1, LLC	11,496,700	0.56%	8,143,300	0.71%
LKD-3, LLC	11,003,900	0.54%	6,636,000	0.58%
RFC-1, LLC	10,954,500	0.53%		
Lacram Land LLC			5,630,300	0.49%
SG National, LLC	9,676,500	0.47%		
Bankers Financial Corp	9,467,000	0.46%		
Alfred Sanzari Enterprises	9,053,300	0.44%		
	<u>\$ 143,031,700</u>	<u>6.98%</u>	<u>\$ 91,691,900</u>	<u>8.01%</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	
2004	\$ 20,748,682	\$ 20,748,682	100.00%	
2005	21,227,696	21,227,696	100.00%	
2006	23,377,350	23,377,350	100.00%	
2007	25,036,360	25,036,360	100.00%	
2008	26,447,071	26,447,071	100.00%	
2009	27,843,239	27,843,239	100.00%	
2010	28,502,481	28,502,481	100.00%	
2011	29,573,843	29,573,843	100.00%	
2012	29,585,683	29,585,683	100.00%	
2013	30,904,711	30,904,711	100.00%	

**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>				<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Loans Payable</u>	<u>Capital Leases</u>	<u>Total District</u>		
2004			\$244,234	\$ 244,234	18,779	\$ 13
2005	\$ 31,482,000		189,731	31,671,731	18,742	1,690
2006	31,482,000		157,215	31,639,215	18,592	1,702
2007	30,782,000		69,915	30,851,915	18,409	1,676
2008	30,032,000		210,421	30,242,421	18,569	1,629
2009	29,232,000		260,779	29,492,779	18,556	1,589
2010	28,382,000		226,130	28,608,130	18,645	1,534
2011	27,482,000		78,280	27,560,280	19,428	1,419
2012	26,532,000		442,082	26,974,082	19,531	1,381
2013	25,532,000	2,214,497	549,323	28,295,820	19,890	1,423

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentag e of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	-	-	-	0.00%	\$ -
2005	31,482,000	-	31,482,000	2.75%	1,680
2006	31,482,000	-	31,482,000	1.54%	1,693
2007	30,782,000	-	30,782,000	1.51%	1,672
2008	30,032,000	-	30,032,000	1.47%	1,617
2009	29,232,000	-	29,232,000	1.42%	1,575
2010	28,382,000	-	28,382,000	1.37%	1,522
2011	27,482,000	-	27,482,000	1.33%	1,474
2012	26,532,000	-	26,532,000	1.29%	1,423
2013	25,532,000	-	25,532,000	1.25%	1,284

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**ELMWOOD PARK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2012  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Elmwood Park School District	\$ 25,532,000
Borough of Elmwood Park	<u>19,758,915</u>
	<u>45,290,915</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	10,704,111
Passaic Valley Sewerage Commission (B)	<u>5,840,249</u>
	<u>16,544,360</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 61,835,275</u></u>

Source:

(1) Borough's 2012 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2012 equalized value by the total 2012 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 2013

Equalized valuation basis	
2012	\$ 2,143,235,953
2011	2,284,163,687
2010	2,365,703,750
	<u>\$ 6,793,103,390</u>
	<u>\$ 2,264,367,797</u>

Average equalized valuation of taxable property

90,574,712
<u>25,532,000</u>
<u>\$ 65,042,712</u>

Debt limit (4 % of average equalization value)  
Total Net Debt Applicable to Limit  
Legal debt margin

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 59,978,179	\$ 68,079,338	\$ 78,293,837	\$ 88,267,542	\$ 96,763,421	\$ 100,769,518	\$ 101,430,998	\$ 98,851,575	\$ 95,146,742	\$ 90,574,712
Total net debt applicable to limit	-	31,482,161	31,482,161	30,782,161	30,032,000	29,232,000	28,382,000	27,482,000	23,532,000	25,532,000
Legal debt margin	\$ 59,978,179	\$ 36,597,177	\$ 46,811,676	\$ 57,485,381	\$ 66,731,421	\$ 71,537,518	\$ 73,048,998	\$ 71,369,575	\$ 71,614,742	\$ 65,042,712
Total net debt applicable to the limit as a percentage of debt limit	0.00%	46.24%	40.21%	34.87%	31.04%	29.01%	27.98%	27.80%	24.73%	28.19%

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>
2004	18,779	\$ 54,462	4.70%
2005	18,742	56,706	4.60%
2006	18,592	62,714	4.90%
2007	18,409	67,394	4.40%
2008	18,569	68,227	5.70%
2009	18,556	63,198	10.10%
2010	18,645	65,486	8.10%
2011	19,428	66,096	10.20%
2012	19,531	Not Available	10.40%
2013	19,890	Not Available	Not Available

Source: New Jersey State Department of Education

N/A - Not Available

(E) - Estimate

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

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE



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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	134.0	135.0	135.0	187.0	135.0	151.0	164.0	177.0	123.0	123.0
Special Education	34.0	45.0	46.0	47.0	29.0	38.0	40.0	40.0	44.0	54.0
Other Instruction	4.0	2.0							6.0	6.0
Support Services:										
Tuition										
Student & instruction related services					48.0	46.0	55.0	55.0	59.5	50.5
General administrative Services	5.0	5.0	1.0	1.0	7.0	7.0	7.0	7.0	1.0	1.0
School Administrative Services	10.0	9.0	11.0	11.0	26.0	26.0	26.0	27.0	20.5	20.5
Business Administrative Services	7.0	7.0	8.5	8.5	8.5	8.5	8.5	9.5	9.5	9.5
Plant Operations and Maintenance	20.0	22.0	21.5	24.5	26.5	26.5	24.5	27.0	43.0	50.0
Pupil transportation	6.0	5.0	3.0	3.0	3.0	3.0	3.0	1.0	1.0	1.0
<b>Total</b>	<b>220.0</b>	<b>230.0</b>	<b>226.0</b>	<b>282.0</b>	<b>283.0</b>	<b>306.0</b>	<b>328.0</b>	<b>343.5</b>	<b>307.5</b>	<b>315.5</b>

Source: District Personnel Records

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

Fiscal Year	Teacher/Pupil Ratio											
	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Junior High School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	2,087	\$ 24,542,180	\$ 11,760	#DIV/0!	220	1:19	1:16	1:12	2,087.0	1,976.0	3.95%	94.68%
2005	2,110	26,309,451	12,469	6.03%	232	1:19	1:18	1:14	2,110.0	1,994.0	1.10%	94.50%
2006	2,120	27,830,956	13,128	5.28%	236	1:19	1:18	1:14	2,226.0	2,109.0	5.50%	94.74%
2007	2,152	30,070,230	14,104	7.44%	282	1:19	1:18	1:14	2,132.0	2,025.0	-4.22%	94.98%
2008	2,212	31,733,380	14,346	1.71%	283	1:21	1:18	1:14	2,212.0	2,102.0	3.75%	95.03%
2009	2,308	32,067,735	13,894	-3.15%	306	1:16	1:18	1:14	2,298.0	2,181.0	3.89%	94.91%
2010	2,326	33,714,674	14,495	4.32%	328	1:16	1:18	1:16	2,311.0	2,201.0	0.57%	95.24%
2011	2,473	33,727,268	13,638	-5.91%	307	1:16	1:18	1:16	2,402.0	2,281.0	3.94%	94.96%
2012	2,502	35,331,087	14,121	3.54%	307	1:16	1:18	1:16	2,481.5	2,367.6	3.31%	95.41%
2013	2,544	34,654,511	13,622	-3.53%	316	1:16	1:18	1:16	2,537.0	2,415	2.24%	95.18%

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>District Building</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	259	245	313	313	313	313	313	313	313	393
<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	310	350	338	338	338	338	338	338	338	404
<b>16th Avenue School</b>										
Square Feet	53,525	53,525	53,525	63,525	63,525	63,525	63,525	63,525	63,525	63,525
Enrollment	250	270	302	302	302	302	302	302	302	474
<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	1,222	1,268	1,245	1,194	1,194	1,194	1,194	1,194	1,194	1,273

Number of Schools at June 30, 2013

Elementary =	3
High/Middle School =	1
	4

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>School Facilities</b>										
Memorial/Middle/High School	\$ 210,345	\$ 358,299	\$ 442,163	\$ 387,963	\$ 302,715	\$ 331,086	\$ 402,690	\$ 390,385	\$ 254,008	\$ 182,018
Ganier Avenue Elementary School	71,707	63,230	78,029	71,852	47,230	69,503	152,108	110,108	133,309	95,527
Gilbert Avenue Elementary School	72,246	80,793	99,703	121,848	52,098	92,768	163,660	107,292	113,709	81,482
Sixteenth Avenue Elementary School	74,208	83,135	102,593	120,921	70,948	52,121	157,723	126,686	121,008	86,712
Other Facilities	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<u>\$ 428,506</u>	<u>\$ 585,457</u>	<u>\$ 722,488</u>	<u>\$ 702,584</u>	<u>\$ 472,991</u>	<u>\$ 545,478</u>	<u>\$ 876,181</u>	<u>\$ 734,471</u>	<u>\$ 622,034</u>	<u>\$ 445,739</u>

Source: District Records

**ELMWOOD PARK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2013  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -(1)		
Building and Contents (All Locations)	\$ 71,469,398	\$ 5,000
Boiler and Machinery	Included	1,000
EDP Equipment	Included	1,000
Automobile Coverage	16,000,000	1,000
General Liability	16,000,000	
Workers Compensation and Employer's Liability	2,000,000	
Surety Bonds (4)		
Board Secretary/Business Administrator	350,000	
Treasurer of School Monies	250,000	

- (1) New Jersey School Boards Association Insurance Group  
(2) Western Surety Company

Source: District records

Source: School District's records

**SINGLE AUDIT**



# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
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ROBERT W. HAAG, CPA, PSA  
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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
EDWARD N. KERE, CPA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA

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

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
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, 2013 and the related notes to the financial statements, which collectively comprise the Elmwood Park Board of Education's basic financial statements and have issued our report thereon dated November 26, 2013.

#### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002 that we consider to be significant deficiencies in internal control over financial reporting.

### **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 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 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002.

We also noted certain matters 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 November 26, 2013.

### **Elmwood Park Board of Education's Responses to Findings**

The Elmwood Park Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Elmwood Park Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 26, 2013





# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY  
OMB CIRCULAR 04-04**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
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) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Elmwood Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2013. The Elmwood Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars 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, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2013-003 through 2013-007. Our opinion on each major federal and state program is not modified with respect to these matters.

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

### **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 U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Elmwood Park Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-006 and 2013-007 that we consider to be significant deficiencies.

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

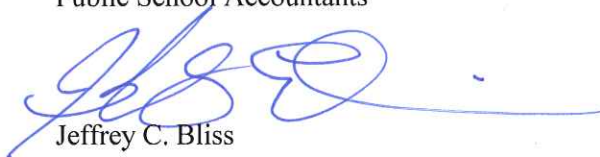
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04**

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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 26, 2013, which contained unmodified opinions or modified opinion(s) on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 26, 2013

ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2012		Carryover/ (Walkover) Amount A/R	Carryover/ (Walkover) Amount D/E Rev.	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	(Account Receivable)	Balance, June 30, 2013	Due to Grantor	Memo GAAP Receivable
					(Account Receivable)	Deferred Revenue									
	<b>U.S. Department of Education</b>														
	Passed-through State Department of Education														
	<b>Enterprise Fund</b>														
10.553	School Breakfast Program	N/A	7/1/12-6/30/13	\$ 30,545					\$ 40,404	\$ 50,545					\$ (10,141)
10.553	School Breakfast Program	N/A	7/1/11-6/30/12	68,063	\$ (5,034)				5,034						
10.555	National School Lunch Program	N/A	7/1/12-6/30/13	426,647					343,096	426,646					(83,550)
10.555	Cash Assistance	N/A	7/1/11-6/30/12	383,626	(27,972)				27,972						
10.550	Non-Cash Assistance (Food Distribution)	N/A	7/1/12-6/30/13	18,567					18,567	11,420					\$ 7,147
10.550	Non-Cash Assistance (Food Distribution)	N/A	7/1/11-6/30/12	44,826						3,457					
	<b>Total Enterprise Fund</b>				(33,005)	3,457			453,073	492,068			(93,691)		(93,691)
	<b>U.S. Department of Education</b>														
	Passed-Through State Department of Education														
	<b>General Fund</b>														
84.410	Education Jobs Fund	N/A	7/1/11-6/30/12	389,618	(3,221)				3,221	3,221					
	<b>U.S. Department of Health and Human Services</b>														
	<b>General Fund</b>														
93.778	Medical Assistance Program	N/A	7/1/12-6/30/13	17,989					17,988	17,988					
93.778	Medical Assistance Program	N/A	7/1/11-6/30/12	11,261	(10,486)				13,482	2,996					
	<b>Total General Fund</b>				(13,707)	3,221			34,691	24,205					
	<b>Special Revenue Fund</b>														
	<b>NCLB</b>														
84.010A	Title I	NCLB031345-13	9/1/12-8/31/13	470,208											
84.010A	Title I - ARRA	NCLB031345-12	9/1/11-8/31/12	483,029					134,821	468,142					(333,321)
84.388	Title I, Part A	ARRA031345-10	9/1/09-8/31/11	115,629	(263,668)				201,134	3,075					
84.388	Title I, Part A	ARRA1345-10	9/1/09-8/31/11	7,503											
84.281A	Title II, Part A	NCLB031345-13	9/1/12-8/31/13	38,020											
84.281A	Title II, Part A	NCLB031345-12	9/1/11-8/31/12	69,739	(103,677)										
84.318A	Title II, Part D	NCLB031345-11	9/1/10-8/31/11	765	(77)										
84.365A	Title III	NCLB031345-13	9/1/12-8/31/13	28,207											
84.365A	Title III	NCLB031345-12	9/1/11-8/31/12	21,714	(21,714)				5,786	3,213					
84.186A	Title IV	NCLB031345-10	9/1/09-8/31/10	7,884											
84.027A	I.D.E.A. Part B, Basic Regular	IDEA-1345-13	9/1/12-8/31/13	599,456					130,548	599,456					
84.027A	I.D.E.A. Part B, Basic Regular	IDEA-1345-12	9/1/11-8/31/12	598,550	(189,115)				189,115	2,075					
84.391	I.D.E.A. Part B, Basic Regular - ARRA	ARRA1345-10	9/1/09-8/31/11	614,585											
84.175A	I.D.E.A. Part B, Preschool	IDEA-1345-12	9/1/12-8/31/12	22,596					22,596	22,596					
84.175A	I.D.E.A. Part B, Preschool	IDEA-1345-11	9/1/11-8/31/12	22,583	(9,137)				9,137						
84.173A	I.D.E.A. Part B, Preschool	IDEA-1345-10	9/1/09-8/31/10	21,456											
	Race to the Top	N/A	9/1/11-11/30/15	38,468											
	<b>Total Special Revenue Fund</b>				(387,388)	349,149	1,333		693,137	1,147,305	1,333	(1,186,526)	226,781	1,67,338	(859,745)
	<b>Total Federal Awards</b>				(634,101)	353,827	1,333		1,162,901	1,663,578	1,333	(1,280,217)	333,928	1,67,338	(953,456)

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, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2012	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2013		Memo GAAP Receivable	Cumulative Total Expenditures	
								(Accounts Receivable)	Deferred Revenue			
<b>State Department of Education</b>												
Current Expense:												
State Aid Advance Loan	13-495-034-5120-489	7/1/12-6/30/13	\$ 2,214,497	\$ 2,214,497	\$ 2,214,497	\$ 2,214,497					\$ 2,214,497	
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	743,218	695,841	743,218	743,218		(47,377)			743,218	
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	756,811	27,850								
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	1,518,263	1,421,480	1,518,263	1,518,263		(96,783)			1,518,263	
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	1,401,347	51,567								
Security Aid	13-495-034-5120-086	7/1/12-6/30/13	140,026	131,100	140,026	140,026		(8,926)			140,026	
Security Aid	12-495-034-5120-086	7/1/11-6/30/12	44,758	1,647								
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	105,438	98,717	105,438	105,438		(6,721)			105,438	
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	623,090		623,090	623,090		(623,090)			623,090	
Nonpublic Transportation Aid	12-100-034-5120-473	7/1/11-6/30/12	30,521		30,521	30,521		(30,521)			30,521	
On Behalf Payments	N/A	7/1/11-6/30/12	17,762		17,762							
TPAF Social Security	13-495-034-5095-002	7/1/11-6/30/12	855,300	813,331	855,300	855,300		(41,969)			855,300	
TPAF Social Security	12-495-034-5095-002	7/1/11-6/30/12	877,776	43,638								
TPAF Pension												
Pension - NCGI Premium	13-495-034-5095-007	7/1/12-6/30/13	40,573	40,573	40,573	40,573					40,573	
Pension Benefit Contribution	13-495-034-5095-006	7/1/12-6/30/13	771,155	771,155	771,155	771,155					771,155	
Post Retirement Medical Benefit Contribution	13-495-034-5095-001	7/1/12-6/30/13	917,859	917,859	917,859	917,859					917,859	
<b>Total General Fund</b>				(580,458)	7,685,011	7,959,940		(855,387)		(72,490)	7,959,940	
<b>Special Revenue:</b>												
New Jersey Nonpublic Aid:												
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	12,153		12,153	11,680					11,680	
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	11,682	94			94					
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	16,868		16,868	16,725					16,725	
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	16,770	153			153					
Nonpublic Technology	13-100-034-5120-373	7/1/12-6/30/13	4,485		4,485	4,452					4,452	
Auxiliary Services:												
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	87,371		87,371	85,941					85,941	
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	227,394	105,751			105,751					
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	23,958		23,958	15,688					15,688	
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	33,620	13,793			13,793					
Transportation	13-100-034-5120-068	7/1/12-6/30/13	17,640		17,640	17,640					17,640	
Transportation	12-100-034-5120-068	7/1/11-6/30/12	16,137	1			1					
Home Instruction	13-100-034-5120-067	7/1/12-6/30/13	5,029		5,029	5,029					5,029	
Home Instruction	12-100-034-5120-067	7/1/11-6/30/12	891	(891)						(5,029)		
Handicapped Services:												
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	26,755		26,755	15,133					15,133	
Examination and Classification	12-100-034-5120-066	7/1/11-6/30/12	33,025	11,928			11,928					
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	21,092		21,092	21,092					21,092	
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	400,454	363,094			363,094					
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	18,317		18,317	12,974					12,974	
Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	42,091	24,132			24,132					
Character Education, Carryover	03-495-034-5120-053	7/1/05-6/30/06		256			256					
<b>Total Special Revenue Fund</b>				518,291	229,530	206,354	519,182	(5,029)		(5,029)	206,354	
											27,314	

ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2012	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2013		Due to Grantor	Memo	
								(Accounts Receivable)	Deferred Revenue		GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Agriculture</b>												
Food Service:												
National School Lunch Program (State Share)	13-100-010-3350-023	7/1/12-6/30/13	\$ 12,584	\$ (861)	\$ 9,518	\$ 12,584	-	(3,066)	-	-	\$ (3,066)	\$ 12,584
	12-100-010-3350-023	7/1/11-6/30/12	11,878	861	-	-	-	-	-	-	-	-
<b>Total Food Service Fund</b>				(861)	10,379	12,584	-	(3,066)	-	-	(3,066)	12,584
<b>Total State Financial Assistance</b>				(63,028)	7,924,920	8,178,878	519,182	(863,482)	-	27,314	(80,585)	8,178,878
<b>State Financial Assistance</b>												
Not Subject to Single Audit Determination												
General Fund												
On-Behalf TPAF Pension System												
Contributions-NCGI	13-100-034-5095-007	7/1/12-6/30/13	40,573	-	(40,573)	(40,573)	-	-	-	-	-	(40,573)
On-Behalf TPAF Pension System												
Contributions-Normal	13-100-034-5095-006	7/1/12-6/30/13	771,155	-	(771,155)	(771,155)	-	-	-	-	-	(771,155)
On-Behalf TPAF Post-Retirement Medical Contribution	13-100-034-5095-001	7/1/12-6/30/13	917,859	-	(917,859)	(917,859)	-	-	-	-	-	(917,859)
<b>Total State Financial Assistance Subject to Single Audit</b>				(63,028)	6,195,333	6,449,291	519,182	(863,482)	-	27,314	(80,585)	6,449,291

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

**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, 2013**

**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 basic 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 bases of accounting are described in Notes 1(C) to the Board's basic financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "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 basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments and the advanced state aid payment loan in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2 and N.J.S.A. 18A:7A-56, respectively. For GAAP purposes, those delayed state aid 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 \$2,916,330 for the general fund and a decrease of \$13,644 for the special revenue 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 basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 24,205	\$ 5,043,609	\$ 5,067,814
Special Revenue Fund	1,149,293	199,226	1,348,519
Food Service Fund	<u>492,068</u>	<u>12,584</u>	<u>504,652</u>
Total Financial Assistance	<u>\$ 1,665,566</u>	<u>\$ 5,255,419</u>	<u>\$ 6,920,985</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, 2013**

**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 National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$855,300 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, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$811,728 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$917,859 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.



ELMWOOD PARK BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Part I – Summary of Auditor's Results

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?   X   yes            no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?   X   yes            no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I</u>
<u>84.027A</u>	<u>IDEA Part B Basic</u>
<u>84.173A</u>	<u>IDEA Part B Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?            yes   X   no

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part I – Summary of Auditor's Results*

**State Awards Section**

Internal Control over major programs:

(1) Material weakness(es) identified?

\_\_\_\_\_ yes        X   no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

  X   yes      \_\_\_\_\_ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04?

  X   yes      \_\_\_\_\_ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-086</u>	<u>Security Aid</u>
<u>100-034-5120-476</u>	<u>Extraordinary Aid</u>
<u>495-034-5095-002</u>	<u>TPAF Social Security Aid</u>
<u>100-034-5120-469</u>	<u>State Aid Advance Loan</u>
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        X   no

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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 paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2013-001**

Our audit revealed that the Food Service, CARE Program, Community School, Summer Camp and Summer Session Enterprise Funds payment of bills are not approved by the Board and made part of the official minutes in accordance with N.J.S.A. 18A:19-4.

**Criteria or specific requirement:**

N.J.S.A. 18A:19-4, “Audit of Claims, Etc. by Secretary; Warrants for Payment”.

**Condition:**

The bill lists of the various Enterprise Funds were not submitted to the Board for their approval to pay.

**Context**

Enterprise Fund payments to vendors totaling \$653,290 for the 2012/2013 school year were not presented to the Board for approval.

**Effect**

Bills may be paid that the Board would have not approved for payment.

**Cause**

Bill lists were not presented to the Board for approval.

**Recommendation**

All Enterprise Funds’ payment of bills be approved by the Board and made part of the official minutes.

**Management’s Response**

Management has reviewed this finding and indicated appropriate corrective action will be developed and implemented.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable condition, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2013-002**

The audit of employees who terminated employment with the District indicated certain individuals continued to remain on health benefits after termination. Additionally, individuals on leave do not appear to be billed for the premiums paid by the District on their behalf.

**Criteria or specific requirement:**

Internal controls of accounts payable processing cycle.

**Condition:**

Individuals ineligible to receive District health benefit insurance were not removed from coverage in a timely manner. In addition, certain individuals who were required to reimburse the District for their coverage were not billed by the District.

**Context**

We noted eleven (11) individuals receiving coverage that terminated their employment with the District and two (2) individuals that did not reimburse the District for coverage received while on leave.

**Effect**

The District is overpaying for employee health benefit coverage.

**Cause**

District employees are not reviewing invoices for ineligible individuals remaining on bill.

**Recommendation**

The District's health benefit bills be reviewed on a monthly basis to ensure only active and eligible employees with the District are receiving benefits. In addition, individuals on leave be invoiced for the health benefit premiums paid by the District on their behalf.

**Management's Response**

Management has reviewed this finding and indicated appropriate corrective action will be developed and implemented.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2013-003:**

The salary of several District employees charged to the NCLB Title I Federal grant program were not approved in the official minutes by grant title and amount allocated.

**Federal program information:**

Title I 84.010A

**Criteria or specific requirement:**

Federal grant compliance supplement requirements

**Condition:**

Salaries of certain individuals charged to the Title I grant program were not approved by the Board.

**Questioned Costs:**

Underterminable

**Context:**

We noted five (5) of ten (10) individuals charged to Title I were not approved in the official minutes by grant title and salary amount allocated.

**Effect:**

Personnel charged to federal grants may not be allowable grant charges

**Recommendation:**

Salaries of all personnel charged to Federal grant programs be approved by the Board and detailed in the official minutes.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR STATE AWARDS**

**Finding 2013-004**

The District had aggregate budget transfers from advertised instructional budget lines, amounts that on a cumulative basis exceeded 10% of the total amount of the advertised budget line. Additionally, the District had aggregate budget transfers to advertised administrative budget lines that on a cumulative basis exceeded 10% of the total of the advertised administrative budget line. The cumulative transfers over 10% were noted prior to the appointment of the State Monitor and they were not submitted to nor approved by the Executive County Superintendent.

**Information on the State Programs**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or Specific Requirement:**

State Grant Compliance Supplement – State Aid – Public  
NJAC 6A:23A-13.3(g)

**Condition**

Cumulative transfers from advertised appropriation accounts identified as Instruction exceeded ten percent (10%) and cumulative transfers to the advertised appropriation accounts identified as Administration exceeded ten percent (10%) made prior to the appointment of the State monitor that were not approved by the Executive County Superintendent.

**Questioned Cost**

There are none.

**Context**

Cumulative transfers from the advertised appropriation accounts identified as Instruction on the December 2012 monthly transfer report were fourteen percent (14%). Cumulative transfers to the advertised appropriation accounts identified as Administration on the December 2012 monthly transfer report ranged from eleven percent (11%) to sixty-five percent (65%).

**Effect**

Transfers were made that were not properly approved by the Executive County Superintendent in accordance with NJAC 6A:23A-13.3(g).

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2013-004 (Continued)**

**Recommendation**

Executive County Superintendent's or State Monitor's approval be sought as required for all transfers that exceed ten percent (10%) of the original advertised budget appropriation amount in accordance with NJAC 6A:23A-13.3(g).

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2013-005:**

Our audit of the travel expenditures revealed the following:

- No travel maximum was established by the Board for the 2012/2013 school year.
- Travel expenses are not accounted for separately in the budget.
- Post travel reports were not on file.
- In some instances, seminar or conferences were approved after the event occurred.

**State Program Information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or Specific Requirement:**

State Grant Compliance Supplement – State Aid - Public

**Condition:**

Certain travel expense reimbursements were made that were not in accordance with the Board approved travel policy.

**Questioned Costs:**

Unknown.

**Context:**

Of the three (3) travel expense reimbursements we tested we noted two (2) instances where post travel reports were not submitted, two (2) instances for travel events that were not approved prior to the event and two (2) instances for reimbursements not accounted for in a designated travel budget account.

**Effect:**

Travel expense reimbursements were made that were not in compliance with the District travel policy and the State Aid Public Grant Compliance Requirements.



**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2013-005: (Continued)**

**Recommendation:**

Internal control be reviewed and revised to ensure District travel expense reporting procedures are in compliance with the Board approved policy.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2013-006:**

A review of Students' Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive related service included in their IEP. A minimum of one intensive related service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid application.

**State Program Information:**

Extraordinary Special Education Aid	100-034-5120-473
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**Criteria or Specific Requirement:**

State Grant Compliance Supplement

**Condition:**

Certain students included on the Extraordinary Aid application did not receive intensive related services nor did their IEP's indicate they were required to receive such services.

**Questioned Costs:**

Unknown.

**Context:**

Six (6) students tested out of thirty-seven (37) sampled did not have an intensive related service included in their IEP. The Extraordinary Aid application listed forty-three (43) eligible students.

**Cause**

Certain students included on the extraordinary aid application received extended school year services, however did not have the minimum school year of 210 days, thus not eligible for extraordinary aid. In addition, other students were indicated as requiring a teacher ratio of 3.1 or less but their IEP's did not support this.

**Effect:**

Certain students included on the Extraordinary Aid application may not have met eligibility requirements of the program.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2013-006 (Continued)**

**Recommendation:**

Internal control procedures be reviewed and revised to ensure student IEP's specifically identify intensive related services are required to be provided to the respective classified student reported on the application for State Extraordinary Aid.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2013-007**

Our audit of purchases and procedures related to compliance with the Public Contracts Law revealed the following:

- Contracts awarded through State contract vendors were not approved by Board resolution.
- Purchases and contracts for waste removal services and copy machine leases were made in excess of the bid threshold for which documents were unavailable to determine if awards were procured through public bids advertised in accordance with Public School Contracts Law.
- Purchases for alarm services and computer products were made in excess of the quote threshold for which documents were unavailable to determine if quotations were solicited in accordance with the Public School Contracts Law.
- Vendor political contribution disclosure forms and business registration certificates were not on file in all instances, where required.

**State program information:**

Equalization Aid	495-034-5120-078
Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid – Public  
NJSA 18A:18A – Public School Contracts Law

**Condition:**

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Questioned Costs:**

None.

**ELMWOOD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2013-007 (Continued)**

**Context:**

We noted two (2) vendors paid in excess of the bid threshold in which the District was unable to provide documentation that bids were received. We noted two (2) vendors paid in excess of the quote threshold in which the District was unable to provide documentation that quotes were solicited. We noted one contract was awarded through a State contract which was not approved in the minutes. We noted certain vendors did not have Political Contribution Disclosure Statements and/or Business Registration Certificates on file who were required to file such statements.

**Effect:**

Noncompliance with requirements of the Public School Contracts Law.

**Recommendation:**

Internal control procedures be reviewed and revised to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Public School Contracts Law.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**ELMWOOD PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2012-1**

**Condition:**

Expenditures were made in excess of available funds for various budgetary line items resulting in a year-end deficit in the General Fund Balance.

**Current Status**

Corrective action has been taken.

**Finding 2012-2**

**Condition:**

A District board of education did not receive certification from the School business Administrator/Board Secretary each month that total encumbrances and expenditures for each line item account did not exceed the line item appropriation.

**Current Status**

Corrective action has been taken.

**Finding 2012-3**

**Condition:**

The amounts used to calculate allowable costs for the Extraordinary Aid applicable did not agree with contract amounts.

**Current Status**

See Finding 2013-006.

**ELMWOOD PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 04-04.

**Finding 2012-4**

**Condition:**

The District did not maximize its participation in the Special Education Medicaid Initiative Program.

**Current Status**

Corrective action has been taken.

**Finding 2012-5**

**Condition:**

The District transferred funds to Administrative Information Technology that, on a cumulative basis, exceeded 10 percent of the amount of the original budget without proper department approval.

**Current Status**

See Finding 2013-004.