

RIDGEFIELD PARK
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014

Prepared by

Business Office

RIDGEFIELD PARK BOARD OF EDUCATION
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INTRODUCTORY SECTION

RIDGEFIELD PARK BOARD OF EDUCATION
712 LINCOLN AVE.
RIDGEFIELD PARK, NJ 07660
PHONE: 201-641-0800
FAX: 201-641-3363

Matthew J. Paladino
Business Administrator/Board Secretary

December 2, 2014

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, 2014.

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, 2014, 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 unmodified opinion that the Ridgefield Park Board of Education's financial statements for the fiscal year ended June 30, 2014 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 2013-2014 fiscal year with an average daily enrollment of 2,343 students, *which is 47 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>
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%
2012-13	2,296	2.14%
2013-14	2,343	2.05%

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:

Facilities:

The Ridgefield Park Board of Education has leased space in a new school to accommodate the district's growing Kindergarten enrollment. A major initiative is to then renovate an additional older building within the facility to allow the expansion of this primary school to include First Grade in 2015-16 and then Second Grade in 2016-17. This will enable the district to address serious overcrowding issues that have plagued all of the district's schools in recent years. Moving Kindergarten, First and Second grades into the leased space will free up classrooms in the existing three elementary schools to create additional class sections and reduce class size therefore balancing the student load across our schools more effectively.

Technology:

The District continues to upgrade its infrastructure and is in the process of looking into changing internet providers to what we believe will result in superior service at a cost savings to the District. Work is scheduled to begin shortly with a January 2015 turnover date targeted. The district has also formed an exploratory committee begin the foundational work for a 1:1 initiative. The goal would be a four to five year phase-in period with teachers getting their own devices in year one and then a student phase-in beginning in year two.

Academic:

This year is year two of our three year Balanced Literacy initiative. Writer's Workshop has been instituted in grades K – 6 with a consistent, monthly professional development schedule built in for continuous teacher support.

The District adopted a new Math series in grades K – 6 that is more closely aligned with the Common Core standards. An initial teacher training session was held in June so teachers could adequately prepare to utilize the series over the summer. Follow up trainings will be conducted sometime during September and October 2014.

PARCC preparation sessions were scheduled this year for all students for the purposes of improving the students' computer based skills for the online tests which will be introduced this winter.

An Alg/Geo math class was instituted at the JSHS for learners who have difficulties in the area of Mathematics. This course combines the teaching of Algebra and Geometry as a supplemental class for those struggling with the content of these subjects.

The District has upgraded its World Language instruction for students in grades K – 4 by adding a certified World Language instructor. Our regular classroom teachers still infuse aspects of world culture into the everyday curriculum, but adding a teacher allows for more direct second language instruction for our students. Research has shown this has a significant learning benefit for students.

The District is applying for School wide status for its two elementary schools (Lincoln and Grant) that qualify for NCLB funding. A school wide designation will allow us to apply funds to all students and would represent a major shift in how funding is applied to programs in those schools.

Professional Development:

The District is making a concerted effort to upgrade the amount and quality of professional development offered through the district. As part of this initiative, the district has started a new teacher academy. A two day orientation is planned for all new teachers in addition to the two days of professional development all teachers receive prior to the first day with students. In

addition, monthly sessions are held on different topics ranging from classroom management to teacher evaluation procedures and performance expectations. These sessions are designed with input from the teachers to ensure they are geared toward areas of interest and need. Select teachers are being trained as in-district trainers to assist with the effective turn keying of instructional practice. This is particularly important so that they can help keep us on the cutting edge of the latest instructional strategies and also continually work with new teachers to make sure they receive training in, district curricula and initiatives (i.e. Readers Workshop) that are already implemented.

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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service 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, 2014, the District's outstanding debt issues included \$1,930,000 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 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:

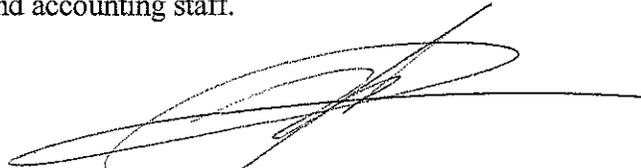
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, L.L.P. was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also 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.

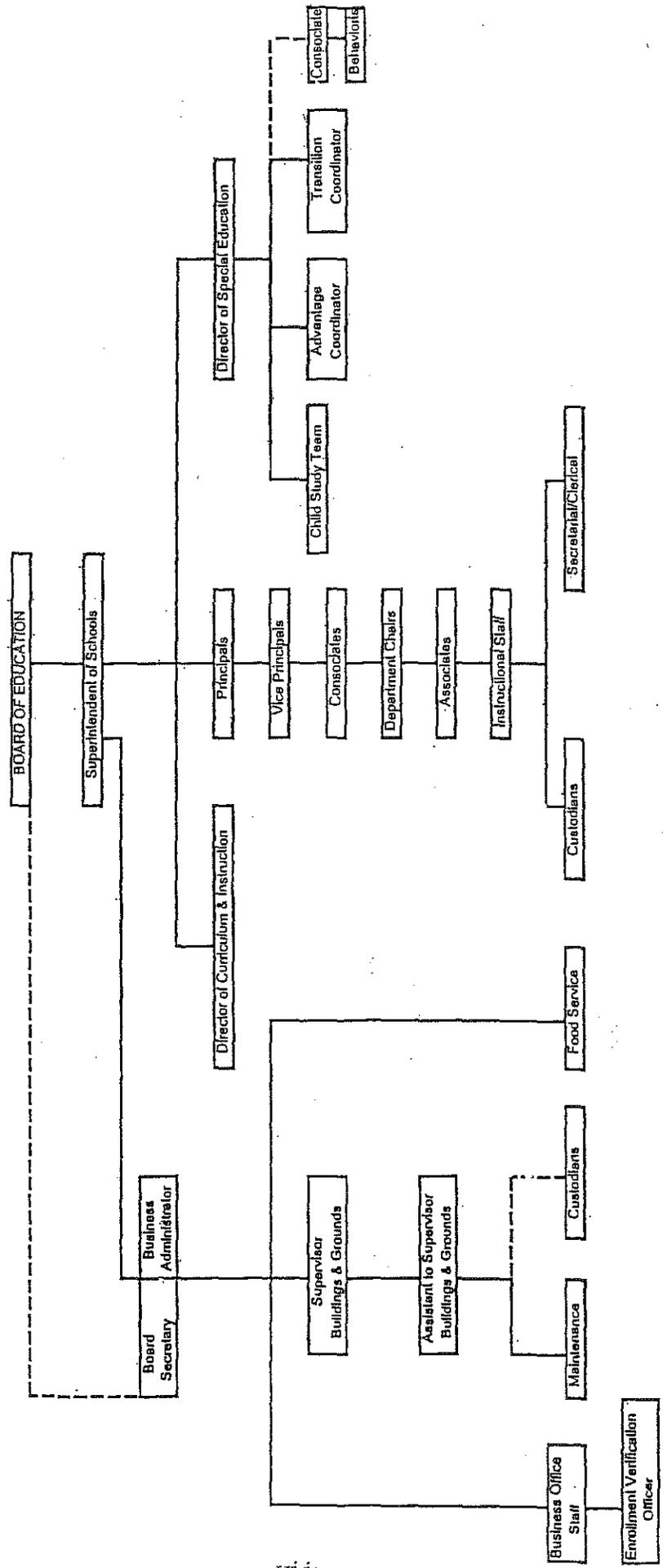
10. ACKNOWLEDGEMENTS:

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,


Dr. John C. Richardson
Interim 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, 2014

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Edmond DeSantis, President	2017
Robert Thiemann, Vice President	2016
Sandra Cuzzo	2015
Donna Blue	2016
Mercedes Haines	2017
Jayne Kraljic	2015
Anita Miller	2017
Barbara Merritt Butler	2016
Scott Lingle	2015

Other Officials

Dr. John C. Richardson, Interim Superintendent of Schools
Mr. Matthew Paladino, Business Administrator/Board Secretary
Mr. Eric Koenig, Assistant Superintendent for Curricular 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

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

ATTORNEY

Anthony P. Sciarrillo, Esq.
Lindabury, McCormick, Estabrook & Cooper, P.C.
53 Cardinal Drive
P.O. Box 2369
Westfield, New Jersey 07091-2369

OFFICIAL DEPOSITORY

Oritani Bank
233 Main Street
Ridgefield Park, New Jersey 07660

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA
VOLNEY V. JACKSON, CPA
CHYNNA C. DESTEFANO, CPA, PSA
KEVIN LOMSKI, CPA
EDWARD P. MURPHY, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgefield Park Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins LLP

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

Gary W. Higgins

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 2, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

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, 2014. 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 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 \$7,889,342 (net position).
- General revenues accounted for \$26,547,789 of revenue or 70 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$11,266,290 or 30 percent of total revenues of \$37,814,079.
- Total assets of governmental activities amounted to \$13,084,056 as of June 30, 2014.
- The District had \$37,472,955 in expenses related to governmental activities; only \$10,251,657 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$26,547,789 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$35,245,227 in revenues and \$35,794,502 in expenditures. The General Fund's fund balance decreased \$1,011,052 from the fiscal year ended June 30, 2013.

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, 2014

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

The *Statement of Net Position* 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, 2014? The *Statement of Net Position* 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, liabilities and deferred inflows/outflows of resources 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 position and changes in net position. This change in net position 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 Position* 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, 2014

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 Position* 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 Financial Statements

The notes to the 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 Position* provides the perspectives of the District as a whole, showing assets, liabilities, deferred inflows/outflows of resources and the difference between them (net position). Net position 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, 2014

Table 1 provides a summary of the District's net position as of June 30, 2014 and 2013.

Table 1
Net Position
As of June 30, 2014 and 2013

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current Assets	\$ 1,373,197	\$ 2,583,029	\$ 119,077	\$ 208,440	\$ 1,492,274	\$ 2,791,469
Capital Assets	11,710,859	11,306,395	14,724	15,882	11,725,583	11,322,277
Total Assets	<u>13,084,056</u>	<u>13,889,424</u>	<u>133,801</u>	<u>224,322</u>	<u>13,217,857</u>	<u>14,113,746</u>
Deferred Loss on Refunding of Debt	18,876	24,824	-	-	18,876	24,824
Total Deferred Outflows of Resources	<u>18,876</u>	<u>24,824</u>	<u>-</u>	<u>-</u>	<u>18,876</u>	<u>24,824</u>
Long-Term Liabilities	4,028,288	4,157,346			4,028,288	4,157,346
Other Liabilities	1,296,554	1,194,136	22,237	19,293	1,318,791	1,213,429
Total Liabilities	<u>5,324,842</u>	<u>5,351,482</u>	<u>22,237</u>	<u>19,293</u>	<u>5,347,079</u>	<u>5,370,775</u>
Unavailable Revenue-Property Taxes		111,167			-	111,167
Deferred Commodities Revenue	-	-	312	3,772	312	3,772
Total Deferred Inflows of Resources	<u>-</u>	<u>111,167</u>	<u>312</u>	<u>3,772</u>	<u>312</u>	<u>114,939</u>
Net Position						
Net Investment in Capital Assets	9,769,270	8,961,153	14,724	15,882	9,783,994	8,977,035
Restricted	332,870	1,215,978			332,870	1,215,978
Unrestricted	(2,324,050)	(1,725,532)	96,528	185,375	(2,227,522)	(1,540,157)
Total Net Position	<u>\$ 7,778,090</u>	<u>\$ 8,451,599</u>	<u>\$ 111,252</u>	<u>\$ 201,257</u>	<u>\$ 7,889,342</u>	<u>\$ 8,652,856</u>

The District's combined net position were \$7,889,342 and \$8,652,856 on June 30, 2014 and 2013, respectively. This was a decrease of \$763,514 or 9% percent from the prior year.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

Table 2 shows changes in net position for fiscal years ended June 30, 2014 and 2013.

Table 2
Changes in Net Position
For The Years Ended June 30, 2014 and 2013

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,259,581	\$ 4,122,875	\$ 514,671	\$ 479,218	\$ 4,774,252	\$ 4,602,093
Operating Grants and Contributions	5,992,076	6,366,263	499,962	479,197	6,492,038	6,845,460
General Revenues						
Property Taxes	22,753,755	22,362,835			22,753,755	22,362,835
State Aid	3,662,973	3,613,720			3,662,973	3,613,720
Other	131,061	509,792	-	-	131,061	509,792
Total Revenues	36,799,446	36,975,485	1,014,633	958,415	37,814,079	37,933,900
Expenses						
Instruction						
Regular	16,895,035	16,784,624			16,895,035	16,784,624
Special Education	6,246,015	6,413,590			6,246,015	6,413,590
Other Instruction	847,413	873,942			847,413	873,942
School Sponsored Activities and Athletics	1,069,457	1,122,459			1,069,457	1,122,459
Support Services						
Student and Instruction Related Services	5,333,528	5,149,343			5,333,528	5,149,343
General Administration Services	901,014	847,109			901,014	847,109
School Administration Services	1,702,674	1,694,347			1,702,674	1,694,347
Business / Central Services	780,122	674,922			780,122	674,922
Plant Operations and Maintenance	2,995,101	2,754,932			2,995,101	2,754,932
Pupil Transportation	619,927	712,620			619,927	712,620
Interest on Debt	82,669	96,849			82,669	96,849
Food Services	-	-	1,104,638	1,066,896	1,104,638	1,066,896
Total Expenses	37,472,955	37,124,737	1,104,638	1,066,896	38,577,593	38,191,633
Change in Net Position	(673,509)	(149,252)	(90,005)	(108,481)	(763,514)	(257,733)
Net Position, Beginning of Year	8,451,599	8,600,851	201,257	309,738	8,652,856	8,910,589
Net Position, End of Year	\$ 7,778,090	\$ 8,451,599	\$ 111,252	\$ 201,257	\$ 7,889,342	\$ 8,652,856

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

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 \$36,799,446 and \$36,975,485 for the years ended June 30, 2014 and 2013, respectively. Property taxes made up 62 and 60 percent of revenues for governmental activities for the Ridgefield Park School District for fiscal years ended June 30, 2014 and 2013, respectively. Federal, state and local grants aid accounted for another 26 and 27 percent of revenue and tuition revenue accounted for 12 percent and 11 percent for the years ended June 30, 2014 and 2013.

The total cost of all programs and services was \$37,472,955 and \$37,124,737 for the fiscal years ended June 30, 2014 and 2013, respectively. Instruction comprises 67 and 68 percent of governmental program expenses for the fiscal years ended June 30, 2014 and 2013, respectively. Support services expenses make up 33 and 32 percent of governmental expenses for the fiscal years ended June 30, 2014 and 2013, 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 Services
for the Years Ended June 30, 2014 and 2013

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Instruction				
Regular	16,895,035	16,784,624	\$ 10,459,553	\$ 10,266,208
Special Education	6,246,015	6,413,590	3,368,147	3,475,493
Other Instruction	847,413	873,942	742,541	750,180
School Sponsored Activities and Athletics	1,069,457	1,122,459	972,511	1,009,844
Support Services				
Student and Instruction Related Services	5,333,528	5,149,343	4,934,753	4,683,889
General Administration Services	901,014	847,109	870,619	805,644
School Administration Services	1,702,674	1,694,347	1,557,822	1,525,521
Business / Central Services	780,122	674,922	760,148	652,116
Plant Operations and Maintenance	2,995,101	2,754,932	2,897,866	2,692,228
Pupil Transportation	619,927	712,620	574,669	677,627
Interest on Debt	82,669	96,849	82,669	96,849
Total	<u>\$ 37,472,955</u>	<u>\$ 37,124,737</u>	<u>\$ 27,221,298</u>	<u>\$ 26,635,599</u>

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$1,014,633 and \$958,415 and expenses of \$1,104,638 and \$1,066,896 in fiscal years ended June 30, 2014 and 2013, respectively. Of the revenues, \$514,671 and \$479,218 was charges for services paid by patrons for daily food service and \$499,962 and \$479,197 was from State and Federal reimbursements in fiscal years ended June 30, 2014 and 2013, 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 \$36,799,446 and \$36,975,485 and expenditures were \$38,231,829 and \$38,100,168 for the fiscal years ended June 30, 2014 and 2013 respectively. The net change in the fund balance for the 2013/2014 year was a decrease of \$1,209,083.

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, 2014 and 2013.

	Years Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2014</u>	<u>2013</u>		
Local Sources	\$ 27,144,397	\$ 27,011,533	\$ 132,864	0%
State Sources	8,552,463	8,933,324	(380,861)	-4%
Federal Sources	<u>1,102,586</u>	<u>1,030,628</u>	<u>71,958</u>	7%
 Total Governmental Revenues	 <u>\$ 36,799,446</u>	 <u>\$ 36,975,485</u>	 <u>\$ (176,039)</u>	 0%

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2014 and 2013.

	<u>Years Ended June 30,</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2014</u>	<u>2013</u>		
Current Expense:				
Instruction	\$ 24,620,825	\$ 24,683,468	\$ (62,643)	0%
Support Services	12,196,397	11,848,395	348,002	3%
Capital Outlay	814,904	960,429	(145,525)	-15%
Debt Service:				
Principal	505,381	498,893	6,488	1%
Interest	94,322	108,983	(14,661)	-13%
 Total Expenditures	 <u>\$ 38,231,829</u>	 <u>\$ 38,100,168</u>	 <u>\$ 131,661</u>	 0%

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 2014 and 2013, the District had \$11,725,583 and \$11,322,277 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$403,306 from fiscal year 2013 to fiscal year 2014. Table 4 shows capital assets net of depreciation at June 30, 2014 and 2013.

RIDGEFIELD PARK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

Table A-4
Capital Assets at June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Construction in Progress		962,114			-	962,114
Buildings and Building Improvements	16,741,920	14,992,334			16,741,920	14,992,334
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	2,103,980	2,076,548	\$ 142,132	\$ 142,132	2,246,112	2,218,680
	22,260,266	21,445,362	142,132	142,132	22,402,398	21,587,494
Less Accumulated Depreciation	10,549,407	10,138,967	127,408	126,250	10,676,815	10,265,217
Total	\$ 11,710,859	\$ 11,306,395	\$ 14,724	\$ 15,882	\$ 11,725,583	\$ 11,322,277

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

Long-Term Liabilities

At June 30, 2014 and 2013, the District had \$4,028,288 and \$4,157,346 of long-term liabilities, respectively. Of this amount, \$1,805,332 and \$1,642,708 is for compensated absences; \$262,491 and \$144,572 is for leases payable and \$1,960,465 and \$2,370,066 of bonds payable, net, as of June 30, 2014 and 2013, respectively.

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

FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 777,705	\$ 88,669	\$ 866,374
Receivables, net			
Receivables from Other Governments	566,725	25,747	592,472
Other Receivables	348	257	605
Inventory		4,404	4,404
Prepaid Items	28,419		28,419
Capital Assets			
Not Being Depreciated	2,703,196		2,703,196
Being Depreciated, Net	<u>9,007,663</u>	<u>14,724</u>	<u>9,022,387</u>
Total Assets	<u>13,084,056</u>	<u>133,801</u>	<u>13,217,857</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding of Debt	<u>18,876</u>	-	<u>18,876</u>
Total Deferred Outflows of Resources	<u>18,876</u>	-	<u>18,876</u>
LIABILITIES			
Accounts Payable	1,248,939	22,237	1,271,176
Accrued Interest Payable	40,025		40,025
Payable to State Government	50		50
Unearned Revenue	7,540		7,540
Noncurrent Liabilities			
Due Within One Year	667,079		667,079
Due Beyond One Year	<u>3,361,209</u>	-	<u>3,361,209</u>
Total Liabilities	<u>5,324,842</u>	<u>22,237</u>	<u>5,347,079</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>-</u>	<u>312</u>	<u>312</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>312</u>	<u>312</u>
NET POSITION			
Net Investment in Capital Assets	9,769,270	14,724	9,783,994
Restricted for:			
Capital Projects	332,870		332,870
Unrestricted	<u>(2,324,050)</u>	<u>96,528</u>	<u>(2,227,522)</u>
Total Net Position	<u>\$ 7,778,090</u>	<u>\$ 111,252</u>	<u>\$ 7,889,342</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 16,895,035	\$ 3,992,049	\$ 2,443,433		\$ (10,459,553)		\$ (10,459,553)
Special Education	6,246,015	267,532	2,610,336		(3,368,147)		(3,368,147)
Other Instruction	847,413		104,872		(742,541)		(742,541)
School Sponsored Activities and Athletics	1,069,457		96,946		(972,511)		(972,511)
Support Services							
Student and Instruction Related Services	5,333,528		398,775		(4,934,753)		(4,934,753)
General Administration Services	901,014		30,395		(870,619)		(870,619)
School Administration Services	1,702,674		144,852		(1,557,822)		(1,557,822)
Business / Central Services	780,122		19,974		(760,148)		(760,148)
Plant Operations and Maintenance	2,995,101		97,235		(2,897,866)		(2,897,866)
Pupil Transportation	619,927		45,258		(574,669)		(574,669)
Interest on Long-Term Debt	82,669	-	-	-	(82,669)	-	(82,669)
Total Governmental Activities	<u>37,472,955</u>	<u>4,259,581</u>	<u>5,992,076</u>	<u>-</u>	<u>(27,221,298)</u>	<u>-</u>	<u>(27,221,298)</u>
Business-Type Activities							
Food Service	1,104,638	514,671	499,962	-	-	\$ (90,005)	(90,005)
Total Business-Type Activities	<u>1,104,638</u>	<u>514,671</u>	<u>499,962</u>	<u>-</u>	<u>-</u>	<u>(90,005)</u>	<u>(90,005)</u>
Total Primary Government	<u>\$ 38,577,593</u>	<u>\$ 4,774,252</u>	<u>\$ 6,492,038</u>	<u>\$ -</u>	<u>(27,221,298)</u>	<u>(90,005)</u>	<u>(27,311,303)</u>

Continued

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 22,443,517		\$ 22,443,517
Property Taxes Levied for Debt Service	310,238		310,238
State Aid -Unrestricted	3,520,814		3,520,814
Debt Service Aid	142,159		142,159
Miscellaneous Income	131,061	-	131,061
Total General Revenues	26,547,789	-	26,547,789
Change in Net Position	(673,509)	\$ (90,005)	(763,514)
Net Position, Beginning of Year	8,451,599	201,257	8,652,856
Net Position, End of Year	\$ 7,778,090	\$ 111,252	\$ 7,889,342

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RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2014

	<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	\$ 659,811	\$ 117,894			\$ 777,705
Receivables, Net					
Receivables from Other Governments	566,725				566,725
Due from Other Funds	348				348
Prepays Items	28,419	-	-	-	28,419
Total Assets	\$ 1,255,303	\$ 117,894	\$ -	\$ -	\$ 1,373,197
LIABILITIES					
Liabilities					
Accounts Payable	\$ 1,138,635	\$ 110,304			1,248,939
Payable to State Government		50			50
Unearned Revenue	-	7,540	-	-	7,540
Total Liabilities	1,138,635	117,894	-	-	1,256,529
FUND BALANCES					
Restricted					
Capital Reserve	332,870				332,870
Assigned					
Year End Encumbrances	336,275				336,275
Unassigned	(552,477)	-	-	-	(552,477)
Total Fund Balances	116,668	-	-	-	116,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,255,303	\$ 117,894	\$ -	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,260,266 and the accumulated depreciation is \$10,549,407.

11,710,859

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

(40,025)

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

18,876

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, Including Premium	\$ (1,960,465)
Leases Payable	(262,491)
Compensated Absences Payable	(1,805,332)

(4,028,288)

Net position of governmental activities

\$ 7,778,090

RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<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	\$ 22,443,517			\$ 310,238	\$ 22,753,755
Tuition	4,259,581				4,259,581
Miscellaneous	131,061	-	-	-	131,061
Total - Local Sources	26,834,159	-	-	310,238	27,144,397
State Sources	8,406,372	\$ 3,932		142,159	8,552,463
Federal Sources	4,696	1,097,890	-	-	1,102,586
Total Revenues	35,245,227	1,101,822	-	452,397	36,799,446
EXPENDITURES					
Current					
Instruction					
Regular Instruction	15,881,054	581,072			16,462,126
Special Education Instruction	5,732,111	511,172			6,243,283
Other Instruction	845,959				845,959
School-Sponsored Activities and Athletics	1,069,457				1,069,457
Support Services					
Student and Instruction Related Services	5,239,866				5,239,866
General Administration Services	904,285				904,285
School Administration Services	1,662,772				1,662,772
Business / Central Services	811,163				811,163
Plant Operations and Maintenance	2,898,401		\$ 59,983		2,958,384
Student Transportation	619,927				619,927
Capital Outlay	17,854	9,578	787,472		814,904
Debt Service					
Principal	105,381			400,000	505,381
Interest and Other Charges	6,272	-	-	88,050	94,322
Total Expenditures	35,794,502	1,101,822	847,455	488,050	38,231,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	(549,275)	-	(847,455)	(35,653)	(1,432,383)
Other Financing Sources (Uses)					
Transfers In			685,077		685,077
Transfers Out	(685,077)				(685,077)
Capital Lease Proceeds	223,300	-	-	-	223,300
Total Other Financing Sources (Uses)	(461,777)	-	685,077	-	223,300
Net change in Fund Balance	(1,011,052)	-	(162,378)	(35,653)	(1,209,083)
Fund Balance, Beginning of Year	1,127,720	-	162,378	35,653	1,325,751
Fund Balance, End of Year	\$ 116,668	\$ -	\$ -	\$ -	\$ 116,668

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

**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, 2014**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (1,209,083)**

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	\$	814,904	
Depreciation Expense		<u>(410,440)</u>	
			404,464

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued			
Leases Payable			(223,300)
Principal Repayments			
Bonds Payable		400,000	
Leases Payable		<u>105,381</u>	
			505,381

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.

Deferred Amount on Refunding		(5,948)	
Original Issue Premium		<u>9,601</u>	
			3,653

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			(162,624)
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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>8,000</u>
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Change in net position of governmental activities **\$ (673,509)**

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2014**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 88,669
Intergovernmental Receivable	
State	620
Federal	25,127
Other Accounts Receivable	257
Inventory	<u>4,404</u>
Total Current Assets	<u>119,077</u>
Capital Assets	
Equipment	142,132
Less: Accumulated Depreciation	<u>(127,408)</u>
Total Capital Assets	<u>14,724</u>
Total Assets	<u>133,801</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>22,237</u>
Total Current Liabilities	<u>22,237</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>312</u>
Total Deferred Inflows of Resources	<u>312</u>
NET POSITION	
Invested in Capital Assets	14,724
Unrestricted	<u>96,528</u>
Total Net Position	<u>\$ 111,252</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ <u>514,671</u>
 Total Operating Revenues	 <u>514,671</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	443,956
Cost of Sales	473,424
Management Fee	56,750
Insurance	41,854
Depreciation	1,158
Supplies and Materials	55,049
Miscellaneous	<u>32,447</u>
 Total Operating Expenses	 <u>1,104,638</u>
 Operating Loss	 <u>(589,967)</u>
NONOPERATING REVENUES (EXPENSES)	
State Sources	
School Lunch Program	11,233
Federal Sources	
National School Lunch Program	441,825
National School Breakfast Program	<u>46,904</u>
 Total Nonoperating Revenues (Expenses)	 <u>499,962</u>
 Change in Net Position	 (90,005)
Total Net Position, Beginning of Year,	<u>201,257</u>
Total Net Position, End of Year	<u>\$ 111,252</u>

The accompanying Notes to the 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, 2014**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 514,576
Payments for Employees' Salaries and Benefits	(443,956)
Payments to Suppliers for Goods and Services	<u>(601,323)</u>
Net Cash Used by Operating Activities	<u>(530,703)</u>
Cash Flows from Noncapital Financing Activities	
State and Federal Subsidy Reimbursements	<u>444,729</u>
Net Cash Provided by Noncapital Financing Activities	<u>444,729</u>
Net Decrease in Cash and Cash Equivalents	(85,974)
Cash and Cash Equivalents, Beginning of Year	<u>174,643</u>
Cash and Cash Equivalents, End of Year	<u>\$ 88,669</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (589,967)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	1,158
Non-Cash Federal Assistance	
Food Distribution - National School Lunch Programs	54,872
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	2,944
(Increase)/Decrease in Other Accounts Receivable	(95)
(Increase)/Decrease in Inventory	<u>385</u>
Total Adjustments	<u>59,264</u>
Net Cash Used by Operating Activities	<u>\$ (530,703)</u>
Non-Cash Financing Activities	
National School Lunch Program (Food Distribution)	<u>\$ 51,412</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2014**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 554,830	\$ 342,455
Total Assets	<u>554,830</u>	<u>\$ 342,455</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 203,446
Due to Student Groups		138,661
Due to Other Funds	<u>-</u>	<u>348</u>
Total Liabilities	<u>-</u>	<u>\$ 342,455</u>
NET POSITION		
Held in Trust for Scholarships	<u>\$ 554,830</u>	

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

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 19,950
Total Contributions	19,950
Investment Earnings	
Interest	578
Net Investment Earnings	578
Total Additions	20,528
DEDUCTIONS	
Scholarships Awarded	27,600
Total Deductions	27,600
Change in Net Position	(7,072)
Net Position, Beginning of the Year	561,902
Net Position, End of the Year	\$ 554,830

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

NOTES TO THE FINANCIAL STATEMENTS

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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. New Accounting Standards

During fiscal year 2014, the District adopted the following GASB statement:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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

- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB 69, *Government Combinations and Disposals of Government Operations* will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The District does not expect this statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

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

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

The District reports the following major proprietary 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.

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.

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

Reclassifications

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. *Receivables*

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

3. *Inventories*

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

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

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In additions to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. 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.

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are of resources reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

9. Net Position/Fund Balance

District-Wide Statements

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

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

District-Wide Statements (Continued)

- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

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

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

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

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2012-2013 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

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

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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 25, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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 2013/2014. Also, during 2013/2014 the Board increased the original budget by \$389,387. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$547,477 in the General Fund as of June 30, 2014 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 2013/2014 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 deficits 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 deficits in the future.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. 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 \$547,477 in the General Fund is less than the delayed state aid payments.

C. 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, 2014 is as follows:

Balance, July 1, 2013	\$ 1,017,947
Increased By	
Transfer from Capital Projects Fund	<u>\$ 319,923</u>
	1,337,870
Withdrawals	
Approved in District Budget	<u>1,005,000</u>
Balance, June 30, 2014	<u>\$ 332,870</u>

The June 30, 2014 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.

The 2014/15 budget includes a \$162,378 withdrawal from the capital reserve for capital projects.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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, 2014, the book value of the Board's deposits were \$1,763,659 and bank and brokerage firm balances of the Board's deposits amounted to \$2,437,570. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>2,437,570</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, 2014 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2014, the Board had no outstanding investments.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2014 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Food Service</u>	<u>Total</u>
Receivables:			
Accounts		\$ 257	\$ 257
Intergovernmental			
Federal		25,127	25,127
State	\$ 126,431	620	127,051
Other	440,294	-	440,294
Gross Receivables	<u>566,725</u>	<u>26,004</u>	<u>592,729</u>
Less Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 566,725</u>	<u>\$ 26,004</u>	<u>\$ 592,729</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 2,764
Grant Draw Downs Reserved for Encumbrances	4,776
Total Unearned Revenue for Governmental Funds	<u>\$ 7,540</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance, <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2014</u>
Governmental activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,703,196				\$ 2,703,196
Construction in Progress	962,114	-	-	\$ (962,114)	-
Total Capital Assets, not being depreciated	<u>3,665,310</u>	<u>-</u>	<u>-</u>	<u>(962,114)</u>	<u>2,703,196</u>
Capital Assets, being depreciated:					
Buildings and Building Improvements	14,992,334	\$ 787,472		962,114	16,741,920
Land Improvements	711,170				711,170
Machinery and Equipment	2,076,548	27,432	-	-	2,103,980
Total Capital Assets being depreciated	<u>17,780,052</u>	<u>814,904</u>	<u>-</u>	<u>962,114</u>	<u>19,557,070</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(8,165,844)	(314,218)			(8,480,062)
Land Improvements	(406,375)	(14,773)			(421,148)
Machinery and Equipment	(1,566,748)	(81,449)	-	-	(1,648,197)
Total Accumulated Depreciation	<u>(10,138,967)</u>	<u>(410,440)</u>	<u>-</u>	<u>-</u>	<u>(10,549,407)</u>
Total Capital Assets, being depreciated, net	<u>7,641,085</u>	<u>404,464</u>	<u>-</u>	<u>962,114</u>	<u>9,007,663</u>
Government Activities capital assets, net	<u>\$ 11,306,395</u>	<u>\$ 404,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,710,859</u>

RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2014</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 142,132	-	-	\$ 142,132
Total Capital Assets being depreciated	<u>142,132</u>	<u>-</u>	<u>-</u>	<u>142,132</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(126,250)	\$ (1,158)	-	(127,408)
Total Accumulated Depreciation	<u>(126,250)</u>	<u>(1,158)</u>	<u>-</u>	<u>(127,408)</u>
Total Capital Assets, being depreciated, net	<u>15,882</u>	<u>(1,158)</u>	<u>-</u>	<u>14,724</u>
Business-Type Activities capital assets, net	<u>\$ 15,882</u>	<u>\$ (1,158)</u>	<u>\$ -</u>	<u>\$ 14,724</u>

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

Governmental Activities:

Instruction		
Regular		\$ 326,166
Special		<u>2,013</u>
Total Instruction		<u>328,179</u>
Support Services		
Students and Instruction Related Services		32,979
School Administration Services		28,252
Operations and maintenance of plant		<u>21,030</u>
Total Support Services		<u>82,261</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 410,440</u>
Business-Type Activities:		
Food Service Fund		\$ 1,158
Total Depreciation Expense-Business-Type Activities		<u>\$ 1,158</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	<u>\$ 348</u>

The above balances are the result of revenues earned in one fund which are due to another fund.

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

Interfund transfers

	<u>Transfers In</u>	
	<u>Capital Projects</u>	<u>Total</u>
<u>Transfer Out:</u>		
General Fund	<u>\$ 685,077</u>	<u>\$ 685,077</u>
 Total Transfers	 <u>\$ 685,077</u>	 <u>\$ 685,077</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing computer equipment totaling \$472,192 under capital 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, 2014 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2015	\$ 96,268
2016	78,056
2017	47,002
2018	47,002
2019	<u>3,917</u>
Total Minimum Lease Payments	272,245
Less: Amount Representing Interest	<u>9,754</u>
Present Value of Minimum Lease Payments	<u>\$ 262,491</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2014 is comprised of the following issue:

\$4,020,000, 2008 Refunding Bonds, due in annual installments of \$360,000 to \$395,000 through July 1, 2018, interest at 4.00% to 4.25%	<u>\$1,930,000</u>
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RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 395,000	\$ 72,150	\$ 467,150
2016	395,000	56,350	451,350
2017	390,000	40,163	430,163
2018	390,000	23,587	413,587
2019	360,000	7,650	367,650
	<u>\$ 1,930,000</u>	<u>\$ 199,900</u>	<u>\$ 2,129,900</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2014 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 55,114,973
Less: Net Bonded Debt	<u>1,930,000</u>
Remaining Borrowing Power	<u>\$ 53,184,973</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance,</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2014</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 2,330,000		\$ 400,000	\$ 1,930,000	\$ 395,000
Add:					
Unamortized Premium on Refunding	40,066	-	9,601	30,465	-
	2,370,066	-	409,601	1,960,465	395,000
Leases Payable	144,572	\$ 223,300	105,381	262,491	91,546
Compensated Absences Payable	1,642,708	162,624	-	1,805,332	180,533
Governmental Activity Long-Term Liabilities	<u>\$ 4,157,346</u>	<u>\$ 385,924</u>	<u>\$ 514,982</u>	<u>\$ 4,028,288</u>	<u>\$ 667,079</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey School Board's Association Insurance Group (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 are on file with the School's Business Administrator.

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2014, 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, 2014, the District had no estimated arbitrage earnings due to the IRS.

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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. PERS is a cost sharing multi-employer defined benefit pension plan.

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. TPAF is a cost sharing plan with special funding situations.

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, but are currently suspended as a result of reform legislation.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, 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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

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

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

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 76.1 percent and \$12.8 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.

future events.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems from 7.95 percent to 7.90 percent and (b) projected salary increases of 4.22 percent for the PERS and 3.51 % 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 6.6% for PERS and 6.6% for TPAF of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2014 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 fiscal years ended June 30, 2014, 2013 and 2012 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2014	\$ 351,914	\$ 687,333
2013	358,764	1,089,964
2012	357,612	517,457

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$687,333 for normal cost pension and NCGI premium. For fiscal years 2012/2013 and 2011/2012, the state contributed \$1,089,964 and \$517,457, respectively for normal cost pension, accrued liability and the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,244,258 during the fiscal year ended June 30, 2014 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 classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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 paid 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 paid 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 state 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

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, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.3 billion for state active and retired members and \$32.2 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 includes 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 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 or 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, 2012, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2013, there were 100,134, retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion 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 paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

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 fiscal years ended June 30, 2014, 2013 and 2012 were \$1,126,969, \$1,232,474 and \$1,040,224, 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.

**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, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 22,443,517		\$ 22,443,517	\$ 22,443,517	
Tuition From Other LEAs Within State	4,468,099		4,468,099	4,259,581	\$ (208,518)
Miscellaneous	400,000		400,000	131,061	(268,939)
State Sources					
Categorical Special Education Aid	1,167,201		1,167,201	1,167,201	
Equalization Aid	3,432,294		3,432,294	3,432,294	
Categorical Security Aid	100,688		100,688	100,688	
Categorical Transportation Aid	46,216		46,216	46,216	
Under Adequacy Aid	114,282		114,282	114,282	
Extraordinary Aid	450,000		450,000	572,594	122,594
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				55,748	55,748
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				631,585	631,585
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,126,969	1,126,969
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,244,258	1,244,258
Federal Sources					
Medicaid Reimbursement	20,000	-	20,000	4,696	(15,304)
Total Revenues	32,642,297	-	32,642,297	35,330,690	2,688,393
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	646,682	(34,767)	611,915	611,915	
Grades 1-5	2,807,600	6,846	2,814,446	2,813,820	626
Grades 6-8	2,104,047	(34,504)	2,069,543	2,058,641	10,902
Grades 9-12	4,720,722	192,765	4,913,487	4,911,951	1,536
Regular Programs-Home Instruction					
Salaries of Teachers	90,000	41,149	131,149	131,145	4
Purchased Professional-Educational Services	12,500	(4,949)	7,551	7,551	
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	6,639	(6,639)			
General Supplies	231,565	125,292	356,857	320,781	36,076
General Supplies Acquired Under Capital Lease (Non-Budget)				223,300	(223,300)
Textbooks	9,200	280,592	289,792	154,570	135,222
Other Objects	2,530	-	2,530	1,410	1,120
Total Regular Programs	10,631,485	565,785	11,197,270	11,235,084	(37,814)
Learning and/or Language Disabilities					
Salaries of Teachers	156,511	23,693	180,204	180,104	100
Other Salaries for Instruction	112,302	5,345	117,647	117,306	341
Total Learning and/or Language Disabilities	268,813	29,038	297,851	297,410	441
Behavioral Disabilities					
Salaries of Teachers	148,042	8,310	156,352	156,287	65
Other Salaries for Instruction	54,566	-	54,566	54,566	-
Total Behavioral Disabilities	202,608	8,310	210,918	210,853	65

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, 2014

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 290,108	\$ 20,215	\$ 310,323	\$ 310,322	\$ 1
Other Salaries for Instruction	245,392	23,021	268,413	268,413	-
Total Multiple Disabilities	535,500	43,236	578,736	578,735	1
Resource Room/Resource Center					
Salaries of Teachers	1,199,752	54,275	1,254,027	1,252,793	1,234
Other Salaries for Instruction	193,726	35,208	228,934	227,709	1,225
Total Resource Room/Resource Center	1,393,478	89,483	1,482,961	1,480,502	2,459
Autism					
Salaries of Teachers	242,760	29,950	272,710	272,710	-
Other Salaries for Instruction	353,679	(1,354)	352,325	352,325	-
Total Autism	596,439	28,596	625,035	625,035	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	189,899	-	189,899	188,191	1,708
Other Salaries for Instruction	173,758	44,254	218,012	218,012	-
Total Preschool Disabilities - Full-Time	363,657	44,254	407,911	406,203	1,708
Total Special Education	3,360,495	242,917	3,603,412	3,598,738	4,674
Basic Skills/Remedial					
Salaries of Teachers	252,165	19,424	271,589	271,189	400
Total Basic Skills/Remedial	252,165	19,424	271,589	271,189	400
Bilingual Education - Instruction					
Salaries of Teachers	313,333	19,493	332,826	332,626	200
Total Bilingual Education - Instruction	313,333	19,493	332,826	332,626	200
School Sponsored Cocurricular Activities					
Salaries	105,340	-	105,340	102,840	2,500
Transfer to Cover Deficit	30,300	1,707	32,007	31,546	461
Total School Sponsored Cocurricular Activities	135,640	1,707	137,347	134,386	2,961
School Sponsored Athletics					
Salaries	460,291	304	460,595	455,335	5,260
Purchased Services	85,000	7,163	92,163	91,338	825
Supplies and Materials	67,763	38,429	106,192	73,228	32,964
Other Objects	130,000	(35,255)	94,745	88,329	6,416
Total School Sponsored Athletics	743,054	10,641	753,695	708,230	45,465
Community Service Programs					
Salaries	3,000	-	3,000	3,000	-
Total Community Service Programs	3,000	-	3,000	3,000	-
Total Instruction	15,439,172	859,967	16,299,139	16,283,253	15,886

**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, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 90,000	\$ (88,721)	\$ 1,279	\$ 1,279	
Tuition to County Vocational Schools-Regular	255,000	(69,451)	185,549	166,762	\$ 18,787
Tuition to County Vocational Schools-Special	115,000	(1,308)	113,692	80,860	32,832
Tuition to CSSD and Regional Day Schools	385,000	(220,095)	164,905	164,905	
Tuition to Priv. Sch. for the Handicapped-Within State	550,000	-	550,000	460,680	89,320
Tuition - Other	125,000	(125,000)	-	-	-
Total Undistributed Expenditures- Instruction	1,520,000	(504,575)	1,015,425	874,486	140,939
Attendance and Social Work					
Salaries	83,283	(320)	82,963	82,963	
Purchased Professional and Tech. Services	42,432	(10,518)	31,914	31,883	31
Total Attendance and Social Work	125,715	(10,838)	114,877	114,846	31
Health Services					
Salaries	342,359	(1,152)	341,207	341,207	
Purchased Professional and Technical Services	6,800	727	7,527	7,355	172
Supplies and Materials	4,250	(184)	4,066	3,881	185
Total Health Services	353,409	(609)	352,800	352,443	357
Other Support Services-Students-Related Services					
Salaries	728,964	-	728,964	728,964	
Purchased Professional-Educational Services	8,000	(6,222)	1,778	1,778	-
Total Other Support Services-Students-Related Serv	736,964	(6,222)	730,742	730,742	-
Guidance					
Salaries of Other Professional Staff	632,163	(17,251)	614,912	614,912	
Salaries of Secretarial and Clerical Assistants	96,716	-	96,716	96,716	
Other Purchased Professional and Technical Services	13,300	156	13,456	13,072	384
Other Purchased Services	3,640	560	4,200	-	4,200
Supplies and Materials	375	192	567	567	-
Total Guidance	746,194	(16,343)	729,851	725,267	4,584
Child Study Teams					
Salaries of Other Professional Staff	817,949	509	818,458	818,458	
Salaries of Secretarial and Clerical Assistants	103,276	(1,723)	101,553	101,444	109
Total Child Study Teams	921,225	(1,214)	920,011	919,902	109
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	330,926	24,591	355,517	355,517	
Salaries of Other Professional Staff	314,499	(1,056)	313,443	313,443	
Salaries of Secretarial and Clerical Assistants	48,303	(2,002)	46,301	46,301	-
Total Improvement of Instruction Services	693,728	21,533	715,261	715,261	-
Educational Media/School Library					
Salaries	193,850	-	193,850	193,664	186
Supplies and Materials	2,980	579	3,559	3,323	236
Total Educational Media/School Library	196,830	579	197,409	196,987	422
Instructional Staff Training					
Purchased Professional-Educational Services	-	-	-	-	-
Total Instructional Staff Training	-	-	-	-	-

**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, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 2,000	\$ 19,825	\$ 21,825	\$ 21,825	-
Total Instructional Staff Training Services	2,000	19,825	21,825	21,825	-
Support Services- General Administration					
Salaries	387,420	12,473	399,893	399,893	
Legal Services	17,000	5,109	22,109	22,109	
Audit Fees	37,000	200	37,200	37,200	
Architect Fees		2,380	2,380	2,310	\$ 70
Other Purchased Professional Services		5,300	5,300	5,300	
Communications/Telephone	173,100	23,650	196,750	190,833	5,917
BOE Other Purchased Services	5,000	-	5,000	4,691	309
Miscellaneous Purchased Services	42,150	7,644	49,794	49,269	525
General Supplies	4,870	(456)	4,414	4,156	258
Miscellaneous Expenditures	11,589	4,141	15,730	15,506	224
BOE Membership Dues and Fees	14,410	-	14,410	14,410	-
Total Support Services- General Administration	692,539	60,441	752,980	745,677	7,303
Support Services- School Administration					
Salaries of Principals/Assistant Principals	834,000	-	834,000	834,000	
Salaries of Secretarial and Clerical Assistants	279,178	499	279,677	279,677	
Other Purchased Services	171,133	10,095	181,228	180,135	1,093
Supplies and Materials	12,800	13,449	26,249	26,157	92
Other Objects	11,600	205	11,805	11,805	-
Total Support Services- School Administration	1,308,711	24,248	1,332,959	1,331,774	1,185
Central Services					
Salaries	327,573	(23,294)	304,279	304,279	
Purchased Professional Services	37,292	4,159	41,451	41,306	145
Miscellaneous Purchased Services	1,215	586	1,801	1,801	
Supplies and Materials	3,000	1,412	4,412	4,277	135
Total Central Services	369,080	(17,137)	351,943	351,663	280
Admin. Info. Technology					
Salaries	246,371	(6,255)	240,116	239,645	471
Purchased Professional Services	8,000	-	8,000	7,800	200
Total Admin. Info. Technology	254,371	(6,255)	248,116	247,445	671
Required Maintenance for School Facilities					
Salaries	153,814	(1,248)	152,566	152,566	
Cleaning, Repair and Maintenance Services	135,906	(57,292)	78,614	78,086	528
Total Required Maintenance for School Facilities	289,720	(58,540)	231,180	230,652	528
Custodial Services					
Salaries	1,092,161	(24,609)	1,067,552	1,067,336	216
Cleaning, Repair and Maintenance Service	99,000	99,677	198,677	147,455	51,222
Rental of Land/Bldgs Other Than Lease Purchase Agreement	2,500		2,500	2,500	
Other Purchased Property Services	32,600	24,711	57,311	56,507	804
Insurance	247,000	(42,633)	204,367	204,367	
General Supplies	109,400	83,463	192,863	120,003	72,860
Energy (Natural Gas)	126,700	37,272	163,972	163,972	
Energy (Electricity)	386,250	47,417	433,667	433,667	-
Total Custodial Services	2,095,611	225,298	2,320,909	2,195,807	125,102

**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, 2014**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Contracted Services(Special Ed Students)-Joint Agreements	\$ 700,000	\$ (80,073)	\$ 619,927	\$ 619,927	-
Total Student Transportation Services	700,000	(80,073)	619,927	619,927	-
Improvement of Instructional Services					
Tuition Reimbursement	1,500	(328)	1,172	1,172	-
Total Improvement of Instructional Services	1,500	(328)	1,172	1,172	-
School Administration - Support Services					
Tuition Reimbursement	175	543	718	718	-
Total School Administration - Support Services	175	543	718	718	-
Unallocated Employee Benefits					
Social Security Contributions	390,000	39,552	429,552	424,860	\$ 4,692
Other Retirement Contributions - PERS	380,000	(18,105)	361,895	351,914	9,981
Unemployment Compensation	60,000	15,494	75,494	75,494	
Workers Compensation	170,000	35,700	205,700	202,743	2,957
Health Benefits	5,030,881	(347,111)	4,683,770	4,683,455	315
Tuition Reimbursement	25,000	-	25,000	25,000	
Other Employee Benefits	101,375	3,099	104,474	103,968	506
Total Unallocated Employee Benefits	6,157,256	(271,371)	5,885,885	5,867,434	18,451
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				55,748	(55,748)
Normal Cost				631,585	(631,585)
Post Retirement Medical				1,126,969	(1,126,969)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,244,258	(1,244,258)
Total Undistributed Expenditures	17,165,028	(621,038)	16,543,990	19,302,588	(2,758,598)
Total Current Expenditures	32,604,200	238,929	32,843,129	35,585,841	(2,742,712)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures	-	17,854	17,854	17,854	-
Total Equipment	-	17,854	17,854	17,854	-
Facilities Acquisition and Construction Services					
Construction Services		7,900	7,900		7,900
Assessment for Debt Service on SDA Funding	1,425	-	1,425	1,425	-
Total Facilities Acquisition and Construction Services	1,425	7,900	9,325	1,425	7,900
Total Capital Outlay	1,425	25,754	27,179	19,279	7,900
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	129,150	10,994	140,144	140,144	
Other Salaries for Instruction	30,375	304	30,679	30,679	
General Supplies	2,000	-	2,000	1,809	191
Total Summer School - Instruction	161,525	11,298	172,823	172,632	191
Total Summer School	161,525	11,298	172,823	172,632	191
Total Special Schools	161,525	11,298	172,823	172,632	191
Transfer of Funds to Charter Schools	16,750	-	16,750	16,750	-
Total Expenditures	32,783,900	275,981	33,059,881	35,794,502	(2,734,621)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(141,603)	(275,981)	(417,584)	(463,812)	(46,228)

**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, 2014**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources					
Capital Lease Proceeds (Non-Budget)				\$ 223,300	\$ 223,300
Capital Reserve - Transfer to Capital Projects	\$ (1,005,000)	\$ -	\$ (1,005,000)	(685,077)	319,923
Total Other Financing Sources	<u>(1,005,000)</u>	<u>-</u>	<u>(1,005,000)</u>	<u>(461,777)</u>	<u>543,223</u>
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	(1,146,603)	(275,981)	(1,422,584)	(925,589)	496,995
Fund Balances, Beginning of Year	<u>2,086,738</u>	<u>-</u>	<u>2,086,738</u>	<u>2,086,738</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 940,135</u>	<u>\$ (275,981)</u>	<u>\$ 664,154</u>	<u>\$ 1,161,149</u>	<u>\$ 496,995</u>

Recapitulation of Fund Balance

Restricted					
Capital Reserve				\$ 332,870	
Assigned					
Year End Encumbrances				336,275	
Unassigned				<u>492,004</u>	
				1,161,149	

Reconciliation to Governmental Fund Statements (GAAP):

Less: 2013/2014 Final State Aid Payment Not Recognized on GAAP Basis	\$ 471,887				
2013/2014 Extraordinary Aid Payment Not Recognized on GAAP Basis	<u>572,594</u>				
				<u>(1,044,481)</u>	

Fund Balance Per Governmental Funds (GAAP) \$ 116,668

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 4,445	\$ 4,445	\$ 4,394	\$ (51)
Federal	\$ 983,843	108,961	1,092,804	1,086,931	(5,873)
Total Revenues	<u>983,843</u>	<u>113,406</u>	<u>1,097,249</u>	<u>1,091,325</u>	<u>(5,924)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	198,786	99,154	297,940	297,940	-
Other Purchased Services	290,000	8,472	298,472	298,472	-
General Supplies	55,633	(17,831)	37,802	33,103	4,699
Textbooks		2,117	2,117	2,069	48
Other Objects	1,708	550	2,258	2,219	39
Total Instruction	<u>546,127</u>	<u>92,462</u>	<u>638,589</u>	<u>633,803</u>	<u>4,786</u>
Support Services					
Salaries of Teachers	94,366	-	94,366	94,366	-
Personal Services - Employee Benefits	87,379	6,578	93,957	92,881	1,076
Purchased Professional/Educational Services	199,913	33,753	233,666	233,666	-
Other Purchased Services	45,000	(43,893)	1,107	1,080	27
Supplies and Materials	11,058	14,927	25,985	25,951	34
Total Support Services	<u>437,716</u>	<u>11,365</u>	<u>449,081</u>	<u>447,944</u>	<u>1,137</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	9,579	9,579	9,578	1
Total Facilities Acq. & Construction	<u>-</u>	<u>9,579</u>	<u>9,579</u>	<u>9,578</u>	<u>1</u>
Total Expenditures	<u>983,843</u>	<u>113,406</u>	<u>1,097,249</u>	<u>1,091,325</u>	<u>5,924</u>
Excess (Deficiency) of Revenues and Other Financing Sources 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
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, 2014**

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)	\$ 35,330,690	\$ 1,091,325
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		
2012/13, Net of Cancellation		15,273
2013/14		(4,776)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2012/2013) State Aid)	959,018	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2013/2014) State Aid)	<u>(1,044,481)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 35,245,227</u>	<u>\$ 1,101,822</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 35,794,502	\$ 1,091,325
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		
2012/13		15,273
2013/14	<u>-</u>	<u>(4,776)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 35,794,502</u>	<u>\$ 1,101,822</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, 2014

	NCLB			Nonpublic Textbooks	Subtotal Page 2	Total 2014
	Title I	Title IIA	Title III			
REVENUES						
Intergovernmental						
State				\$ 1,433	\$ 2,961	\$ 4,394
Federal	\$ 497,992	\$ 53,928	\$ 35,549	-	499,462	1,086,931
Total Revenues	<u>\$ 497,992</u>	<u>\$ 53,928</u>	<u>\$ 35,549</u>	<u>\$ 1,433</u>	<u>\$ 502,423</u>	<u>\$ 1,091,325</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 272,940		\$ 25,000			\$ 297,940
Other Purchased Services					\$ 298,472	298,472
General Supplies	24,164		3,712		5,227	33,103
Textbooks		\$ 636		\$ 1,433		2,069
Other Objects	-	-	-	-	2,219	2,219
Total Instruction	<u>297,104</u>	<u>636</u>	<u>28,712</u>	<u>1,433</u>	<u>305,918</u>	<u>633,803</u>
Support Services						
Salaries of Teachers	94,366					94,366
Personal Services - Employee Benefits	87,044		5,837			92,881
Purchased Prof. Education Services	600	53,292	1,000		178,774	233,666
Other Purchased Services					1,080	1,080
Supplies and Materials	9,300	-	-	-	16,651	25,951
Total Support Services	<u>191,310</u>	<u>53,292</u>	<u>6,837</u>	<u>-</u>	<u>196,505</u>	<u>447,944</u>
Equipment						
Instructional Equipment	9,578	-	-	-	-	9,578
Total Equipment	<u>9,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,578</u>
Total Expenditures	<u>\$ 497,992</u>	<u>\$ 53,928</u>	<u>\$ 35,549</u>	<u>\$ 1,433</u>	<u>\$ 502,423</u>	<u>\$ 1,091,325</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>IDEA</u>					<u>Page 2 Total</u>
	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Anti Bullying Aid</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	
REVENUES						
Intergovernmental						
State			\$ 261	\$ 2,162	\$ 538	\$ 2,961
Federal	\$ 486,398	\$ 13,064	-	-	-	499,462
Total Revenues	<u>\$ 486,398</u>	<u>\$ 13,064</u>	<u>\$ 261</u>	<u>\$ 2,162</u>	<u>\$ 538</u>	<u>\$ 502,423</u>
EXPENDITURES						
Instruction						
Other Purchased Services	\$ 290,000	\$ 8,472				\$ 298,472
General Supplies	3,047	1,381	\$ 261		\$ 538	5,227
Other Objects	2,219	-	-	-	-	2,219
Total Instruction	<u>295,266</u>	<u>9,853</u>	<u>261</u>	<u>-</u>	<u>538</u>	<u>305,918</u>
Support Services						
Purchased Professional Education Services	176,612			\$ 2,162		178,774
Other Purchased Services	1,080					1,080
Supplies and Materials	13,440	3,211	-	-	-	16,651
Total Support Services	<u>191,132</u>	<u>3,211</u>	<u>-</u>	<u>2,162</u>	<u>-</u>	<u>196,505</u>
Equipment						
Instructional Equipment						-
Noninstructional Equipment	-	-	-	-	-	-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 486,398</u>	<u>\$ 13,064</u>	<u>\$ 261</u>	<u>\$ 2,162</u>	<u>\$ 538</u>	<u>\$ 502,423</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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, 2014**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Adjustments</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balance</u>
				<u>Prior Years</u>	<u>Current Year</u>		
Conversion of Pool at Roosevelt School	\$ 347,500	\$ 502,685	\$ 850,185	\$ 847,560	\$ 2,625		
Wall Panel Replacement at High School	152,669	738,822	891,491	106,554	784,937		
Window Replacement at Grant School	922,600		922,600	4,000	5,225	\$ 913,375	
Window Replacement and Facade Repairs at Roosevelt School	1,204,100		1,204,100	4,000	13,229	1,186,871	
Window Replacement and Facade Repairs at High School	<u>1,288,812</u>	<u>-</u>	<u>1,288,812</u>	<u>-</u>	<u>41,439</u>	<u>1,247,373</u>	<u>-</u>
	<u>\$ 3,915,681</u>	<u>\$ 1,241,507</u>	<u>\$ 5,157,188</u>	<u>\$ 962,114</u>	<u>\$ 847,455</u>	<u>\$ 3,347,619</u>	<u>\$ -</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, 2014**

Revenues	
Capital Reserve	\$ <u>685,077</u>
 Total Revenues	 <u>685,077</u>
 Expenditures	
Purchased Professional and Technical Services	87,373
Construction Services	<u>760,082</u>
 Total Expenditures	 <u>847,455</u>
 Excess of Revenues Over Expenditures	 (162,378)
 Fund Balance, Beginning of Year	 <u>162,378</u>
 Fund Balance, End of Year	 <u>\$ -</u>

**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, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Capital Reserve	\$ 848,200	\$ 1,985	\$ 850,185	\$ 850,185
Total Revenues	<u>848,200</u>	<u>1,985</u>	<u>850,185</u>	<u>850,185</u>
Expenditures				
Purchased Professional and Technical Services	70,871	1,985	72,856	82,531
Construction Services	<u>776,689</u>	<u>640</u>	<u>777,329</u>	<u>767,654</u>
Total Expenditures	<u>847,560</u>	<u>2,625</u>	<u>850,185</u>	<u>850,185</u>
Excess of Revenue Over Expenditures	<u>\$ 640</u>	<u>\$ (640)</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 502,685
Revised Authorized Cost	\$ 850,185

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
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, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Capital Reserve	\$ 276,292	\$ 615,199	\$ 891,491	\$ 891,491
 Total Revenues	 <u>276,292</u>	 <u>615,199</u>	 <u>891,491</u>	 <u>891,491</u>
Expenditures				
Purchased Professional and Technical Services	65,913	25,495	91,408	100,000
Construction Services	40,641	759,442	800,083	791,491
 Total Expenditures	 <u>106,554</u>	 <u>784,937</u>	 <u>891,491</u>	 <u>891,491</u>
 Excess of Revenue Over Expenditures	 <u>\$ 169,738</u>	 <u>\$ (169,738)</u>	 <u>\$ -</u>	 <u>\$ -</u>

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	\$ 738,822
Revised Authorized Cost	\$ 891,491
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2013
Revised Target Completion Date	N/A

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AT GRANT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Capital Reserve/Grants	-	\$ 9,225	\$ 9,225	\$ 922,600
 Total Revenues	 -	 9,225	 9,225	 922,600
Expenditures				
Purchased Professional and Technical Services	\$ 4,000	\$ 5,225	\$ 9,225	267,100
Construction Services	-	-	-	655,500
 Total Expenditures	 4,000	 5,225	 9,225	 922,600
 Excess of Revenue Over Expenditures	 \$ (4,000)	 \$ 4,000	 \$ -	 \$ -

Additional Project Information:

Project Number	4380-050-13-1000
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 922,600
Adjustment to Original Authorized Cost	\$ -
Revised Authorized Cost	\$ 922,600
 Percentage Increase Over Original Authorized Cost	
	0.00%
Percentage Completion	
	1.00%
Original Target Completion Date	
	September 1, 2014
Revised Target Completion Date	
	N/A

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AND FACADE REPAIRS AT ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Capital Reserve	-	\$ 17,229	\$ 17,229	\$ 1,204,100
Total Revenues	-	17,229	17,229	1,204,100
 Expenditures				
Purchased Professional and Technical Services	\$ 4,000	\$ 13,229	\$ 17,229	347,350
Construction Services	-	-	-	856,750
Total Expenditures	4,000	13,229	17,229	1,204,100
Excess of Revenue Over Expenditures	\$ (4,000)	\$ 4,000	\$ -	\$ -

Additional Project Information:

Project Number	4380-080-13-1000
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,204,100
Adjustment to Original Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,204,100
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	1.43%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	N/A

**RIDGEFIELD PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT AND FACADE REPAIRS AT HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Capital Reserve	-	\$ 41,439	\$ 41,439	\$ 1,288,812
 Total Revenues	 -	 41,439	 41,439	 1,288,812
Expenditures				
Purchased Professional and Technical Services		41,439	41,439	185,182
Construction Services	-	-	-	1,103,630
 Total Expenditures	 -	 41,439	 41,439	 1,288,812
 Excess of Revenue Over Expenditures	 -	 -	 -	 -

Additional Project Information:

Project Number	4380-050-11-1000
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,288,812
Adjustment to Original Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,288,812
 Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	3.22%
Original Target Completion Date	September 1, 2014
Revised Target Completion Date	N/A

ENTERPRISE FUND

**RIDGEFIELD PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2014**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 138,661	\$ 203,794	\$ 342,455
Total Assets	<u>\$ 138,661</u>	<u>\$ 203,794</u>	<u>\$ 342,455</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 203,446	\$ 203,446
Due to Other Funds		348	348
Due to Student Groups	\$ 138,661	<u>-</u>	<u>138,661</u>
Total Liabilities	<u>\$ 138,661</u>	<u>\$ 203,794</u>	<u>\$ 342,455</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Balance, July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2014</u>
ELEMENTARY SCHOOLS				
Lincoln School	\$ 8,674	\$ 12,988	\$ 14,477	\$ 7,185
Grant School	6,542	11,151	8,730	8,963
Roosevelt School	9,588	15,009	13,229	11,368
	<u>24,804</u>	<u>39,148</u>	<u>36,436</u>	<u>27,516</u>
TOTAL Elementary Schools				
JUNIOR/SENIOR HIGH SCHOOL				
Student Activities Fund	85,574	307,148	282,271	110,451
Athletic Account	66	74,199	73,571	694
	<u>85,640</u>	<u>381,347</u>	<u>355,842</u>	<u>111,145</u>
TOTAL Junior/Senior High School				
TOTAL All Schools				
	<u>\$ 110,444</u>	<u>\$ 420,495</u>	<u>\$ 392,278</u>	<u>\$ 138,661</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Balance, July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2014</u>
ASSETS				
Cash	\$ 22,089	\$ 37,909,781	\$ 37,728,076	\$ 203,794
Total Assets	<u>\$ 22,089</u>	<u>\$ 37,909,781</u>	<u>\$ 37,728,076</u>	<u>\$ 203,794</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 21,832	\$ 24,636,188	\$ 24,454,574	\$ 203,446
Accrued Salaries and Wages		13,272,410	13,272,410	
Due to Other Funds	<u>257</u>	<u>1,183</u>	<u>1,092</u>	<u>348</u>
Total Liabilities	<u>\$ 22,089</u>	<u>\$ 37,909,781</u>	<u>\$ 37,728,076</u>	<u>\$ 203,794</u>

LONG-TERM DEBT

RIDGEFIELD PARK BOARD OF EDUCATION
 STATEMENT OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000	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%			
						\$ 2,330,000	\$ 400,000	\$ 1,930,000
						<u>\$ 2,330,000</u>	<u>\$ 400,000</u>	<u>\$ 1,930,000</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
Computers - 2009/2010	\$ 143,018	3.63%	\$ 3,196		\$ 3,196	
Computers - 2010/2011	73,080	2.75%	22,151		18,943	\$ 3,208
Computers - 2011/2012	75,812	2.75%	43,567		19,031	24,536
Computers - 2012/2013	100,000	2.13%	75,658		24,685	50,973
Computers - 2013/2014	223,300	2.10%	-	\$ 223,300	39,526	183,774
			<u>\$ 144,572</u>	<u>\$ 223,300</u>	<u>\$ 105,381</u>	<u>\$ 262,491</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 310,238		\$ 310,238	\$ 310,238	
State Sources					
State Aid Type II	<u>142,159</u>	<u>-</u>	<u>142,159</u>	<u>142,159</u>	<u>-</u>
Total Revenues	<u>452,397</u>	<u>-</u>	<u>452,397</u>	<u>452,397</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	88,050		88,050	88,050	-
Principal	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Expenditures	<u>488,050</u>	<u>-</u>	<u>488,050</u>	<u>488,050</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,653)</u>	<u>-</u>	<u>(35,653)</u>	<u>(35,653)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>35,653</u>	<u>-</u>	<u>35,653</u>	<u>35,653</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 6,136,703	\$ 6,194,472	\$ 6,543,123	\$ 6,890,421	\$ 7,404,363	\$ 7,308,131	\$ 7,238,926	\$ 8,045,931	\$ 8,961,153	\$ 9,769,270
Restricted	884	570	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870
Unrestricted	(2,535,996)	(1,725,706)	(323,336)	247,281	(1,282,680)	(2,309,146)	(1,399,604)	(1,332,328)	(1,725,532)	(2,324,050)
Total Governmental Activities Net Position	\$ 3,601,591	\$ 4,469,336	\$ 6,219,895	\$ 7,592,806	\$ 7,101,592	\$ 6,682,569	\$ 7,299,414	\$ 8,600,851	\$ 8,451,599	\$ 7,778,090
Business-Type Activities										
Net Investment in Capital Assets	\$ 27,211	\$ 20,709	\$ 55,115	\$ 71,572	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724
Unrestricted	100,900	137,054	144,190	165,117	227,128	293,766	304,372	296,076	185,375	96,528
Total Business-Type Activities Net Position	\$ 128,111	\$ 157,763	\$ 199,305	\$ 236,689	\$ 291,024	\$ 349,987	\$ 352,918	\$ 309,738	\$ 201,257	\$ 111,252
District-Wide										
Net Investment in Capital Assets	\$ 6,163,914	\$ 6,215,181	\$ 6,598,238	\$ 6,961,993	\$ 7,468,259	\$ 7,364,352	\$ 7,287,472	\$ 8,059,593	\$ 8,977,035	\$ 9,783,994
Restricted	884	570	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870
Unrestricted	(2,435,096)	(1,588,652)	(179,146)	412,398	(1,055,552)	(2,015,380)	(1,095,232)	(1,036,252)	(1,540,157)	(2,227,522)
Total District Net Position	\$ 3,729,702	\$ 4,627,099	\$ 6,419,200	\$ 7,829,495	\$ 7,392,616	\$ 7,032,556	\$ 7,652,332	\$ 8,910,589	\$ 8,652,856	\$ 7,889,342

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

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

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,401,548	\$ 12,092,775	\$ 13,042,133	\$ 13,438,435	\$ 13,814,413	\$ 14,830,594	\$ 14,289,814	\$ 15,171,855	\$ 16,784,624	\$ 16,895,035
Special Education	5,004,639	4,810,147	4,752,254	4,634,721	5,096,953	6,079,429	5,596,021	5,701,214	6,413,590	6,246,015
Other Instruction	723,614	618,500	1,170,415	847,759	763,391	930,966	628,816	694,429	873,942	847,413
School Sponsored Activities And Athletics	726,885	790,552	876,479	1,552,453	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457
Support Services:										
Student & Instruction Related Services	3,343,509	3,667,036	4,186,189	4,174,953	5,245,911	4,465,578	4,913,960	5,129,207	5,149,343	5,333,528
General Administration Services	834,895	889,419	858,462	1,123,904	1,044,982	968,038	1,174,493	866,708	847,109	901,014
School Administration Services	1,237,114	1,331,521	1,406,499	1,707,327	1,440,219	1,592,263	1,579,245	1,630,154	1,694,347	1,702,674
Business / Central Services	661,229	591,867	633,831	684,997	688,780	659,642	651,281	618,510	674,922	780,122
Plant Operations And Maintenance	2,108,844	2,543,548	2,424,662	2,581,609	3,078,487	2,812,012	2,724,797	2,609,146	2,754,932	2,995,101
Pupil Transportation	636,559	648,318	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927
Special Schools										
Interest On Long-Term Debt	278,903	255,884	236,172	132,730	134,166	133,724	124,332	111,898	96,849	82,669
Total Governmental Activities Expenses	26,957,739	28,239,567	30,239,091	31,497,242	32,867,992	34,051,812	33,309,601	34,201,553	37,124,737	37,472,955
Business-Type Activities:										
Food Service	631,283	666,676	744,550	744,732	783,571	826,076	924,580	997,792	1,066,896	1,104,638
Total Business-Type Activities Expense	631,283	666,676	744,550	744,732	783,571	826,076	924,580	997,792	1,066,896	1,104,638
Total District Expenses	\$ 27,589,022	\$ 28,906,243	\$ 30,983,641	\$ 32,241,974	\$ 33,651,563	\$ 34,877,888	\$ 34,234,181	\$ 35,199,345	\$ 38,191,633	\$ 38,577,593
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 2,602,779	\$ 2,620,698	\$ 2,989,087	\$ 2,874,154	\$ 2,983,236	\$ 3,207,565	\$ 3,901,104	\$ 3,895,957	\$ 3,863,442	\$ 3,992,049
Special Education	238,480	401,474	650,072	494,964	351,683	488,861	490,572	360,744	259,433	267,532
Special Schools										
Operating Grants And Contributions	4,804,798	4,915,968	6,117,242	5,844,714	4,705,498	5,613,386	4,894,065	5,267,932	6,366,263	5,992,076
Capital Grants And Contributions										
Total Governmental Activities Program Revenues	7,646,057	7,938,140	9,736,401	9,213,832	8,040,417	9,311,812	9,285,741	9,524,633	10,489,138	10,251,657
Business-Type Activities:										
Charges For Services										
Food Service	379,712	433,321	485,781	497,797	514,178	498,523	499,722	503,906	479,218	514,671
Operating Grants And Contributions	248,594	263,007	300,311	284,319	323,728	386,516	427,789	450,706	479,197	499,962
Total Business Type Activities Program Revenues	628,306	696,328	786,092	782,116	837,906	885,039	927,511	954,612	958,415	1,014,633
Total District Program Revenues	\$ 8,274,363	\$ 8,634,468	\$ 10,522,493	\$ 9,995,948	\$ 8,878,323	\$ 10,196,851	\$ 10,213,252	\$ 10,479,245	\$ 11,447,553	\$ 11,266,290
Net (Expense)/Revenue										
Governmental Activities	\$ (19,311,682)	\$ (20,301,427)	\$ (20,502,690)	\$ (22,283,410)	\$ (24,827,575)	\$ (24,740,000)	\$ (24,023,860)	\$ (24,676,920)	\$ (26,635,599)	\$ (27,221,298)
Business-Type Activities	(2,977)	29,652	41,542	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)
Total District-Wide Net Expense	\$ (19,314,659)	\$ (20,271,775)	\$ (20,461,148)	\$ (22,246,026)	\$ (24,773,240)	\$ (24,681,037)	\$ (24,020,929)	\$ (24,720,100)	\$ (26,744,080)	\$ (27,311,303)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 16,929,940	\$ 18,421,605	\$ 19,431,797	\$ 20,290,000	\$ 20,290,000	\$ 20,445,640	\$ 21,213,466	\$ 21,584,702	\$ 22,005,605	\$ 22,443,517
Taxes Levied For Debt Service	508,731	489,959	416,161	404,264	400,000	415,000	410,000	443,246	357,230	310,258
State Aid - Unrestricted	2,116,581	2,121,863	2,117,345	2,702,926	3,494,013	3,206,966	2,973,137	3,537,828	3,613,720	3,662,973
Investment Earnings	49,057	86,287	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-
Miscellaneous Income	40,233	49,458	84,032	104,376	68,419	239,730	62,937	394,201	496,192	131,061
Total Governmental Activities	19,644,542	21,169,172	22,253,249	23,656,321	24,336,361	24,320,977	24,676,527	25,978,357	26,486,347	26,547,789
Business-Type Activities:										
Investment Earnings										
Transfers										
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 19,644,542	\$ 21,169,172	\$ 22,253,249	\$ 23,656,321	\$ 24,336,361	\$ 24,320,977	\$ 24,676,527	\$ 25,978,357	\$ 26,486,347	\$ 26,547,789
Change In Net Position										
Governmental Activities	\$ 332,860	\$ 867,745	\$ 1,750,559	\$ 1,372,911	\$ (491,214)	\$ (419,023)	\$ 652,667	\$ 1,301,437	\$ (149,252)	\$ (673,509)
Business-Type Activities	(2,977)	29,652	41,542	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)
Total District	\$ 329,883	\$ 897,397	\$ 1,792,101	\$ 1,410,295	\$ (436,879)	\$ (360,060)	\$ 655,598	\$ 1,258,257	\$ (257,733)	\$ (763,514)

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

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 103,028	\$ 529,979	\$ 1,430,652	\$ 2,318,230	\$ 1,738,553	\$ 1,664,733				
Unreserved	469,889	682,872	510,097	370,834	(44,639)	(92,596)				
Restricted							\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870
Committed							145,294	245,500		
Assigned								300,658	281,266	336,275
Unassigned							(146,364)	(329,272)	(307,811)	(552,477)
Total General Fund	<u>\$ 572,917</u>	<u>\$ 1,212,851</u>	<u>\$ 1,940,749</u>	<u>\$ 2,689,064</u>	<u>\$ 1,693,914</u>	<u>\$ 1,572,137</u>	<u>\$ 1,602,250</u>	<u>\$ 1,755,355</u>	<u>\$ 1,127,720</u>	<u>\$ 116,668</u>
All Other Governmental Funds										
Unreserved	\$ (4,680)	\$ (6,335)	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)				
Restricted							\$ (74,092)	\$ 595,079	\$ 198,031	\$ -
Total All Other Governmental Funds	<u>\$ (4,680)</u>	<u>\$ (6,335)</u>	<u>\$ (6,799)</u>	<u>\$ (6,803)</u>	<u>\$ 49,805</u>	<u>\$ (56,585)</u>	<u>\$ (74,092)</u>	<u>\$ 595,079</u>	<u>\$ 198,031</u>	<u>\$ -</u>

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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,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax Levy	\$ 17,438,671	\$ 18,911,564	\$ 19,847,958	\$ 20,694,264	\$ 20,690,000	\$ 20,860,640	\$ 21,623,466	\$ 22,027,948	\$ 22,362,835	\$ 22,753,755
Tuition Charges	2,841,259	3,022,172	3,619,159	3,369,118	3,334,919	3,696,426	4,391,676	4,256,701	4,122,875	4,259,581
Interest Earnings	49,057	86,287	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-
Miscellaneous	40,233	74,458	84,032	104,376	68,419	239,730	62,937	407,399	512,223	131,061
State Sources	6,001,684	6,182,515	7,167,113	7,677,017	7,317,300	6,672,293	6,874,477	7,646,009	8,933,324	8,552,463
Federal Sources	919,695	830,316	1,067,474	870,623	882,211	2,150,059	992,725	1,146,553	1,030,628	1,102,586
Total Revenue	27,290,599	29,107,312	31,989,650	32,870,153	32,376,778	33,632,789	33,962,268	35,502,990	36,975,485	36,799,446
Expenditures										
Instruction										
Regular Instruction	11,153,050	11,841,482	12,910,603	13,573,576	13,599,235	14,621,042	14,163,843	14,772,783	16,284,086	16,462,126
Special Education Instruction	4,960,978	4,788,588	4,737,947	4,654,199	5,131,186	6,071,193	5,536,686	5,696,757	6,405,781	6,243,283
Vocational Education										
Other Instruction	669,006	564,170	1,257,624	862,197	757,389	794,139	795,694	692,300	871,142	845,959
School Sponsored Activities And Athletics	725,544	789,211	870,405	918,419	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457
Support Services:										
Student & Inst. Related Services	3,341,472	3,713,365	4,291,673	4,886,482	5,112,892	4,481,054	4,985,817	5,055,892	5,246,957	5,239,866
General Administration Services	869,802	875,077	864,472	1,035,394	983,977	1,014,144	1,310,663	857,409	846,757	904,285
School Administration Services	1,196,760	1,395,529	1,434,687	1,364,133	1,371,493	1,445,104	1,522,500	1,577,132	1,648,423	1,662,772
Business / Central Services	616,938	664,084	683,678	667,618	715,856	630,314	717,740	614,634	671,127	811,163
Plant Operations And Maintenance	2,057,507	2,527,843	2,408,587	2,620,423	3,015,713	2,723,680	2,695,786	2,551,315	2,722,511	2,958,384
Pupil Transportation	636,559	648,318	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927
Special Schools										
Charter Schools										
Capital Outlay	116,819		263,838	301,071	512,379	50,452	65,876	668,898	960,429	814,904
Debt Service:										
Principal	492,677	495,858	641,135	404,918	450,000	445,968	464,548	477,929	498,893	505,381
Interest And Other Charges	290,403	267,384	245,572	215,058	104,510	147,318	136,747	123,045	108,983	94,322
Payments to Refunding Escrow Agents				86,347						
Cost of Issuance of Refunding Bonds				98,016						
Total Expenditures	27,127,515	28,570,909	31,262,216	32,306,205	33,315,320	34,003,974	34,022,742	34,756,526	38,100,168	38,231,829
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	163,084	536,403	727,434	563,948	(938,542)	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	107,334	101,876				143,018	73,080	75,812	100,000	223,300
Refunding Bond Proceeds				4,020,000						
Premium on Refunding Bonds				139,363						
payment to Refunding Escrow Agent				(3,975,000)						
Transfers In								1,201,169	309,584	685,077
Transfers Out								(1,201,169)	(309,584)	(685,077)
Total Other Financing Sources (Uses)	107,334	101,876	-	184,363	-	143,018	73,080	75,812	100,000	223,300
Net Change In Fund Balances	\$ 270,418	\$ 638,279	\$ 727,434	\$ 748,311	\$ (938,542)	\$ (228,167)	\$ 12,606	\$ 822,276	\$ (1,024,683)	\$ (1,209,083)
Debt Service As A Percentage Of										
Noncapital Expenditures	2.90%	2.67%	2.86%	1.94%	1.69%	1.75%	1.77%	1.76%	1.64%	1.60%

* 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>
2014	\$ 4,259,581	\$ 9,830	\$ 121,231	\$ 4,390,642
2013	4,122,875	13,600	496,192	4,632,667
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

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,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2005	\$ 22,153,600	\$ 550,464,800	N/A	N/A	\$ 191,625,950	\$ 32,328,400	\$ 70,432,900	\$ 867,005,650	\$ 955,814	\$ 867,961,464	\$ 1,238,444,610	\$ 2.179
2006	21,592,600	559,868,740	N/A	N/A	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	561,116,300	N/A	N/A	189,720,250	30,806,600	68,839,300	872,173,050	736,811	872,909,861	1,642,628,848	2.371
2008	26,709,200	1,046,356,100	N/A	N/A	321,408,400	55,895,900	116,228,200	1,566,597,800	708,434	1,567,306,234	1,655,264,678	1.320
2009	26,622,100	1,047,524,300	N/A	N/A	330,612,100	55,895,900	116,228,200	1,576,882,600	1,404,287	1,578,286,887	1,574,882,476	1.323
2010	26,609,000	1,040,332,800	N/A	N/A	328,716,500	49,667,000	114,271,300	1,559,596,600	3,124,731	1,562,721,331	1,470,267,482	1.384
2011	26,313,400	767,364,600	N/A	N/A	284,638,000	49,765,400	107,634,800	1,235,716,200	2,099,972	1,237,816,172	1,342,736,493	1.780
2012	26,181,600	766,238,100	N/A	N/A	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
2013	28,515,600	766,852,100	N/A	N/A	274,587,700	48,409,620	103,832,600	1,222,197,620		1,222,197,620	1,370,921,451	1.862
2014	25,221,600	766,388,000	N/A	N/A	270,931,600	47,908,920	102,519,800	1,212,969,920		1,212,969,920	1,395,299,209	1.915

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Source: County Abstract of Ratables

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>
2014	\$ 3.458	\$ 1.915	\$ 1.277	\$ 0.266
2013	3.385	1.862	1.274	0.249
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	3.860	2.266	1.297	0.297
2005	3.690	2.179	1.232	0.279

(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 NINE YEARS AGO
(Unaudited)**

Taxpayer	2014		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 31,000,000	2.56%		
Hartz Mountain Industries			\$ 34,180,600	3.94%
85 Challenger Rd LLC	29,000,000	2.39%		
100 Challenger Partners LLC	24,000,000	1.98%		
Bank of America			26,119,050	3.01%
65 Challenger LLC	18,000,000	1.48%		
Marlboro Apt. Corp.	17,760,900	1.46%		
Daekyo America, Inc	16,000,000	1.32%		
Ridgefield Park Lodging Assoc	14,203,600	1.17%		
RP Holdings LLC			24,903,100	2.87%
Wellsford/Whitehall			20,073,900	2.31%
Pitcairn Skymark, LLC			15,000,000	1.73%
AGFA			14,000,000	1.61%
Pitcairn Skymark, LLC	13,351,000	1.10%		
Marlboro Apt. Corp.			10,490,700	1.21%
Scott Court Apts LLC			7,077,400	0.82%
Landmark E. Corp			6,215,000	0.72%
VY Investment Corp			5,965,300	0.69%
United Rentals North America Inc	11,300,000	0.93%		
Starplex Operating LLC	10,888,600	0.90%		
	<u>\$ 185,504,100</u>	<u>15.29%</u>	<u>\$ 164,025,050</u>	<u>18.90%</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	
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
2013	22,362,835	22,362,835	100.00%	N/A
2014	22,753,755	22,753,755	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
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
2013	2,330,000	144,572		2,474,572	12,864 (1)	192
2014	1,930,000	262,491		2,192,491	12,925 (1)	170

Source: District records

(1) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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
2013	2,330,000		2,330,000	0.19%	181
2014	1,930,000		1,930,000	0.16%	149

Source: District records

Notes:

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

**RIDGEFIELD PARK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2013
(Unaudited)**

	<u>Gross Debt</u>
DIRECT DEBT: (1)	
Ridgefield Park School District	\$ 1,930,000
Village of Ridgefield Park	<u>14,298,074</u>
	<u>\$ 16,228,074</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County:	
County of Bergen(A)	7,057,203
Bergen County Utilities Authority - Water Pollution Control (B)	<u>4,333,175</u>
	<u>11,390,378</u>
 Total Direct and Overlapping Outstanding Debt	 <u>\$ 27,618,452</u>

SOURCE:

(1) Village of Ridgefield Park 2013 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2013 equalized value by the total 2013 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2013 billings by the total 2013 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis	
	2013	\$ 1,398,875,609
	2012	1,368,107,019
	2011	1,366,640,345
		<u>\$ 4,133,622,973</u>
Average Equalized Valuation of Taxable Property		\$ 1,377,874,324
Debt Limit (4 % of Average Equalization Value)		55,114,973
Total Net Debt Applicable to Limit		<u>1,930,000</u>
Legal Debt Margin		<u>\$ 53,184,973</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 43,812,848	\$ 49,845,805	\$ 55,981,992	\$ 61,157,464	\$ 63,223,729	\$ 62,271,686	\$ 59,600,257	\$ 57,083,476	\$ 55,683,763	\$ 55,114,973
Total Net Debt Applicable to Limit	<u>5,575,000</u>	<u>5,175,000</u>	<u>4,775,000</u>	<u>4,420,000</u>	<u>3,970,000</u>	<u>3,555,000</u>	<u>3,140,000</u>	<u>2,730,000</u>	<u>2,330,000</u>	<u>1,930,000</u>
Legal Debt Margin	<u>\$ 38,237,848</u>	<u>\$ 44,670,805</u>	<u>\$ 51,206,992</u>	<u>\$ 56,737,464</u>	<u>\$ 59,253,729</u>	<u>\$ 58,716,686</u>	<u>\$ 56,460,257</u>	<u>\$ 54,353,476</u>	<u>\$ 53,353,763</u>	<u>\$ 53,184,973</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.72%	10.38%	8.53%	7.23%	6.28%	5.71%	5.27%	4.78%	4.18%	3.50%

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 NJSA 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>
2014	N/A	N/A	12,925
2013	7.00%	N/A	12,864
2012	8.90%	\$ 69,919	12,812
2011	8.70%	67,240	12,744
2010	8.90%	63,950	12,394
2009	8.70%	63,862	12,345
2008	4.80%	67,375	12,376
2007	4.20%	67,606	12,419
2006	4.20%	63,166	12,552
2005	3.90%	57,745	12,658

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 2005 through 2014

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

	<u>2014</u>		<u>2005</u>	
<u>Employer</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	173	174	177	179	184	180	161	164	172	180
Special education	5	3	3	3	3	5	32	45	48	53
Support Services:										
Student & instruction related services	18	17	17	17	17	15	14	17	21	21
School administration services	15	15	15	15	15	14	14	14	14	14
Other administration services	5	5	5	5	5	5	5	5	5	5
Central services	4	4	4	4	4	4	4	4	4	4
Administrative Information Technology	4	4	4	4	4	3	3	3	3	3
Plant operations and maintenance	21	21	21	21	21	20	20	20	21	22
Pupil transportation	4	5	5	5	5	4	4	4	4	4
Other support services	11	12	12	12	12	11	12	14	14	14
Special Schools	2									
Total	<u>262</u>	<u>260</u>	<u>263</u>	<u>265</u>	<u>270</u>	<u>261</u>	<u>269</u>	<u>290</u>	<u>306</u>	<u>320</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior/Senior High School				
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	11:10.6	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%
2013	2,330	36,531,863	15,679	6.00%	217	1:12.3	1:13.4	2,296	2,171	2.14%	94.56%
2014	2,363	36,817,222	15,581	-0.63%	230	1:13.7	1:15.6	2,343	2,213	2.05%	94.45%

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
District Building										
<u>Elementary</u>										
Lincoln School:										
Square Feet	54,000	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	420
Enrollment	361	329	343	370	371	380	383	387	416	422
Grant School:										
Square Feet	27,350	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	330
Enrollment	216	233	209	190	205	196	220	242	241	230
Roosevelt School:										
Square Feet	30,000	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	510
Enrollment	354	370	382	387	372	394	400	415	438	454
<u>High School</u>										
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	150,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	998	1,058	1,141	1,159	1,175	1,190	1,229	1,220	1,235	1,257
<u>Other</u>										
Special Services:										
Square Feet	10,000	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	4,875
Central Office:										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2014
 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

		<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
*School Facilities	<u>Project # (s)</u>										
Lincoln School	N/A	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349	\$ 62,703	\$ 60,917	\$ 48,591	\$ 39,936
Roosevelt School	N/A	6,412	6,046	3,707	6,734	4,002	8,706	28,260	27,455	26,875	22,191
Grant School	N/A	5,403	5,094	6,837	6,601	11,197	24,359	24,312	23,620	28,338	20,219
Junior/Senior High School	N/A	187,273	176,570	173,874	162,658	164,780	358,474	160,193	155,630	136,217	110,955
Total School Facilities		<u>230,652</u>	<u>217,470</u>	<u>215,393</u>	<u>206,164</u>	<u>219,211</u>	<u>476,888</u>	<u>275,468</u>	<u>267,622</u>	<u>240,021</u>	<u>193,301</u>
Grand Total		<u>\$ 230,652</u>	<u>\$ 217,470</u>	<u>\$ 215,393</u>	<u>\$ 206,164</u>	<u>\$ 219,211</u>	<u>\$ 476,888</u>	<u>\$ 275,468</u>	<u>\$ 267,622</u>	<u>\$ 240,021</u>	<u>\$ 193,301</u>

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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, 2014
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Association Insurance Group		
School Package Policy		
Blanket Building & Contents	\$ 350,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Loss of Business Income/Tuition	4,246,938	
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
School Leaders Errors and Omissions	2,000,000	5,000

Source: District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Ridgefield Park Board of Education's basic financial statements and have issued our report thereon dated December 2, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

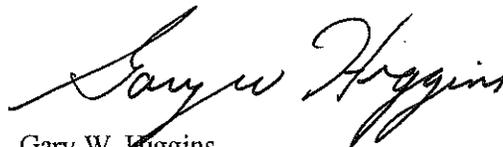
As part of obtaining reasonable assurance about whether the Ridgefield Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Purpose of this Report

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

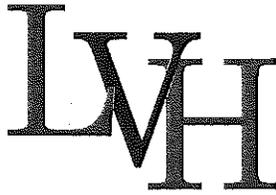


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 2, 2014



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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 the Ridgefield Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2014. The 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ridgefield Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Ridgefield Park Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Ridgefield Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Ridgefield Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgefield Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over compliance.

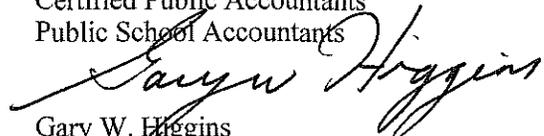
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

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, 2014 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 2, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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

Gary W. Higgins
Public School Accountant
PSA Number CS00816

Fair Lawn, New Jersey
December 2, 2014

RIDGEFIELD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Cash Received	Budgetary Expenditures	Cancelled Encumb/A-P Adjustments	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2014			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
<u>Enterprise Fund:</u>																
National School Lunch Program	10.555	N/A														
Cash Assistance			7/1/13-6/30/14	\$ 386,953			\$ 364,782	\$ 386,953								\$ (22,171)
Cash Assistance			7/1/12-6/30/13	371,985	\$ (21,681)		21,681									
Non-Cash Assistance			7/1/13-6/30/14	51,412			51,412	51,100						\$ 312		
Non-Cash Assistance			7/1/12-6/30/13	52,822		\$ 3,772		3,772								
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	46,904			43,948	46,904								(2,956)
School Breakfast Program	10.553	N/A	7/1/12-6/30/13	40,457	(3,092)		3,092									
Total Enterprise Fund					(24,773)	3,772	484,915	488,729	-	-	-	-	(25,127)	312	-	(25,127)
U.S. Department of Education																
Passed-through State Department of Education																
<u>Special Revenue Fund:</u>																
IDEA Part B - Flow Through	84.027	FT4380-14	7/1/13-6/30/14	486,500			486,500	486,398			\$ (4)			98		
IDEA Part B - Flow Through C/O	84.027	FT4380-13	9/1/12-8/31/13	467,111	(116,512)	31,643	106,335		\$ 3,361	\$ 10,177	(35,004)					
IDEA Part B - Preschool	84.173	FT4380-14	7/1/13-6/30/14	13,983			13,983	13,064						919		
IDEA Part B - Preschool C/O	84.173	FT4380-13	9/1/12-8/31/13	15,511	(16,383)	6,594	15,511			872	(6,594)					
Title I	84.010A	NCLB4380-14	7/1/13-6/30/14	497,992			497,992	497,992								
Title I C/O	84.010A	NCLB4380-13	9/1/12-8/31/13	402,346	(112,038)		94,602			17,436						
ARRA - Title I	84.389A	NCLB4380-10	9/1/09-8/31/11	44,008		2								(2)		
Title II A	84.367A	NCLB4380-14	7/1/13-6/30/14	53,928			53,928	53,928								
Title II A C/O	84.367A	NCLB4380-13	9/1/12-8/31/13	53,527	(7,402)		8,756		31	(1,354)	(31)					
Title II D C/O	84.318X	NCLB4380-11	9/1/10-8/31/11	791		1,690					(1,690)					
Title III	84.365A	NCLB4380-14	7/1/13-6/30/14	35,549			35,549	35,549								
Title III C/O	84.365A	NCLB4380-13	9/1/12-8/31/13	47,884	(9,634)	5,108	9,634		11		(5,119)					
Title IV C/O	84.186A	NCLB4380-10	9/1/09-8/31/10	6,559		13					(13)					
Title V	84.298A	NCLB4380-08	9/1/07-8/31/08	2,662		80					(80)					
Total Special Revenue Fund					(261,969)	45,130	1,322,790	1,086,931	3,403	27,131	(48,537)	-	1,017	-	-	-
U.S. Department of Education																
Passed-through State Department of Education																
<u>General Fund:</u>																
Medicaid	93.778.1	N/A	7/1/13-6/30/14	4,696			4,696	4,696								
Total General Fund					-	-	4,696	4,696	-	-	-	-	-	-	-	-
Total Federal Financial Assistance					\$ (286,742)	\$ 48,902	\$ 1,812,401	\$ 1,580,356	\$ 3,403	\$ 27,131	\$ (48,537)	\$ (25,127)	\$ 1,329	\$ -	\$ -	\$ (25,127)

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, 2014**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2014			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2014	GAAP Receivable	Combined Total Expenditures
State Department of Education														
General Fund:														
Categorical Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 1,167,201				\$ 1,053,886	\$ 1,167,201		\$ (113,315)			\$	1,167,201
Categorical Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	1,160,641	\$ (106,296)			106,296							
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	3,432,294				3,099,078	3,432,294		(333,216)				3,432,294
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	3,478,211	(318,549)			318,549							
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	114,282				103,187	114,282		(11,095)				114,282
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	100,688				90,913	100,688		(9,775)				100,688
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	69,026	(6,322)			6,322							
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	46,216				41,730	46,216		(4,486)				46,216
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	38,521	(3,528)			3,528							
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	572,594					572,594		(572,594)				572,594
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	524,323	(524,323)			524,323							
TPAF - Post Retirement Medical	14-495-034-5095-001	7/1/13-6/30/14	1,126,969				1,126,969	1,126,969						1,126,969
TPAF - NCGI	14-495-034-5095-007	7/1/13-6/30/14	55,748				55,748	55,748						55,748
TPAF - Normal Cost	14-495-034-5095-006	7/1/13-6/30/14	631,585				631,585	631,585						631,585
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	1,244,258				1,117,827	1,244,258		(126,431)			\$	1,244,258
Reimbursed TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	1,202,096	(121,106)			121,106						\$	1,202,096
Total General Fund				(1,080,124)			8,401,047	8,491,835		(1,170,912)				8,491,835
Special Revenue Fund														
Nonpublic Textbook	14-100-034-5120-064	7/1/13-6/30/14	1,481				1,481	1,433			\$ 48			1,433
Nonpublic Technology	14-100-034-5120-373	7/1/13-6/30/14	540				540	538			2			538
Nonpublic Nursing	14-100-034-5120-070	7/1/13-6/30/14	2,162				2,162	2,162						2,162
Anti-Bullying Act	N/A	7/1/13-6/30/14	1,746				1,746			\$ 1,746				
Anti-Bullying Act	N/A	7/1/11-6/30/12	262		\$ 262			261		1				261
Total Special Revenue Fund					262		5,929	4,394			1,747		50	4,394
Debt Service Fund														
Debt Service Aid	14-495-034-5120-017	7/1/13-6/30/14	142,159				142,159	142,159						142,159
Total Debt Service Fund							142,159	142,159						142,159
State Department of Agriculture														
Enterprise Fund														
National School Lunch	14-100-010-3350-023	7/1/13-6/30/14	11,233				10,613	11,233		(620)			(620)	11,233
National School Lunch	13-100-010-3350-023	7/1/12-6/30/13	10,837	(613)			613							
Total Enterprise Fund				(613)			11,226	11,233		(620)				11,233
Total State Financial Assistance				(1,080,737)	262		8,560,361	8,649,621		(1,171,532)	1,747	50		8,649,621
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
TPAF - Post Retirement Medical	14-495-034-5095-001	7/1/13-6/30/14	1,126,969				(1,126,969)	(1,126,969)						(1,126,969)
TPAF - Normal Cost	14-495-034-5095-006	7/1/13-6/30/14	631,585				(631,585)	(631,585)						(631,585)
TPAF - NCGI	14-495-034-5095-007	7/1/13-6/30/14	55,748				(55,748)	(55,748)						(55,748)
Total State Financial Assistance Subject to Single Audit				\$ (1,080,737)	\$ 262	\$ -	\$ 6,746,059	\$ 6,835,319	\$ -	\$ (1,171,532)	\$ 1,747	\$ 50	\$ (127,051)	\$ 6,835,319

**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, 2014**

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 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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's 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 financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$85,463 for the general fund and an increase of \$10,497 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 4,696	\$ 8,406,372	\$ 8,411,068
Special Revenue Fund	1,097,890	3,932	1,101,822
Debt Service Fund		142,159	142,159
Food Service Fund	488,729	11,233	499,962
Total Financial Assistance	<u>\$ 1,591,315</u>	<u>\$ 8,563,696</u>	<u>\$ 10,155,011</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, 2014**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,244,258 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, 2014. The amount reported as TPAF Pension System Contributions in the amount of \$687,333 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,126,969 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

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 Unmodified

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>
10.555	National School Lunch Program
10.553	School Breakfast Program
84.027	IDEA Part B-Basic
84.173	IDEA - Part B - Preschool
84.010A	NCLB - Title I

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, 2014**

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

1) Material weakness(es) identified: _____ yes no

2) Significant deficiencies identified not considered to be material weakness(es)? _____ yes none reported

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

Unmodified

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

_____ yes no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>14-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>14-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>14-495-034-5120-084</u>	<u>Security Aid</u>
<u>14-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>14-495-034-5120-002</u>	<u>TPAF Social Security</u>
<u>14-495-034-5120-017</u>	<u>Debt Service Aid</u>
_____	_____
_____	_____

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

\$300,000

Auditee qualified as low-risk auditee?

yes _____ no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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, 2014**

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 2013-001:

The audit of reserve for Encumbrances and Accounts Payable indicated that certain purchase orders which were classified as encumbrances by the District as of June 30, 2013 were determined to be accounts payable.

Status

Corrective action has been taken.

Finding 2013-002:

Our audit revealed certain capital asset additions, were not reflected in the District's capital assets report.

Status

Corrective action has been taken.