

RIDGEFIELD PARK
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Ridgefield Park, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Ridgefield Park Board of Education

Ridgefield Park, New Jersey

For The Fiscal Year Ended June 30, 2012

Prepared by

Business Office

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INTRODUCTORY SECTION

RIDGEFIELD PARK BOARD OF EDUCATION
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Matthew J. Paladino
Business Administrator/Board Secretary

December 3, 2012

Honorable President and
Members of the Board of Education
Ridgefield Park School District
County of Bergen, New Jersey

Dear Board Members:

State Department of Education statutes require that all school districts complete a set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Ridgefield Park Board of Education for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the Ridgefield Park Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Ridgefield Park Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Ridgefield Park Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Ridgefield Park Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Ridgefield Park Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Ridgefield Park Board of Education for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Ridgefield Park Board of Education's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Ridgefield Park Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Ridgefield Park Board of Education's CAFR.

GAAP require that the 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 MD&A and should be read in conjunction with it. The Ridgefield Park Board of Education's MD&A can be found immediately following the report of the independent auditors.

1. REPORTING ENTITY AND ITS SERVICES:

Ridgefield Park District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.14. All funds of the District are included in this report. The Ridgefield Park Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 2,248 students, *which is 24 students more than the previous year's enrollment*. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2002-03	1,841	2.62%
2003-04	1,870	1.58%
2004-05	1,928	3.10%
2005-06	1,930	0.10%
2006-07	2,010	4.15%
2007-08	2,093	4.13%
2008-09	2,112	0.91%
2009-10	2,160	2.27%
2010-11	2,224	2.96%
2011-12	2,248	1.08%

2. ECONOMIC CONDITION AND OUTLOOK:

The Village of Ridgefield Park entered into a Master agreement dated June 30, 1981, as amended (the "Master Leasing and Option Agreement") with Hartz Mountain Industries, Inc. for a tract of land in Ridgefield Park, New Jersey consisting of approximately 46 acres (the "Redevelopment Area") located at southeast corner of the Village of Ridgefield Park, New Jersey. Pursuant to the Master Leasing and Option Agreement, Hartz Mountain has the right, from time to time, to lease parcels of land within the Redevelopment Area. To date Hartz Mountain has exercised its option to lease four parcels. One of the leases has been assigned to Daewoo International (America) Corp., and another lease has been issued to Samsung America, Inc. The ground leases are long term leases for 99 years. The parcels of land under lease have been developed for office buildings, restaurants and a movie theater. The aggregate rental paid to the Village of Ridgefield Park under the ground leases (as well as the option fee for the remaining land under the Master Leasing and Option Agreement) equals approximately \$687,000 per annum. The rental is in addition to the real estate taxes generated for the Redevelopment Area. The remaining vacant land to be leased under the Master Leasing and Option Agreement is approximately fifteen (15) acres. There are some new discussions about the development of some property in the southeastern section of the Village (building of townhouses) and as of this writing it would have minimal impact upon the school population.

3. MAJOR INITIATIVES:

The Ridgefield Park School District continues to initiate building projects necessary to ensure the safety and well-being of our students, protect the integrity of our aging facilities, and reduce related expenditures. Among these projects has been the reconditioning of the RPJSHS stage floor and replacing the cafeteria floor at Lincoln School. Both of these floors were pitted and splintered and had become somewhat dangerous for use by students and staff.

The district will begin the replacement of nearly half century old, second story exterior window/wall panels at RPJSHS. The current panels are badly deteriorated, structurally weakened, have leaking windows and poorly insulated walls. Their replacement will not only

save the district money in energy costs but will also provide a safer and more comfortable teaching and learning environment.

The Ridgefield Park Board of Education has finalized an energy conservation agreement with OnForce Solar that will extend the warranty of the roof of RPJSHS for 15 years and allow for the installation of approximately 1,700 solar panels. The work that will be done to the roof in order to extend its warranty and the installation and maintenance of the solar panels will be done at no cost to the school district. There will however be a significant reduction in conventional energy consumption which will result in corresponding savings to the school district.

Among our academic initiatives, we are piloting a new language arts literacy series at Grant School. This pilot will assist us in aligning curriculum and instruction to the new core curriculum content standards and will result in a change in instructional strategies to a more individualized approach.

Although districts are not required to do so until the 2013-2014 school year, we are transitioning to a new teacher evaluation system during the 2012-2013 school year. It is based on one of the four models suggested by the New Jersey Department of Education which is aligned to the core curriculum content standards. Putting this system into effect in the 2012-2013 school year keeps us ahead of the curve regarding the new teacher evaluation mandate and, more importantly, will assist us in our efforts to help improve student achievement.

We are implementing a software program called Performance Plus which enables us to identify the strengths and challenges of individual students and teachers. As a result this allows us to individualize instruction to each student's particular needs. This year not only will the teaching staff's professional development be driven by Performance Plus data but it will also focus on creating assessments, both formative and evaluative, that will accurately reflect student mastery of the core curriculum content standards in each particular subject area of instruction. This will include creating student learning objectives (SLOs) that will help us to accurately determine the annual amount of improvement demonstrated by each student.

The district will continue its full compliance with the harassment, intimidation, and bullying (HIB) law and expand its student programs regarding (HIB) prevention. Important objectives will be to heighten student awareness of specific acts that are considered to be HIB and to teach students how to avoid being bullies. We will emphasize the proper active roles that bystanders should take and what students should do if they feel they are being victimized.

In our efforts to have students become more involved in the school community than ever before and prepare them for the transition from high school to college and eventually their careers, we will be expanding our Teacher Apprentice Program which was piloted last year for our 11th and 12th grade students. In it interested students are introduced to the teaching profession. They observe and assist with classes at all levels, giving them first-hand experiences in the profession.

A parent handbook and all pertinent correspondence distributed to our English as a Second Language (ESL) population are provided in English, Korean, and Spanish. This is done in conjunction with our web site that can be translated into over 20 languages with two clicks of the computer mouse. An annual evening program is presented and an ESL parent advisory board is also in place.

The district continues to assemble data from each school and record it on the events calendar/directory of school activities which is mailed to the homes of all students enrolled in our schools. In addition the calendar provides parents and students with contact information that will direct them to all appropriate school and emergency resources. A live-time updated calendar is also maintained via a web portal known as Edline which all district parents and students can access.

The school district firmly believes that student achievement improves when the physical environment is such that pride and self-esteem are promoted. There is a well-developed spirit of cooperation among the schools, police and various village departments as well as civic, business, and fraternal organizations. The role that the school district plays in contributing to community pride continues to grow each year. An example of that growth is the district's participation in the fall Village Street Fair and the summer July 4th Parade, the longest running such parade in the entire country. Students and staff volunteer, perform, and/or attend these annual events. In addition, all school buildings are well maintained and present an inviting atmosphere for students, parents, and the community at large. The schools and the Village share services and resources whenever possible.

During the 2011-2012 school year, the Ridgefield Park Public School District continued its outstanding academic performance. Lincoln School was named a National Blue Ribbon School of Excellence by the United States Department of Education, joining Grant School as a school of such distinction. For sustained outstanding performance, Grant and Roosevelt Schools were named as a "Reward Schools" by the New Jersey Department of Education, ranking them in the top five percent of schools in the entire state.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

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 Village. Annual appropriated budgets are adopted for the General, Special Revenue, and the Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. DEBT ADMINISTRATION:

At June 30, 2012, the District's outstanding debt issues included \$2,730,000 of general obligation bonds.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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 a 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.

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, L.L.P. was selected by the Board. In addition to meeting requirements 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 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

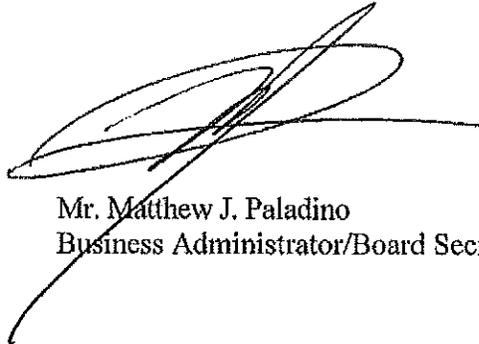
10. ACKNOWLEDGEMENTS:

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

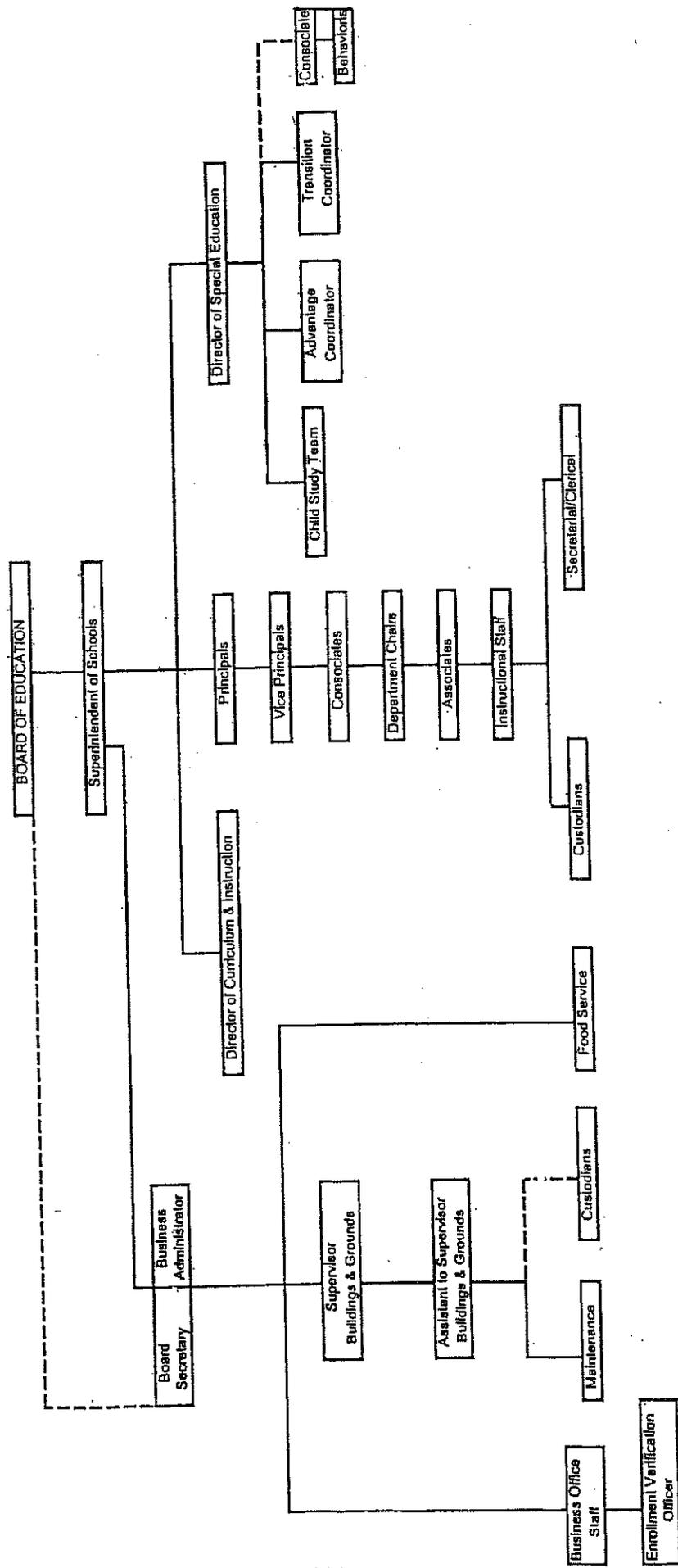
Respectfully submitted,



Mr. Christopher R. Onorato
Superintendent of Schools



Mr. Matthew J. Paladino
Business Administrator/Board Secretary



RIDGEFIELD PARK BOARD OF EDUCATION
Ridgefield Park, N.J.

ROSTER OF OFFICIALS
JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u> <u>January</u>
Barbara Merritt Butler, President	2013
Anita Miller, Vice President	2014
Donna Blue	2013
Sandra Cuozzo	2015
Edmond DeSantis	2014
Mercedes Haines	2014
Jayne Kraljic	2015
Scott Lingle	2013
Robert F. Thiemann	2013
John Tronlone (Little Ferry Representative)	2014

Other Officials

Mr. Christopher R. Onorato, Superintendent of Schools
Mr. Matthew J. Paladino, Business Administrator/Board Secretary
Mr. Eric W. Koenig, Assistant Superintendent for Curriculum Instruction
Mr. Thomas A. Kraljic, Assistant Superintendent of Special Education and Guidance

RIDGEFIELD PARK BOARD OF EDUCATION
Ridgefield Park, N.J.

Consultants and Advisors

AUDIT FIRM

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FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS

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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
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITOR'S REPORT

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

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 Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

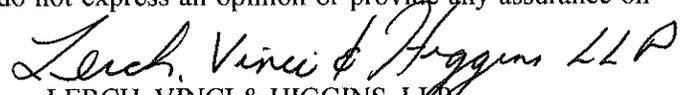
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

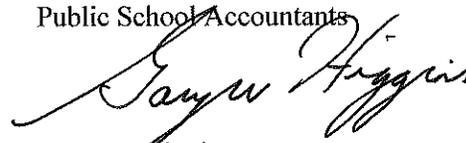
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2012 on our consideration of the Ridgefield Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Park Board of Education's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also 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 combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have 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 fund financial statements and 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.


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


Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 3, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

The discussion and analysis of the Ridgefield Park School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent year by \$8,946,411 (net assets).
- General revenues accounted for \$25,978,357 of revenue or 71 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,479,245 or 29 percent of total revenues of \$36,457,602.
- Total assets of governmental activities amounted to \$14,077,175 as of June 30, 2012.
- The District had \$34,201,553 in expenses related to governmental activities; only \$9,524,633 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$25,978,357 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$33,933,736 in revenues and \$32,655,274 in expenditures. The General Fund's fund balance increased \$153,105 from the fiscal year ended June 30, 2011.

Using the Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ridgefield Park School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Using the Comprehensive Annual Financial Report (CAFR) (Continued)

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of the Ridgefield Park School District, the General Fund is by far the most significant fund.

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2012? The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end available for spending in the future years. These funds are reported using the *modified accrual accounting method*, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The District as a Whole

The *Statement of Net Assets* provides the perspectives of the District as a whole, showing assets, liabilities and the difference between them (net assets). Net assets may serve over time as a useful indicator of a government's financial position.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Table 1 provides a summary of the District's net assets as of June 30, 2012 and 2011.

Table 1
Net Assets
As of June 30, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 3,281,868	\$ 2,556,340	\$ 320,945	\$ 321,178	\$ 3,602,813	\$ 2,877,518
Capital Assets	<u>10,795,307</u>	<u>10,570,488</u>	<u>13,662</u>	<u>48,546</u>	<u>10,808,969</u>	<u>10,619,034</u>
Total Assets	<u>14,077,175</u>	<u>13,126,828</u>	<u>334,607</u>	<u>369,724</u>	<u>14,411,782</u>	<u>13,496,552</u>
Long-Term Liabilities	4,488,865	4,746,296			4,488,865	4,746,296
Other Liabilities	<u>951,637</u>	<u>1,045,296</u>	<u>24,869</u>	<u>16,824</u>	<u>976,506</u>	<u>1,062,120</u>
Total Liabilities	<u>5,440,502</u>	<u>5,791,592</u>	<u>24,869</u>	<u>16,824</u>	<u>5,465,371</u>	<u>5,808,416</u>
Net Assets						
Invested in capital assets, net of related debt	8,081,753	7,274,748	13,662	48,546	8,095,415	7,323,294
Restricted	1,887,248	1,460,092			1,887,248	1,460,092
Unrestricted	<u>(1,332,328)</u>	<u>(1,399,604)</u>	<u>296,076</u>	<u>304,372</u>	<u>(1,036,252)</u>	<u>(1,095,232)</u>
Total Net Assets	<u>\$ 8,636,673</u>	<u>\$ 7,335,236</u>	<u>\$ 309,738</u>	<u>\$ 352,918</u>	<u>\$ 8,946,411</u>	<u>\$ 7,688,154</u>

The District's combined net assets were \$8,946,411 and \$7,688,154 on June 30, 2012 and 2011, respectively. This was an increase of \$1,258,257 or 16% percent from the prior year.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Table 2 shows changes in net assets for fiscal years ended June 30, 2012 and 2011.

Table 2
Change in Net Assets
For The Years Ended June 30, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,256,701	\$ 4,391,676	\$ 503,906	\$ 499,722	\$ 4,760,607	\$ 4,891,398
Operating Grants and Contributions	5,267,932	4,894,065	450,706	427,789	5,718,638	5,321,854
General Revenues						
Property Taxes	22,027,948	21,623,466			22,027,948	21,623,466
State Aid	3,537,828	2,916,922			3,537,828	2,916,922
Other	412,581	136,139	-	-	412,581	136,139
Total Revenues	<u>35,502,990</u>	<u>33,962,268</u>	<u>954,612</u>	<u>927,511</u>	<u>36,457,602</u>	<u>34,889,779</u>
Expenses						
Instruction						
Regular	15,171,855	14,289,814			15,171,855	14,289,814
Special Education	5,701,214	5,596,021			5,701,214	5,596,021
Other Instruction	694,429	628,816			694,429	628,816
School Sponsored Activities and Athletics	1,038,423	968,176			1,038,423	968,176
Support Services						
Student and Instruction Related Services	5,129,207	4,913,960			5,129,207	4,913,960
General Administration Services	866,708	1,174,493			866,708	1,174,493
School Administration Services	1,630,154	1,579,245			1,630,154	1,579,245
Business / Central Services	618,510	651,281			618,510	651,281
Plant Operations and Maintenance	2,609,146	2,724,797			2,609,146	2,724,797
Pupil Transportation	630,009	658,666			630,009	658,666
Interest on Debt	111,898	124,332			111,898	124,332
Food Services	-	-	997,792	924,580	997,792	924,580
Total Expenses	<u>34,201,553</u>	<u>33,309,601</u>	<u>997,792</u>	<u>924,580</u>	<u>35,199,345</u>	<u>34,234,181</u>
Change in Net Assets	1,301,437	652,667	(43,180)	2,931	1,258,257	655,598
Net Assets, Beginning of Year	<u>7,335,236</u>	<u>6,682,569</u>	<u>352,918</u>	<u>349,987</u>	<u>7,688,154</u>	<u>7,032,556</u>
Net Assets, End of Year	<u>\$ 8,636,673</u>	<u>\$ 7,335,236</u>	<u>\$ 309,738</u>	<u>\$ 352,918</u>	<u>\$ 8,946,411</u>	<u>\$ 7,688,154</u>

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. The District's total revenues were \$35,502,990 and \$33,962,268 for the years ended June 30, 2012 and 2011, respectively. Property taxes made up 62 and 64 percent of revenues for governmental activities for the Ridgefield Park School District for fiscal years ended June 30, 2012 and 2011, respectively. Federal, state and local grants aid accounted for another 25 and 23 percent of revenue and tuition revenue accounted for 12 percent and 12 percent for the years ended June 30, 2012 and 2011.

The total cost of all programs and services was \$34,201,553 and \$33,309,601 for the fiscal years ended June 30, 2012 and 2011, respectively. Instruction comprises 66 and 64 percent of governmental program expenses for the fiscal years ended June 30, 2012 and 2011, respectively. Support services expenses make up 34 and 35 percent of governmental expenses for the fiscal years ended June 30, 2012 and 2011, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Total Cost and Net Cost of Governmental Activities
for the Years Ended June 30, 2012 and 2011

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction				
Regular	15,171,855	14,289,814	\$ 9,126,726	\$ 8,531,917
Special Education	5,701,214	5,596,021	2,959,145	2,747,461
Other Instruction	694,429	628,816	611,081	545,758
School Sponsored Activities and Athletics	1,038,423	968,176	948,514	892,989
Support Services				
Student and Instruction Related Services	5,129,207	4,913,960	4,749,518	4,594,785
General Administration Services	866,708	1,174,493	832,942	1,136,168
School Administration Services	1,630,154	1,579,245	1,496,501	1,468,444
Business / Central Services	618,510	651,281	601,440	636,590
Plant Operations and Maintenance	2,609,146	2,724,797	2,609,146	2,698,959
Pupil Transportation	630,009	658,666	630,009	646,457
Interest on Debt	111,898	124,332	111,898	124,332
Total	<u>\$ 34,201,553</u>	<u>\$ 33,309,601</u>	<u>\$ 24,676,920</u>	<u>\$ 24,023,860</u>

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$954,612 and \$927,511 and expenses of \$997,792 and \$924,580 in fiscal years ended June 30, 2012 and 2011, respectively. Of the revenues, \$503,906 and \$499,722 was charges for services paid by patrons for daily food service and \$450,706 and \$427,789 was from State and Federal reimbursements in fiscal years ended June 30, 2012 and 2011, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$35,502,990 and \$33,962,268 and expenditures were \$34,756,526 and \$34,022,742 for the fiscal years ended June 30, 2012 and 2011 respectively. The net change in the fund balance for the 2011/2012 year was an increase of \$822,276.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2012 and 2011.

	<u>Years Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2012</u>	<u>2011</u>		
Local Sources	\$ 26,710,428	\$ 26,095,066	\$ 615,362	2%
State Sources	7,646,009	6,874,477	771,532	11%
Federal Sources	<u>1,146,553</u>	<u>992,725</u>	<u>153,828</u>	15%
 Total Governmental Revenues	 <u>\$ 35,502,990</u>	 <u>\$ 33,962,268</u>	 <u>\$ 1,540,722</u>	 5%

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2012 and 2011.

	Years Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2012	2011		
Current Expense:				
Instruction	\$ 22,200,263	\$ 21,464,399	\$ 735,864	3%
Support Services	11,286,391	11,891,172	(604,781)	-5%
Capital Outlay	668,898	65,876	603,022	915%
Debt Service:				
Principal	477,929	464,548	13,381	3%
Interest	123,045	136,747	(13,702)	-10%
 Total Expenditures	\$ 34,756,526	\$ 34,022,742	\$ 733,784	2%

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budget fund is the General Fund.

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to avoid over-expenditures in specific line item accounts.

Capital Assets

At the end of fiscal years 2012 and 2011, the District had \$10,808,969 and \$10,619,034 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$189,935 from fiscal year 2011 to fiscal year 2012. Table 4 shows capital assets net of depreciation at June 30, 2012 and 2011.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Table A-4
Capital Assets at June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Construction in Progress	307,312	40,846			307,312	40,846
Buildings and Building Improvements	14,937,404	14,602,973			14,937,404	14,602,973
Land Improvements	711,170	711,170	\$ 3,060	\$ 3,060	714,230	714,230
Machinery and Equipment	1,825,851	1,757,850	141,069	135,708	1,966,920	1,893,558
	20,484,933	19,816,035	144,129	138,768	20,629,062	19,954,803
Less Accumulated Depreciation	9,689,626	9,245,547	130,467	90,222	9,820,093	9,335,769
Total	\$ 10,795,307	\$ 10,570,488	\$ 13,662	\$ 48,546	\$ 10,808,969	\$ 10,619,034

Additional information pertaining to capital assets can be found in the Notes to the Basic Financial Statements.

Long-Term Liabilities

At June 30, 2012 and 2011, the District had \$4,488,865 and \$4,746,296 of long-term liabilities, respectively. Of this amount, \$1,596,024 and \$1,446,341 is for compensated absences; \$143,465 and \$135,582 is for leases payable and \$2,749,376 and \$3,164,373 of bonds payable, net, as of June 30, 2012 and 2011, respectively.

Additional information pertaining to capital assets can be found in the Notes to the Basic Financial Statements.

For the Future

The Ridgefield Park School District is in sound financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District and the increased reliance on property taxes.

In conclusion, the District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenge of the future.

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at Ridgefield Park Board of Education, 712 Lincoln Avenue, Ridgefield Park, NJ 07660.

BASIC FINANCIAL STATEMENTS

RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,108,786	\$ 286,726	\$ 2,395,512
Receivables, net			
Receivables from Other Governments	1,127,443	19,802	1,147,245
Other Receivables	500	277	777
Inventory		14,140	14,140
Due from Other Funds	483		483
Prepaid Items	8,834		8,834
Deferred Charges - Bond Issuance Costs	35,822		35,822
Capital Assets			
Not Being Depreciated	3,010,508		3,010,508
Being Depreciated, Net	<u>7,784,799</u>	<u>13,662</u>	<u>7,798,461</u>
Total Assets	<u>14,077,175</u>	<u>334,607</u>	<u>14,411,782</u>
LIABILITIES			
Accounts Payable	802,403	18,001	820,404
Accrued Interest Payable	56,025		56,025
Unearned Revenue	93,209	6,868	100,077
Noncurrent Liabilities			
Due Within One Year	634,154		634,154
Due Beyond One Year	<u>3,854,711</u>	<u>-</u>	<u>3,854,711</u>
Total Liabilities	<u>5,440,502</u>	<u>24,869</u>	<u>5,465,371</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	8,081,753	13,662	8,095,415
Restricted for			
Capital Projects	1,851,595		1,851,595
Debt Service	35,653		35,653
Unrestricted	<u>(1,332,328)</u>	<u>296,076</u>	<u>(1,036,252)</u>
Total Net Assets	<u>\$ 8,636,673</u>	<u>\$ 309,738</u>	<u>\$ 8,946,411</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 15,171,855	\$ 3,895,957	2,149,172		\$ (9,126,726)		\$ (9,126,726)
Special Education	5,701,214	360,744	2,381,325		(2,959,145)		(2,959,145)
Other Instruction	694,429		83,348		(611,081)		(611,081)
School Sponsored Activities and Athletics	1,038,423		89,909		(948,514)		(948,514)
Support Services							
Student and Instruction Related Services	5,129,207		379,689		(4,749,518)		(4,749,518)
General Administration Services	866,708		33,766		(832,942)		(832,942)
School Administration Services	1,630,154		133,653		(1,496,501)		(1,496,501)
Business / Central Services	618,510		17,070		(601,440)		(601,440)
Plant Operations and Maintenance	2,609,146				(2,609,146)		(2,609,146)
Pupil Transportation	630,009				(630,009)		(630,009)
Interest on Long-Term Debt	111,898				(111,898)		(111,898)
Total Governmental Activities	34,201,553	4,256,701	5,267,932	-	(24,676,920)	-	(24,676,920)
Business-Type Activities							
Food Service	997,792	503,906	450,706	-		\$ (43,180)	(43,180)
Total Business-Type Activities	997,792	503,906	450,706	-		(43,180)	(43,180)
Total Primary Government	\$ 35,199,345	\$ 4,760,607	\$ 5,718,638	\$ -	(24,676,920)	(43,180)	(24,720,100)

Continued

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 21,584,702		\$ 21,584,702
Property Taxes Levied for Debt Service	443,246		443,246
State Aid -Unrestricted	3,383,975		3,383,975
Debt Service Aid	153,853		153,853
Investment Earnings	18,380		18,380
Miscellaneous Income	394,201	-	394,201
Total General Revenues	25,978,357	-	25,978,357
Change in Net Assets	1,301,437	\$ (43,180)	1,258,257
Net Assets, Beginning of Year	7,335,236	352,918	7,688,154
Net Assets, End of Year	\$ 8,636,673	\$ 309,738	\$ 8,946,411

FUND FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,513,707		\$ 559,426	\$ 35,653	\$ 2,108,786
Receivables, Net					
Receivables from Other Governments	918,516	\$ 208,927			1,127,443
Other Receivables	500				500
Due from Other Funds	27,517				27,517
Prepays Items	8,684	150	-	-	8,834
	<u>2,468,924</u>	<u>209,077</u>	<u>559,426</u>	<u>35,653</u>	<u>3,273,080</u>
Total Assets	<u>\$ 2,468,924</u>	<u>\$ 209,077</u>	<u>\$ 559,426</u>	<u>\$ 35,653</u>	<u>\$ 3,273,080</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds		\$ 27,034			\$ 27,034
Accounts Payable	\$ 713,569	88,834			802,403
Deferred Revenue	-	93,209	-	-	93,209
	<u>713,569</u>	<u>209,077</u>	<u>-</u>	<u>-</u>	<u>922,646</u>
Fund Balances					
Restricted					
Excess Surplus	136,318				136,318
Excess Surplus - Designated for Subsequent Year's Expenditures	109,982				109,982
Capital Reserve	1,292,169				1,292,169
Capital Projects			559,426		559,426
Debt Service				35,653	35,653
Committed					
Year End Encumbrances	245,500				245,500
Assigned					
Year End Encumbrances	282,019				282,019
Designated for Subsequent Year's Expenditures	18,639				18,639
Unassigned	(329,272)	-	-	-	(329,272)
	<u>1,755,355</u>	<u>-</u>	<u>559,426</u>	<u>35,653</u>	<u>2,350,434</u>
Total Fund Balances	<u>1,755,355</u>	<u>-</u>	<u>559,426</u>	<u>35,653</u>	<u>2,350,434</u>
Total Liabilities and Fund Balances	<u>\$ 2,468,924</u>	<u>\$ 209,077</u>	<u>\$ 559,426</u>	<u>\$ 35,653</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$20,484,933 and the accumulated depreciation is \$9,689,626. 10,795,307

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (56,025)

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.

Bonds Payable, Net	\$ (2,749,376)
Deferred Charge for	
Bond Issuance Costs	35,822
Leases Payable	(143,465)
Compensated Absences	(1,596,024)
	<u>(4,453,043)</u>

Net assets of governmental activities \$ 8,636,673

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 21,584,702			\$ 443,246	\$ 22,027,948
Tuition	4,256,701				4,256,701
Interest	18,380				18,380
Miscellaneous	394,201	\$ 13,198	-	-	407,399
Total - Local Sources	<u>26,253,984</u>	<u>13,198</u>	<u>-</u>	<u>443,246</u>	<u>26,710,428</u>
State Sources	7,492,156			153,853	7,646,009
Federal Sources	187,596	958,957	-	-	1,146,553
Total Revenues	<u>33,933,736</u>	<u>972,155</u>	<u>-</u>	<u>597,099</u>	<u>35,502,990</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	14,261,842	510,941			14,772,783
Special Education Instruction	5,240,839	455,918			5,696,757
Other Instruction	692,300				692,300
School-Sponsored Activities and Athletics	1,038,423				1,038,423
Support Services					
Student and Instruction Related Services	5,055,892				5,055,892
General Administration Services	857,409				857,409
School Administration Services	1,577,132				1,577,132
Business / Central Services	614,634				614,634
Plant Operations and Maintenance	2,551,315				2,551,315
Student Transportation	630,009				630,009
Capital Outlay	62,705	5,296	\$ 600,897		668,898
Debt Service					
Principal	67,929			410,000	477,929
Interest and Other Charges	4,845	-	-	118,200	123,045
Total Expenditures	<u>32,655,274</u>	<u>972,155</u>	<u>600,897</u>	<u>528,200</u>	<u>34,756,526</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,278,462</u>	<u>-</u>	<u>(600,897)</u>	<u>68,899</u>	<u>746,464</u>
Other Financing Sources (Uses)					
Transfers In			1,201,169		1,201,169
Transfers Out	(1,201,169)				(1,201,169)
Capital Lease Proceeds	75,812	-	-	-	75,812
Total Other Financing Sources (Uses)	<u>(1,125,357)</u>	<u>-</u>	<u>1,201,169</u>	<u>-</u>	<u>75,812</u>
Net change in Fund Balance	153,105	-	600,272	68,899	822,276
Fund Balance (Deficit), Beginning of Year	1,602,250	-	(40,846)	(33,246)	1,528,158
Fund Balance, End of Year	<u>\$ 1,755,355</u>	<u>\$ -</u>	<u>\$ 559,426</u>	<u>\$ 35,653</u>	<u>\$ 2,350,434</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 822,276

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

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

Capital Asset Additions	\$	668,898	
Depreciation Expense		<u>(444,079)</u>	
			224,819

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued			
Leases Payable			(75,812)
Principal Repayments			
Bonds Payable		410,000	
Leases Payable		<u>67,929</u>	
			477,929

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Cost of Issuance		(9,239)	
Deferred Amount on Refunding		(8,139)	
Original Issue Premium		<u>13,136</u>	
			(4,242)

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in compensated absences	(149,683)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest	<u>6,150</u>
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Change in net assets of governmental activities \$ 1,301,437

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012**

**Business-Type Activities
 Enterprise Fund
Food Service**

ASSETS

Current Assets		
Cash and Cash Equivalents	\$	286,726
Intergovernmental Receivable		
State		535
Federal		19,267
Other Accounts Receivable		277
Inventory		14,140
		14,140
Total Current Assets		320,945
Capital Assets		
Equipment		144,129
Less: Accumulated Depreciation		(130,467)
		13,662
Total Capital Assets		13,662
Total Assets		334,607

LIABILITIES

Current Liabilities		
Accounts Payable		18,001
Unearned Revenue		6,868
		6,868
Total Current Liabilities		24,869

NET ASSETS

Invested in Capital Assets		13,662
Unrestricted		296,076
		296,076
Total Net Assets	\$	309,738

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 503,906
Total Operating Revenues	<u>503,906</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	399,521
Cost of Sales	410,268
Management Fee	52,011
Insurance	40,607
Depreciation	40,245
Supplies and Materials	42,995
Miscellaneous	<u>12,145</u>
Total Operating Expenses	<u>997,792</u>
Operating Loss	<u>(493,886)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	11,359
Federal Sources	
National School Lunch Program	398,467
National School Breakfast Program	<u>40,880</u>
Total Nonoperating Revenues	<u>450,706</u>
Change in Net Assets	(43,180)
Total Net Assets, Beginning of Year	<u>352,918</u>
Total Net Assets, End of Year	<u>\$ 309,738</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-Type Activities
	Enterprise Fund
	<u>Food Service</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 503,647
Payments for Employees' Salaries and Benefits	(399,521)
Payments to Suppliers for Goods and Services	<u>(495,392)</u>
Net Cash Used by Operating Activities	<u>(391,266)</u>
Cash Flows from Noncapital Financing Activities	
State and Federal Subsidy Reimbursements	<u>398,598</u>
Net Cash Provided by Noncapital Financing Activities	<u>398,598</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(5,361)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(5,361)</u>
Net Increase in Cash and Cash Equivalents	1,971
Cash and Cash Equivalents, Beginning of Year	<u>284,755</u>
Cash and Cash Equivalents, End of Year	<u>\$ 286,726</u>
Reconciliation of Operating Loss to Net Cash	
Used by Operating Activities	
Operating Loss	<u>\$ (493,886)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	40,245
Non-Cash Federal Assistance	
Food Distribution - National School	
Lunch Programs	55,245
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	4,905
(Increase)/Decrease in Other Accounts Receivable	(259)
(Increase)/Decrease in Inventory	<u>2,484</u>
Total Adjustments	<u>102,620</u>
Net Cash Used by Operating Activities	<u>\$ (391,266)</u>
Non-Cash Financing Activities	
National School Lunch Program (Food Distribution)	\$ 58,385

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2012**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 569,383	\$ 292,207
Total Assets	<u>569,383</u>	<u>\$ 292,207</u>
LIABILITIES		
Payroll Deductions and Withholdings		184,433
Due to Student Groups		107,291
Due to Other Funds	<u>-</u>	<u>483</u>
Total Liabilities	<u>-</u>	<u>\$ 292,207</u>
NET ASSETS		
Held in Trust for Scholarships	<u>\$ 569,383</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 10,800
Total Contributions	<u>10,800</u>
Investment Earnings	
Interest	543
Net Investment Earnings	<u>543</u>
Total Additions	<u>11,343</u>
DEDUCTIONS	
Scholarships Awarded	<u>18,800</u>
Total Deductions	<u>18,800</u>
Change in Net Assets	(7,457)
Net Assets, Beginning of the Year	<u>576,840</u>
Net Assets, End of the Year	<u>\$ 569,383</u>

The accompanying Notes to the Basic Financial Statements are an Integral Part of this Statement

NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ridgefield 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 Ridgefield Park Board of Education this includes general operations, food service 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. Basic 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 assets 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 assets, 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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 and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for scholarship awards, 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.

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.

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.

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

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

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.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. Receivables and Payables

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".

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

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 2010-2011 and 2011-2012 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.

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 revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. 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. 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 unearned revenue.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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	5-15

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. *Fund Equity*

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during fiscal year 2011, fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Fund Equity (Continued)

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

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

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 at year end 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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2012/2013 District budget certified for taxes.

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 may have been reclassified in order to be consistent with the current year's presentation.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption and is voted upon at the annual school election on the third Tuesday in April. 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 2011/2012. During 2011/2012 the Board increased the original budget by \$396,607. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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 25, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law.

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.

C. Deficit Fund Equity

The District has an unassigned deficit fund balance of \$329,272 in the General Fund as of June 30, 2012 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 2011/2012 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 balance 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity (Continued)

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 \$329,272 in the General Fund equal to or less than the delayed state aid payments.

D. Capital Reserve

A capital reserve account was established by the District on September 27, 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, 2012 is as follows:

Balance, July 1, 2011	\$ 1,493,338
Increased By	
Deposits Approved by Board Resolution	<u>1,000,000</u>
Withdrawals	
Approved by Voters in District Budget	<u>1,201,169</u>
Balance, June 30, 2012	<u>\$ 1,292,169</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$4,982,648. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2012 is \$246,300. Of this amount, \$109,982 was designated and appropriated in the 2012/2013 original budget certified for taxes and the remaining amount of \$136,318 will be appropriated in the 2013/2014 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2012, the book value of the Board's deposits was \$3,257,102 and bank balances of the Board's cash and deposits amounted to \$3,929,689. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 3,929,689</u>
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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, 2012 none of the Board's bank balances were exposed to custodial credit risk.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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, 2012, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2012 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 500		\$ 277	\$ 777
Intergovernmental	<u>918,516</u>	<u>\$ 208,927</u>	<u>19,802</u>	<u>1,147,245</u>
Gross Receivables	919,016	208,927	20,079	1,148,022
Less Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 919,016</u>	<u>\$ 208,927</u>	<u>\$ 20,079</u>	<u>\$ 1,148,022</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 71,721
Grant Draw Downs Reserved for Encumbrances	<u>21,488</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 93,209</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance, July 1, 2011	Increases	Decreases	Transfers	Balance, June 30, 2012
Governmental activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,703,196				\$ 2,703,196
Construction in Progress	40,846	\$ 300,162	-	\$ (33,696)	307,312
Total Capital Assets, not being depreciated	<u>2,744,042</u>	<u>300,162</u>	<u>-</u>	<u>(33,696)</u>	<u>3,010,508</u>
Capital Assets, being depreciated:					
Buildings and Building Improvements	14,602,973	300,735		33,696	14,937,404
Land Improvements	711,170				711,170
Machinery and Equipment	1,757,850	68,001	-	-	1,825,851
Total Capital Assets being depreciated	<u>17,071,993</u>	<u>368,736</u>	<u>-</u>	<u>33,696</u>	<u>17,474,425</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(7,474,472)	(14,773)			(7,489,245)
Land Improvements	(376,829)	(343,101)			(719,930)
Machinery and Equipment	(1,394,246)	(86,205)	-	-	(1,480,451)
Total Accumulated Depreciation	<u>(9,245,547)</u>	<u>(444,079)</u>	<u>-</u>	<u>-</u>	<u>(9,689,626)</u>
Total Capital Assets, being depreciated, net	<u>7,826,446</u>	<u>(75,343)</u>	<u>-</u>	<u>33,696</u>	<u>7,784,799</u>
Government Activities capital assets, net	<u>\$ 10,570,488</u>	<u>\$ 224,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,795,307</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Balance, <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2012</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Land Improvements	\$ 3,060			\$ 3,060
Machinery and Equipment	<u>135,708</u>	\$ 5,361	-	<u>141,069</u>
Total Capital Assets being depreciated	<u>138,768</u>	<u>5,361</u>	-	<u>144,129</u>
Less Accumulated Depreciation for:				
Land Improvements	(425)	(85)		(510)
Machinery and Equipment	<u>(89,797)</u>	<u>(40,160)</u>	-	<u>(129,957)</u>
Total Accumulated Depreciation	<u>(90,222)</u>	<u>(40,245)</u>	-	<u>(130,467)</u>
Total Capital Assets, being depreciated, net	<u>48,546</u>	<u>(34,884)</u>	-	<u>13,662</u>
Business-Type Activities capital assets, net	<u>\$ 48,546</u>	<u>\$ (34,884)</u>	<u>\$ -</u>	<u>\$ 13,662</u>

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

Governmental Activities:

Instruction	
Regular	\$ 360,244
Total Instruction	<u>360,244</u>

Support Services

Students and Instruction Related Services	10,895
School Administration Services	33,903
Operations and maintenance of plant	<u>39,037</u>
Total Support Services	<u>83,835</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 444,079</u>
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Business-Type Activities:

Food Service Fund	\$ 40,245
Total Depreciation Expense-Business-Type Activities	<u>\$ 40,245</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2012:

<u>Project</u>	<u>Remaining Commitment</u>
Wall Panel Replacement at High School	\$ 307,773
Pool Conversion at Roosevelt School	509,407
Installation of New Wireless System	199,500
Floor Replacement in Cafeteria at Lincoln School	<u>46,000</u>
	<u>\$ 1,062,680</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 27,034
General Fund	Agency Fund	<u>483</u>
		<u>\$ 27,517</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

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

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

Interfund transfers

	Transfer In
	<hr/>
	Capital Projects
<u>Transfer Out:</u>	
General Fund	\$ 1,201,169
	<hr/>

The above transfers are the result of other financing sources budgeted in one fund to finance expenditures in another fund.

E. Leases

Leases

The District is leasing computer equipment totaling \$291,910 under leases. The leases are for terms of 4 to 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2013	\$ 77,771
2014	42,510
2015	23,209
2016	4,998
	<hr/>
Total Minimum Lease Payments	148,488
Less: Amount Representing Interest	5,023
Present Value of Minimum Lease Payments	<u>\$ 143,465</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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, 2012 is comprised of the following issue:

\$4,020,000, 2008 Bonds, due in annual installments of \$360,000 to \$400,000 through July 1, 2018, interest at 4.00 to 4.25% \$2,730,000

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

Governmental Activities:

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 400,000	\$ 104,050	\$ 504,050
2014	400,000	88,050	488,050
2015	395,000	72,150	467,150
2016	395,000	56,350	451,350
2017	390,000	40,163	430,163
2018-2019	<u>750,000</u>	<u>31,237</u>	<u>781,237</u>
	<u>\$ 2,730,000</u>	<u>\$ 392,000</u>	<u>\$ 3,122,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2012 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 57,083,476
Less: Net Bonded Debt	<u>2,730,000</u>
Remaining Borrowing Power	<u>\$ 54,353,476</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Balance, <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2012</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 3,140,000		\$ 410,000	\$ 2,730,000	\$ 400,000
Add:					
Unamortized Premium on Refunding	64,070		13,136	50,934	
Less:					
Unamortized Deferred Amount on Refunding	<u>(39,697)</u>	<u>-</u>	<u>8,139</u>	<u>(31,558)</u>	<u>-</u>
	3,164,373	-	431,275	2,749,376	400,000
Leases Payable	135,582	\$ 75,812	67,929	143,465	74,552
Compensated Absences	<u>1,446,341</u>	<u>149,683</u>	<u>-</u>	<u>1,596,024</u>	<u>159,602</u>
Governmental Activity Long-Term Liabilities	<u>\$ 4,746,296</u>	<u>\$ 225,495</u>	<u>\$ 499,204</u>	<u>\$ 4,488,865</u>	<u>\$ 634,154</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the New Jersey School Boards Association (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2012, 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, 2012, the District had no estimated arbitrage earnings due to the IRS.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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.

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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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.

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

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. 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 will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 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, 2010 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.91 percent for TPAF.

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 and 6.5% for TPAF of the employee's annual compensation.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 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.

During the years ended June 30, 2012, 2011 and 2010 the Board was required to contribute for PERS 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:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>
2012	\$ 357,612	\$ 517,457
2011	341,114	49,936
2010	259,451	51,580

During the previous two fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$517,457 during 2011/2012 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2010/2011 and 2009/2010, the State contributed \$49,936 and \$51,580, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,173,243 during the year ended June 30, 2012 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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

G. 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, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 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, 2010, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

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, 2011, there were 93,323 retirees receiving post-retirement medical benefits and the State contributed \$935.5 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (Continued)

G. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

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, 2012, 2011 and 2010 were \$1,040,224, \$1,060,635 and \$968,752, 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.

BUDGETARY COMPARISON SCHEDULES

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 21,584,702		\$ 21,584,702	\$ 21,584,702	
Tuition	4,400,527		4,400,527	4,256,701	\$ (143,826)
Interest Income on Capital Reserve	5,000		5,000	18,380	13,380
Miscellaneous	229,934		229,934	394,201	164,267
State Sources					
Categorical Special Education Aid	1,080,044		1,080,044	1,080,044	
Equalization Aid	2,977,559		2,977,559	3,276,947	299,388
Extraordinary Aid	415,000	\$ 126,766	541,766	541,766	
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				50,149	50,149
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				467,308	467,308
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,040,224	1,040,224
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,173,243	1,173,243
Federal Sources					
Education Jobs Fund	174,101	5,454	179,555	179,555	
Medicaid Reimbursement	21,259	-	21,259	8,041	(13,218)
Total Revenues	30,888,126	132,220	31,020,346	34,071,261	3,050,915
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	494,988	35,901	530,889	530,889	
Grades 1-5	2,739,848	(21,192)	2,718,656	2,598,518	120,138
Grades 6-8	2,030,227	(39,657)	1,990,570	1,990,570	-
Grades 9-12	4,552,540	(155,218)	4,397,322	4,362,354	34,968
Regular Programs-Home Instruction					
Salaries of Teachers	82,000	17,705	99,705	99,705	
Purchased Professional-Educational Services	5,000	10,800	15,800	15,800	
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	2,800	(2,800)			-
Other Purchased Services		641	641	641	-
General Supplies	217,063	123,512	340,575	229,345	111,230
General Supplies Acquired Under Capital Lease (Non-Budget)				75,812	(75,812)
Textbooks	44,947	81,471	126,418	86,785	39,633
Other Objects	3,825	(1,708)	2,117	2,117	-
Total Regular Programs	10,173,238	49,455	10,222,693	9,992,536	230,157
Learning and/or Language Disabilities					
Salaries of Teachers	145,846	(11,548)	134,298	126,028	8,270
Other Salaries for Instruction	129,832	-	129,832	129,832	-
Total Learning and/or Language Disabilities	275,678	(11,548)	264,130	255,860	8,270
Behavioral Disabilities					
Salaries of Teachers	143,152	3,000	146,152	146,152	-
Other Salaries for Instruction	50,232	-	50,232	50,232	-
Total Behavioral Disabilities	193,384	3,000	196,384	196,384	-

RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 221,332	\$ (3,990)	\$ 217,342	\$ 217,342	
Other Salaries for Instruction	151,346	25,516	176,862	176,862	-
Total Multiple Disabilities	<u>372,678</u>	<u>21,526</u>	<u>394,204</u>	<u>394,204</u>	-
Resource Room/Resource Center					
Salaries of Teachers	1,137,177	44,790	1,181,967	1,181,967	
Other Salaries for Instruction	189,281	24,570	213,851	213,851	-
Total Resource Room/Resource Center	<u>1,326,458</u>	<u>69,360</u>	<u>1,395,818</u>	<u>1,395,818</u>	-
Autism					
Salaries of Teachers	232,827	(3,959)	228,868	228,868	
Other Salaries for Instruction	264,508	28,851	293,359	293,359	-
Total Autism	<u>497,335</u>	<u>24,892</u>	<u>522,227</u>	<u>522,227</u>	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	179,109	24,788	203,897	203,897	-
Other Salaries for Instruction	126,880	-	126,880	126,880	-
Total Preschool Disabilities - Full-Time	<u>305,989</u>	<u>24,788</u>	<u>330,777</u>	<u>330,777</u>	-
Total Special Education	<u>2,971,522</u>	<u>132,018</u>	<u>3,103,540</u>	<u>3,095,270</u>	\$ 8,270
Basic Skills/Remedial					
Salaries of Teachers	244,887	(56,371)	188,516	188,516	-
Total Basic Skills/Remedial	<u>244,887</u>	<u>(56,371)</u>	<u>188,516</u>	<u>188,516</u>	-
Bilingual Education - Instruction					
Salaries of Teachers	359,909	(54,741)	305,168	305,168	-
Total Bilingual Education - Instruction	<u>359,909</u>	<u>(54,741)</u>	<u>305,168</u>	<u>305,168</u>	-
School Sponsored Cocurricular Activities					
Salaries of Teachers	98,000	74	98,074	98,074	
Transfer to Cover Deficit	35,270	(8,273)	26,997	26,997	-
Total School Sponsored Cocurricular Activities	<u>133,270</u>	<u>(8,199)</u>	<u>125,071</u>	<u>125,071</u>	-
School Sponsored Athletics					
Salaries	426,675	7,799	434,474	434,474	
Purchased Services	69,845	9,948	79,793	79,793	
Supplies and Materials	72,666	22,661	95,327	59,167	36,160
Other Objects	120,523	8,380	128,903	128,903	-
Total School Sponsored Athletics	<u>689,709</u>	<u>48,788</u>	<u>738,497</u>	<u>702,337</u>	36,160
Community Service Programs					
Salaries	3,000	-	3,000	3,000	-
Total Community Service Programs	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	-
Total Instruction	<u>14,575,535</u>	<u>110,950</u>	<u>14,686,485</u>	<u>14,411,898</u>	274,587

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 150,000		\$ 150,000	\$ 131,392	\$ 18,608
Tuition to County Vocational Schools-Regular	217,890	\$ 24,091	241,981	241,981	-
Tuition to County Vocational Schools-Special	125,000	-	125,000	86,270	38,730
Tuition to CSSD and Regional Day Schools	385,000	-	385,000	334,760	50,240
Tuition to Priv. Sch. for the Handicapped-Within State	210,000	144,237	354,237	354,237	-
Tuition - Other	193,494	(183,532)	9,962	6,123	3,839
Total Undistributed Expenditures- Instruction	1,281,384	(15,204)	1,266,180	1,154,763	111,417
Attendance and Social Work					
Salaries	77,700	-	77,700	77,700	
Purchased Professional and Tech. Services	31,925	(70)	31,855	24,311	7,544
Total Attendance and Social Work	109,625	(70)	109,555	102,011	7,544
Health Services					
Salaries	316,205	8,625	324,830	324,830	
Purchased Professional and Technical Services	7,400	(859)	6,541	6,237	304
Supplies and Materials	3,669	2,308	5,977	4,220	1,757
Total Health Services	327,274	10,074	337,348	335,287	2,061
Other Support Services-Students-Related Services					
Salaries	697,669	(23,208)	674,461	674,461	
Purchased Professional-Educational Services	30,500	6,315	36,815	36,815	-
Total Other Support Services-Students-Related Serv	728,169	(16,893)	711,276	711,276	-
Guidance					
Salaries of Other Professional Staff	614,920	(11,678)	603,242	578,683	24,559
Salaries of Secretarial and Clerical Assistants	89,425	(574)	88,851	88,851	
Other Purchased Professional and Technical Services	3,580	4,014	7,594	7,594	
Other Purchased Services	2,500	2,884	5,384	3,284	2,100
Supplies and Materials	2,000	(977)	1,023	741	282
Total Guidance	712,425	(6,331)	706,094	679,153	26,941
Child Study Teams					
Salaries of Other Professional Staff	877,245	(10,553)	866,692	853,001	13,691
Salaries of Secretarial and Clerical Assistants	94,805	-	94,805	93,257	1,548
Total Child Study Teams	972,050	(10,553)	961,497	946,258	15,239
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	331,113	2,520	333,633	333,633	
Salaries of Other Professional Staff	306,065	(1,420)	304,645	299,747	4,898
Salaries of Secretarial and Clerical Assistants	46,200	(1,100)	45,100	45,100	-
Total Improvement of Instruction Services	683,378	-	683,378	678,480	4,898
Educational Media/School Library					
Salaries	177,968	6,805	184,773	183,897	876
Supplies and Materials	3,229	364	3,593	2,103	1,490
Total Educational Media/School Library	181,197	7,169	188,366	186,000	2,366

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Support Services- General Administration					
Salaries	\$ 360,374	\$ 16,773	\$ 377,147	\$ 377,147	
Legal Services	12,000	10,932	22,932	22,932	
Audit Fees	45,000	(4,400)	40,600	40,600	
Other Purchased Professional Services	10,000	1,442	11,442	11,442	
Communications/Telephone	223,388	(37,727)	185,661	185,661	
BOE Other Purchased Services	19,325	(17,304)	2,021	1,104	\$ 917
Miscellaneous Purchased Services	42,000	(2,548)	39,452	38,879	573
General Supplies	4,395	-	4,395	3,922	473
Miscellaneous Expenditures	11,547	151	11,698	10,069	1,629
BOE Membership Dues and Fees	15,000	-	15,000	14,410	590
Total Support Services- General Administration	743,029	(32,681)	710,348	706,166	4,182
Support Services- School Administration					
Salaries of Principals/Assistant Principals	791,531	117	791,648	791,648	
Salaries of Secretarial and Clerical Assistants	261,710	240	261,950	261,950	
Other Purchased Services	139,200	15,593	154,793	147,044	7,749
Supplies and Materials	16,425	5,678	22,103	18,600	3,503
Other Objects	11,859	-	11,859	11,517	342
Total Support Services- School Administration	1,220,725	21,628	1,242,353	1,230,759	11,594
Central Services					
Salaries	288,205	(2,061)	286,144	281,701	4,443
Purchased Professional Services	39,000	2,117	41,117	38,515	2,602
Miscellaneous Purchased Services	1,050	165	1,215	1,215	
Supplies and Materials	4,000	819	4,819	3,175	1,644
Total Central Services	332,255	1,040	333,295	324,606	8,689
Admin. Info. Technology					
Salaries	177,125	(24,786)	152,339	126,374	25,965
Total Admin. Info. Technology	177,125	(24,786)	152,339	126,374	25,965
Required Maintenance for School Facilities					
Salaries	147,191	-	147,191	145,522	1,669
Cleaning, Repair and Maintenance Services	156,128	(53,105)	103,023	69,871	33,152
Total Required Maintenance for School Facilities	303,319	(53,105)	250,214	215,393	34,821
Custodial Services					
Salaries	1,065,398	(48,365)	1,017,033	993,605	23,428
Cleaning, Repair and Maintenance Service	85,150	96,188	181,338	116,500	64,838
Rental of Land/Bldgs Other Than Lease Purchase Agreement	2,500		2,500	2,500	
Other Purchased Property Services	26,550	9,763	36,313	36,313	
Insurance	180,000	21,050	201,050	201,050	
General Supplies	89,000	18,135	107,135	97,470	9,665
Energy (Electricity)	467,000	-	467,000	326,283	140,717
Energy (Natural Gas)	227,700	(436)	227,264	103,565	123,699
Total Custodial Services	2,143,298	96,335	2,239,633	1,877,286	362,347

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services Contracted Services(Special Ed Students)-Joint Agreements	\$ 700,000	\$ (23,282)	\$ 676,718	\$ 630,009	\$ 46,709
Total Student Transportation Services	700,000	(23,282)	676,718	630,009	46,709
Unallocated Employee Benefits					
Social Security Contributions	413,000		413,000	380,692	32,308
Other Retirement Contributions - PERS	406,804	(39,453)	367,351	357,612	9,739
Unemployment Compensation	80,000		80,000	68,220	11,780
Workers Compensation	201,000	(26,030)	174,970	165,034	9,936
Health Benefits	4,300,357	40,221	4,340,578	4,305,036	35,542
Tuition Reimbursement	25,000	(25,000)			-
Other Employee Benefits	95,698	2,779	98,477	98,457	20
Total Unallocated Employee Benefits	5,521,859	(47,483)	5,474,376	5,375,051	99,325
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				50,149	(50,149)
Normal Cost				467,308	(467,308)
Post Retirement Medical				1,040,224	(1,040,224)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,173,243	(1,173,243)
Total Undistributed Expenditures	16,137,112	(94,142)	16,042,970	18,009,796	(1,966,826)
Total Current Expenditures	30,712,647	16,808	30,729,455	32,421,694	(1,692,239)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Equipment					
Undistributed Expenditures	-	279,386	279,386	62,705	216,681
Total Equipment	-	279,386	279,386	62,705	216,681
Facilities Acquisition and Construction Services					
Construction Services		46,000	46,000		46,000
Other Objects	673	-	673	673	-
Total Facilities Acquisition and Construction Services	673	46,000	46,673	673	46,000
Total Capital Outlay	5,673	325,386	331,059	63,378	267,681
SPECIAL SCHOOLS					
Summer School Instruction					
Salaries of Teachers	121,480	-	121,480	121,480	
Other Salaries for Instruction	30,375	-	30,375	30,375	
General Supplies	2,000	(481)	1,519	1,519	-
Total Summer School Instruction	153,855	(481)	153,374	153,374	-
Total Summer School	153,855	(481)	153,374	153,374	-
Total Special Schools	153,855	(481)	153,374	153,374	-
Transfer of Funds to Charter Schools	16,624	204	16,828	16,828	-
Total Expenditures	30,888,799	341,917	31,230,716	32,655,274	(1,424,558)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(673)	(209,697)	(210,370)	1,415,987	1,626,357

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources					
Capital Lease Proceeds (Non-Budget)				\$ 75,812	\$ 75,812
Capital Reserve - Transfer to Capital Projects	\$ (1,200,496)	\$ (673)	\$ (1,201,169)	(1,201,169)	-
Total Other Financing Sources	(1,200,496)	(673)	(1,201,169)	(1,125,357)	75,812
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	(1,201,169)	(210,370)	(1,411,539)	290,630	1,702,169
Fund Balances, Beginning of Year	2,414,991	-	2,414,991	2,414,991	-
Fund Balances, End of Year	<u>\$ 1,213,822</u>	<u>\$ (210,370)</u>	<u>\$ 1,003,452</u>	<u>\$ 2,705,621</u>	<u>\$ 1,702,169</u>

Recapitulation of Fund Balance

Restricted	
Excess Surplus	\$ 136,318
Excess Surplus - Designated for Subsequent Year's Expenditures	109,982
Capital Reserve	1,292,169
Committed	
Year End Encumbrances	245,500
Assigned	
Year End Encumbrances	282,019
Designated for Subsequent Year's Expenditures	18,639
Unassigned	<u>620,994</u>
	2,705,621

Reconciliation to Governmental Fund Statements (GAAP):

Less: 2011/2012 Final State Aid Payment Not Recognized on GAAP Basis	\$ 408,500
2011/2012 Extraordinary Aid Payment Not Recognized on GAAP Basis	<u>541,766</u>
	<u>(950,266)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,755,355</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
EDUCATION JOBS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Federal Sources					
Education Jobs Fund	\$ 174,101	\$ 5,454	\$ 179,555	\$ 179,555	-
Total Revenues	<u>174,101</u>	<u>5,454</u>	<u>179,555</u>	<u>179,555</u>	<u>-</u>
CURRENT EXPENDITURES					
Undistributed Expenditures					
Health Services					
Salaries	776	-	776	776	-
Total Health Services	<u>776</u>	<u>-</u>	<u>776</u>	<u>776</u>	<u>-</u>
Guidance					
Salaries of Other Professional Staff	1,094	5,454	6,548	6,548	-
Total Guidance	<u>1,094</u>	<u>5,454</u>	<u>6,548</u>	<u>6,548</u>	<u>-</u>
Child Study Teams					
Salaries of Other Professional Staff	20,376	-	20,376	20,376	-
Total Child Study Teams	<u>20,376</u>	<u>-</u>	<u>20,376</u>	<u>20,376</u>	<u>-</u>
Total Undistributed Expenditures	<u>22,246</u>	<u>5,454</u>	<u>27,700</u>	<u>27,700</u>	<u>-</u>
Total Current Expenditures	<u>22,246</u>	<u>5,454</u>	<u>27,700</u>	<u>27,700</u>	<u>-</u>
SPECIAL SCHOOLS					
Summer School Instruction					
Salaries of Teachers	121,480		121,480	121,480	
Other Salaries for Instruction	30,375	-	30,375	30,375	-
Total Summer School Instruction	<u>151,855</u>	<u>-</u>	<u>151,855</u>	<u>151,855</u>	<u>-</u>
Total Summer School	<u>151,855</u>	<u>-</u>	<u>151,855</u>	<u>151,855</u>	<u>-</u>
Total Special Schools	<u>151,855</u>	<u>-</u>	<u>151,855</u>	<u>151,855</u>	<u>-</u>
Total Expenditures	<u>174,101</u>	<u>5,454</u>	<u>179,555</u>	<u>179,555</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 1,021,184	\$ 41,492	\$ 1,062,676	\$ 975,870	\$ (86,806)
Local	-	13,198	13,198	13,198	-
Total Revenues	<u>1,021,184</u>	<u>54,690</u>	<u>1,075,874</u>	<u>989,068</u>	<u>(86,806)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	315,472	-	315,472	315,472	-
Other Purchased Services	291,991	18,147	310,138	308,748	1,390
General Supplies	48,034	(7,731)	40,303	20,504	19,799
Other Objects	1,800	700	2,500	1,135	1,365
Total Instruction	<u>657,297</u>	<u>11,116</u>	<u>668,413</u>	<u>645,859</u>	<u>22,554</u>
Support Services					
Salaries of Teachers	74,489	(646)	73,843	73,843	-
Personal Services - Employee Benefits	77,992	45,630	123,622	78,193	45,429
Purchased Professional/Educational Services	153,700	(12,601)	141,099	131,909	9,190
Other Purchased Services	31,198	9,448	40,646	37,955	2,691
Supplies and Materials	26,508	(3,554)	22,954	16,013	6,941
Total Support Services	<u>363,887</u>	<u>38,277</u>	<u>402,164</u>	<u>337,913</u>	<u>64,251</u>
Facilities Acquisition and Construction					
Non Instructional Equipment	-	5,297	5,297	5,296	1
Total Facilities Acq. & Construction	<u>-</u>	<u>5,297</u>	<u>5,297</u>	<u>5,296</u>	<u>1</u>
Total Expenditures	<u>1,021,184</u>	<u>54,690</u>	<u>1,075,874</u>	<u>989,068</u>	<u>86,806</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 34,071,261	\$ 989,068
Difference - 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		
2010/11		4,575
2011/12		(21,488)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2010/2011) State Aid)	812,741	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2011/2012) State Aid)	<u>(950,266)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 33,933,736</u>	<u>\$ 972,155</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 32,655,274	\$ 989,068
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		
2010/11		4,575
2011/12	<u>-</u>	<u>(21,488)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 32,655,274</u>	<u>\$ 972,155</u>

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	NCLB					Total
	Title I	Title IIA	Title IID	Title III	Local Grants	Page 2 2012
REVENUES						
Intergovernmental						
Local					\$ 13,198	\$ 13,198
Federal	\$ 413,620	\$ 61,947	\$ 969	\$ 21,360	-	\$ 477,974
Total Revenues	<u>\$ 413,620</u>	<u>\$ 61,947</u>	<u>\$ 969</u>	<u>\$ 21,360</u>	<u>\$ 13,198</u>	<u>\$ 477,974</u>
						<u>\$ 989,068</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 300,000		\$ 15,472			\$ 315,472
Other Purchased Services						\$ 308,748
General Supplies	14,885	\$ 160		2,249		3,210
Other Objects	-	-	-	-		1,135
Total Instruction	<u>314,885</u>	<u>160</u>	<u>-</u>	<u>17,721</u>	<u>-</u>	<u>313,093</u>
						<u>645,859</u>
Support Services						
Salaries of Teachers	23,000	50,843				73,843
Personal Services - Employee Benefits	64,600	10,169		3,424		78,193
Purchased Prof. Education Services	11,135		\$ 969	215		119,590
Other Purchased Services	-		-	-		24,757
Supplies and Materials	-	775	-	-		15,238
Total Support Services	<u>98,735</u>	<u>61,787</u>	<u>969</u>	<u>3,639</u>	<u>13,198</u>	<u>159,585</u>
						<u>337,913</u>
Equipment						
Non Instructional Equipment	-	-	-	-		5,296
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,296</u>
Total Expenditures	<u>\$ 413,620</u>	<u>\$ 61,947</u>	<u>\$ 969</u>	<u>\$ 21,360</u>	<u>\$ 13,198</u>	<u>\$ 477,974</u>
						<u>\$ 989,068</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>IDEA</u>			
	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Page 2 Total</u>	
REVENUES				
Intergovernmental				
Federal	\$ 460,649	\$ 17,325	\$ 477,974	
Total Revenues	<u>\$ 460,649</u>	<u>\$ 17,325</u>	<u>\$ 477,974</u>	
EXPENDITURES				
Instruction				
Other Purchased Services	\$ 299,748	9,000	\$ 308,748	
General Supplies	3,210		3,210	
Other Objects	1,135	-	1,135	
Total Instruction	<u>304,093</u>	<u>9,000</u>	<u>313,093</u>	
Support Services				
Purchased Professional Education Services	119,590		119,590	
Other Purchased Services	22,932	1,825	24,757	
Supplies and Materials	8,738	6,500	15,238	
Total Support Services	<u>151,260</u>	<u>8,325</u>	<u>159,585</u>	
Equipment				
Instructional Equipment	5,296	-	5,296	
Noninstructional Equipment				
Total Equipment	<u>5,296</u>	<u>-</u>	<u>5,296</u>	
Total Expenditures	<u>\$ 460,649</u>	<u>\$ 17,325</u>	<u>\$ 477,974</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>				<u>Unexpended Balance</u>
	<u>Appropriations</u>	<u>Adjustments</u>	<u>Modified Appropriations</u>	<u>Prior Years</u> <u>Current Year</u>	
Boiler Replacement at Roosevelt School	\$ 562,500	\$ (312,364)	\$ 250,136	\$ 28,596 \$ 193,060	\$ 28,480
Roof Replacement at Grant School	138,500	(19,790)	118,710	5,100 107,675	5,935
Conversion of Pool at Roosevelt School	347,500	464,219	811,719	2,150 300,162	509,407
Wall Panel Replacement at High School	152,669	160,104	312,773	5,000 -	307,773
	<u>\$ 1,201,169</u>	<u>\$ 292,169</u>	<u>\$ 1,493,338</u>	<u>\$ 40,846</u> <u>\$ 600,897</u>	<u>851,595</u>
				Less: Unfunded Authorization	<u>(292,169)</u>
				Fund Balance June 30, 2012	<u>\$ 559,426</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Revenues	
Capital Reserve	<u>\$ 1,201,169</u>
 Total Revenues	 <u>1,201,169</u>
 Expenditures	
Purchased Professional and Technical Services	61,603
Construction Services	<u>539,294</u>
 Total Expenditures	 <u>600,897</u>
 Excess of Revenues Over Expenditures	 600,272
 Fund Balance(Deficit), Beginning of Year	 <u>(40,846)</u>
 Fund Balance, End of Year	 <u>\$ 559,426</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOILER REPLACEMENT AT ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	-	\$ 250,136	\$ 250,136	\$ 250,136
 Total Revenues	 -	 250,136	 250,136	 250,136
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 28,596		28,596	35,336
Construction Services	-	193,060	193,060	214,800
 Total Expenditures	 28,596	 193,060	 221,656	 250,136
 Excess of Revenue Over Expenditures	 \$ (28,596)	 \$ 57,076	 \$ 28,480	 \$ -

Additional Project Information:

Project Number	
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 562,500
Adjustment to Original Authorized Cost	\$ (312,364)
Revised Authorized Cost	\$ 250,136
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	12/31/2011

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT AT GRANT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	-	\$ 118,710	\$ 118,710	\$ 118,710
 Total Revenues	 -	 118,710	 118,710	 118,710
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 5,100		5,100	11,035
Construction Services	-	107,675	107,675	107,675
 Total Expenditures	 5,100	 107,675	 112,775	 118,710
 Excess of Revenue Over Expenditures	 \$ (5,100)	 \$ 11,035	 \$ 5,935	 \$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 138,500
Adjustment to Original Authorized Cost	\$ (19,790)
Revised Authorized Cost	\$ 118,710
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%
Original Target Completion Date	8/31/2011
Revised Target Completion Date	9/30/2011

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONVERSION OF POOL AT ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	-	\$ 811,719	\$ 811,719	\$ 811,719
 Total Revenues	 -	 811,719	 811,719	 811,719
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 2,150	61,603	63,753	81,186
Construction Services	-	238,559	238,559	730,533
 Total Expenditures	 2,150	 300,162	 302,312	 811,719
 Excess of Revenue Over Expenditures	 \$ (2,150)	 \$ 511,557	 \$ 509,407	 \$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 347,500
Adjustment to Original Authorized Cost	\$ 464,219
Revised Authorized Cost	\$ 811,719
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	37.24%
Original Target Completion Date	8/5/2012
Revised Target Completion Date	8/5/2012

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WALL PANEL REPLACEMENT AT HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	-	\$ 20,604	\$ 20,604	\$ 312,773
 Total Revenues	 -	 20,604	 20,604	 312,773
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	\$ 5,000		5,000	5,000
Construction Services	-	-	-	307,773
 Total Expenditures	 5,000	 -	 5,000	 312,773
 Excess of Revenue Over Expenditures	 \$ (5,000)	 \$ 20,604	 \$ 15,604	 \$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 152,669
Adjustment to Original Authorized Cost	\$ 160,104
Revised Authorized Cost	\$ 312,773
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	1.60%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

ENTERPRISE FUND

SCHEDULE G-1

**RIDGEFIELD PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 107,291	\$ 184,916	\$ 292,207
Total Assets	<u>\$ 107,291</u>	<u>\$ 184,916</u>	<u>\$ 292,207</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 184,433	\$ 184,433
Due to Other Funds		483	483
Due to Student Groups	<u>\$ 107,291</u>	<u>-</u>	<u>107,291</u>
Total Liabilities	<u>\$ 107,291</u>	<u>\$ 184,916</u>	<u>\$ 292,207</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Balance, July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2012</u>
ELEMENTARY SCHOOLS				
Lincoln School	\$ 3,696	\$ 14,139	\$ 11,586	\$ 6,249
Grant School	5,077	8,857	8,842	5,092
Roosevelt School	4,625	17,368	14,282	7,711
	<u>13,398</u>	<u>40,364</u>	<u>34,710</u>	<u>19,052</u>
TOTAL Elementary Schools				
JUNIOR/SENIOR HIGH SCHOOL				
Student Activities Fund	100,372	346,582	358,716	88,238
Athletic Account	-	62,966	62,965	1
	<u>100,372</u>	<u>409,548</u>	<u>421,681</u>	<u>88,239</u>
TOTAL Junior/Senior High School				
TOTAL All Schools				
	<u>\$ 113,770</u>	<u>\$ 449,912</u>	<u>\$ 456,391</u>	<u>\$ 107,291</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ASSETS				
Cash	\$ 159,440	\$ 35,513,910	\$ 35,488,434	\$ 184,916
Total Assets	<u>\$ 159,440</u>	<u>\$ 35,513,910</u>	<u>\$ 35,488,434</u>	<u>\$ 184,916</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 159,440	\$ 22,693,114	\$ 22,668,121	\$ 184,433
Accrued Salaries and Wages		12,816,571	12,816,571	
Due to Other Funds	<u>-</u>	<u>4,225</u>	<u>3,742</u>	<u>483</u>
Total Liabilities	<u>\$ 159,440</u>	<u>\$ 35,513,910</u>	<u>\$ 35,488,434</u>	<u>\$ 184,916</u>

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LONG-TERM DEBT

RIDGEFIELD PARK BOARD OF EDUCATION
 STATEMENT OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
School Refunding Bonds	5/12/2008	\$4,020,000	7/1/2012	\$ 400,000	4.00%			
			7/1/2013	400,000	4.00%			
			7/1/2014	395,000	4.00%			
			7/1/2015	395,000	4.00%			
			7/1/2016	390,000	4.25%			
			7/1/2017	390,000	4.25%			
			7/1/2018	360,000	4.25%			
						\$ 3,140,000	\$ 410,000	\$ 2,730,000
						\$ 3,140,000	\$ 410,000	\$ 2,730,000

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Issue</u>	Amount of Original Issue	Balance, July 1, 2011	<u>Issued</u>	<u>Retired</u>	Balance, June 30, 2012
Computers - 2009/2010	\$ 143,018	\$ 77,072		\$ 36,269	\$ 40,803
Computers - 2010/2011	73,080	58,510		17,930	40,580
Computers - 2011/2012	75,812	-	\$ 75,812	13,730	62,082
		<u>\$ 135,582</u>	<u>\$ 75,812</u>	<u>\$ 67,929</u>	<u>\$ 143,465</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 410,000		\$ 410,000	\$ 443,246	\$ 33,246
State Sources	153,853	-	153,853	153,853	-
State Aid Type II					
Total Revenues	<u>563,853</u>	<u>-</u>	<u>563,853</u>	<u>597,099</u>	<u>33,246</u>
EXPENDITURES					
Regular Debt Service					
Interest	153,853		153,853	118,200	35,653
Principal	410,000	-	410,000	410,000	-
Total Expenditures	<u>563,853</u>	<u>-</u>	<u>563,853</u>	<u>528,200</u>	<u>35,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,899</u>	<u>68,899</u>
Fund Balance (Deficit), Beginning of Year	<u>(33,246)</u>	<u>-</u>	<u>(33,246)</u>	<u>(33,246)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (33,246)</u>	<u>\$ -</u>	<u>\$ (33,246)</u>	<u>\$ 35,653</u>	<u>\$ 68,899</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted for Debt Service:					
Available for Future Debt Service Expenditures				<u>\$ 35,653</u>	

STATISTICAL SECTION

This part of the Ridgefield 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.

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested In Capital Assets, Net Of Related Debt	\$ 5,892,522	\$ 5,984,100	\$ 6,136,703	\$ 6,194,472	\$ 6,543,123	\$ 6,890,421	\$ 7,404,363	\$ 7,308,131	\$ 7,274,748	\$ 8,081,753
Restricted	70,622	60,994	884	570	108	435,104	979,909	1,683,384	1,460,092	1,887,248
Unrestricted	(1,797,499)	(2,776,363)	(2,535,996)	(1,725,706)	(323,336)	247,281	(1,282,680)	(2,309,146)	(1,399,604)	(1,332,328)
Total Governmental Activities Net Assets	\$ 4,165,645	\$ 3,268,731	\$ 3,601,591	\$ 4,469,336	\$ 6,219,895	\$ 7,592,806	\$ 7,101,592	\$ 6,682,569	\$ 7,335,236	\$ 8,636,673
Business-Type Activities										
Invested In Capital Assets, Net Of Related Debt	\$ 24,436	\$ 33,713	\$ 27,211	\$ 20,709	\$ 55,115	\$ 71,572	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662
Unrestricted	157,878	97,375	100,900	137,054	144,190	165,117	227,128	293,766	304,372	296,076
Total Business-Type Activities Net Assets	\$ 182,314	\$ 131,088	\$ 128,111	\$ 157,763	\$ 199,305	\$ 236,689	\$ 291,024	\$ 349,987	\$ 352,918	\$ 309,738
District-Wide										
Invested In Capital Assets, Net Of Related Debt	\$ 5,916,958	\$ 6,017,813	\$ 6,163,914	\$ 6,215,181	\$ 6,598,238	\$ 6,961,993	\$ 7,468,259	\$ 7,364,352	\$ 7,323,294	\$ 8,095,415
Restricted	70,622	60,994	884	570	108	455,104	979,909	1,683,384	1,460,092	1,887,248
Unrestricted	(1,639,621)	(2,678,988)	(2,435,096)	(1,588,652)	(179,146)	412,398	(1,055,552)	(2,015,380)	(1,095,232)	(1,036,252)
Total District Net Assets	\$ 4,347,959	\$ 3,399,819	\$ 3,729,702	\$ 4,627,099	\$ 6,419,200	\$ 7,829,495	\$ 7,392,616	\$ 7,032,556	\$ 7,688,154	\$ 8,946,411

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,376,028	\$ 10,725,115	\$ 11,401,548	\$ 12,092,775	\$ 13,042,133	\$ 13,438,435	\$ 13,814,413	\$ 14,830,594	\$ 14,289,814	\$ 15,171,855
Special Education	3,903,694	4,456,268	5,094,639	4,810,147	4,752,254	4,631,721	5,096,953	6,079,429	5,596,021	5,701,214
Other Instruction	694,917	990,124	723,614	618,500	1,170,415	847,759	763,391	930,966	628,816	694,429
School Sponsored Activities And Athletics	662,396	714,219	726,885	790,552	876,479	1,552,453	919,451	973,633	968,176	1,038,423
Support Services:										
Student & Instruction Related Services	3,665,832	3,751,940	3,343,509	3,667,036	4,186,189	4,174,953	5,245,911	4,465,578	4,913,960	5,129,207
General Administration Services	899,564	827,824	834,895	889,419	858,462	1,123,904	1,044,982	968,038	1,174,493	866,708
School Administration Services	1,177,791	1,231,417	1,237,114	1,331,521	1,406,499	1,707,327	1,440,219	1,592,263	1,579,245	1,630,154
Business / Central Services	359,024	412,514	661,229	591,867	633,831	684,997	688,780	659,642	651,281	618,510
Plant Operations And Maintenance	2,344,649	2,320,653	2,108,844	2,543,548	2,424,662	2,581,609	3,078,487	2,812,012	2,724,797	2,609,146
Pupil Transportation	558,459	623,223	636,559	648,318	651,995	618,354	641,239	605,933	658,666	630,009
Special Schools	127,911	-	-	-	-	-	-	-	-	-
Interest On Long-Term Debt	313,400	301,225	278,903	255,884	236,172	132,730	134,166	133,724	124,332	111,898
Total Governmental Activities Expenses	\$ 25,083,665	\$ 26,357,522	\$ 26,957,739	\$ 28,239,567	\$ 30,239,091	\$ 31,497,242	\$ 32,867,092	\$ 34,051,812	\$ 33,309,601	\$ 34,201,553
Business-Type Activities:										
Food Service	516,774	609,663	631,283	666,676	744,550	744,732	783,571	826,076	924,580	997,792
Total Business-Type Activities Expense	516,774	609,663	631,283	666,676	744,550	744,732	783,571	826,076	924,580	997,792
Total District Expenses	\$ 25,600,439	\$ 26,967,185	\$ 27,589,022	\$ 28,906,243	\$ 30,983,641	\$ 32,241,974	\$ 33,650,663	\$ 34,877,888	\$ 34,234,181	\$ 35,199,345
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 2,365,493	\$ 2,686,342	\$ 2,602,779	\$ 2,620,698	\$ 2,989,087	\$ 2,874,154	\$ 2,983,236	\$ 3,207,565	\$ 3,901,104	\$ 3,895,957
Special Education	156,861	-	238,480	401,474	630,072	494,964	351,683	488,861	490,572	360,744
Special Schools	20,708	-	-	-	-	-	-	-	-	-
Operating Grants And Contributions	4,540,043	4,627,635	4,804,798	4,915,968	6,117,242	5,844,714	4,705,498	5,615,386	4,894,065	5,267,932
Capital Grants And Contributions	106,795	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 7,189,900	\$ 7,314,477	\$ 7,646,057	\$ 7,938,140	\$ 9,736,401	\$ 9,213,832	\$ 8,040,417	\$ 9,311,812	\$ 9,285,741	\$ 9,524,633
Business-Type Activities:										
Charges For Services	352,532	354,988	379,712	433,321	485,781	497,797	514,178	498,523	499,722	503,906
Food Service	200,522	203,449	248,594	263,097	300,311	284,319	323,728	386,516	427,789	450,706
Operating Grants And Contributions	553,054	558,437	628,306	696,328	786,092	782,116	837,906	885,039	927,511	954,612
Total Business-Type Activities Program Revenues	\$ 7,742,954	\$ 7,872,914	\$ 8,274,363	\$ 8,634,668	\$ 10,522,493	\$ 9,995,948	\$ 8,878,323	\$ 10,196,851	\$ 10,213,252	\$ 10,479,245
Net (Expense)/Revenue										
Governmental Activities										
Governmental Activities	\$ (17,893,765)	\$ (19,043,045)	\$ (19,311,682)	\$ (20,301,427)	\$ (20,502,690)	\$ (22,283,410)	\$ (24,827,575)	\$ (24,740,000)	\$ (24,023,860)	\$ (24,676,920)
Business-Type Activities	36,280	(51,226)	(2,977)	29,652	41,542	37,384	54,335	58,963	2,931	(43,180)
Total District-Wide Net Expense	\$ (17,857,485)	\$ (19,094,271)	\$ (19,314,659)	\$ (20,271,775)	\$ (20,461,148)	\$ (22,246,026)	\$ (24,773,240)	\$ (24,681,037)	\$ (24,020,929)	\$ (24,720,100)
General Revenues And Other Changes In Net Assets										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 14,997,526	\$ 15,688,715	\$ 16,929,940	\$ 18,421,605	\$ 19,431,797	\$ 20,290,000	\$ 20,290,000	\$ 20,445,640	\$ 21,213,466	\$ 21,584,702
Taxes Levied For Debt Service	561,343	542,289	508,731	489,959	416,161	404,264	400,000	415,000	410,000	443,246
State Aid - Unrestricted	1,621,774	1,867,819	2,116,581	2,121,863	2,117,345	2,702,926	3,494,013	3,206,966	2,973,137	3,537,828
Investment Earnings	42,734	11,830	49,057	86,287	203,914	154,755	83,929	13,641	16,987	18,380
Miscellaneous Income	42,160	35,478	40,233	49,458	84,032	104,376	68,419	239,730	62,937	394,201
Total Governmental Activities	\$ 17,265,537	\$ 18,146,131	\$ 19,644,542	\$ 21,169,172	\$ 22,253,249	\$ 23,656,321	\$ 24,336,361	\$ 24,320,977	\$ 24,676,527	\$ 25,978,357
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 17,265,537	\$ 18,146,131	\$ 19,644,542	\$ 21,169,172	\$ 22,253,249	\$ 23,656,321	\$ 24,336,361	\$ 24,320,977	\$ 24,676,527	\$ 25,978,357
Change In Net Assets										
Governmental Activities										
Governmental Activities	\$ (628,228)	\$ (896,914)	\$ 332,850	\$ 867,745	\$ 1,750,559	\$ 1,372,911	\$ (491,214)	\$ (419,023)	\$ 652,667	\$ 1,301,437
Business-Type Activities	36,280	(31,226)	(2,977)	29,652	41,542	37,384	54,335	58,963	2,931	(43,180)
Total District	\$ (591,948)	\$ (928,140)	\$ 329,873	\$ 897,397	\$ 1,792,101	\$ 1,410,295	\$ (436,879)	\$ (360,060)	\$ 655,598	\$ 1,258,257

RIDGEFIELD PARK BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

(Unaudited)
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 577,811	\$ 102	\$ 103,028	\$ 529,979	\$ 1,430,652	\$ 2,318,230	\$ 1,738,553	\$ 1,664,733	\$ 1,603,320	\$ 1,538,469
Unreserved	668,088	236,825	469,889	682,872	510,097	370,834	(44,639)	(92,596)	145,294	245,500
Restricted										300,658
Committed										(329,272)
Assigned										
Unassigned										
Total General Fund	\$ 1,245,899	\$ 236,927	\$ 572,917	\$ 1,212,851	\$ 1,940,749	\$ 2,689,064	\$ 1,693,914	\$ 1,572,137	\$ 1,602,250	\$ 1,755,355
All Other Governmental Funds										
Unreserved	\$ 70,520	\$ 60,892	\$ (4,680)	\$ (6,335)	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)	\$ (74,092)	\$ 595,079
Restricted										
Total All Other Governmental Funds	\$ 70,520	\$ 60,892	\$ (4,680)	\$ (6,335)	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)	\$ (74,092)	\$ 595,079

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund 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 the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

RIDGEFIELD PARK BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax Levy	\$ 15,558,869	\$ 16,231,004	\$ 17,438,671	\$ 18,911,564	\$ 19,847,958	\$ 20,694,264	\$ 20,690,000	\$ 20,860,640	\$ 21,623,466	\$ 22,027,948
Tuition Charges	2,543,062	2,686,842	2,841,259	3,022,172	3,619,159	3,369,118	3,334,919	3,696,426	4,391,676	4,256,701
Interest Earnings	42,734	11,830	49,057	86,287	203,914	154,755	83,929	13,641	16,987	18,380
Miscellaneous	42,160	35,478	40,233	74,458	84,032	104,376	68,419	239,730	62,937	407,399
State Sources	5,377,505	5,630,065	6,901,684	6,182,515	7,167,113	7,677,017	7,317,300	6,672,293	6,874,477	7,646,009
Federal Sources	891,107	865,389	919,695	830,316	1,067,474	870,623	882,211	2,150,059	992,725	1,146,553
Total Revenue	24,455,437	25,460,608	27,290,599	29,107,312	31,989,650	32,870,153	32,376,778	33,632,789	33,962,268	35,502,990
Expenditures										
Instruction										
Regular Instruction	10,902,387	10,487,780	11,153,050	11,841,482	12,910,603	13,573,576	13,599,235	14,621,042	14,163,843	14,772,783
Special Education Instruction	3,941,791	4,462,977	4,960,978	4,788,588	4,737,947	4,654,199	5,131,186	6,071,193	5,536,686	5,696,757
Vocational Education	267,851	298,278								
Other Instruction	681,709	989,572	669,006	564,170	1,257,624	862,197	757,389	794,139	795,694	692,300
School Sponsored Activities And Athletics	661,879	712,051	725,544	789,211	870,405	918,419	919,451	973,633	968,176	1,038,423
Support Services:										
Student & Inst. Related Services	3,759,857	3,746,435	3,341,472	3,713,365	4,291,673	4,886,482	5,112,892	4,481,054	4,985,817	5,055,892
General Administration Services	851,256	820,895	869,802	875,077	864,472	1,035,394	983,977	1,014,144	1,310,663	857,409
School Administration Services	1,158,539	1,227,139	1,196,760	1,395,529	1,434,687	1,364,133	1,371,493	1,445,104	1,522,500	1,577,132
Business / Central Services	349,450	401,228	616,938	664,084	683,678	667,618	715,856	630,314	717,740	614,634
Plant Operations And Maintenance	2,043,437	2,025,426	2,057,507	2,527,843	2,408,587	2,620,423	3,015,713	2,723,680	2,695,786	2,551,315
Pupil Transportation	558,459	623,223	636,559	648,318	651,995	618,354	641,239	605,933	658,666	630,009
Special Schools	127,796									
Charter Schools	6,732									
Capital Outlay	385,935	58,351	116,819		263,838	301,071	512,379	50,452	65,876	668,898
Debt Service:										
Principal	425,000	425,000	492,677	495,858	641,135	404,918	450,000	445,968	464,548	477,929
Interest And Other Charges	325,488	301,313	290,403	267,384	245,572	215,058	104,510	147,318	136,747	123,045
Payments to Refunding Escrow Agents						86,347				
Cost of Issuance of Refunding Bonds						98,016				
Total Expenditures	25,547,566	26,579,668	27,127,515	28,570,909	31,262,216	32,306,205	33,315,320	34,003,974	34,022,742	34,756,526
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(1,092,129)	(1,119,060)	163,084	536,403	727,434	563,948	(938,542)	(371,185)	(60,474)	746,464
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	89,877	100,460	107,334	101,876				143,018	73,080	75,812
Refunding Bond Proceeds						4,020,000				
Premium on Refunding Bonds						139,363				
payment to Refunding Escrow Agent						(3,975,000)				
Transfers In	606	303								1,201,169
Transfers Out	(606)	(303)								(1,201,169)
Total Other Financing Sources (Uses)	89,877	100,460	107,334	101,876	-	184,363	-	143,018	73,080	75,812
Net Change In Fund Balances	\$ (1,002,252)	\$ (1,018,600)	\$ 270,418	\$ 638,279	\$ 727,434	\$ 748,311	\$ (938,542)	\$ (228,167)	\$ 12,606	\$ 822,276
Debt Service As A Percentage Of										
Noncapital Expenditures	2.98%	2.74%	2.90%	2.67%	2.86%	1.94%	1.69%	1.75%	1.77%	1.76%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Other</u>	<u>Total</u>
2012	\$ 4,256,701	\$ 18,380	\$ 394,201	\$ 4,669,282
2011	4,391,676	16,987	62,937	4,471,600
2010	3,696,426	13,641	239,730	3,949,797
2009	3,334,919	83,929	68,419	3,487,267
2008	3,369,118	154,755	104,376	3,628,249
2007	3,619,159	203,914	84,032	3,907,105
2006	3,022,172	86,283	49,458	3,157,913
2005	2,841,259	48,594	40,233	2,930,086
2004	2,686,842	11,512	35,478	2,733,832
2003	2,543,062	42,128	42,160	2,627,350

Source: School District records

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

Calendar Year Ended December 31,	Farm		Q/farm		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities		Net Valuation Taxable		Estimated Actual (County Equalized) Value		Total Direct School Tax Rate *	
	Residential	Reg.																		
2003	\$ 547,843,600	N/A	N/A	\$ 37,281,500	\$ 70,792,100	\$ 210,149,100	\$ 37,281,500	\$ 70,792,100	\$ 891,382,200	\$ 1,389,699	\$ 892,771,899	\$ 943,264,964	\$ 1,820							
2004	548,933,000	N/A	N/A	32,328,400	70,432,900	209,972,900	32,328,400	70,432,900	883,820,800	1,449,699	885,270,499	1,083,752,974	1,970							
2005	550,464,800	N/A	N/A	32,328,400	70,432,900	191,625,950	32,328,400	70,432,900	867,905,650	955,814	867,961,464	1,238,444,610	2,179							
2006	559,868,740	N/A	N/A	32,328,400	70,432,900	190,884,650	32,328,400	70,432,900	875,107,290	795,896	875,903,186	1,422,455,948	2,266							
2007	21,690,600	N/A	N/A	30,806,600	68,839,300	189,720,250	30,806,600	68,839,300	872,173,050	738,811	872,909,861	1,642,628,848	2,371							
2008	1,046,356,100	N/A	N/A	55,895,900	116,228,200	321,408,400	55,895,900	116,228,200	1,566,397,800	708,434	1,567,306,234	1,655,264,678	1,320							
2009	1,047,324,300	N/A	N/A	49,667,000	114,271,300	330,612,100	49,667,000	114,271,300	1,559,596,600	1,404,287	1,578,882,887	1,574,882,476	1,323							
2010	1,040,332,800	N/A	N/A	328,716,500	107,654,800	284,638,000	328,716,500	107,654,800	1,235,716,200	3,124,731	1,562,721,331	1,470,267,482	1,384							
2011	767,364,600	N/A	N/A	49,765,400	104,107,200	280,250,600	49,765,400	104,107,200	1,225,960,700	2,099,972	1,227,786,634	1,342,736,493	1,780							
2012	766,238,100	N/A	N/A	49,183,200	104,107,200	280,250,600	49,183,200	104,107,200	1,225,960,700	1,825,934	1,227,786,634	1,364,697,743	1,822							

Source: County Abstract of Rates

a Tax rates are per \$100

**RIDGEFIELD PARK BOARD OF EDUCATION
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>		<u>Total</u>	<u>Local School District</u>		<u>Municipality</u>		<u>County</u>
2012	\$	3.301	\$	1.822	\$	1.241	\$ 0.238
2011	(A)	3.255		1.780		1.254	0.221
2010		2.509		1.384		0.949	0.176
2009		2.402		1.323		0.891	0.188
2008	(B)	2.362		1.320		0.847	0.195
2007		4.090		2.371		1.406	0.313
2006		3.86		2.266		1.297	0.297
2005		3.69		2.179		1.232	0.279
2004		3.35		1.97		1.13	0.249
2003		3.08		1.82		1.04	0.224

(A) The Village undertook a reassessment of real property which became effective in calendar year 2011

(B) The Village undertook a revaluation of real property which became effective in calendar year 2008

Source: Village Tax Duplicate

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

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bank of America	\$ 36,610,600	2.98%		
Fleet Bank			\$ 37,784,000	4.23%
85 Challenger Rd LLC	29,000,000	2.36%		
Hartz Mountain Industries	28,000,000	2.28%	34,180,600	3.83%
Daewoo Intl Corp			24,903,100	2.79%
AGFA	27,500,000	2.24%	21,081,100	2.36%
Daekyo America, Inc	21,000,000	1.71%		
Wellsford/Whitehall			20,073,900	2.25%
Pitcairn Skymark, LLC			18,000,000	2.02%
Crystal Clear Rose Importing			16,906,700	1.89%
S. Bedevian			11,385,200	1.28%
Marlboro Apt. Corp.			10,490,700	1.18%
Pitcairn Skymark, LLC	18,979,000	1.55%		
Marlboro Apt. Corp.	17,547,200	1.43%		
Casagrande/MTC			8,133,300	0.91%
Ridgefield Park Lodging Assoc	14,203,600	1.16%		
United Rentals North America Inc	12,803,000	1.04%		
Landmark E Corp	10,320,000	0.84%		
	<u>\$ 215,963,400</u>	<u>17.59%</u>	<u>\$ 202,938,600</u>	<u>22.73%</u>

Source: Municipal Tax Assessor

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

Calendar Year Ended December 31,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	15,558,869	15,558,869	100.00%	N/A
2004	16,231,004	16,231,004	100.00%	N/A
2005	17,438,671	17,438,671	100.00%	N/A
2006	18,911,564	18,911,564	100.00%	N/A
2007	19,847,958	19,847,958	100.00%	N/A
2008	20,694,294	20,694,294	100.00%	N/A
2009	20,690,000	20,690,000	100.00%	N/A
2010	20,860,400	20,860,400	100.00%	N/A
2011	21,623,466	21,623,466	100.00%	N/A
2012	22,027,948	22,027,948	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities				Population	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Total District		
2005	\$ 5,575,000	\$ 240,035	\$ 5,815,035	12,658 (1)	\$ 459	
2006	5,175,000	246,053	5,421,053	12,552 (1)	432	
2007	4,775,000	4,918	4,779,918	12,419 (1)	385	
2008	4,420,000		4,420,000	12,376 (1)	357	
2009	3,970,000		3,970,000	12,345 (1)	322	
2010	3,555,000	112,050	3,667,050	12,394 (1)	296	
2011	3,140,000	135,582	3,275,582	12,744 (1)	257	
2012	2,730,000	143,465	2,873,465	12,812 (1)	224	

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 eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	\$ 5,575,000		\$ 5,575,000	0.64%	\$ 440
2006	5,175,000		5,175,000	0.59%	412
2007	4,775,000		4,775,000	0.55%	384
2008	4,420,000		4,420,000	0.28%	357
2009	3,970,000		3,970,000	0.25%	322
2010	3,555,000		3,555,000	0.23%	287
2011	3,140,000		3,140,000	0.25%	246
2012	2,730,000		2,730,000	0.22%	213

Source: District records

Notes:

- a See Exhibit J-6 for property tax data.
- b See Exhibit J-14 for population data.

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 eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**RIDGEFIELD PARK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
Ridgefield Park School District	\$ 2,730,000	\$ 2,730,000	
Village of Ridgefield Park	<u>15,293,322</u>	<u>3,031,577</u>	\$ 12,261,745
	<u>\$ 18,023,322</u>	<u>\$ 5,761,577</u>	<u>12,261,745</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County:			
County of Bergen(A)			5,412,630
Bergen County Utilities Authority - Water Pollution Control (B)			<u>5,379,698</u>
			<u>10,792,328</u>
Total Direct and Overlapping Outstanding Debt			<u>\$ 23,054,073</u>

SOURCE:

(1) Village of Ridgefield Park 2011 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2011 equalized value by the total 2011 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2011 billings by the total 2011 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized Valuation Basis											
	2011	2010	2009								2011	2012
	\$ 1,366,640,345	1,441,534,892	1,473,085,468								2010	2011
	\$ 4,281,260,705											
	\$ 1,427,086,902											
	Average Equalized Valuation of Taxable Property											
	Debt Limit (4 % of Average Equalization Value)											
	Total Net Debt Applicable to Limit											
	Legal Debt Margin											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
Debt Limit	\$ 35,349,150	\$ 38,615,515	\$ 43,812,848	\$ 49,845,805	\$ 55,981,992	\$ 61,157,464	\$ 63,223,729	\$ 62,271,686	\$ 59,600,257	\$ 57,083,476		
Total Net Debt Applicable to Limit	6,400,000	5,975,000	5,575,000	5,175,000	4,775,000	4,420,000	3,970,000	3,555,000	3,140,000	2,730,000		
Legal Debt Margin	\$ 28,949,150	\$ 32,640,515	\$ 38,237,848	\$ 44,670,805	\$ 51,206,992	\$ 56,737,464	\$ 59,253,729	\$ 58,716,686	\$ 56,460,257	\$ 54,353,476		
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.11%	15.47%	12.72%	10.38%	8.53%	7.23%	6.28%	5.71%	5.27%	4.78%		

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NISA 18A:24-19 for a K through 12 district, other % limits would be applicable for other district types.

**RIDGEFIELD PARK BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population(2)</u>
2012	N/A	N/A	12,812
2011	8.70%	N/A	12,744
2010	8.90%	\$ 65,486	12,394
2009	8.70%	63,198	12,345
2008	4.80%	68,227	12,376
2007	4.20%	67,394	12,419
2006	4.20%	62,714	12,552
2005	3.90%	56,706	12,658
2004	4.20%	54,462	12,701
2003	5.10%	51,132	12,764

Source:

Unemployment Rate - New Jersey Department of Labor
Population - US Bureau of the Census, Population Division
(1) Represents County of Bergen's per capita income
(2) Estimates for 2003 through 2012

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

<u>Employer</u>	<u>2012</u>		<u>2003</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2003</u>	<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>
Instruction										
Regular	161	175	173	174	177	179	184	180	161	164
Special education	10	5	5	3	3	3	3	5	32	45
Support Services:										
Student & instruction related services	21	20	18	17	17	17	17	15	14	17
School administration services	14	14	15	15	15	15	15	14	14	14
Other administration services	5	5	5	5	5	5	5	5	5	5
Central services	4	5	4	4	4	4	4	4	4	4
Administrative Information Technology	4	5	4	4	4	4	4	3	3	3
Plant operations and maintenance	21	20	21	21	21	21	21	20	20	20
Pupil transportation	4	4	4	5	5	5	5	4	4	4
Other support services	11	11	11	12	12	12	12	11	12	14
Special Schools			2							
Total	<u>255</u>	<u>264</u>	<u>262</u>	<u>260</u>	<u>263</u>	<u>265</u>	<u>270</u>	<u>261</u>	<u>269</u>	<u>290</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2003	1,841	\$ 24,436,462	\$ 13,273	8.81%	210	1:11	1:10	1,841	1,746	2.62%	94.84%
2004	1,870	25,823,761	13,809	4.04%	209	1:13.5	1:10.6	1,870	1,780	1.58%	95.19%
2005	1,928	26,342,697	13,663	-1.06%	209	1:11.5	1:10.3	1,928	1,831	3.10%	94.97%
2006	1,990	27,916,184	14,028	2.67%	209	1:12.3	1:10.3	1,930	1,832	0.10%	94.92%
2007	2,075	30,111,671	14,512	3.45%	174	1:12.4	1:11.4	2,010	1,909	4.15%	94.98%
2008	2,106	31,200,795	14,815	2.09%	177	1:11.1	1:12.1	2,093	1,986	4.13%	94.89%
2009	2,123	32,248,431	15,190	2.53%	188	1:10.7	1:11.8	2,112	2,001	0.91%	94.74%
2010	2,160	33,360,236	15,445	1.68%	185	1:12.3	1:14.5	2,160	2,041	2.27%	94.49%
2011	2,232	33,355,571	14,944	-3.24%	190	1:10.6	01:13.0	2,224	2,101	2.96%	94.47%
2012	2,264	33,486,654	14,791	-1.03%	209	1:11.6	1:12.2	2,248	2,134	1.08%	94.93%

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.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building									
Elementary									
Lincoln School:									
Square Feet	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	420	420	420	420	420	420	420	420	420
Enrollment	355	361	329	343	370	371	380	383	387
Grant School:									
Square Feet	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350
Capacity (students)	330	330	330	330	330	330	330	330	330
Enrollment	208	216	233	209	190	205	196	220	242
Roosevelt School:									
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capacity (students)	510	510	510	510	510	510	510	510	510
Enrollment	359	354	370	382	387	372	394	400	415
High School									
Ridgefield Park Jr/Sr. High School:									
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	965	998	1,058	1,141	1,159	1,175	1,190	1,229	1,220
Other									
Special Services:									
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fieldhouse:									
Square Feet	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875
Central Office:									
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Number of Schools at June 30, 2012									
Elementary = 3									
Junior/Senior High School = 1									
Other = 3									

Source: District Records

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
FOR THE LAST TEN FISCAL YEARS**

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
*School Facilities										
Lincoln School	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349	\$ 62,703	\$ 60,917	\$ 48,591	\$ 39,936	\$ 37,752	\$ 34,887
Roosevelt School	3,707	6,734	4,002	8,706	28,260	27,455	26,875	22,191	20,995	19,382
Grant School	6,837	6,601	11,197	24,359	24,312	23,620	28,338	20,219	19,114	17,670
Junior/Senior High School	173,874	162,658	164,780	358,474	160,193	155,630	136,217	110,955	104,869	96,908
Total School Facilities	215,393	206,164	219,211	476,888	275,468	267,622	240,021	193,301	182,730	168,847
Grand Total	\$ 215,393	\$ 206,164	\$ 219,211	\$ 476,888	\$ 275,468	\$ 267,622	\$ 240,021	\$ 193,301	\$ 182,730	\$ 168,847

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Source: District Records

Note: Beginning in fiscal year 2001, the New Jersey State Department of Education required District's to report maintenance expenditures by location.

*School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**RIDGEFIELD PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Association Insurance Group		
School Package Policy		
Blanket Building & Contents	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Loss of Tuition	4,400,527	
Demolition and Increased Cost of Construction	10,000,000	
Blanket Computers, Media Software	1,200,000	1,000
Comprehensive General Liability	6,000,000	
Comprehensive Auto Liability	6,000,000	1,000
Equipment	100,000,000	5,000
Public Employee Dishonesty with Faithful Performance	100,000	1,000
Loss of Money & Securities	10,000	500
Board Secretary	250,000	1,000

Source: District records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
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CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, 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

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

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 Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the Ridgefield Park Board of Education's basic financial statements and have issued our report thereon dated December 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Ridgefield Park Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Ridgefield Park Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over financial reporting.

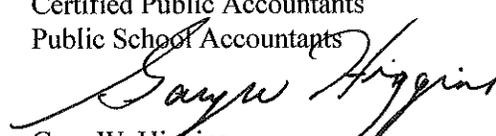
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Ridgefield Park Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 3, 2012

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the Ridgefield 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 Ridgefield Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2012. Ridgefield 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Ridgefield Park Board of Education's management. Our responsibility is to express an opinion on Ridgefield Park Board of Education's compliance based on our audit.

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; 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 Ridgefield 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. Our audit does not provide a legal determination on Ridgefield Park Board of Education's compliance with those requirements.

In our opinion, Ridgefield Park Board of Education complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of Ridgefield Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Ridgefield Park Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 Board's internal control over compliance.

A deficiency in internal control over compliance 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lerch, Vinci & Higgins LLP
 LERCH, VINCI & HIGGINS, LLP
 Certified Public Accountants
 Public School Accountants

Gary W. Higgins
 Gary W. Higgins
 Public School Accountant
 PSA Number CS00814

Fair Lawn, New Jersey
 December 3, 2012

RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
				Accounts Receivable	Deferred Revenue								
June 30, 2012													
10.555	N/A	7/1/11-6/30/12	\$ 343,222				\$ 326,295	\$ 343,222			\$ (16,927)		
		7/1/10-6/30/11	324,522		(19,502)		19,502						
		7/1/11-6/30/12	58,385				58,385	51,517				\$ 6,868	
		7/1/10-6/30/11	53,384		\$ 3,728			3,728			(2,340)		
10.553	N/A	7/1/11-6/30/12	40,880				38,540	40,880					
10.553	N/A	7/1/10-6/30/11	36,631		(2,759)		2,759						
				(22,261)			445,481	439,347			(19,267)	6,868	
Total Enterprise Fund													
U.S. Department of Education													
Passed-through State Department of Education													
84.027	FT4380-12	9/1/11-8/31/12	476,272			\$ 31,599	382,770	460,649			(93,502)	47,222	
84.027	FT4380-11	9/1/10-8/31/11	481,594		(55,185)	(31,599)	86,784						
84.173	FT4380-12	9/1/11-8/31/12	14,792			17,016	3,907	17,325			(10,885)	14,483	
84.173	FT4380-11	9/1/10-8/31/11	14,611		6,060	(17,016)	10,956						
84.010A	NCLB4380-12	9/1/11-8/31/12	415,784			(17,437)	344,794	413,620			(88,427)	2,164	
84.010A	NCLB4380-11	9/1/10-8/31/11	349,742		(114,094)	17,437	96,657						
84.389	NCLB4380-10	9/1/09-8/31/11	44,068			2		61,947			(9,590)	2	
84.367A	NCLB4380-12	9/1/11-8/31/12	61,787			1,514	50,843						
84.367A	NCLB4380-11	9/1/10-8/31/11	66,461		(22,670)	(1,514)	24,184						
84.318X	NCLB4380-11	9/1/10-8/31/11	791		74	4,947	2,585	969				1,690	
84.365A	NCLB4380-12	9/1/11-8/31/12	22,219			(4,947)	15,696	21,360	1		(6,523)	5,805	
84.365A	NCLB4380-11	9/1/10-8/31/11	34,606		(11,720)	(4,947)	16,667						
84.186A	NCLB4380-10	9/1/09-8/31/10	6,559			14						13	
84.298A	NCLB4380-08	9/1/07-8/31/08	2,662		80	80						80	
				(203,669)			1,035,843	975,870	2		(208,927)	71,459	
Total Special Revenue Fund													
U.S. Department of Education													
Passed-through State Department of Education													
84.410A	N/A	7/1/11-6/30/12	179,555				179,555	179,555					
93.778	N/A	7/1/10-6/30/11	8,041				8,041	8,041					
							187,596	187,596					
				(225,930)			\$ 1,668,920	\$ 1,602,813	2		(228,194)	78,322	
Total Federal Financial Assistance													

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011			June 30, 2012			MEMO		
				Accounts Receivable	Deferred Revenue	Due to Grantor	(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures	
State Department of Education General Fund:												
Categorical Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 1,080,044	\$	\$ 978,782	\$	\$	\$ (101,262)	\$	\$	\$	\$ 1,080,044
Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,080,044	(94,654)	94,654			(307,238)				3,276,947
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	3,276,947	(234,711)	2,969,709							
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	2,678,170	(483,376)	234,711			(541,766)				541,766
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	541,766		483,376							
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	483,376		1,040,224							1,040,224
TPAF - Post Retirement Medical	12-495-034-5095-001	7/1/11-6/30/12	1,040,224		50,149							50,149
TPAF - NCCI	12-495-034-5095-007	7/1/11-6/30/12	50,149		467,308							467,308
TPAF - Normal Cost	12-495-034-5095-006	7/1/11-6/30/12	467,308		1,035,439			(117,804)				1,173,243
Reimbursed TPAF Social Security	12-495-034-5095-002	7/1/11-6/30/12	1,173,243	(60,743)	60,743							
Reimbursed TPAF Social Security	11-495-034-5095-002	7/1/10-6/30/11	1,211,590	(873,484)	7,435,095			(1,068,070)				7,629,681
Total General Fund												
Special Revenue Fund Anti-Bullying Act	N/A	7/1/11-6/30/12	262		262							
Total Special Revenue Fund												
Debt Service Fund Debt Service Aid	12-495-034-5120-017	7/1/11-6/30/12	153,853		153,853							153,853
Total Debt Service Fund												
State Department of Agriculture Enterprise Fund												
National School Lunch	12-100-010-3350-023	7/1/11-6/30/12	11,359	(678)	10,824			(535)				11,359
National School Lunch	11-100-010-3350-023	7/1/10-6/30/11	11,013		678							
Total Enterprise Fund												
Total State Financial Assistance												
State Financial Assistance Not Subject to Single Audit Determination General Fund												
TPAF - Post Retirement Medical	12-495-034-5095-001	7/1/11-6/30/12	1,040,224		(1,040,224)							(1,040,224)
TPAF - Normal Cost	12-495-034-5095-006	7/1/11-6/30/12	467,308		(467,308)							(467,308)
TPAF - NCCI	12-495-034-5095-007	7/1/11-6/30/12	50,149		(50,149)							(50,149)
Total State Financial Assistance Subject to Single Audit												

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 GENERAL

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$137,525 for the general fund and a decrease of \$16,913 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	\$ 187,596	\$ 7,492,156	\$ 7,679,752
Special Revenue Fund	958,957		958,957
Debt Service Fund		153,853	153,853
Food Service Fund	<u>439,347</u>	<u>11,359</u>	<u>450,706</u>
Total Financial Assistance	<u>\$ 1,585,900</u>	<u>\$ 7,657,368</u>	<u>\$ 9,243,268</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 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 4 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 \$1,173,243 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, 2012. The amount reported as TPAF Pension System Contributions in the amount of \$517,457 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,040,224 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012.

NOTE 5 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>84.027</u>	<u>IDEA Part B-Flow Through</u>
<u>84.173</u>	<u>IDEA - Part B - Preschool</u>
<u>84.010A</u>	<u>NCLB - Title I</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 not considered to be material weakness(es)? _____ yes X none reported

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

Unqualified

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

_____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>12-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5120-002</u>	<u>TPAF Social Security</u>
<u>12-100-034-5120-473</u>	<u>Extraordinary Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____

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

\$300,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE

CURRENT YEAR STATE AWARDS

THERE ARE NONE

**RIDGEFIELD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 2011-1

Certain purchase orders which were classified as encumbrances by the District as of June 30, 2011 were determined to be accounts payable.

Status

Corrective action has been taken.