

RIDGEFIELD PARK
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016

Prepared by

Business Office

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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

Michael Steinmetz
Business Administrator/Board Secretary

October 28, 2016

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, 2016.

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, 2016, 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, 2016 are fairly presented in conformity with GAAP. The independent auditors' 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 requires 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 2015-2016 fiscal year with an average daily enrollment of 2,442 students, *which is 63 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>
2006-07	2,011	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	2.01%
2014-15	2,379	1.54%
2015-16	2,442	2.65%

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:

- Work in TJELC was completed to allow movement of first grade students district-wide into Thomas Jefferson Early Learning Center.
- Work was initiated to help mediate water seepage into the basement of Roosevelt School.
- A major plumbing line was fixed in Roosevelt School which was causing backups into two bathrooms.
- Repair work on the high school air conditioning system was initiated.
- An application for a clean energy audit was completed.
- Increased the size of our transportation fleet to decrease transportation expenses by adding revenues and decreasing outsourcing.

Technology:

- Infrastructure was upgraded for the district, including a new provider and increased bandwidth.
-

Technology (continued)

- The school and district websites were upgraded to provide more information to parents and the community.
- The district started utilizing a new messaging system to increase and upgrade communications with parents and students. Communications are more frequent and now sent via phone and email.
- Use of Google Classroom and Google Docs to decrease the need for copying information and the purchase of Microsoft office products.

Academic:

- The third phase of Balanced Literacy Integration (Word Work) was completed.
- An increased focus on effective utilization of the “Go Math” series in grades K-6 supported by the formation of Mathematics focused SGO.
- The Bilingual Seal of Recognition Program was instituted, making us one of the first States to implement the program.
- An AP Art class was added to the curriculum at the junior-senior high school.
- A Freshman Academy class was added to help ninth grade students prepare for success in high school.

Professional Development:

The district planned and executed two full-day professional development days along with two early dismissal days for professional development purposes. This was in addition to ongoing supported professional development for all faculty and staff.

All teachers engaged in professional learning communities of their choice to develop teaching/instruction strategies.

Ongoing training and support was provided in the use of our SIS (Genesis), Google Classroom, online grade books and report cards, and online lesson planning.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Village. Annual appropriated budgets are adopted for the general 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, 2016, the District's outstanding debt issues included \$1,140,000 of general obligation bonds.

7. CASH MANAGEMENT:

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

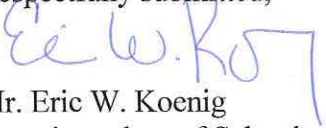
9. OTHER INFORMATION:


Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the single audit requirements of the U.S. Uniform Guidance and State Treasury Circular Letter 15-08 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.

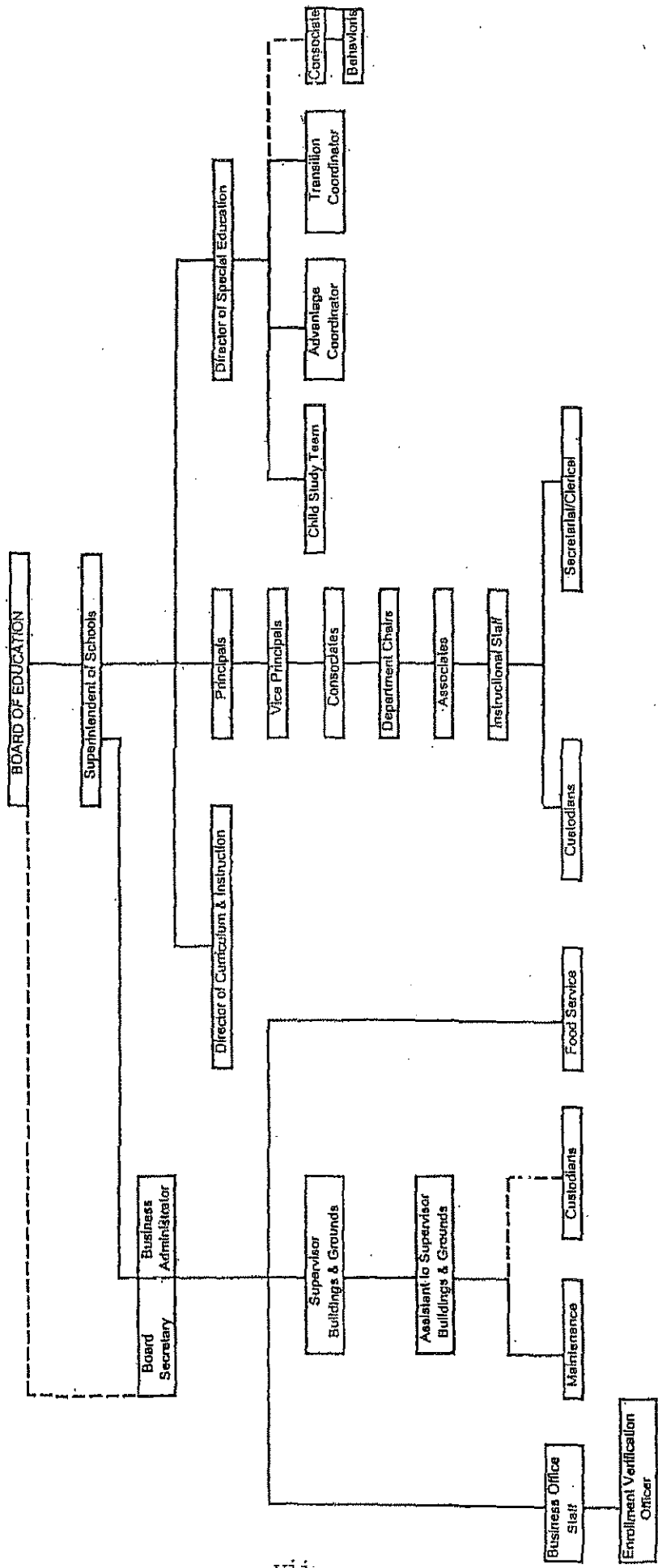
10. ACKNOWLEDGEMENTS:

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

Respectfully submitted, '


Mr. Eric W. Koenig
Superintendent of Schools


Mr. Michael Steinmetz
Business Administrator/Board Secretary



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

ROSTER OF OFFICIALS
JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Edmond DeSantis, President	2017
Robert Thiemann, Vice President	2019
Sandra Cuozzo	2018
Donna Blue	2019
Elsa Martinez	2017
Jayne Kraljic	2018
Anita Miller	2017
Barbara Merritt Butler	2019
Scott Lingle	2018
Nick Fytros (Little Ferry Representative)	

Other Officials

Mr. Eric Koenig, Superintendent of Schools

Marlene Wendolowski, Interim Business Administrator/Board Secretary

Mr. Joseph Neubert, 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
June 30, 2016

AUDIT FIRM

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

ATTORNEY

Anthony P. Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

OFFICIAL DEPOSITORY

Bank of New Jersey
1365 Palisade Avenue
Fort Lee, New Jersey 07024

TD Bank, NA
245 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
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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, 2016 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension 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

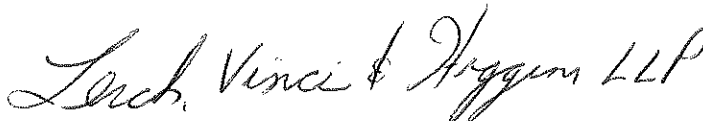
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Park Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of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

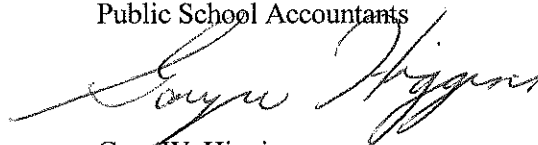
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2016 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
Certified Public Accountants
Public School Accountants



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
October 28, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The discussion and analysis of the Ridgefield Park Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. 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 liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent year by \$4,051,645 (net position).
- General revenues accounted for \$28,323,262 of revenue or 60 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$18,501,355 or 40 percent of total revenues of \$46,824,617.
- Total assets and deferred outflows of resources of governmental activities amounted to \$15,187,687 as of June 30, 2016.
- The District had \$47,874,908 in expenses related to governmental activities; only \$17,457,095 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$28,323,262 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$41,755,739 in revenues and other financing sources and \$41,079,786 in expenditures and other financing uses. The General Fund's fund balance increased \$675,953 from the fiscal year ended June 30, 2015.

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 Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

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 Board of Education, 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, 2016? 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 BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

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 and Debt Service Funds. The District's Enterprise Fund is the Food Service Fund.

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 BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Table 1 provides a summary of the District's net position as of June 30, 2016 and 2015.

Table 1
Net Position
As of June 30, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 1,395,360	\$ 1,102,985	\$ 102,104	\$ 87,748	\$ 1,497,464	\$ 1,190,733
Capital Assets	<u>11,124,075</u>	<u>11,654,864</u>	<u>62,376</u>	<u>60,548</u>	<u>11,186,451</u>	<u>11,715,412</u>
Total Assets	<u>12,519,435</u>	<u>12,757,849</u>	<u>164,480</u>	<u>148,296</u>	<u>12,683,915</u>	<u>12,906,145</u>
Deferred Amount on Net Pension Liability	2,658,873	761,369			2,658,873	
Deferred Amount on Refunding of Debt	<u>9,379</u>	<u>13,740</u>	<u>-</u>	<u>-</u>	<u>9,379</u>	<u>13,740</u>
Total Deferred Outflows of Resources	<u>2,668,252</u>	<u>775,109</u>	<u>-</u>	<u>-</u>	<u>2,668,252</u>	<u>13,740</u>
Long-Term Liabilities	17,850,847	13,171,196			17,850,847	13,171,196
Other Liabilities	<u>1,337,337</u>	<u>1,728,815</u>	<u>20,075</u>	<u>110,941</u>	<u>1,357,412</u>	<u>1,839,756</u>
Total Liabilities	<u>19,188,184</u>	<u>14,900,011</u>	<u>20,075</u>	<u>110,941</u>	<u>19,208,259</u>	<u>15,010,952</u>
Deferred Amount on Net Pension Liability	194,664	553,557			194,664	553,557
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>889</u>	<u>4,700</u>	<u>889</u>	<u>4,700</u>
Total Deferred Inflows of Resources	<u>194,664</u>	<u>553,557</u>	<u>889</u>	<u>4,700</u>	<u>195,553</u>	<u>558,257</u>
Net Position						
Net Investment in Capital Assets	9,782,461	9,824,350	62,376	60,548	9,844,837	9,884,898
Restricted	332,870	332,870			332,870	332,870
Unrestricted	<u>(14,310,492)</u>	<u>(12,077,830)</u>	<u>81,140</u>	<u>(27,893)</u>	<u>(14,229,352)</u>	<u>(12,105,723)</u>
Total Net Position	<u>\$ (4,195,161)</u>	<u>\$ (1,920,610)</u>	<u>\$ 143,516</u>	<u>\$ 32,655</u>	<u>\$ (4,051,645)</u>	<u>\$ (1,887,955)</u>

The District's combined net position were \$(4,051,645) and \$(1,887,955) on June 30, 2016 and 2015, respectively. This was a decrease of \$2,163,690 or 115% percent from the prior year.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Table 2 shows changes in net position for fiscal years ended June 30, 2016 and 2015.

Table 2
Changes in Net Position
For The Years Ended June 30, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,637,887	\$ 4,397,468	\$ 524,206	\$ 491,949	\$ 5,162,093	\$ 4,889,417
Operating Grants and Contributions	12,819,208	10,448,232	520,054	507,665	13,339,262	10,955,897
General Revenues						
Property Taxes	24,331,438	23,223,467			24,331,438	23,223,467
State Aid	3,782,044	3,736,671			3,782,044	3,736,671
Other	209,780	150,066	-	-	209,780	150,066
Total Revenues	<u>45,780,357</u>	<u>41,955,904</u>	<u>1,044,260</u>	<u>999,614</u>	<u>46,824,617</u>	<u>42,955,518</u>
Expenses						
Instruction						
Regular	20,539,538	19,206,920			20,539,538	19,206,920
Special Education	7,866,888	6,995,549			7,866,888	6,995,549
Other Instruction	1,529,858	1,457,852			1,529,858	1,457,852
School Sponsored Activities and Athletics	1,231,578	1,187,907			1,231,578	1,187,907
Support Services						
Student and Instruction Related Services	7,244,098	6,373,111			7,244,098	6,373,111
General Administration Services	1,013,397	783,050			1,013,397	783,050
School Administration Services	2,347,955	1,974,276			2,347,955	1,974,276
Business / Central Services	1,162,547	960,210			1,162,547	960,210
Plant Operations and Maintenance	3,841,199	3,139,740			3,841,199	3,139,740
Pupil Transportation	1,035,240	571,183			1,035,240	571,183
Interest on Debt	62,610	78,518			62,610	78,518
Food Services	-	-	1,113,399	1,078,211	1,113,399	1,078,211
Total Expenses	<u>47,874,908</u>	<u>42,728,316</u>	<u>1,113,399</u>	<u>1,078,211</u>	<u>48,988,307</u>	<u>43,806,527</u>
Change in Net Position						
Before Transfers	(2,094,551)	(772,412)	(69,139)	(78,597)	(2,163,690)	(851,009)
Transfers	(180,000)	-	180,000	-	-	-
Change in Net Position	(2,274,551)	(772,412)	110,861	(78,597)	(2,163,690)	(851,009)
Net Position, Beginning of Year	(1,920,610)	(1,148,198)	32,655	111,252	(1,887,955)	(1,036,946)
Net Position, End of Year	<u>\$ (4,195,161)</u>	<u>\$ (1,920,610)</u>	<u>\$ 143,516</u>	<u>\$ 32,655</u>	<u>\$ (4,051,645)</u>	<u>\$ (1,887,955)</u>

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

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 \$45,780,357 and \$41,955,904 for the years ended June 30, 2016 and 2015, respectively. Property taxes made up 53 and 55 percent of revenues for governmental activities for the Ridgefield Park Board of Education for fiscal years ended June 30, 2016 and 2015, respectively. Federal, state and local grants aid accounted for another 36 and 34 percent of revenue and tuition revenue accounted for 10 percent and 10 percent for the years ended June 30, 2016 and 2015.

The total cost of all programs and services was \$47,874,908 and \$42,728,316 for the fiscal years ended June 30, 2016 and 2015, respectively. Instruction comprises 65 and 68 percent of governmental program expenses for the fiscal years ended June 30, 2016 and 2015, respectively. Support services expenses make up 35 and 32 percent of governmental expenses for the fiscal years ended June 30, 2016 and 2015, 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, 2016 and 2015

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 20,539,538	\$ 19,206,920	\$ 10,775,063	\$ 10,462,020
Special Education	7,866,888	6,995,549	3,313,303	3,109,613
Other Instruction	1,529,858	1,457,852	1,095,904	1,096,178
School Sponsored Activities and Athletics	1,231,578	1,187,907	922,779	947,482
Support Services				
Student and Instruction Related Services	7,244,098	6,373,111	5,762,027	5,348,904
General Administration Services	1,013,397	783,050	935,314	719,431
School Administration Services	2,347,955	1,974,276	1,891,709	1,644,796
Business / Central Services	1,162,547	960,210	1,100,229	912,344
Plant Operations and Maintenance	3,841,199	3,139,740	3,738,287	3,038,579
Pupil Transportation	1,035,240	571,183	837,002	524,751
Interest on Debt	62,610	78,518	46,196	78,518
Total	<u>\$ 47,874,908</u>	<u>\$ 42,728,316</u>	<u>\$ 30,417,813</u>	<u>\$ 27,882,616</u>

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues and transfers of \$1,224,260 and \$999,614 and expenses of \$1,113,399 and \$1,078,211 in fiscal years ended June 30, 2016 and 2015, respectively. Of the revenues, \$524,206 and \$491,949 was charges for services paid by patrons for daily food service and \$520,054 and \$507,665 was from State and Federal reimbursements in fiscal years ended June 30, 2016 and 2015, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue 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 \$40,815,183 and \$38,170,077 and expenditures were \$42,459,230 and \$39,411,724 for the fiscal years ended June 30, 2016 and 2015 respectively. The net change in the fund balance for the 2015/2016 year was an increase of \$675,953

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, 2016 and 2015.

	<u>Years Ended June 30,</u>		Amount of	Percent
	<u>2016</u>	<u>2015</u>	Increase	Increase
			(Decrease)	(Decrease)
Local Sources	\$ 29,190,347	\$ 27,807,968	\$ 1,382,379	5%
State Sources	10,516,391	9,216,882	1,299,509	14%
Federal Sources	<u>1,108,445</u>	<u>1,145,227</u>	<u>(36,782)</u>	-3%
 Total Governmental Revenues	 <u>\$ 40,815,183</u>	 <u>\$ 38,170,077</u>	 <u>\$ 2,645,106</u>	 7%

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2016 and 2015.

	<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>2016</u>	<u>2015</u>		
Current Expense:				
Instruction	\$ 26,715,940	\$ 25,408,631	\$ 1,307,309	5%
Support Services	15,074,386	12,878,394	2,195,992	17%
Capital Outlay	3,400	437,546	(434,146)	-99%
Debt Service:				
Principal	592,317	597,581	(5,264)	-1%
Interest	<u>73,187</u>	<u>89,572</u>	<u>(16,385)</u>	-18%
 Total Expenditures	 <u>\$ 42,459,230</u>	 <u>\$ 39,411,724</u>	 <u>\$ 3,047,506</u>	 8%

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 2016 and 2015, the District had \$11,186,451 and \$11,715,412 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation decreased \$528,961 from fiscal year 2015 to fiscal year 2016 as a result of depreciation exceeding acquisitions. Table 4 shows capital assets net of depreciation at June 30, 2016 and 2015.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Table A-4
Capital Assets at June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Buildings and Building Improvements	16,843,670	16,843,670			16,843,670	16,843,670
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	2,440,426	2,439,776	\$ 195,028	\$ 190,578	2,635,454	2,630,354
	22,698,462	22,697,812	195,028	190,578	22,893,490	22,888,390
Less Accumulated Depreciation	11,574,387	11,042,948	132,652	130,030	11,707,039	11,172,978
Total	<u>\$ 11,124,075</u>	<u>\$ 11,654,864</u>	<u>\$ 62,376</u>	<u>\$ 60,548</u>	<u>\$ 11,186,451</u>	<u>\$ 11,715,412</u>

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

Long-Term Liabilities

At June 30, 2016 and 2015, the District had \$17,850,847 and \$13,171,196 of long-term liabilities, respectively. Of this amount, \$1,694,395 and \$1,734,118 is for compensated absences; \$393,867 and \$591,184 is for leases payable, \$12,107,448 and \$9,288,719 is for net pension liability and \$1,155,137 and \$1,557,175 of bonds payable, including the unamortized premium on refunding, as of June 30, 2016 and 2015, respectively.

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

For the Future

The Ridgefield Park Board of Education 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, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 859,568	\$ 3,543	\$ 863,111
Receivables, net			
Receivables from Other Governments	506,894	29,698	536,592
Other Receivables	235		235
Internal Balances	(61,861)	61,861	-
Inventory		7,002	7,002
Prepaid Items	90,524		90,524
Capital Assets			
Not Being Depreciated	2,703,196		2,703,196
Being Depreciated, Net	<u>8,420,879</u>	<u>62,376</u>	<u>8,483,255</u>
Total Assets	<u>12,519,435</u>	<u>164,480</u>	<u>12,683,915</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	9,379		9,379
Deferred Amount on Net Pension Liability	<u>2,658,873</u>	-	<u>2,658,873</u>
Total Deferred Outflows of Resources	<u>2,668,252</u>	-	<u>2,668,252</u>
LIABILITIES			
Accounts Payable	1,241,229	20,075	1,261,304
Accrued Interest Payable	24,225		24,225
Payable to Federal Government	54,853		54,853
Unearned Revenue	17,030		17,030
Noncurrent Liabilities			
Due Within One Year	943,044		943,044
Due Beyond One Year	<u>16,907,803</u>	-	<u>16,907,803</u>
Total Liabilities	<u>19,188,184</u>	<u>20,075</u>	<u>19,208,259</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	194,664		194,664
Deferred Commodities Revenue	<u>-</u>	<u>889</u>	<u>889</u>
Total Deferred Inflows of Resources	<u>194,664</u>	<u>889</u>	<u>195,553</u>
NET POSITION			
Net Investment in Capital Assets	9,782,461	62,376	9,844,837
Restricted for:			
Capital Projects	332,870		332,870
Unrestricted	<u>(14,310,492)</u>	<u>81,140</u>	<u>(14,229,352)</u>
Total Net Position	<u>\$ (4,195,161)</u>	<u>\$ 143,516</u>	<u>\$ (4,051,645)</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, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 20,539,538	\$ 3,917,080	\$ 5,847,395		\$ (10,775,063)		\$ (10,775,063)
Special Education	7,866,888	569,807	3,983,778		(3,313,303)		(3,313,303)
Other Instruction	1,529,858		433,954		(1,095,904)		(1,095,904)
School Sponsored Activities and Athletics	1,231,578		308,799		(922,779)		(922,779)
Support Services							
Student and Instruction Related Services	7,244,098		1,482,071		(5,762,027)		(5,762,027)
General Administration Services	1,013,397		78,083		(935,314)		(935,314)
School Administration Services	2,347,955		456,246		(1,891,709)		(1,891,709)
Business / Central Services	1,162,547		62,318		(1,100,229)		(1,100,229)
Plant Operations and Maintenance	3,841,199		102,912		(3,738,287)		(3,738,287)
Pupil Transportation	1,035,240	151,000	47,238		(837,002)		(837,002)
Interest on Long-Term Debt	62,610	-	16,414	-	(46,196)	-	(46,196)
Total Governmental Activities	<u>47,874,908</u>	<u>4,637,887</u>	<u>12,819,208</u>	<u>-</u>	<u>(30,417,813)</u>	<u>-</u>	<u>(30,417,813)</u>
Business-Type Activities							
Food Service	<u>1,113,399</u>	<u>524,206</u>	<u>520,054</u>	<u>-</u>	<u>-</u>	<u>\$ (69,139)</u>	<u>(69,139)</u>
Total Business-Type Activities	<u>1,113,399</u>	<u>524,206</u>	<u>520,054</u>	<u>-</u>	<u>-</u>	<u>(69,139)</u>	<u>(69,139)</u>
Total Primary Government	<u>\$ 48,988,307</u>	<u>\$ 5,162,093</u>	<u>\$ 13,339,262</u>	<u>\$ -</u>	<u>(30,417,813)</u>	<u>(69,139)</u>	<u>(30,486,952)</u>

Continued

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 24,011,557		\$ 24,011,557
Property Taxes Levied for Debt Service	319,881		319,881
State Aid -Unrestricted	3,666,989		3,666,989
Debt Service Aid	115,055		115,055
Miscellaneous Income	209,780		209,780
Transfers	(180,000)	180,000	-
Total General Revenues and Transfers	28,143,262	180,000	28,323,262
Change in Net Position	(2,274,551)	\$ 110,861	(2,163,690)
Net Position, Beginning of Year,	(1,920,610)	32,655	(1,887,955)
Net Position, End of Year	\$ (4,195,161)	\$ 143,516	\$ (4,051,645)

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FUND FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

	<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	\$ 703,914	\$ 155,654			\$ 859,568
Receivables, Net					
Receivables from Other Governments	506,894				506,894
Other Receivables	235				235
Prepaid Items	<u>90,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,524</u>
Total Assets	<u>\$ 1,301,567</u>	<u>\$ 155,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,457,221</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 1,157,458	\$ 83,771			1,241,229
Due to Other Funds	61,861				61,861
Payable to Federal Government		54,853			54,853
Unearned Revenue	<u>-</u>	<u>17,030</u>	<u>-</u>	<u>-</u>	<u>17,030</u>
Total Liabilities	<u>1,219,319</u>	<u>155,654</u>	<u>-</u>	<u>-</u>	<u>1,374,973</u>
FUND BALANCES					
Restricted					
Capital Reserve	241,870				241,870
Capital Reserve - Designated for Subsequent Year's Expenditures	91,000				91,000
Assigned					
Year End Encumbrances	45,258				45,258
ARRA/SEMI - Designated for Subsequent Year's Expenditures	9,727				9,727
Unassigned	<u>(305,607)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(305,607)</u>
Total Fund Balances	<u>82,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,248</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,301,567</u>	<u>\$ 155,654</u>	<u>\$ -</u>	<u>\$ -</u>	

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 \$22,698,462 and the accumulated depreciation is \$11,574,387. 11,124,075

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (24,225)

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. 9,379

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

Deferred Outflows of Resources	\$ 2,658,873	
Deferred Inflows of Resources	<u>(194,664)</u>	2,464,209

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	\$ (1,155,137)	
Leases Payable	(393,867)	
Loan Payable	(2,500,000)	
Net Pension Liability	(12,107,448)	
Compensated Absences Payable	<u>(1,694,395)</u>	<u>(17,850,847)</u>

Net position of governmental activities \$ (4,195,161)

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 24,011,557		\$ 319,881	\$ 24,331,438
Tuition	4,486,887			4,486,887
Transportation Fees	151,000			151,000
Miscellaneous	209,780	\$ 11,242	-	221,022
Total - Local Sources	28,859,224	11,242	319,881	29,190,347
State Sources	10,384,922		131,469	10,516,391
Federal Sources	11,593	1,096,852	-	1,108,445
Total Revenues	39,255,739	1,108,094	451,350	40,815,183
EXPENDITURES				
Current				
Instruction				
Regular Instruction	16,903,700	346,367		17,250,067
Special Education Instruction	6,543,522	553,082		7,096,604
Other Instruction	1,300,734			1,300,734
School-Sponsored Activities and Athletics	1,068,535			1,068,535
Support Services				
Student and Instruction Related Services	6,172,301	208,645		6,380,946
General Administration Services	957,726			957,726
School Administration Services	2,026,671			2,026,671
Business / Central Services	1,072,053			1,072,053
Plant Operations and Maintenance	3,691,062			3,691,062
Student Transportation	945,928			945,928
Capital Outlay	3,400			3,400
Debt Service				
Principal	197,317		395,000	592,317
Interest and Other Charges	16,837	-	56,350	73,187
Total Expenditures	40,899,786	1,108,094	451,350	42,459,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,644,047)	-	-	(1,644,047)
Other Financing Sources (Uses)				
Transfers Out	(180,000)			(180,000)
School District Deficit Relief Proceeds	2,500,000	-	-	2,500,000
Total Other Financing Sources (Uses)	2,320,000	-	-	2,320,000
Net change in Fund Balance	675,953	-	-	675,953
Fund Balance (Deficit), Beginning of Year	(593,705)	-	-	(593,705)
Fund Balance, End of Year	\$ 82,248	\$ -	\$ -	\$ 82,248

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, 2016**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 675,953

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 depreciation exceeds capital outlay additions in the current period.

Capital Outlay Additions	\$	3,400	
Depreciation Expense		<u>(534,189)</u>	(530,789)

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			
Loan Payable			(2,500,000)
Principal Repayments			
Bonds Payable		395,000	
Leases Payable		<u>197,317</u>	592,317

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		(4,361)	
Original Issue Premium		<u>7,038</u>	2,677

In the statement of activities, certain operating expenses-compensated absences, pension 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):

Decrease in Compensated Absences		39,723	
Increase in Pension Expense		<u>(562,332)</u>	(522,609)

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>7,900</u>
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Change in net position of governmental activities **\$ (2,274,551)**

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, 2016**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,543
Intergovernmental Receivable	
State	666
Federal	29,032
Due from Other Funds	61,861
Inventory	<u>7,002</u>
Total Current Assets	<u>102,104</u>
Capital Assets	
Equipment	195,028
Less: Accumulated Depreciation	<u>(132,652)</u>
Total Capital Assets	<u>62,376</u>
Total Assets	<u>164,480</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>20,075</u>
Total Current Liabilities	<u>20,075</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>889</u>
Total Deferred Inflows of Resources	<u>889</u>
NET POSITION	
Invested in Capital Assets	62,376
Unrestricted	<u>81,140</u>
Total Net Position	<u>\$ 143,516</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, 2016**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales-Reimbursable Programs	\$ 315,445
Daily Sales-Non-Reimbursable Programs	<u>208,761</u>
 Total Operating Revenues	 <u>524,206</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	480,412
Cost of Sales-Reimbursable Programs	410,186
Cost of Sales-Non-Reimbursable Programs	57,604
Other Purchased Services	7,570
Management Fee	57,315
Insurance	44,597
Depreciation	2,622
Supplies and Materials	50,506
Miscellaneous	<u>2,587</u>
 Total Operating Expenses	 <u>1,113,399</u>
 Operating Loss	 <u>(589,193)</u>
NONOPERATING REVENUES (EXPENSES)	
State Sources	
School Lunch Program	10,529
Federal Sources	
National School Lunch Program	464,557
National School Breakfast Program	<u>44,968</u>
 Total Nonoperating Revenues	 <u>520,054</u>
 Net Loss Before Operating Transfers	 <u>(69,139)</u>
 Operating Transfers	
Transfers In	<u>180,000</u>
 Change in Net Position	 110,861
 Total Net Position, Beginning of Year,	 <u>32,655</u>
 Total Net Position, End of Year	 <u>\$ 143,516</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, 2016**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 524,532
Payments for Employees' Salaries and Benefits	(480,412)
Payments to Suppliers for Goods and Services	<u>(551,363)</u>
Net Cash Used by Operating Activities	<u>(507,243)</u>
Cash Flows from Noncapital Financing Activities	
Other Receipts	118,139
State and Federal Subsidy Reimbursements	<u>483,052</u>
Net Cash Provided by Noncapital Financing Activities	<u>601,191</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(4,450)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(4,450)</u>
Net Increase in Cash and Cash Equivalents	89,498
Cash and Cash Equivalents (Overdraft), Beginning of Year	<u>(85,955)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,543</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ <u>(589,193)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,622
Non-Cash Federal Assistance	
Food Distribution - National School Lunch Programs	79,958
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(4,911)
(Increase)/Decrease in Other Accounts Receivable	326
(Increase)/Decrease in Inventory	<u>3,955</u>
Total Adjustments	<u>81,950</u>
Net Cash Used by Operating Activities	<u>\$ (507,243)</u>
Non-Cash Financing Activities	
National School Lunch Program (Food Distribution)	<u>\$ 76,147</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, 2016**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 529,945	\$ 364,102
Due from Other Funds	<u>5,075</u>	<u>-</u>
Total Assets	<u>535,020</u>	<u>\$ 364,102</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 226,853
Due to Student Groups		131,963
Accrued Salaries and Wages		211
Due to Other Funds	<u>-</u>	<u>5,075</u>
Total Liabilities	<u>-</u>	<u>\$ 364,102</u>
NET POSITION		
Held in Trust for Scholarships	<u>\$ 535,020</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations	\$ <u>18,600</u>
Total Contributions	<u>18,600</u>
Investment Earnings	
Interest	<u>5,105</u>
Net Investment Earnings	<u>5,105</u>
Total Additions	<u>23,705</u>
DEDUCTIONS	
Scholarships Awarded	<u>32,800</u>
Total Deductions	<u>32,800</u>
Change in Net Position	(9,095)
Net Position, Beginning of the Year	<u>544,115</u>
Net Position, End of the Year	<u>\$ 535,020</u>

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, 2016**

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 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The *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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets

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

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

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

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 (Continued)*

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

The other item that qualifies for reporting in this category 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. *Pensions*

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

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

9. *Long-Term Obligations*

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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.

ARRA/SEMI - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2016 that will be appropriated in the adopted 2016/2017 budget certified for taxes.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. 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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$1,843,241. The increase was funded by the appropriation of a portion of a state loan advance, 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$305,607 in the General Fund as of June 30, 2016 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 2015/2016 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

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 \$305,607 in the General Fund is equal to or less than the delayed state aid payments and state aid advance payment balance at June 30, 2016.

In addition to the delayed State aid payments, N.J.S.A. 18A:7A-56 provides that a District which receives an advance State aid payment must record the payment as revenue for budget purposes in the school year in which the advance State aid payment is provided. During the 2015/2016 school year, the District was approved for and received an advance State aid payment in the amount of \$2,500,000 for the purpose of eliminating the unassigned budgetary fund deficit of the General Fund in the 2015/2016 school year. The District is obligated to repay the advanced State aid payment amount back to the State within ten (10) years through automatic reductions in state aid in subsequent years. It constitutes a liability under generally accepted accounting principles and, therefore, the District cannot recognize such payment as revenue on the GAAP (fund) financial statements.

C. Capital Reserve

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 332,870
Balance, June 30, 2016	<u>\$ 332,870</u>

The District has appropriated \$91,000 of the capital reserve balance as a withdrawal in the 2016/17 budget.

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, 2016, the book value of the Board's deposits were \$1,757,158 and bank and brokerage firm balances of the Board's deposits amounted to \$4,181,330. 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>\$ 4,181,330</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, 2016 none of the Board's bank balances were exposed to custodial credit risk as follows:

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2016, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2016 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	\$ 235		\$ 235
Intergovernmental			
Federal		\$ 29,032	29,032
State	69,216	666	69,882
Other	437,678	-	437,678
Gross Receivables	507,129	29,698	536,827
Less Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 507,129</u>	<u>\$ 29,698</u>	<u>\$ 536,827</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	\$ 1,747
Grant Draw Downs Reserved for Encumbrances	<u>15,283</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 17,030</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,703,196	-	-	\$ 2,703,196
Total Capital Assets, not being depreciated	<u>2,703,196</u>	<u>-</u>	<u>-</u>	<u>2,703,196</u>
Capital Assets, being depreciated:				
Buildings and Building Improvements	16,843,670			16,843,670
Land Improvements	711,170			711,170
Machinery and Equipment	<u>2,439,776</u>	\$ 3,400	\$ (2,750)	<u>2,440,426</u>
Total Capital Assets being depreciated	<u>19,994,616</u>	<u>3,400</u>	<u>(2,750)</u>	<u>19,995,266</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,882,701)	(370,250)		(9,252,951)
Land Improvements	(435,921)	(14,861)		(450,782)
Machinery and Equipment	<u>(1,724,326)</u>	<u>(149,078)</u>	2,750	<u>(1,870,654)</u>
Total Accumulated Depreciation	<u>(11,042,948)</u>	<u>(534,189)</u>	<u>2,750</u>	<u>(11,574,387)</u>
Total Capital Assets, being depreciated, net	<u>8,951,668</u>	<u>(530,789)</u>	-	<u>8,420,879</u>
Government Activities capital assets, net	<u>\$ 11,654,864</u>	<u>\$ (530,789)</u>	<u>\$ -</u>	<u>\$ 11,124,075</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 190,578	\$ 4,450	-	\$ 195,028
Total Capital Assets being depreciated	<u>190,578</u>	<u>4,450</u>	<u>-</u>	<u>195,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(130,030)	(2,622)	-	(132,652)
Total Accumulated Depreciation	<u>(130,030)</u>	<u>(2,622)</u>	<u>-</u>	<u>(132,652)</u>
Total Capital Assets, being depreciated, net	<u>60,548</u>	<u>1,828</u>	<u>-</u>	<u>62,376</u>
Business-Type Activities capital assets, net	<u>\$ 60,548</u>	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ 62,376</u>

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

Governmental Activities:

Instruction	
Regular	\$ 381,076
Special	3,274
Total Instruction	<u>384,350</u>
Support Services	
Students and Instruction Related Services	38,309
School Administration Services	45,248
Operations and maintenance of plant	27,911
Student Transportation	38,371
Total Support Services	<u>149,839</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 534,189</u>
Business-Type Activities:	
Food Service Fund	\$ 2,622
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,622</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Food Service - Enterprise Fund	General Fund	\$ 61,861
		<u>\$ 61,861</u>

The above balance is the result of the balance of a transfer budgeted to provide funds to cover the deficit in the Food Service Fund that was not transferred at June 30, 2016.

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

Interfund transfers

	<u>Transfers In</u>	
	<u>Food Service Fund</u>	<u>Total</u>
<u>Transfer Out:</u>		
General Fund	<u>\$ 180,000</u>	<u>\$ 180,000</u>
 Total Transfers	 <u>\$ 180,000</u>	 <u>\$ 180,000</u>

The above transfer is to provide funds to cover the deficit in the Food Service Fund.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases the former Saint Francis of Assisi School building to operate an elementary school for grades Pre-Kindergarten through 8th grade. The term of the lease is for 10 years commencing on July 1, 2014 through June 30, 2024. Lease payments for the fiscal year ended June 30, 2016 were \$773,613. The future minimum lease payments for this operating lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	\$ 601,003
2018	613,023
2019	625,283
2020	637,789
2021	650,545
2022-2024	<u>2,030,745</u>
Total	<u>\$ 5,158,388</u>

Capital Leases

The District is leasing equipment and vehicles totaling \$679,574 under capital leases. The leases are for terms of 2 to 7 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 144,451
2018	144,446
2019	98,395
2020	17,544
2021	<u>11,090</u>
Total Minimum Lease Payments	415,926
Less: Amount Representing Interest	<u>22,059</u>
Present Value of Minimum Lease Payments	<u>\$ 393,867</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2016 is comprised of the following issue:

\$4,020,000, 2008 School Refunding Bonds, due in annual installments of \$360,000 to \$390,000 through July 1, 2018, interest at 4.25% \$1,140,000

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

Governmental Activities:

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 390,000	\$ 40,163	\$ 430,163
2018	390,000	23,587	413,587
2019	<u>360,000</u>	<u>7,650</u>	<u>367,650</u>
	<u>\$ 1,140,000</u>	<u>\$ 71,400</u>	<u>\$ 1,211,400</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 52,658,549
Less: Net Bonded Debt	<u>1,140,000</u>
Remaining Borrowing Power	<u>\$ 51,518,549</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance, <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2016</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 1,535,000		\$ 395,000	\$ 1,140,000	\$ 390,000
Add:					
Unamortized Premium on Refunding	<u>22,175</u>	<u>-</u>	<u>7,038</u>	<u>15,137</u>	<u>-</u>
	1,557,175	-	402,038	1,155,137	390,000
Net Pension Liability	9,288,719	\$ 3,293,480	474,751	12,107,448	
State Aid Advance Loan Payable		2,500,000		2,500,000	250,000
Leases Payable	591,184		197,317	393,867	133,604
Compensated Absences Payable	<u>1,734,118</u>	<u>-</u>	<u>39,723</u>	<u>1,694,395</u>	<u>169,440</u>
 Governmental Activity Long-Term Liabilities	 <u>\$ 13,171,196</u>	 <u>\$ 5,793,480</u>	 <u>\$ 1,113,829</u>	 <u>\$ 17,850,847</u>	 <u>\$ 943,044</u>

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

I. Advance State Aid Payment

The Board has entered into an agreement with the State of New Jersey in the amount of \$2,500,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund at June 30, 2016. The advance State aid payment will be repaid by the school district through automatic reductions in the State aid provided to the school district in subsequent years. The term of the repayment is ten (10) years beginning in the 2016/2017 school year at a minimum amount of \$250,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2015/2016 school year. The Board's State aid advance payment activity for the fiscal year ended June 30, 2016 is as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>
Advance State Aid Payment	0%	6/30/2021	<u>-</u>	<u>\$ 2,500,000</u>	<u>-</u>	<u>\$ 2,500,000</u>
			<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey Schools Insurance Group (NJSIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund 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, 2016, 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, 2016, 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, 2016**

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, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2014 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 of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 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:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>
2016	\$ 474,751	\$ 1,365,310
2015	408,994	886,842
2014	351,914	687,333

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,365,310 and \$886,842, respectively for normal cost pension, accrued liability and the NCGI premium. For 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.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,389,941 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$12,107,448 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .05393 percent, which was an increase of .00432 percent from its proportionate share measured as of June 30, 2014 of .04961 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,037,083 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 288,841	
Changes of Assumptions	1,300,243	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 194,664
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,069,789</u>	<u>-</u>
Total	<u>\$ 2,658,873</u>	<u>\$ 194,664</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 488,360
2018	488,360
2019	488,360
2020	626,750
2021	<u>372,379</u>
	<u>\$ 2,464,209</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90% , as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease (<u>3.90%</u>)	Current Discount Rate (<u>4.90%</u>)	1% Increase (<u>5.90%</u>)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 15,048,076</u>	<u>\$ 12,107,448</u>	<u>\$ 9,642,046</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,330,484 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$103,678,148. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .16404 percent, which was an increase of .00157 percent from its proportionate share measured as of June 30, 2014 of .16247 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 123,217,604</u>	<u>\$ 103,678,148</u>	<u>\$ 86,843,738</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program 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 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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, 2016**

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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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, 2014, 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, 2016**

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, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 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 employer 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2016, 2015 and 2014 were \$1,625,707, \$1,407,861 and \$1,126,969, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 24,011,557		\$ 24,011,557	\$ 24,011,557	
Tuition From Other LEAs Within State	5,530,162		5,530,162	4,486,887	\$ (1,043,275)
Transportation Fees from Other LEAs	150,000		150,000	151,000	1,000
Unrestricted Miscellaneous Revenue	527,574		527,574	209,780	(317,794)
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	
PARCC Readiness Aid	20,580		20,580	20,580	
Per Pupil Growth Aid	20,580		20,580	20,580	
Extraordinary Aid	500,000		500,000	887,070	387,070
School District Deficit Relief Aid		\$ 1,424,959	1,424,959	2,500,000	1,075,041
On-behalf TPAF Pension System Contribution - NCCI (Nonbudgeted)				64,784	64,784
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				1,300,526	1,300,526
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,625,707	1,625,707
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,389,941	1,389,941
Federal Sources					
Medical Assistance Program (SEMI)	29,644	-	29,644	11,593	(18,051)
Total Revenues	35,650,778	1,424,959	37,075,737	41,540,686	4,464,949
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	465,866	151,787	617,653	617,653	-
Grades 1-5	3,260,000	30,956	3,290,956	3,290,956	-
Grades 6-8	2,252,440	(122,647)	2,129,793	2,104,695	25,098
Grades 9-12	5,031,774	(149,837)	4,881,937	4,874,492	7,445
Regular Programs-Home Instruction					
Salaries of Teachers	115,000	-	115,000	90,732	24,268
Purchased Professional-Educational Services	15,000	(2,000)	13,000	12,312	688
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	3,000	(3,000)			-
General Supplies	177,500	3,645	181,145	174,159	6,986
Textbooks	31,151	(2,285)	28,866	28,866	-
Other Objects	1,965	(1,131)	834	654	180
Total Regular Programs	11,353,696	(94,512)	11,259,184	11,194,519	64,665
Learning and/or Language Disabilities					
Salaries of Teachers	164,665	126	164,791	164,656	135
Other Salaries for Instruction	104,259	-	104,259	88,174	16,085
Total Learning and/or Language Disabilities	268,924	126	269,050	252,830	16,220
Behavioral Disabilities					
Salaries of Teachers	166,902	4,000	170,902	170,827	75
Other Salaries for Instruction	27,908	400	28,308	28,308	-
Total Behavioral Disabilities	194,810	4,400	199,210	199,135	75

**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, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 372,193	\$ 13,238	\$ 385,431	\$ 364,294	\$ 21,137
Other Salaries for Instruction	377,796	(48,306)	329,490	329,490	-
Total Multiple Disabilities	<u>749,989</u>	<u>(35,068)</u>	<u>714,921</u>	<u>693,784</u>	<u>21,137</u>
Resource Room/Resource Center					
Salaries of Teachers	1,199,535	48,263	1,247,798	1,246,954	844
Other Salaries for Instruction	195,756	56,216	251,972	217,087	34,885
Total Resource Room/Resource Center	<u>1,395,291</u>	<u>104,479</u>	<u>1,499,770</u>	<u>1,464,041</u>	<u>35,729</u>
Autism					
Salaries of Teachers	265,699	68,118	333,817	333,817	-
Other Salaries for Instruction	382,364	-	382,364	365,604	16,760
Total Autism	<u>648,063</u>	<u>68,118</u>	<u>716,181</u>	<u>699,421</u>	<u>16,760</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	191,599	13,447	205,046	205,046	-
Other Salaries for Instruction	202,248	(12,253)	189,995	170,048	19,947
Total Preschool Disabilities - Full-Time	<u>393,847</u>	<u>1,194</u>	<u>395,041</u>	<u>375,094</u>	<u>19,947</u>
Total Special Education	<u>3,650,924</u>	<u>143,249</u>	<u>3,794,173</u>	<u>3,684,305</u>	<u>109,868</u>
Basic Skills/Remedial					
Salaries of Teachers	512,005	6,281	518,286	518,286	-
Total Basic Skills/Remedial	<u>512,005</u>	<u>6,281</u>	<u>518,286</u>	<u>518,286</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	375,502	-	375,502	357,030	18,472
Total Bilingual Education - Instruction	<u>375,502</u>	<u>-</u>	<u>375,502</u>	<u>357,030</u>	<u>18,472</u>
School Sponsored Cocurricular Activities					
Salaries	120,824	-	120,824	111,437	9,387
Transfer to Cover Deficit	20,400	-	20,400	14,192	6,208
Total School Sponsored Cocurricular Activities	<u>141,224</u>	<u>-</u>	<u>141,224</u>	<u>125,629</u>	<u>15,595</u>
School Sponsored Athletics					
Salaries	486,341	37,877	524,218	511,434	12,784
Purchased Services	95,000	-	95,000	74,415	20,585
Supplies and Materials	70,510	(13,174)	57,336	56,466	870
Other Objects	10,000	(10,000)	-	-	-
Total School Sponsored Athletics	<u>661,851</u>	<u>14,703</u>	<u>676,554</u>	<u>642,315</u>	<u>34,239</u>
Community Service Programs					
Salaries	3,000	-	3,000	3,000	-
Total Community Service Programs	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total Instruction	<u>16,698,202</u>	<u>69,721</u>	<u>16,767,923</u>	<u>16,525,084</u>	<u>242,839</u>

**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, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 25,000	\$ 39,772	\$ 64,772	\$ 64,772	
Tuition to County Vocational Schools-Regular	200,000	(69,320)	130,680	130,680	
Tuition to County Vocational Schools-Special	100,000	(9,184)	90,816	90,816	
Tuition to CSSD and Regional Day Schools	325,000	68,600	393,600	393,600	
Tuition to Priv. Sch. for the Handicapped-Within State	500,000	53,097	553,097	551,557	\$ 1,540
Tuition - Other	64,612	-	64,612	64,612	-
Total Undistributed Expenditures- Instruction	<u>1,214,612</u>	<u>82,965</u>	<u>1,297,577</u>	<u>1,296,037</u>	<u>1,540</u>
Attendance and Social Work					
Salaries	89,683	(215)	89,468	89,388	80
Purchased Professional and Tech. Services	32,000	9,493	41,493	41,493	-
Total Attendance and Social Work	<u>121,683</u>	<u>9,278</u>	<u>130,961</u>	<u>130,881</u>	<u>80</u>
Health Services					
Salaries	429,924	(6,887)	423,037	421,781	1,256
Purchased Professional and Technical Services	4,300	6,276	10,576	8,754	1,822
Supplies and Materials	14,900	(14,179)	721	721	-
Total Health Services	<u>449,124</u>	<u>(14,790)</u>	<u>434,334</u>	<u>431,256</u>	<u>3,078</u>
Other Support Services-Students-Related Services					
Salaries	791,824	-	791,824	791,824	
Purchased Professional-Educational Services	-	145,016	145,016	86,047	58,969
Total Other Support Services-Students-Related Serv	<u>791,824</u>	<u>145,016</u>	<u>936,840</u>	<u>877,871</u>	<u>58,969</u>
Guidance					
Salaries of Other Professional Staff	789,935	(24,174)	765,761	745,449	20,312
Salaries of Secretarial and Clerical Assistants	102,566	638	103,204	103,204	-
Purchased Professional-Educational Services		446	446	446	
Other Purchased Professional and Technical Services	13,300	(3,446)	9,854	9,389	465
Other Purchased Services	4,200	(4,200)			-
Supplies and Materials	200	296	496	32	464
Total Guidance	<u>910,201</u>	<u>(30,440)</u>	<u>879,761</u>	<u>858,520</u>	<u>21,241</u>
Child Study Teams					
Salaries of Other Professional Staff	906,638	1,397	908,035	907,822	213
Salaries of Secretarial and Clerical Assistants	114,526	-	114,526	112,759	1,767
Total Child Study Teams	<u>1,021,164</u>	<u>1,397</u>	<u>1,022,561</u>	<u>1,020,581</u>	<u>1,980</u>
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	464,690	9,616	474,306	474,306	
Salaries of Other Professional Staff	310,886	(3,447)	307,439	307,439	
Salaries of Secretarial and Clerical Assistants	50,598	-	50,598	48,652	1,946
Total Improvement of Instruction Services	<u>826,174</u>	<u>6,169</u>	<u>832,343</u>	<u>830,397</u>	<u>1,946</u>
Educational Media/School Library					
Salaries	214,185	(78,793)	135,392	133,575	1,817
Supplies and Materials	-	1,244	1,244	1,046	198
Total Educational Media/School Library	<u>214,185</u>	<u>(77,549)</u>	<u>136,636</u>	<u>134,621</u>	<u>2,015</u>

**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, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 10,000	\$ (9,106)	\$ 894	\$ 894	-
Total Instructional Staff Training Services	<u>10,000</u>	<u>(9,106)</u>	<u>894</u>	<u>894</u>	<u>-</u>
Support Services- General Administration					
Salaries	314,655	(954)	313,701	295,855	\$ 17,846
Salaries of Fiscal Monitors		10,416	10,416	10,416	-
Legal Services	10,000	75,145	85,145	76,090	9,055
Audit Fees	37,000	27,829	64,829	59,829	5,000
Architectural/Engineering Services	1,000	24,765	25,765	25,765	-
Communications/Telephone	190,200	78,700	268,900	259,239	9,661
BOE Other Purchased Services	6,000	(1,672)	4,328	1,758	2,570
Miscellaneous Purchased Services	57,600	2,929	60,529	60,529	-
General Supplies	5,065	(1,395)	3,670	3,670	-
Miscellaneous Expenditures	14,300	(2,694)	11,606	11,380	226
BOE Membership Dues and Fees	14,410	-	14,410	14,410	-
Total Support Services- General Administration	<u>650,230</u>	<u>213,069</u>	<u>863,299</u>	<u>818,941</u>	<u>44,358</u>
Support Services- School Administration					
Salaries of Principals/Assistant Principals	933,413	(13,132)	920,281	920,281	-
Salaries of Secretarial and Clerical Assistants	357,431	4,600	362,031	361,968	63
Other Purchased Services	267,263	14,191	281,454	281,159	295
Supplies and Materials	12,000	8,230	20,230	16,481	3,749
Other Objects	15,885	345	16,230	16,230	-
Total Support Services- School Administration	<u>1,585,992</u>	<u>14,234</u>	<u>1,600,226</u>	<u>1,596,119</u>	<u>4,107</u>
Central Services					
Salaries	349,317	41,929	391,246	391,246	-
Purchased Professional Services	45,000	15,565	60,565	43,565	17,000
Miscellaneous Purchased Services	1,800	99	1,899	1,849	50
Supplies and Materials	3,000	-	3,000	2,477	523
Total Central Services	<u>399,117</u>	<u>57,593</u>	<u>456,710</u>	<u>439,137</u>	<u>17,573</u>
Admin. Info. Technology					
Salaries	309,922	17,711	327,633	327,633	-
Total Admin. Info. Technology	<u>309,922</u>	<u>17,711</u>	<u>327,633</u>	<u>327,633</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	161,644	(70)	161,574	161,574	-
Cleaning, Repair and Maintenance Services	85,324	11,028	96,352	93,919	2,433
Total Required Maintenance for School Facilities	<u>246,968</u>	<u>10,958</u>	<u>257,926</u>	<u>255,493</u>	<u>2,433</u>
Custodial Services					
Salaries	1,090,000	29,584	1,119,584	1,097,349	22,235
Cleaning, Repair and Maintenance Service	79,250	40,659	119,909	114,608	5,301
Rental of Land/Bldgs Other Than Lease Purchase Agreement	782,522	2,500	785,022	785,021	1
Other Purchased Property Services	63,600	(24,091)	39,509	39,479	30
Insurance	215,000	39,221	254,221	254,221	-
General Supplies	89,100	32,342	121,442	104,281	17,161
Energy (Natural Gas)	164,500	(54,920)	109,580	105,522	4,058
Energy (Electricity)	436,500	36,287	472,787	400,285	72,502
Energy (Oil)		10,640	10,640	10,640	-
Other Objects	-	15,843	15,843	13,902	1,941
Total Custodial Services	<u>2,920,472</u>	<u>128,065</u>	<u>3,048,537</u>	<u>2,925,308</u>	<u>123,229</u>

**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, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Transp (Between Home & School)Spec Ed	\$ 368,172	\$ 156,524	\$ 524,696	\$ 524,696	
Lease Purchase Payments - School Buses	124,460	1,282	125,742	125,742	
Contracted Services(Special Ed Students)-Joint Agreements	10,000	48,708	58,708	57,208	\$ 1,500
Transportation Supplies	25,750	38,561	64,311	64,310	1
Total Student Transportation Services	<u>528,382</u>	<u>245,075</u>	<u>773,457</u>	<u>771,956</u>	<u>1,501</u>
Unallocated Employee Benefits					
Social Security Contributions	450,000	20,953	470,953	465,938	5,015
Other Retirement Contributions - PERS	415,000	59,751	474,751	474,751	
Unemployment Compensation	75,000	8,148	83,148	83,148	
Workers Compensation	170,000	60,740	230,740	230,740	
Health Benefits	5,276,282	576,638	5,852,920	5,643,087	209,833
Tuition Reimbursement	27,500	27,674	55,174	55,174	
Other Employee Benefits	110,700	2,696	113,396	113,318	78
Total Unallocated Employee Benefits	<u>6,524,482</u>	<u>756,600</u>	<u>7,281,082</u>	<u>7,066,156</u>	<u>214,926</u>
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				64,784	(64,784)
Normal Cost				1,300,526	(1,300,526)
Post Retirement Medical				1,625,707	(1,625,707)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,389,941	(1,389,941)
Total Undistributed Expenditures	<u>18,724,532</u>	<u>1,556,245</u>	<u>20,280,777</u>	<u>24,162,759</u>	<u>(3,881,982)</u>
Total Current Expenditures	<u>35,422,734</u>	<u>1,625,966</u>	<u>37,048,700</u>	<u>40,687,843</u>	<u>(3,639,143)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Required Maint for School Facilities	-	3,400	3,400	3,400	-
Total Equipment	<u>-</u>	<u>3,400</u>	<u>3,400</u>	<u>3,400</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	1,425	-	1,425	1,425	-
Total Facilities Acquisition and Construction Services	<u>1,425</u>	<u>-</u>	<u>1,425</u>	<u>1,425</u>	<u>-</u>
Total Capital Outlay	<u>1,425</u>	<u>3,400</u>	<u>4,825</u>	<u>4,825</u>	<u>-</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	148,688	(27,831)	120,857	117,442	3,415
Other Salaries for Instruction	43,200	-	43,200	40,215	2,985
General Supplies	2,000	-	2,000	1,975	25
Total Summer School - Instruction	<u>193,888</u>	<u>(27,831)</u>	<u>166,057</u>	<u>159,632</u>	<u>6,425</u>
Total Summer School	<u>193,888</u>	<u>(27,831)</u>	<u>166,057</u>	<u>159,632</u>	<u>6,425</u>
Total Special Schools	<u>193,888</u>	<u>(27,831)</u>	<u>166,057</u>	<u>159,632</u>	<u>6,425</u>
Transfer of Funds to Charter Schools	32,731	14,755	47,486	47,486	-
Total Expenditures	<u>35,650,778</u>	<u>1,616,290</u>	<u>37,267,068</u>	<u>40,899,786</u>	<u>(3,632,718)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>(191,331)</u>	<u>(191,331)</u>	<u>640,900</u>	<u>832,231</u>

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, 2016

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Other Financing Sources					
Transfers In					-
Transfers to Cover Deficit (Enterprise Fund)	-	\$ (180,000)	\$ (180,000)	\$ (180,000)	-
Total Other Financing Sources	-	(180,000)	(180,000)	(180,000)	-
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	-	(371,331)	(371,331)	460,900	\$ 832,231
Fund Balances, Beginning of Year	\$ 852,984	-	852,984	852,984	-
Fund Balances, End of Year	\$ 852,984	\$ (371,331)	\$ 481,653	\$ 1,313,884	\$ 832,231

Recapitulation of Fund Balance

Restricted					
Capital Reserve				\$ 241,870	
Capital Reserve - Designated for Subsequent Year's Expenditures				91,000	
Year End Encumbrances					
Assigned					
Year End Encumbrances				45,258	
ARRA/SEMI - Designated for Subsequent Year's Expenditures				9,727	
Unassigned				926,029	
				1,313,884	

Reconciliation to Governmental Fund Statements (GAAP):

Less: 2015/2016 Final State Aid Payment Not Recognized on GAAP Basis	\$ 344,566				
2015/2016 Extraordinary Aid Payment Not Recognized on GAAP Basis	887,070				
				(1,231,636)	
Fund Balance Per Governmental Funds (GAAP)				\$ 82,248	

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 1,123,537	\$ 35,709	\$ 1,159,246	\$ 1,105,032	\$ (54,214)
Local	-	11,242	11,242	11,242	-
Total Revenues	<u>1,123,537</u>	<u>46,951</u>	<u>1,170,488</u>	<u>1,116,274</u>	<u>(54,214)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	220,826	14,972	235,798	235,798	-
Other Purchased Services	312,282	3,728	316,010	300,000	16,010
General Supplies	27,776	13,645	41,421	25,905	15,516
Other Objects	2,174	(174)	2,000	1,781	219
Total Instruction	<u>563,058</u>	<u>32,171</u>	<u>595,229</u>	<u>563,484</u>	<u>31,745</u>
Support Services					
Salaries of Teachers	214,963	(1,971)	212,992	207,664	5,328
Personal Services - Employee Benefits	80,378	1,971	82,349	81,707	642
Purchased Professional/Educational Services	239,286	265	239,551	234,911	4,640
Other Purchased Services	4,000	-	4,000	828	3,172
Supplies and Materials	19,852	14,515	34,367	27,680	6,687
Other Objects	2,000	-	2,000	-	2,000
Total Support Services	<u>560,479</u>	<u>14,780</u>	<u>575,259</u>	<u>552,790</u>	<u>22,469</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	-	-	-	-
Total Facilities Acq. & Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,123,537</u>	<u>46,951</u>	<u>1,170,488</u>	<u>1,116,274</u>	<u>54,214</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>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**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, 2016**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 41,540,686	\$ 1,116,274
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		
2014/15		7,103
2015/16		(15,283)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2014/2015) State Aid)	1,446,689	
Advance State Aid Loan recognized for budgetary purpose as revenue recognized as other financing sources on GAAP statements (2015/2016) State Loan)	(2,500,000)	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2015/2016) State Aid)	<u>(1,231,636)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 39,255,739</u>	<u>\$ 1,108,094</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 40,899,786	\$ 1,116,274
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		
2014/15		7,103
2015/16	<u>-</u>	<u>(15,283)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 40,899,786</u>	<u>\$ 1,108,094</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Three Fiscal Years ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05393%	0.04961%	0.04671%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 12,107,448</u>	<u>\$ 9,288,719</u>	<u>\$ 8,926,288</u>
District's Covered-Employee Payroll	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	325%	258%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.92%	52.08%	48.72%

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 474,751	\$ 408,994	\$ 351,914
Contributions in Relation to the Contractually Required Contributions	<u>474,751</u>	<u>408,994</u>	<u>351,914</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
Contributions as a Percentage of Covered-Employee Payroll	12.75%	11.36%	10.36%

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last Three Fiscal Years ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>103,678,148</u>	<u>86,837,427</u>	<u>85,251,840</u>
Total	<u>\$ 103,678,148</u>	<u>\$ 86,837,427</u>	<u>\$ 85,251,840</u>
District's Covered-Employee Payroll	<u>\$ 18,021,120</u>	<u>\$ 17,196,615</u>	<u>\$ 16,461,939</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Change of Benefit Terms: None.

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

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, 2016

Table with columns: REVENUES, EXPENDITURES, Title I, Title IIA, Title III, Title III Immigrant, Subtotal Page 2, Total 2016. Rows include Local/Federal revenues, Instruction (Salaries of Teachers, Other Purchased Services, General Supplies, Other Objects), Support Services (Salaries of Teachers, Personal Services - Employee Benefits, Purchased Prof. Education Services, Other Purchased Services, Supplies and Materials), Equipment (Instructional Equipment), and Total Expenditures.

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	<u>IDEA</u>			
	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>NJSIG/NJEIF Safety Grant</u>	<u>Page 2 Total</u>
Local			\$ 11,242	\$ 11,242
Federal	\$ 548,127	\$ 4,850	-	552,977
Total Revenues	<u>\$ 548,127</u>	<u>\$ 4,850</u>	<u>\$ 11,242</u>	<u>\$ 564,219</u>
EXPENDITURES				
Instruction				
Other Purchased Services	\$ 300,000			\$ 300,000
General Supplies				-
Other Objects	1,781	-	-	1,781
Total Instruction	<u>301,781</u>	<u>-</u>	<u>-</u>	<u>301,781</u>
Support Services				
Purchased Professional Education Services	233,930			233,930
Other Purchased Services	828			828
Supplies and Materials	11,588	\$ 4,850	\$ 11,242	27,680
Total Support Services	<u>246,346</u>	<u>4,850</u>	<u>11,242</u>	<u>262,438</u>
Equipment				
Instructional Equipment				-
Noninstructional Equipment	-	-	-	-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 548,127</u>	<u>\$ 4,850</u>	<u>\$ 11,242</u>	<u>\$ 564,219</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

NOT APPLICABLE

**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, 2016**

NOT APPLICABLE

ENTERPRISE FUND

SCHEDULE G-1

**RIDGEFIELD PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 131,963	\$ 232,139	\$ 364,102
Total Assets	<u>\$ 131,963</u>	<u>\$ 232,139</u>	<u>\$ 364,102</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 226,853	\$ 226,853
Accrued Salaries and Wages		211	211
Due to Student Groups	\$ 131,963		131,963
Due to Other Funds	<u>-</u>	<u>5,075</u>	<u>5,075</u>
Total Liabilities	<u>\$ 131,963</u>	<u>\$ 232,139</u>	<u>\$ 364,102</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
ELEMENTARY SCHOOLS				
Lincoln School	\$ 5,866	\$ 8,917	\$ 8,224	\$ 6,559
Grant School	9,828	3,858	2,892	10,794
Roosevelt School	13,741	12,425	10,513	15,653
Thomas Jefferson School	483	6,751	4,416	2,818
	<u>29,918</u>	<u>31,951</u>	<u>26,045</u>	<u>35,824</u>
TOTAL Elementary Schools				
JUNIOR/SENIOR HIGH SCHOOL				
Student Activities Fund	77,767	337,496	329,628	85,635
Athletic Account	2,397	67,090	58,983	10,504
	<u>80,164</u>	<u>404,586</u>	<u>388,611</u>	<u>96,139</u>
TOTAL Junior/Senior High School				
Total All Schools	<u>\$ 110,082</u>	<u>\$ 436,537</u>	<u>\$ 414,656</u>	<u>\$ 131,963</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
ASSETS				
Cash	\$ 218,125	\$ 41,886,067	\$ 41,872,053	\$ 232,139
Total Assets	<u>\$ 218,125</u>	<u>\$ 41,886,067</u>	<u>\$ 41,872,053</u>	<u>\$ 232,139</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 217,313	\$ 27,113,074	\$ 27,103,534	\$ 226,853
Accrued Salaries and Wages		14,767,918	14,767,707	211
Due to Other Funds	<u>812</u>	<u>5,075</u>	<u>812</u>	<u>5,075</u>
Total Liabilities	<u>\$ 218,125</u>	<u>\$ 41,886,067</u>	<u>\$ 41,872,053</u>	<u>\$ 232,139</u>

LONG-TERM DEBT

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<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, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000	7/1/2016	\$ 390,000	4.25%			
			7/1/2017	390,000	4.25%			
			7/1/2018	360,000	4.25%			
						<u>\$ 1,535,000</u>		<u>\$ 395,000</u>
						<u>\$ 1,535,000</u>	<u>\$ 395,000</u>	<u>\$ 1,140,000</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Computers - 2011/2012	\$ 75,812	2.75%	\$ 4,975	\$ 4,975	
Computers - 2012/2013	100,000	2.13%	25,757	25,757	
Computers - 2013/2014	223,300	2.10%	140,213	44,485	\$ 95,728
Computers - 2014/2015	161,000	3.497%	133,160	30,877	102,283
Telecommunication/Security	75,000	N/A	36,845	36,845	
(2) 29 Passenger Buses	111,196	2.28%	91,743	21,690	70,053
(1) 54 Passenger Bus	89,000	2.28%	73,432	17,358	56,074
(1) Ford F-250 Truck	31,798	5.95%	29,282	7,365	21,917
(18) Powerheart AED's	63,280	N/A	55,777	7,965	47,812
			<u>\$ 591,184</u>	<u>\$ 197,317</u>	<u>\$ 393,867</u>

N/A - Not Available

**RIDGEFIELD PARK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 319,881		\$ 319,881	\$ 319,881	
State Sources					
State Aid Type II	<u>131,469</u>	<u>-</u>	<u>131,469</u>	<u>131,469</u>	<u>-</u>
Total Revenues	<u>451,350</u>	<u>-</u>	<u>451,350</u>	<u>451,350</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	56,350		56,350	56,350	-
Principal	<u>395,000</u>	<u>-</u>	<u>395,000</u>	<u>395,000</u>	<u>-</u>
Total Expenditures	<u>451,350</u>	<u>-</u>	<u>451,350</u>	<u>451,350</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities						(Restated)		(Restated)		
Net Investment in Capital Assets	\$ 6,543,123	\$ 6,890,421	\$ 7,404,363	\$ 7,308,131	\$ 7,238,926	\$ 8,045,931	\$ 8,961,153	\$ 9,769,270	\$ 9,824,350	\$ 9,782,461
Restricted	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870
Unrestricted	(323,336)	247,281	(1,282,680)	(2,309,146)	(1,399,604)	(1,332,328)	(1,725,532)	(11,250,338)	(12,077,830)	(14,310,492)
Total Governmental Activities Net Position	<u>\$ 6,219,895</u>	<u>\$ 7,592,806</u>	<u>\$ 7,101,592</u>	<u>\$ 6,682,569</u>	<u>\$ 7,299,414</u>	<u>\$ 8,600,851</u>	<u>\$ 8,451,599</u>	<u>\$ (1,148,198)</u>	<u>\$ (1,920,610)</u>	<u>\$ (4,195,161)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 55,115	\$ 71,572	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724	\$ 60,548	\$ 62,376
Unrestricted	144,190	165,117	227,128	293,766	304,372	296,076	185,375	96,528	(27,893)	81,140
Total Business-Type Activities Net Position	<u>\$ 199,305</u>	<u>\$ 236,689</u>	<u>\$ 291,024</u>	<u>\$ 349,987</u>	<u>\$ 352,918</u>	<u>\$ 309,738</u>	<u>\$ 201,257</u>	<u>\$ 111,252</u>	<u>\$ 32,655</u>	<u>\$ 143,516</u>
District-Wide										
Net Investment in Capital Assets	\$ 6,598,238	\$ 6,961,993	\$ 7,468,259	\$ 7,364,352	\$ 7,287,472	\$ 8,059,593	\$ 8,977,035	\$ 9,783,994	\$ 9,884,898	\$ 9,844,837
Restricted	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870
Unrestricted	(179,146)	412,398	(1,055,552)	(2,015,380)	(1,095,232)	(1,036,252)	(1,540,157)	(11,153,810)	(12,105,723)	(14,229,352)
Total District Net Position	<u>\$ 6,419,200</u>	<u>\$ 7,829,495</u>	<u>\$ 7,392,616</u>	<u>\$ 7,032,556</u>	<u>\$ 7,652,332</u>	<u>\$ 8,910,589</u>	<u>\$ 8,652,856</u>	<u>\$ (1,036,946)</u>	<u>\$ (1,887,955)</u>	<u>\$ (4,051,645)</u>

Note 1 - Net Position at June 30, 2012 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".

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,042,133	\$ 13,438,435	\$ 13,814,413	\$ 14,830,594	\$ 14,289,814	\$ 15,171,855	\$ 16,784,624	\$ 16,895,035	\$ 19,206,920	\$ 20,539,538
Special Education	4,752,254	4,634,721	5,096,953	6,079,429	5,596,021	5,701,214	6,413,590	6,246,015	6,995,549	7,866,888
Other Instruction	1,170,415	847,759	763,391	930,966	628,816	694,429	873,942	847,413	1,457,852	1,529,858
School Sponsored Activities And Athletics	876,479	1,552,453	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,187,907	1,231,578
Support Services:										
Student & Instruction Related Services	4,186,189	4,174,953	5,245,911	4,465,578	4,913,960	5,129,207	5,149,343	5,333,528	6,373,111	7,244,098
General Administration Services	858,462	1,123,904	1,044,982	968,038	1,174,493	866,708	847,109	901,014	783,050	1,013,397
School Administration Services	1,406,499	1,707,327	1,440,219	1,592,265	1,579,245	1,630,154	1,694,347	1,702,674	1,974,276	2,347,955
Business / Central Services	633,831	684,997	688,780	659,642	651,281	618,510	674,922	780,122	960,210	1,162,547
Plant Operations And Maintenance	2,424,662	2,581,609	3,078,487	2,812,013	2,724,797	2,609,146	2,754,932	2,995,101	3,139,740	3,841,199
Pupil Transportation	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927	571,183	1,035,240
Special Schools										
Interest On Long-Term Debt	236,172	132,730	134,166	133,724	124,332	111,898	96,849	82,669	78,518	62,610
Total Governmental Activities Expenses	<u>30,239,091</u>	<u>31,497,242</u>	<u>32,867,992</u>	<u>34,051,813</u>	<u>33,309,601</u>	<u>34,201,553</u>	<u>37,124,737</u>	<u>37,472,955</u>	<u>42,728,316</u>	<u>47,874,908</u>
Business-Type Activities:										
Food Service	744,550	744,732	783,571	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211	1,113,399
Total Business-Type Activities Expense	<u>744,550</u>	<u>744,732</u>	<u>783,571</u>	<u>826,076</u>	<u>924,580</u>	<u>997,792</u>	<u>1,066,896</u>	<u>1,104,638</u>	<u>1,078,211</u>	<u>1,113,399</u>
Total District Expenses	<u>\$ 30,983,641</u>	<u>\$ 32,241,974</u>	<u>\$ 33,651,563</u>	<u>\$ 34,877,889</u>	<u>\$ 34,234,181</u>	<u>\$ 35,199,345</u>	<u>\$ 38,191,633</u>	<u>\$ 38,577,593</u>	<u>\$ 43,806,527</u>	<u>\$ 48,988,307</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 2,989,087	\$ 2,874,154	\$ 2,983,236	\$ 3,207,565	\$ 3,901,104	\$ 3,895,957	\$ 3,863,442	\$ 3,992,049	\$ 3,824,819	\$ 3,917,080
Special Education	630,072	494,964	351,683	488,861	490,572	360,744	259,433	267,532	572,649	569,807
Pupil Transportation										151,000
Operating Grants And Contributions	6,117,242	5,844,714	4,705,498	5,615,386	4,894,065	5,267,932	6,366,263	5,992,076	10,448,232	12,819,208
Capital Grants And Contributions										
Total Governmental Activities Program Revenues	<u>9,736,401</u>	<u>9,213,832</u>	<u>8,040,417</u>	<u>9,311,812</u>	<u>9,285,741</u>	<u>9,524,633</u>	<u>10,489,138</u>	<u>10,251,657</u>	<u>14,845,700</u>	<u>17,457,095</u>
Business-Type Activities:										
Charges For Services										
Food Service	485,781	497,797	514,178	498,523	499,722	503,906	479,218	514,671	491,949	524,206
Operating Grants And Contributions	300,311	284,319	323,728	386,516	427,789	450,706	479,197	499,962	507,665	520,054
Total Business Type Activities Program Revenues	<u>786,092</u>	<u>782,116</u>	<u>837,906</u>	<u>885,039</u>	<u>927,511</u>	<u>954,612</u>	<u>958,415</u>	<u>1,014,633</u>	<u>999,614</u>	<u>1,044,260</u>
Total District Program Revenues	<u>\$ 10,522,493</u>	<u>\$ 9,995,948</u>	<u>\$ 8,878,323</u>	<u>\$ 10,196,851</u>	<u>\$ 10,213,252</u>	<u>\$ 10,479,245</u>	<u>\$ 11,447,553</u>	<u>\$ 11,266,290</u>	<u>\$ 15,845,314</u>	<u>\$ 18,501,355</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (20,502,690)	\$ (22,283,410)	\$ (24,827,575)	\$ (24,740,001)	\$ (24,023,860)	\$ (24,676,920)	\$ (26,635,599)	\$ (27,221,298)	\$ (27,882,616)	\$ (30,417,815)
Business-Type Activities	41,542	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	(69,139)
Total District-Wide Net Expense	<u>\$ (20,461,148)</u>	<u>\$ (22,246,026)</u>	<u>\$ (24,773,240)</u>	<u>\$ (24,681,038)</u>	<u>\$ (24,020,929)</u>	<u>\$ (24,720,100)</u>	<u>\$ (26,744,080)</u>	<u>\$ (27,311,303)</u>	<u>\$ (27,961,213)</u>	<u>\$ (30,486,952)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 19,431,797	\$ 20,290,000	\$ 20,290,000	\$ 20,445,640	\$ 21,213,466	\$ 21,584,702	\$ 22,005,605	\$ 22,443,517	\$ 22,892,388	\$ 24,011,557
Taxes Levied For Debt Service	416,161	404,264	400,000	415,000	410,000	443,246	357,230	310,238	331,079	319,881
State Aid - Unrestricted	2,117,345	2,702,926	3,494,013	3,206,966	2,973,137	3,537,828	3,613,720	3,662,973	3,736,671	3,782,044
Investment Earnings	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-	-	209,780
Miscellaneous Income	84,032	104,376	68,419	239,730	62,937	394,201	496,192	131,061	150,066	(180,000)
Total Governmental Activities	<u>22,253,249</u>	<u>23,656,321</u>	<u>24,336,361</u>	<u>24,320,977</u>	<u>24,676,527</u>	<u>25,978,357</u>	<u>26,486,347</u>	<u>26,547,789</u>	<u>27,110,204</u>	<u>28,143,262</u>
Business-Type Activities:										
Investment Earnings										
Transfers	-	-	-	-	-	-	-	-	-	180,000
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,000</u>
Total District-Wide	<u>\$ 22,253,249</u>	<u>\$ 23,656,321</u>	<u>\$ 24,336,361</u>	<u>\$ 24,320,977</u>	<u>\$ 24,676,527</u>	<u>\$ 25,978,357</u>	<u>\$ 26,486,347</u>	<u>\$ 26,547,789</u>	<u>\$ 27,110,204</u>	<u>\$ 28,323,262</u>
Change In Net Position										
Governmental Activities	\$ 1,750,559	\$ 1,372,911	\$ (491,214)	\$ (419,024)	\$ 652,667	\$ 1,301,437	\$ (149,252)	\$ (673,509)	\$ (772,412)	\$ (2,274,551)
Business-Type Activities	41,542	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	110,861
Total District	<u>\$ 1,792,101</u>	<u>\$ 1,410,295</u>	<u>\$ (436,879)</u>	<u>\$ (360,061)</u>	<u>\$ 655,598</u>	<u>\$ 1,258,257</u>	<u>\$ (257,733)</u>	<u>\$ (763,514)</u>	<u>\$ (851,009)</u>	<u>\$ (2,163,690)</u>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,430,652	\$ 2,318,230	\$ 1,738,553	\$ 1,664,733						
Unreserved	510,097	370,834	(44,639)	(92,596)						
Restricted					\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870	\$ 332,870	\$ 332,870
Committed					145,294	245,500				
Assigned						300,658	281,266	336,275	52,218	54,985
Unassigned					(146,364)	(329,272)	(307,811)	(552,477)	(978,793)	(305,607)
Total General Fund	\$ 1,940,749	\$ 2,689,064	\$ 1,693,914	\$ 1,572,137	\$ 1,602,250	\$ 1,755,355	\$ 1,127,720	\$ 116,668	\$ (593,705)	\$ 82,248
All Other Governmental Funds										
Unreserved	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)						
Restricted					\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)	\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -

Beginning with Fiscal Year 2012, 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 19,847,958	\$ 20,694,264	\$ 20,690,000	\$ 20,860,640	\$ 21,623,466	\$ 22,027,948	\$ 22,362,835	\$ 22,753,755	\$ 23,223,467	\$ 24,331,438
Tuition Charges	3,619,159	3,369,118	3,334,919	3,696,426	4,391,676	4,256,701	4,122,875	4,259,581	4,397,468	4,486,887
Interest Earnings	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-	-	151,000
Miscellaneous	84,032	104,376	68,419	239,730	62,937	407,399	512,223	131,061	187,033	221,022
State Sources	7,167,113	7,677,017	7,317,300	6,672,293	6,874,477	7,646,009	8,933,324	8,552,463	9,216,882	10,516,391
Federal Sources	1,067,474	870,623	882,211	2,150,059	992,725	1,146,553	1,030,628	1,102,586	1,145,227	1,108,445
Total Revenue	31,989,650	32,870,153	32,376,778	33,632,789	33,962,268	35,502,990	36,975,485	36,799,446	38,170,077	40,815,183
Expenditures										
Instruction										
Regular Instruction	12,910,603	13,573,576	13,599,235	14,621,042	14,163,843	14,772,783	16,284,086	16,462,126	16,597,275	17,250,067
Special Education Instruction	4,737,947	4,654,199	5,131,186	6,071,193	5,536,686	5,696,757	6,405,781	6,243,283	6,470,208	7,096,604
Other Instruction	1,257,624	862,197	757,389	794,139	795,694	692,300	871,142	845,959	1,274,876	1,300,734
School Sponsored Activities And Athletics	870,405	918,419	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,066,272	1,068,535
Support Services:										
Student & Inst. Related Services	4,291,673	4,886,482	5,112,892	4,481,054	4,985,817	5,055,892	5,246,957	5,239,866	5,776,528	6,380,946
General Administration Services	864,472	1,035,394	983,977	1,014,144	1,310,663	857,409	846,757	904,285	747,423	957,726
School Administration Services	1,434,687	1,364,133	1,371,493	1,445,104	1,522,500	1,577,132	1,648,423	1,662,772	1,778,220	2,026,671
Business / Central Services	683,678	667,618	715,856	630,314	717,740	614,634	671,127	811,163	922,305	1,072,053
Plant Operations And Maintenance	2,408,587	2,620,423	3,015,713	2,723,680	2,695,786	2,551,315	2,722,511	2,958,384	3,087,569	3,691,062
Pupil Transportation	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927	566,349	945,928
Capital Outlay	263,838	301,071	512,379	50,452	65,876	668,898	960,429	814,904	437,546	3,400
Debt Service:										
Principal	641,135	404,918	450,000	445,968	464,548	477,929	498,893	505,381	597,581	592,317
Interest And Other Charges	245,572	215,058	104,510	147,318	136,747	123,045	108,983	94,322	89,572	73,187
Payments to Refunding Escrow Agents		86,347								
Cost of Issuance of Refunding Bonds		98,016								
Total Expenditures	31,262,216	32,306,205	33,315,320	34,003,974	34,022,742	34,756,526	38,100,168	38,231,829	39,411,724	42,459,230
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	727,434	563,948	(938,542)	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)	(1,241,647)	(1,644,047)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)				143,018	73,080	75,812	100,000	223,300	531,274	
School District Deficit Relief Proceeds										2,500,000
Refunding Bond Proceeds		4,020,000								
Premium on Refunding Bonds		139,363								
payment to Refunding Escrow Agent		(3,975,000)								
Transfers In						1,201,269	309,584	685,077		
Transfers Out						(1,201,269)	(309,584)	(685,077)		(180,000)
Total Other Financing Sources (Uses)	-	184,363	-	143,018	73,080	75,812	100,000	223,300	531,274	2,320,000
Net Change In Fund Balances	\$ 727,434	\$ 748,311	\$ (938,542)	\$ (228,167)	\$ 12,606	\$ 822,276	\$ (1,024,683)	\$ (1,209,083)	\$ (710,373)	\$ 675,953
Debt Service As A Percentage Of										
Noncapital Expenditures	2.86%	1.94%	1.69%	1.75%	1.77%	1.76%	1.64%	1.60%	1.76%	1.57%

* 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>
2016	\$ 4,486,887	\$ 4,835	\$ 355,945	\$ 4,847,667
2015	4,397,468	4,970	145,096	4,547,534
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

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		Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
			Reg.	Qfarm								
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
2015	25,623,100	771,379,500	N/A	N/A	251,114,800	47,758,920	101,646,000	1,197,522,320		1,197,522,320	1,274,098,383	2.032
2016	25,623,100	765,800,000	N/A	N/A	251,114,800	47,525,420	101,646,000	1,191,709,320		1,191,709,320	1,224,582,795	2.108

Source: County Abstract of Ratables

^a Tax rates are per \$100

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**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>
2016	\$ 3.624	\$ 2.108	\$ 1.266	\$ 0.250
2015	3.550	2.032	1.272	0.246
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

(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	2016		Taxpayer	2007	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 31,000,000	2.60%	Hartz Mountain Industries	\$ 34,180,600	3.92%
85 Challenger Rd LLC	29,000,000	2.43%	Bank of America	26,119,050	2.99%
65 Challenger LLC	18,000,000	1.51%	RP Holdings Inc	24,903,100	2.85%
Marlboro Apt. Corp.	17,760,900	1.49%	Mack Cali Realty	20,073,900	2.30%
100 Chall Partners LLC C/O KABR	16,500,000	1.38%	Pitcairn Skymark LLC	15,000,000	1.72%
Dackyo America, Inc	16,000,000	1.34%	AGFA	14,000,000	1.60%
Ridgefield Park Lodging Assoc	14,203,600	1.19%	Marlboro Apt Corp	10,490,700	1.20%
Pitcairn Skymark, LLC	13,351,000	1.12%	Scott Court Apts LLC	7,077,400	0.81%
United Rentals North America Inc	12,321,500	1.03%	Landmark E Corp	6,215,000	0.71%
Starplex Operating LLC	10,888,600	0.91%	V Y Investment Corp	5,965,300	0.68%
	<u>\$ 179,025,600</u>	<u>15.02%</u>		<u>\$ 164,025,050</u>	<u>18.79%</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	
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
2015	23,223,467	23,223,467	100.00%	N/A
2016	24,331,438	24,331,438	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			Population	(1) Per Capita
	General Obligation Bonds	Capital Leases	Total District		
2007	4,775,000	4,918	4,779,918	12,419	385
2008	4,420,000		4,420,000	12,376	357
2009	3,970,000		3,970,000	12,345	322
2010	3,555,000	112,050	3,667,050	12,394	296
2011	3,140,000	135,582	3,275,582	12,752	257
2012	2,730,000	143,465	2,873,465	12,850	224
2013	2,330,000	144,572	2,474,572	12,911	192
2014	1,930,000	262,491	2,192,491	12,981	169
2015	1,535,000	591,184	2,126,184	13,037	163
2016	1,140,000	393,867	1,533,867	13,102	117

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
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%	212
2013	2,330,000		2,330,000	0.19%	180
2014	1,930,000		1,930,000	0.16%	149
2015	1,535,000		1,535,000	0.13%	118
2016	1,140,000		1,140,000	0.10%	87

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, 2015
(Unaudited)**

	<u>Gross Debt</u>
DIRECT DEBT: (1)	
Ridgefield Park School District	\$ 1,325,000
Village of Ridgefield Park	<u>11,318,924</u>
	<u>\$ 12,643,924</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County:	
County of Bergen(A)	7,465,208
Bergen County Utilities Authority - Water Pollution Control (B)	<u>4,319,261</u>
	<u>11,784,469</u>
Total Direct and Overlapping Outstanding Debt	<u>\$ 24,428,393</u>

SOURCE:

(1) Village of Ridgefield Park 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2015 billings by the total 2015 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 1,267,085,303
2014	1,283,430,240
2013	1,398,875,609
	<u>\$ 3,949,391,152</u>
	\$ 1,316,463,717
Debt Limit (4 % of Average Equalization Value)	52,658,549
Total Net Debt Applicable to Limit	1,140,000
Legal Debt Margin	<u>\$ 51,518,549</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>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 55,981,992	\$ 61,157,464	\$ 63,223,729	\$ 62,271,686	\$ 59,600,257	\$ 57,083,476	\$ 55,683,763	\$ 55,114,973	\$ 54,005,505	\$ 52,658,549
Total Net Debt Applicable to Limit	4,775,000	4,420,000	3,970,000	3,555,000	3,140,000	2,730,000	2,330,000	1,930,000	1,535,000	1,140,000
Legal Debt Margin	\$ 51,206,992	\$ 56,737,464	\$ 59,253,729	\$ 58,716,686	\$ 56,460,257	\$ 54,353,476	\$ 53,353,763	\$ 53,184,973	\$ 52,470,505	\$ 51,518,549
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.53%	7.23%	6.28%	5.71%	5.27%	4.78%	4.18%	3.50%	2.84%	2.16%

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</u>
2016	N/A	N/A	13,102
2015	5.30%	N/A	13,037
2014	6.20%	\$ 73,536	12,981
2013	7.00%	70,498	12,911
2012	8.90%	71,380	12,850
2011	8.70%	68,244	12,752
2010	8.90%	65,275	12,394
2009	8.70%	64,571	12,345
2008	4.80%	68,548	12,376
2007	4.20%	68,147	12,419

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

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

	<u>2016</u>		<u>2007</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	177	179	184	180	161	164	172	180	182	162
Special education	3	3	3	5	32	45	48	53	56	76
Support Services:										
Student & instruction related services	17	17	17	15	14	17	21	21	21	26
School administration services	15	15	15	14	14	14	14	14	15	16
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	3	3	3	3	3	3	3
Plant operations and maintenance	21	21	21	20	20	20	21	22	22	22
Pupil transportation	5	5	5	4	4	4	4	4	7	4
Other support services	12	12	12	11	12	14	14	14	14	14
Total	<u>263</u>	<u>265</u>	<u>270</u>	<u>261</u>	<u>269</u>	<u>290</u>	<u>306</u>	<u>320</u>	<u>329</u>	<u>332</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				
2007	2,075	\$ 30,111,671	\$ 14,512	3.45%	174	1:12.4	1:11.4	2,011	1,909	4.20%	94.93%
2008	2,106	31,200,795	14,815	2.09%	177	1:11.1	1:12.1	2,093	1,986	4.08%	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%
2015	2,386	38,287,025	16,047	2.99%	238	1:14.2	1:16.8	2,379	2,256	1.54%	94.83%
2016	2,422	41,790,326	17,254	7.53%	236	1:10.4	1:10.8	2,378	2,283	-0.04%	96.01%

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	343	370	371	380	383	387	416	422	359	323
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	209	190	205	196	220	242	241	230	212	198
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	382	387	372	394	400	415	438	454	413	361
Thomas Jefferson School:										
Square Feet									22,293	22,293
Capacity (students)									240	240
Enrollment									141	272
<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	1,141	1,159	1,175	1,190	1,229	1,220	1,235	1,257	1,261	1,268
<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	4,000

Number of Schools at June 30, 2016
 Elementary = 4
 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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
*School Facilities	Project # (s)										
Lincoln School	N/A	\$ 33,943	\$ 32,416	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349	\$ 62,703	\$ 60,917
Roosevelt School	N/A	8,278	7,906	6,412	6,046	3,707	6,734	4,002	8,706	28,260	27,455
Grant School	N/A	7,101	6,781	5,403	5,094	6,837	6,601	11,197	24,359	24,312	23,620
Jefferson School	N/A	3,044	2,907								
Junior/Senior High School	N/A	<u>203,127</u>	<u>193,987</u>	<u>187,273</u>	<u>176,570</u>	<u>173,874</u>	<u>162,658</u>	<u>164,780</u>	<u>358,474</u>	<u>160,193</u>	<u>155,630</u>
Total School Facilities		<u>255,493</u>	<u>243,997</u>	<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>
Grand Total		<u>\$ 255,493</u>	<u>\$ 243,997</u>	<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>

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, 2016
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
School Package Policy		
Blanket Building & Contents	\$ 400,000,000	\$ 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	4,000,000	
Demolition and Increased Cost of Construction	25,000,000	
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



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
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT AMPONSAH, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
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, 2016 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 October 28, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a material weakness.

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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.


We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 28, 2016.

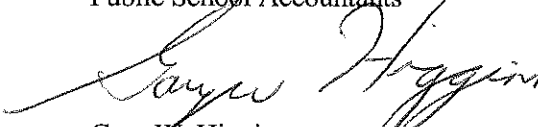
Ridgefield Park Board of Education's Response to Finding

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

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
October 28, 2016



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
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) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Ridgefield Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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.

Basis for Qualified Opinion on IDEA

As described in the accompanying schedule of findings and questioned costs, the Ridgefield Park Board of Education did not comply with requirements regarding CFDA 84.027 IDEA Basic and CFDA 84.173 IDEA Preschool as described in finding 2016-002 for grant program reporting requirements Code of Federal Regulation (31 CFR section 2015.12 (b)(5)). Compliance with such requirements is necessary, in our opinion, for the Ridgefield Park Board of Education to comply with the requirements applicable to that program.

Qualified Opinion on IDEA

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph above, 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 IDEA for the fiscal year ended June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal and State Programs

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 other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the fiscal year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the 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. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

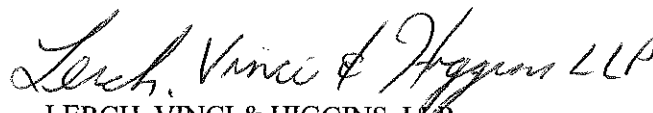
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A 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 governance. 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-002 to be a material weakness.

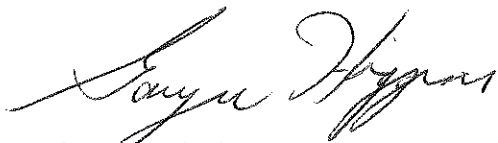
The Ridgefield Park Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Ridgefield Park Board of Education's response was not subjected to the auditing procedures applied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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education, as of and for the fiscal year ended June 30, 2016 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 October 28, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary W. Higgins
Public School Accountant
PSA Number CS00816

Fair Lawn, New Jersey
October 28, 2016

RIDGEFIELD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015				Cash Received	Budgetary Expenditures	Cancelled Encumb/A-P Adjustments	June 30, 2016			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue	Due to Grantor	Carryover				(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Enterprise Fund:																
National School Lunch Program	10.555															
Cash Assistance		16161NJ304N1099	N/A	7/1/15-6/30/16	\$ 384,599					\$ 359,909	\$ 384,599		\$ (24,690)			\$ (24,690)
Cash Assistance			N/A	7/1/14-6/30/15	380,225	\$ (63,475)				63,475						
Non-Cash Assistance		16161NJ304N1099	N/A	7/1/15-6/30/16	76,147					76,147	75,258			\$ 889		
Non-Cash Assistance			N/A	7/1/14-6/30/15	78,825		\$ 4,700				4,700					
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	44,968					40,626	44,968		(4,342)			(4,342)
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	41,958	(7,099)				7,099						
Total Child Nutrition Cluster						(70,574)	4,700			547,256	509,525		(29,032)	889		(29,032)
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
IDEA Part B - Flow Through	84.027	H027A150100	FT4380-16	7/1/15-6/30/16	559,584				\$ 345	559,584	548,127				\$ 11,802	
IDEA Part B - Flow Through C/O	84.027		FT4380-15	7/1/14-6/30/15	534,541		345		(345)							
IDEA Part B - Preschool	84.173	H173A150114	FT4380-16	7/1/15-6/30/16	15,022				1,739	15,022	4,850				11,911	
IDEA Part B - Preschool C/O	84.173		FT4380-15	7/1/14-6/30/15	14,347		1,739		(1,739)							
Total Special Education Cluster (IDEA)											552,977					
Title I	84.010A	S010A150030	NCLB4380-16	7/1/15-6/30/16	487,659				551	487,659	464,321				23,889	
Title I C/O	84.010A		NCLB4380-15	7/1/14-6/30/15	473,237		551		(551)							
Title II A	84.367A	S367A150029	NCLB4380-16	7/1/15-6/30/16	54,394					54,394	51,397				2,997	
Title III	84.365A	S365A150030	NCLB4380-16	7/1/15-6/30/16	28,039				88	28,039	27,256				871	
Title III C/O	84.365A		NCLB4380-15	7/1/14-6/30/15	26,837		88		(88)							
Title III Immigrant	84.365A	S365A150030	NCLB4380-16	7/1/15-6/30/16	12,464					12,464	9,081				3,383	
Total Special Revenue Fund							2,723			1,157,162	1,105,032				54,853	
U.S. Department of Education																
Passed-through State Department of Education																
General Fund:																
Medical Assistance Program (SEMI)	95.778	1605NJSMAP	N/A	7/1/15-6/30/16	11,593					11,593	11,593					
Total General Fund										11,593	11,593					
Total Federal Financial Assistance						\$ (70,574)	\$ 7,423	\$ -	\$ -	\$ 1,716,011	\$ 1,626,150	\$ -	\$ (29,032)	\$ 889	\$ 54,853	\$ (29,032)

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, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2016			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2016	GAAP Receivable	Combined Total Expenditures
State Department of Education														
<u>General Fund:</u>														
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 1,167,201				\$ 1,085,155	\$ 1,167,201		\$ (82,046)			\$	1,167,201
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,167,201	(107,830)			107,830							
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	3,432,294				3,191,027	3,432,294		(241,267)				3,432,294
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	3,432,294	(317,087)			317,087							
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	114,282				106,249	114,282		(8,033)				114,282
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	114,282	(10,558)			10,558							
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	100,688				93,610	100,688		(7,078)				100,688
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	100,688	(9,302)			9,302							
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	20,580				19,133	20,580		(1,447)				20,580
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	20,580	(1,901)			1,901							
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	20,580				19,133	20,580		(1,447)				20,580
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	20,580	(1,901)			1,901							
Total State Aid Public Cluster								4,855,625						
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	46,216				42,968	46,216		(3,248)				46,216
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	46,216	(4,270)			4,270							
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	887,070					887,070		(887,070)				887,070
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	993,840	(993,840)			993,840							
School District Deficit Relief Aid	16-100-034-5120-489	7/1/15-6/30/16	2,500,000				2,500,000	2,500,000						2,500,000
TPAF - Post Retirement Medical	16-495-034-5094-001	7/1/15-6/30/16	1,625,707				1,625,707	1,625,707						1,625,707
TPAF - NCGI	16-495-034-5094-004	7/1/15-6/30/16	64,784				64,784	64,784						64,784
TPAF - Normal Cost	16-495-034-5094-002	7/1/15-6/30/16	1,300,526				1,300,526	1,300,526						1,300,526
Reimbursed TPAF Social Security	16-495-034-5094-003	7/1/15-6/30/16	1,389,941				1,320,725	1,389,941		(69,216)		\$	(69,216)	1,389,941
Reimbursed TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	1,292,635	(65,138)			65,138							
Total General Fund				(1,511,827)			12,880,844	12,669,869		(1,300,852)			(69,216)	12,669,869
<u>Special Revenue Fund</u>														
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		1					1				
Total Special Revenue Fund					1,747					1,747				
<u>Debt Service Fund</u>														
Debt Service Aid	16-495-034-5120-017	7/1/15-6/30/16	131,469				131,469	131,469						131,469
Total Debt Service Fund							131,469	131,469						131,469
State Department of Agriculture														
<u>Enterprise Fund</u>														
National School Lunch	16-100-010-3350-023	7/1/15-6/30/16	10,529				9,863	10,529		(666)			(666)	10,529
National School Lunch	15-100-010-3350-023	7/1/14-6/30/15	11,045	(2,080)			2,080							
Total Enterprise Fund				(2,080)			11,943	10,529		(666)			(666)	10,529
Total State Financial Assistance				(1,513,907)	1,747		13,024,256	12,811,867		(1,301,518)	1,747		(69,882)	12,811,867
State Financial Assistance														
<u>Not Subject to Single Audit Determination</u>														
<u>General Fund</u>														
TPAF - Post Retirement Medical	16-495-034-5094-001	7/1/15-6/30/16	1,625,707				(1,625,707)	(1,625,707)						(1,625,707)
TPAF - Normal Cost	16-495-034-5094-002	7/1/15-6/30/16	1,300,526				(1,300,526)	(1,300,526)						(1,300,526)
TPAF - NCGI	16-495-034-5094-004	7/1/15-6/30/16	64,784				(64,784)	(64,784)						(64,784)
Total State Financial Assistance Subject to Single Audit				\$ (1,513,907)	\$ 1,747	\$ -	\$ 10,033,239	\$ 9,820,850	\$ -	\$ (1,301,518)	\$ 1,747	\$ -	\$ (69,882)	\$ 9,820,850

**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, 2016**

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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid”. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$2,284,947 for the general fund and a decrease of \$8,180 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	\$ 11,593	\$ 10,384,922	\$ 10,396,515
Special Revenue Fund	1,096,852		1,096,852
Debt Service Fund		131,469	131,469
Food Service Fund	<u>509,525</u>	<u>10,529</u>	<u>520,054</u>
Total Financial Assistance	<u>\$ 1,617,970</u>	<u>\$ 10,526,920</u>	<u>\$ 12,144,890</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, 2016**

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 STATE LOAN OUTSTANDING

The District’s state loan outstanding at June 30, 2016, which is required to be reported on the schedule of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
State Aid Advance Loan	100-034-5120-489	<u>\$ 2,500,000</u>

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,389,941 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,365,310 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,625,707 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

NOTE 7 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.

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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? X yes no

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

Noncompliance material to basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? X yes 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 Modified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B-Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA - Part B - Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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<u> </u>	<u> </u>	<u> </u>

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

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, 2016**

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

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

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

_____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>16-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-084</u>	<u>Security Aid</u>
<u>16-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>16-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>16-495-034-5120-044</u>	<u>Extraordinary Aid</u>

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

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2016-001

The audit of the District's 2015/16 original General Fund budget indicated certain anticipated revenues were significantly overstated and certain appropriations were underfunded.

Criteria or specific requirement:

- GAAP Technical Systems Manual (NJAC 6A:23A-16.10).
- NJ Department of Education Budget Guidelines

Condition:

Certain General Fund budget anticipated revenues were not realized and certain appropriations were not sufficient to fund 2015/16 actual expenditures.

Context

Revenues

- The District's budgeted tuition rate of \$12,999 for regular students exceeded the contractual tuition rate of \$11,731 by \$1,268 per student resulting in an approximate \$483,000 shortfall.
- The District's budget included tuition for 10 special education students, however only 4 students were received by the District resulting in a shortfall of approximately \$560,000.
- Unrestricted miscellaneous revenues were anticipated at a substantially greater amount than was actually realized in the prior year resulting in a shortfall of approximately \$318,000.

Appropriations

- Various appropriations were underfunded requiring the additional appropriation of \$1,425,000 of the \$2,500,000 advance state aid payment received pursuant to N.J.S.A. 18A:7A-56 to avoid overexpenditures.

Effect

The District requested and received an advance state aid payment pursuant to N.J.S.A. 18A:7A-56 in the amount of \$2,500,000 which was realized as a revenue for budgetary purposes to avoid a deficit in unassigned fund balance.

Cause

Unknown.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2016-001 (Continued)

Recommendation

The District develop and prepare its General Fund budget based upon accurate documentation and the anticipated fiscal operating plan of the District.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and indicated that the 2016/17 General Fund budget was based upon accurate projected revenues and appropriations are continually being monitored for sufficiency.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2016-002:

Our audit noted that the reimbursement reports for the IDEA Basic and Preschool Federal grant programs were not in agreement with the District records.

Federal Program Information:

IDEA Basic	84.027
IDEA Preschool	84.173

Criteria or specific requirement:

Grant Program Reporting Requirements – Code of Federal Regulations (31 CFR Section 205.12(b)(5))

Questioned Costs:

None.

Condition:

Expenditures reported on the District's financial records were not in agreement with amounts reported on the respective grant reimbursement expenditure reports for the 2015/2016 grant period.

Context:

- The District's 2015/2016 IDEA Basic and Preschool reimbursement requests did not agree to the District's financial records. The District's entire grant allocation of \$574,606 was requested for reimbursement as of October 31, 2015. The actual cash disbursements as of October 31, 2015 were \$178,400, resulting in \$396,206 being advanced to the District. Additionally, the unexpended funds as of June 30, 2016 is \$23,713.

Effect:

The District's financial reports were not in agreement with amounts requested for reimbursements from the grantor agency.

Cause:

Grant reimbursement reports were not reconciled to actual grant expenditures incurred prior to submission.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS (Continued)

Finding 2016-002: (Continued)

Recommendation:

Expenditure reimbursement reports for the IDEA Federal grant programs be reconciled to and in agreement with the District's accounting records prior to their submission for reimbursement.

View of Responsible Officials and Planned Corrective Action:

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**RIDGEFIELD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2015-001

We noted certain liabilities which were unrecorded in the General Fund at June 30, 2015.

Status

Corrective action has been taken.

Finding 2015-002

Our audit revealed certain differences between amounts reported on the ASSA report versus the District workpapers. Additionally, 3 errors were noted on low-income applications for eligibility.

Status

Corrective action has been taken.