

**RIDGEFIELD PARK**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017

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

November 8, 2017

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, 2017.

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, 2017, 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, 2017 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, 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 2016-2017 fiscal year with an average daily enrollment of 2,401 students, *which is 41 students less 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>
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%



<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013-14	2,343	2.01%
2014-15	2,379	1.54%
2015-16	2,442	2.65%
2016-17	2,401	(1.68%)

## 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:

- Lead tested all potable water sources and shut down or remediated all sources registering levels above the allowable limits.
- Remediated a mold situation in a classroom in Lincoln School which involved replacing a section of floor.
- Repairs done on high school boilers.

### Technology:

- Started use of "Fusfoo," an online platform for students and classes to post art and media work.
- Initiated involvement in "Future Ready Schools" to assist in the development of our technology program.
- The district continued to increase communications with parents and students utilizing the School Messenger communication tool.

- The district continued to expand the use of Google Classroom and Google Docs to decrease the need for copying information and the purchase of Microsoft office products.

#### Academic:

- Continued to train new teachers and reinforce with existing staff ELA instruction utilizing a Balanced Literacy framework.
- Continued to put an increased focus on Math instruction, rewriting the curriculum, creating a district wide Math Committee and utilizing a Math consultant.
- AP Physics was added as an elective.
- Additional Dual Enrollment classes were added to the list of electives.
- The JSHS was named to the College Board's AP Honor Roll.
- A mindfulness program called "Zensational Kids" was initiated in Thomas Jefferson 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, 2017, the District's outstanding debt issues included \$750,000 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:

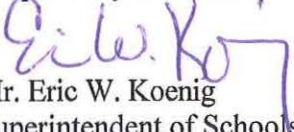
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was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

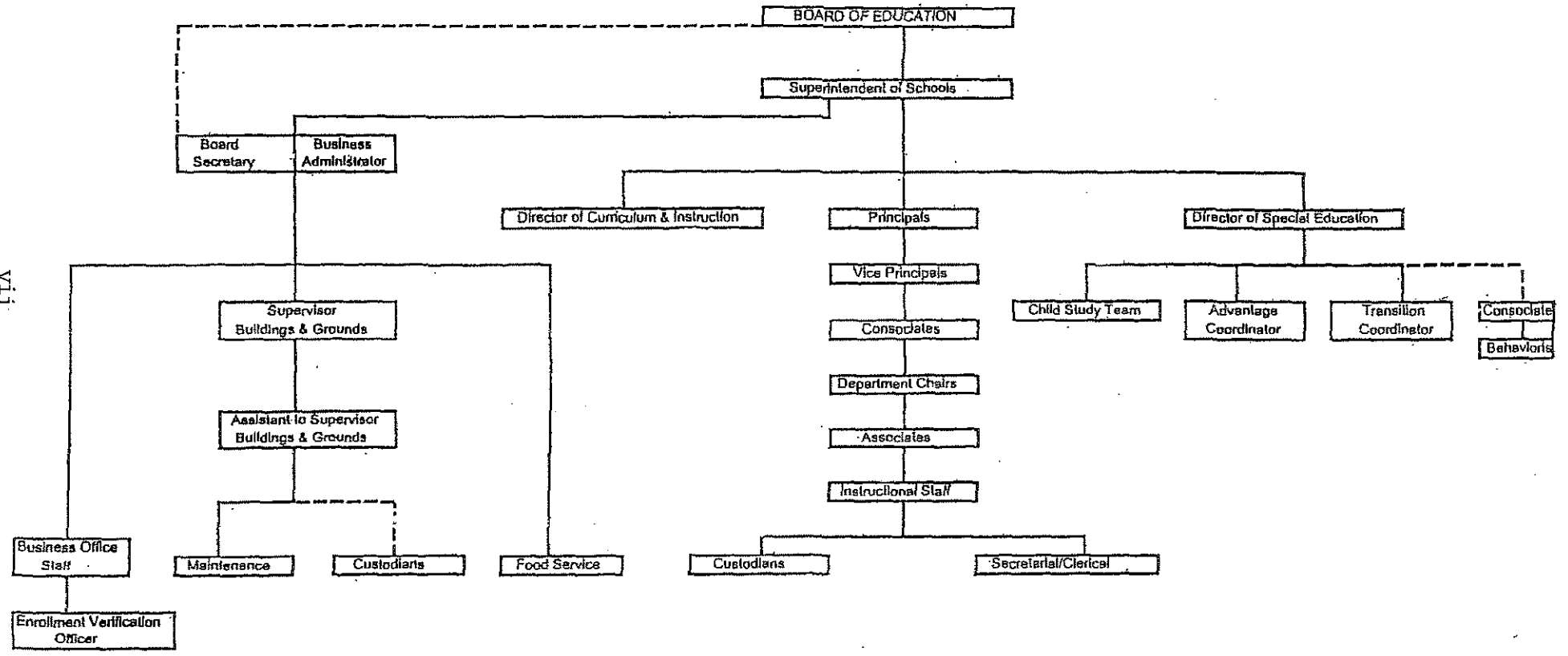
We would like to express our appreciation to the members of the Ridgefield Park School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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

TIA



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

ROSTER OF OFFICIALS  
JUNE 30, 2017

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Edmond DeSantis, President	2020
Scott Lingle, Vice President	2018
Elsa Martinez	2020
Sandra Cuzzo	2018
Donna Ruby-Blue	2019
Robert Thiemann	2019
Jayne Kraljic	2018
Barbara Merritt Butler	2019
Brian Cooney	2020
Nick Fytros (Little Ferry Representative)	

Other Officials

Mr. Eric Koenig, Superintendent of Schools  
Mr. Michael Steinmetz, Business Administrator/Board Secretary

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

Consultants and Advisors  
June 30, 2017

AUDIT FIRM

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

ATTORNEY

Kerri A. Wright, Esq.  
Porzio, Bromberg and Newman P.C.  
100 Southgate Parkway P.O. Box 1997  
Morristown, New Jersey 07962-1997

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, PSA

## INDEPENDENT AUDITOR’S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education’s basic financial statements as listed in the table of contents.

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

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

### *Auditor’s Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2017, 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 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.

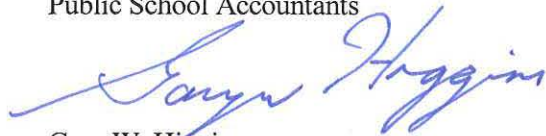
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2017 on our consideration of the Ridgefield Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the 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  
November 8, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

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, 2017. 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 \$3,557,036 (net position).
- General revenues accounted for \$29,242,943 of revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$22,689,923 or 44 percent of total revenues of \$51,932,866.
- Total assets and deferred outflows of resources of governmental activities amounted to \$19,249,472 as of June 30, 2017.
- The District had \$50,437,705 in expenses related to governmental activities; only \$21,639,711 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$29,242,710 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$41,248,257 in revenues and \$39,642,590 in expenditures. The General Fund's fund balance increased \$1,605,667 from the fiscal year ended June 30, 2016.

**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, 2017**

**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, 2017?" 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, 2017*

**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, 2017**

Table 1 provides a summary of the District's net position as of June 30, 2017 and 2016.

**Table 1**  
**Net Position**  
**As of June 30, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$ 3,163,639	\$ 1,395,360	\$ 153,506	\$ 102,104	\$ 3,317,145	\$ 1,497,464
Capital Assets	10,691,746	11,124,075	41,777	62,376	10,733,523	11,186,451
<b>Total Assets</b>	<u>13,855,385</u>	<u>12,519,435</u>	<u>195,283</u>	<u>164,480</u>	<u>14,050,668</u>	<u>12,683,915</u>
Deferred Amount on Net Pension Liability	5,388,397	2,658,873			5,388,397	2,658,873
Deferred Amount on Refunding of Debt	5,690	9,379	-	-	5,690	9,379
<b>Total Deferred Outflows of Resources</b>	<u>5,394,087</u>	<u>2,668,252</u>	<u>-</u>	<u>-</u>	<u>5,394,087</u>	<u>2,668,252</u>
Long-Term Liabilities	21,508,256	17,850,847			21,508,256	17,850,847
Other Liabilities	1,491,661	1,337,337	-	20,075	1,491,661	1,357,412
<b>Total Liabilities</b>	<u>22,999,917</u>	<u>19,188,184</u>	<u>-</u>	<u>20,075</u>	<u>22,999,917</u>	<u>19,208,259</u>
Deferred Amount on Net Pension Liability	-	194,664			-	194,664
Deferred Commodities Revenue	-	-	1,874	889	1,874	889
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>194,664</u>	<u>1,874</u>	<u>889</u>	<u>1,874</u>	<u>195,553</u>
Net Position						
Net Investment in Capital Assets	9,798,598	9,782,461	41,777	62,376	9,840,375	9,844,837
Restricted	1,552,778	332,870			1,552,778	332,870
Unrestricted	(15,101,821)	(14,310,492)	151,632	81,140	(14,950,189)	(14,229,352)
<b>Total Net Position</b>	<u>\$ (3,750,445)</u>	<u>\$ (4,195,161)</u>	<u>\$ 193,409</u>	<u>\$ 143,516</u>	<u>\$ (3,557,036)</u>	<u>\$ (4,051,645)</u>

The District's combined net position were \$(3,557,036) and \$(4,051,645) on June 30, 2017 and 2016, respectively. This was an increase of \$494,609 or 12% percent from the prior year.



**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

Table 2 shows changes in net position for fiscal years ended June 30, 2017 and 2016.

**Table 2**  
**Changes in Net Position**  
**For The Years Ended June 30, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 5,268,176	\$ 4,637,887	\$ 513,657	\$ 524,206	\$ 5,781,833	\$ 5,162,093
Operating Grants and Contributions	16,371,535	12,819,208	536,555	520,054	16,908,090	13,339,262
<b>General Revenues</b>						
Property Taxes	25,130,586	24,331,438			25,130,586	24,331,438
State Aid	3,655,996	3,782,044			3,655,996	3,782,044
Other	456,128	209,780	233	-	456,361	209,780
<b>Total Revenues</b>	<u>50,882,421</u>	<u>45,780,357</u>	<u>1,050,445</u>	<u>1,044,260</u>	<u>51,932,866</u>	<u>46,824,617</u>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	22,858,044	20,539,538			22,858,044	20,539,538
Special Education	8,182,893	7,866,888			8,182,893	7,866,888
Other Instruction	886,992	1,529,858			886,992	1,529,858
School Sponsored Activities and Athletics	1,200,218	1,231,578			1,200,218	1,231,578
<b>Support Services</b>						
Student and Instruction Related Services	7,219,993	7,244,098			7,219,993	7,244,098
General Administration Services	1,257,093	1,013,397			1,257,093	1,013,397
School Administration Services	2,344,568	2,347,955			2,344,568	2,347,955
Business / Central Services	1,264,396	1,162,547			1,264,396	1,162,547
Plant Operations and Maintenance	4,033,800	3,841,199			4,033,800	3,841,199
Pupil Transportation	1,149,250	1,035,240			1,149,250	1,035,240
Interest on Debt	40,458	62,610			40,458	62,610
Food Services	-	-	1,000,552	1,113,399	1,000,552	1,113,399
<b>Total Expenses</b>	<u>50,437,705</u>	<u>47,874,908</u>	<u>1,000,552</u>	<u>1,113,399</u>	<u>51,438,257</u>	<u>48,988,307</u>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	444,716	(2,094,551)	49,893	(69,139)	494,609	(2,163,690)
<b>Transfers</b>	-	(180,000)	-	180,000	-	-
<b>Change in Net Position</b>	444,716	(2,274,551)	49,893	110,861	494,609	(2,163,690)
<b>Net Position, Beginning of Year</b>	<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>
<b>Net Position, End of Year</b>	<u>\$ (3,750,445)</u>	<u>\$ (4,195,161)</u>	<u>\$ 193,409</u>	<u>\$ 143,516</u>	<u>\$ (3,557,036)</u>	<u>\$ (4,051,645)</u>

**RIDGEFIELD PARK BOARD OF EDUCATION**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**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 \$50,882,421 and \$45,780,357 for the years ended June 30, 2017 and 2016, respectively. Property taxes made up 49 and 53 percent of revenues for governmental activities for the Ridgefield Park Board of Education for fiscal years ended June 30, 2017 and 2016, respectively. Federal, state and local grants aid accounted for another 39 and 36 percent of revenue and tuition revenue accounted for 10 percent and 10 percent for the years ended June 30, 2017 and 2016.

The total cost of all programs and services was \$50,437,705 and \$47,874,908 for the fiscal years ended June 30, 2017 and 2016, respectively. Instruction comprises 66 and 65 percent of governmental program expenses for the fiscal years ended June 30, 2017 and 2016, respectively. Support services expenses make up 34 and 35 percent of governmental expenses for the fiscal years ended June 30, 2017 and 2016, 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, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 22,858,044	\$ 20,539,538	\$ 9,983,331	\$ 10,775,063
Special Education	8,182,893	7,866,888	3,244,919	3,313,303
Other Instruction	886,992	1,529,858	556,614	1,095,904
School Sponsored Activities and Athletics	1,200,218	1,231,578	790,095	922,779
Support Services				
Student and Instruction Related Services	7,219,993	7,244,098	5,505,872	5,762,027
General Administration Services	1,257,093	1,013,397	1,139,539	935,314
School Administration Services	2,344,568	2,347,955	1,738,491	1,891,709
Business / Central Services	1,264,396	1,162,547	1,173,590	1,100,229
Plant Operations and Maintenance	4,033,800	3,841,199	3,920,464	3,738,287
Pupil Transportation	1,149,250	1,035,240	716,319	837,002
Interest on Debt	40,458	62,610	28,760	46,196
<b>Total</b>	<b>\$ 50,437,705</b>	<b>\$ 47,874,908</b>	<b>\$ 28,797,994</b>	<b>\$ 30,417,813</b>

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues and transfers of \$1,050,445 and \$1,224,260 and expenses of \$1,000,552 and \$1,113,399 in fiscal years ended June 30, 2017 and 2016, respectively. Of the revenues, \$513,657 and \$524,206 was charges for services paid by patrons for daily food service and \$536,555 and \$520,054 was from State and Federal reimbursements in fiscal years ended June 30, 2017 and 2016, 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 \$42,782,862 and \$40,815,183 and expenditures were \$41,177,194 and \$42,459,230 for the fiscal years ended June 30, 2017 and 2016 respectively. The net change in the fund balance for the 2016/2017 year was an increase of \$1,605,668.

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, 2017 and 2016.

	<u>Years Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2017</u>	<u>2016</u>		
Local Sources	\$ 30,861,924	\$ 29,190,347	\$ 1,671,577	6%
State Sources	10,796,220	10,516,391	279,829	3%
Federal Sources	<u>1,124,718</u>	<u>1,108,445</u>	<u>16,273</u>	1%
 Total Governmental Revenues	 <u>\$ 42,782,862</u>	 <u>\$ 40,815,183</u>	 <u>\$ 1,967,679</u>	 5%

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

**The School District's Funds (Continued)**

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2017 and 2016.

	Years Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2017</u>	<u>2016</u>		
Current Expense:				
Instruction	\$ 25,820,405	\$ 26,715,940	\$ (895,535)	-3%
Support Services	14,532,176	15,074,386	(542,210)	-4%
Capital Outlay	-	3,400	(3,400)	-100%
Debt Service:				
Principal	773,604	592,317	181,287	31%
Interest	<u>51,009</u>	<u>73,187</u>	<u>(22,178)</u>	-30%
 Total Expenditures	 <u>\$ 41,177,194</u>	 <u>\$ 42,459,230</u>	 <u>\$ (1,282,036)</u>	 -3%

**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 2017 and 2016, the District had \$10,733,523 and \$11,186,451 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation decreased \$452,928 from fiscal year 2016 to fiscal year 2017 as a result of depreciation. The District had no additions to capital assets in the 2016/17 fiscal year. Table 4 shows capital assets net of depreciation at June 30, 2017 and 2016.

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**

**Table A-4**  
**Capital Assets at June 30, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Buildings and Building Improvements	16,866,935	16,866,935			16,866,935	16,866,935
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	2,417,161	2,417,161	\$ 195,028	\$ 195,028	2,612,189	2,612,189
	22,698,462	22,698,462	195,028	195,028	22,893,490	22,893,490
Less Accumulated Depreciation	12,006,716	11,574,387	153,251	132,652	12,159,967	11,707,039
Total	<u>\$ 10,691,746</u>	<u>\$ 11,124,075</u>	<u>\$ 41,777</u>	<u>\$ 62,376</u>	<u>\$ 10,733,523</u>	<u>\$ 11,186,451</u>

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

### **Long-Term Liabilities**

At June 30, 2017 and 2016, the District had \$21,508,256 and \$17,850,847 of long-term liabilities, respectively. Of this amount, \$1,852,911 and \$1,694,395 is for compensated absences; \$260,263 and \$393,867 is for leases payable, \$16,385,898 and \$12,107,448 is for net pension liability, \$759,184 and \$1,155,137 of bonds payable, including the unamortized premium on refunding and \$2,250,000 and \$2,500,000 of a State Aid Advance Loan payable, as of June 30, 2017 and 2016, 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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,221,422	\$ 59,946	\$ 2,281,368
Receivables, net			
Receivables from Other Governments	958,184	20,727	978,911
Other Receivables	5,976		5,976
Internal Balances	(61,861)	61,861	-
Inventory		10,972	10,972
Prepaid Items	39,918		39,918
Capital Assets			
Not Being Depreciated	2,703,196		2,703,196
Being Depreciated, Net	<u>7,988,550</u>	<u>41,777</u>	<u>8,030,327</u>
Total Assets	<u>13,855,385</u>	<u>195,283</u>	<u>14,050,668</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	5,690		5,690
Deferred Amount on Net Pension Liability	<u>5,388,397</u>	<u>-</u>	<u>5,388,397</u>
Total Deferred Outflows of Resources	<u>5,394,087</u>	<u>-</u>	<u>5,394,087</u>
<b>LIABILITIES</b>			
Accounts Payable	1,419,292	-	1,419,292
Accrued Interest Payable	15,938		15,938
Payable to State Government	1,747		1,747
Payable to Federal Government	22,268		22,268
Unearned Revenue	32,416		32,416
Noncurrent Liabilities			
Due Within One Year	962,884		962,884
Due Beyond One Year	<u>20,545,372</u>	<u>-</u>	<u>20,545,372</u>
Total Liabilities	<u>22,999,917</u>	<u>-</u>	<u>22,999,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>-</u>	<u>1,874</u>	<u>1,874</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,874</u>	<u>1,874</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,798,598	41,777	9,840,375
Restricted for:			
Capital Projects	1,452,778		1,452,778
Other Purposes	100,000		100,000
Unrestricted	<u>(15,101,821)</u>	<u>151,632</u>	<u>(14,950,189)</u>
Total Net Position	<u>\$ (3,750,445)</u>	<u>\$ 193,409</u>	<u>\$ (3,557,036)</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, 2017**

<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>
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 22,858,044	\$ 4,341,295	\$ 8,533,418		\$ (9,983,331)		\$ (9,983,331)
Special Education	8,182,893	545,881	4,392,093		(3,244,919)		(3,244,919)
Other Instruction	886,992		330,378		(556,614)		(556,614)
School Sponsored Activities and Athletics	1,200,218		410,123		(790,095)		(790,095)
Support Services							
Student and Instruction Related Services	7,219,993		1,714,121		(5,505,872)		(5,505,872)
General Administration Services	1,257,093		117,554		(1,139,539)		(1,139,539)
School Administration Services	2,344,568		606,077		(1,738,491)		(1,738,491)
Central Services	1,264,396		90,806		(1,173,590)		(1,173,590)
Plant Operations and Maintenance	4,033,800		113,336		(3,920,464)		(3,920,464)
Pupil Transportation	1,149,250	381,000	51,931		(716,319)		(716,319)
Interest on Long-Term Debt	40,458	-	11,698	-	(28,760)	-	(28,760)
Total Governmental Activities	<u>50,437,705</u>	<u>5,268,176</u>	<u>16,371,535</u>	<u>-</u>	<u>(28,797,994)</u>	<u>-</u>	<u>(28,797,994)</u>
<b>Business-Type Activities</b>							
Food Service	<u>1,000,552</u>	<u>513,657</u>	<u>536,555</u>	<u>-</u>	<u>-</u>	<u>\$ 49,660</u>	<u>49,660</u>
Total Business-Type Activities	<u>1,000,552</u>	<u>513,657</u>	<u>536,555</u>	<u>-</u>	<u>-</u>	<u>49,660</u>	<u>49,660</u>
Total Primary Government	<u>\$ 51,438,257</u>	<u>\$ 5,781,833</u>	<u>\$ 16,908,090</u>	<u>\$ -</u>	<u>(28,797,994)</u>	<u>49,660</u>	<u>(28,748,334)</u>

Continued



**RIDGEFIELD PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes			
Property Taxes Levied for General Purposes	\$ 24,825,721		\$ 24,825,721
Property Taxes Levied for Debt Service	304,865		304,865
State Aid -Unrestricted	3,542,396		3,542,396
Debt Service Aid	113,600		113,600
Miscellaneous Income	456,128	\$ 233	456,361
Total General Revenues and Transfers	29,242,710	233	29,242,943
Change in Net Position	444,716	\$ 49,893	494,609
Net Position, Beginning of Year,	(4,195,161)	143,516	(4,051,645)
Net Position, End of Year	\$ (3,750,445)	\$ 193,409	\$ (3,557,036)

**FUND FINANCIAL STATEMENTS**

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,221,421		\$ 1	\$ 2,221,422
Receivables, Net				
Receivables from Other Governments	537,031	\$ 421,153		958,184
Other Receivables	5,976			5,976
Due from Other Funds	283,065			283,065
Prepaid Items	39,918	-	-	39,918
<b>Total Assets</b>	<u>\$ 3,087,411</u>	<u>\$ 421,153</u>	<u>\$ 1</u>	<u>\$ 3,508,565</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts Payable	\$ 1,337,635	\$ 81,657		1,419,292
Due to Other Funds	61,861	283,065		344,926
Payable to State Government		1,747		1,747
Payable to Federal Government		22,268		22,268
Unearned Revenue	-	32,416	-	32,416
<b>Total Liabilities</b>	<u>1,399,496</u>	<u>421,153</u>	<u>-</u>	<u>1,820,649</u>
<b>FUND BALANCES</b>				
Restricted				
Capital Reserve	1,452,778			1,452,778
Maintenance Reserve	100,000			100,000
Debt Service			1	1
Assigned				
Year End Encumbrances	70,213			70,213
ARRA/SEMI - Designated for				
Subsequent Year's Expenditures	1,964			1,964
Designated for Subsequent Year's Expenditures	204,240			204,240
Unassigned	(141,280)	-	-	(141,280)
<b>Total Fund Balances</b>	<u>1,687,915</u>	<u>-</u>	<u>1</u>	<u>1,687,916</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,087,411</u>	<u>\$ 421,153</u>	<u>\$ 1</u>	<u>\$ 3,508,565</u>
<b>Total Fund Balances Governmental Funds (Exhibit 1)</b>				<b>\$ 1,687,916</b>

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 \$12,006,716.

10,691,746

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

(15,938)

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.

5,690

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

5,388,397

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	\$ (759,184)
Leases Payable	(260,263)
Loan Payable	(2,250,000)
Net Pension Liability	(16,385,898)
Compensated Absences Payable	(1,852,911)

(21,508,256)

Net position of governmental activities

\$ (3,750,445)

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 24,825,721		\$ 304,865	\$ 25,130,586
Tuition	4,887,176			4,887,176
Transportation Fees	381,000			381,000
Rents and Royalties	120,000			120,000
Miscellaneous	336,128	\$ 7,034	-	343,162
Total - Local Sources	<u>30,550,025</u>	<u>7,034</u>	<u>304,865</u>	<u>30,861,924</u>
State Sources	10,670,922		125,298	10,796,220
Federal Sources	<u>27,310</u>	<u>1,097,408</u>	<u>-</u>	<u>1,124,718</u>
Total Revenues	<u>41,248,257</u>	<u>1,104,442</u>	<u>430,163</u>	<u>42,782,862</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Instruction	16,975,625	442,434		17,418,059
Special Education Instruction	6,237,002	545,919		6,782,921
Other Instruction	678,288			678,288
School-Sponsored Activities and Athletics	941,137			941,137
Support Services				
Student and Instruction Related Services	5,691,951	116,089		5,808,040
General Administration Services	1,124,300			1,124,300
School Administration Services	1,848,350			1,848,350
Business / Central Services	1,070,653			1,070,653
Plant Operations and Maintenance	3,678,233			3,678,233
Student Transportation	1,002,600			1,002,600
Debt Service				
Principal	383,604		390,000	773,604
Interest and Other Charges	<u>10,847</u>	<u>-</u>	<u>40,162</u>	<u>51,009</u>
Total Expenditures	<u>39,642,590</u>	<u>1,104,442</u>	<u>430,162</u>	<u>41,177,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,605,667</u>	<u>-</u>	<u>1</u>	<u>1,605,668</u>
Net change in Fund Balance	1,605,667	-	1	1,605,668
Fund Balance, Beginning of Year	<u>82,248</u>	<u>-</u>	<u>-</u>	<u>82,248</u>
Fund Balance, End of Year	<u>\$ 1,687,915</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,687,916</u>

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, 2017**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 1,605,668

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	\$	-	
Depreciation Expense		<u>(432,329)</u>	(432,329)

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.

Principal Repayments			
Bonds Payable		390,000	
Loan Payable		250,000	
Leases Payable		<u>133,604</u>	773,604

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		(3,689)	
Original Issue Premium		<u>5,953</u>	2,264

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):

Increase in Compensated Absences		(158,516)	
Increase in Pension Expense		<u>(1,354,262)</u>	(1,512,778)

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

Decrease in Accrued Interest		<u>8,287</u>	
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**Change in net position of governmental activities** **\$ 444,716**

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, 2017**

		<b>Business-Type Activities</b>
		<b>Enterprise Fund</b>
		<b><u>Food Service</u></b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$	59,946
Intergovernmental Receivable		
State		436
Federal		20,291
Due from Other Funds		61,861
Inventory		<u>10,972</u>
Total Current Assets		<u>153,506</u>
Capital Assets		
Equipment		195,028
Less: Accumulated Depreciation		<u>(153,251)</u>
Total Capital Assets		<u>41,777</u>
Total Assets		<u>195,283</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Commodities Revenue		<u>1,874</u>
Total Deferred Inflows of Resources		<u>1,874</u>
<b>NET POSITION</b>		
Invested in Capital Assets		41,777
Unrestricted		<u>151,632</u>
Total Net Position	\$	<u><u>193,409</u></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, 2017**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
	<b><u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales-Reimbursable Programs	\$ 289,110
Daily Sales-Non-Reimbursable Programs	<u>224,547</u>
 Total Operating Revenues	 <u>513,657</u>
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	391,463
Cost of Sales-Reimbursable Programs	417,788
Cost of Sales-Non-Reimbursable Programs	53,907
Other Purchased Services	17,328
Management Fee	58,159
Depreciation	20,599
Supplies and Materials	40,121
Miscellaneous	<u>1,187</u>
 Total Operating Expenses	 <u>1,000,552</u>
Operating Loss	<u>(486,895)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State Sources	
School Lunch Program	10,139
Federal Sources	
National School Lunch Program	382,546
Food Distribution Program - National School Lunch Program	81,384
National School Breakfast Program	62,486
Interest on Deposits	<u>233</u>
 Total Nonoperating Revenues	 <u>536,788</u>
Change in Net Position	49,893
Total Net Position, Beginning of Year,	<u>143,516</u>
Total Net Position, End of Year	<u>\$ 193,409</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, 2017**

	<b>Business-Type Activities</b>
	<b>Enterprise Fund</b>
	<b><u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 513,657
Payments for Employees' Salaries and Benefits	(391,463)
Payments to Suppliers for Goods and Services	<u>(530,166)</u>
Net Cash Used by Operating Activities	<u>(407,972)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
State and Federal Subsidy Reimbursements	<u>464,142</u>
Net Cash Provided by Noncapital Financing Activities	<u>464,142</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Deposits	<u>233</u>
Net Cash Provided by Investing Activities	<u>233</u>
Net Increase in Cash and Cash Equivalents	56,403
Cash and Cash Equivalents, Beginning of Year	<u>3,543</u>
Cash and Cash Equivalents, End of Year	<u>\$ 59,946</u>
<b>Reconciliation of Operating Loss to Net Cash</b>	
<b>Used by Operating Activities</b>	
Operating Loss	\$ <u>(486,895)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	20,599
Non-Cash Federal Assistance	
Food Distribution - National School	
Lunch Programs	81,384
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(20,075)
(Increase)/Decrease in Inventory	<u>(2,985)</u>
Total Adjustments	<u>78,923</u>
Net Cash Used by Operating Activities	<u>\$ (407,972)</u>
Non-Cash Financing Activities	
National School Lunch Program (Food Distribution)	<u>\$ 82,369</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, 2017**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 528,012	\$ 187,241
Due from Other Funds	<u>2,075</u>	<u>-</u>
Total Assets	<u>530,087</u>	<u>\$ 187,241</u>
<b>LIABILITIES</b>		
Due to Student Groups		\$ 148,952
Accrued Salaries and Wages		36,214
Due to Other Funds	<u>-</u>	<u>2,075</u>
Total Liabilities	<u>-</u>	<u>\$ 187,241</u>
<b>NET POSITION</b>		
Held in Trust for Scholarships	<u>\$ 530,087</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>	
Contributions	
Donations	\$ 20,000
Total Contributions	<u>20,000</u>
Investment Earnings	
Interest	<u>5,067</u>
Net Investment Earnings	<u>5,067</u>
Total Additions	<u>25,067</u>
<b>DEDUCTIONS</b>	
Scholarships Awarded	<u>30,000</u>
Total Deductions	<u>30,000</u>
Change in Net Position	(4,933)
Net Position, Beginning of the Year	<u>535,020</u>
Net Position, End of the Year	<u>\$ 530,087</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, 2017**

**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. Additionally, there is one representative from the Little Ferry Board of Education (sending 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 2017, the District adopted the following GASB statements as required:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**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, 2017**

**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, 2017**

**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.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

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

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.



**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**4. *Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**5. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	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, 2017**

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

**7. *Compensated Absences***

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

**8. *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, 2017**

**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.)

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

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

**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.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

*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, 2017 that will be appropriated in the adopted 2017/2018 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.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 (Continued)**

**Governmental Fund Statements (Continued)**

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

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

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

**3. Tuition Revenues and Expenditures**

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

**Tuition Expenditures** - Tuition charges for the fiscal years 2015-2016 and 2016-2017 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, 2017**

**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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$776,857. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Unallocated Employee Benefits			
Unused Sick Payment to Terminated/ Retired Staff	-0-	\$174,259	\$174,259

The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund balance deficit of \$141,280 in the General Fund as of June 30, 2017 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 2016/2017 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 \$141,280 in the General Fund is less than the delayed state aid payments and state aid advance payment balance at June 30, 2017.

**D. 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, 2017**

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

**D. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 332,870
Increases		
Deposits Approved by Board Resolution	\$ 1,119,908	
Transfer from Unexpended Appropriations	<u>91,000</u>	
Total Increases		1,210,908
Withdrawals		
Approved in District Budget	<u>91,000</u>	
Total Withdrawals		<u>91,000</u>
Balance, June 30, 2017		<u>\$ 1,452,778</u>

**E. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ -
Increases	
Deposits Approved by Board Resolution	<u>\$ 100,000</u>
Balance, June 30, 2017	<u>\$ 100,000</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,622,438.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$2,996,621 and bank and brokerage firm balances of the Board's deposits amounted to \$3,724,923. 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>3,724,923</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, 2017 the Board's bank balances were not exposed to custodial credit risk.

**Investments**

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

As of June 30, 2017, 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.



**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**B. Receivables**

Receivables as of June 30, 2017 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 5,976			\$ 5,976
Intergovernmental				
Federal		\$ 421,153	\$ 20,291	441,444
State	164		436	600
Other	<u>536,867</u>	<u>-</u>	<u>-</u>	<u>536,867</u>
Gross Receivables	543,007	421,153	20,727	984,887
Less Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 543,007</u>	<u>\$ 421,153</u>	<u>\$ 20,727</u>	<u>\$ 984,887</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	\$ 17,325
Grant Draw Downs Reserved for Encumbrances	<u>15,091</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 32,416</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
<b>Governmental activities:</b>				
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	16,866,935			16,866,935
Land Improvements	711,170			711,170
Machinery and Equipment	2,417,161	-	-	2,417,161
Total Capital Assets being depreciated	<u>19,995,266</u>	<u>-</u>	<u>-</u>	<u>19,995,266</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,252,951)	\$ (355,726)		(9,608,677)
Land Improvements	(450,782)	(14,378)		(465,160)
Machinery and Equipment	(1,870,654)	(62,225)	-	(1,932,879)
Total Accumulated Depreciation	<u>(11,574,387)</u>	<u>(432,329)</u>	<u>-</u>	<u>(12,006,716)</u>
Total Capital Assets, being depreciated, net	<u>8,420,879</u>	<u>(432,329)</u>	<u>-</u>	<u>7,988,550</u>
Government Activities capital assets, net	<u>\$ 11,124,075</u>	<u>\$ (432,329)</u>	<u>\$ -</u>	<u>\$ 10,691,746</u>
	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
<b>Business-Type Activities:</b>				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 195,028	-	-	\$ 195,028
Total Capital Assets being depreciated	<u>195,028</u>	<u>-</u>	<u>-</u>	<u>195,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(132,652)	\$ (20,599)	-	(153,251)
Total Accumulated Depreciation	<u>(132,652)</u>	<u>(20,599)</u>	<u>-</u>	<u>(153,251)</u>
Total Capital Assets, being depreciated, net	<u>62,376</u>	<u>(20,599)</u>	<u>-</u>	<u>41,777</u>
Business-Type Activities capital assets, net	<u>\$ 62,376</u>	<u>\$ (20,599)</u>	<u>\$ -</u>	<u>\$ 41,777</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction		
Regular	\$	320,623
Special		3,927
Total Instruction		<u>324,550</u>
Support Services		
Students and Instruction Related Services		31,720
School Administration Services		32,592
Transportation		20,018
Operations and maintenance of plant		23,449
Total Support Services		<u>107,779</u>
Total Depreciation Expense - Governmental Activities	\$	<u>432,329</u>
Business-Type Activities:		
Food Service Fund	\$	20,599
Total Depreciation Expense-Business-Type Activities	\$	<u>20,599</u>

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

The composition of interfund balances as of June 30, 2017, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 283,065
Food Service - Enterprise Fund	General Fund	61,861
Private Purpose Scholarship Fund	Agency Fund	<u>2,075</u>
		<u>\$ 347,001</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**F. Leases**

**Operating Leases**

The District leases the former Saint Francis of Assisi School building (the "Church") to operate an elementary school for grades Pre-Kindergarten through 8<sup>th</sup> 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, 2017 were \$601,003. The future minimum lease payments for this operating lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 613,023
2019	625,283
2020	637,789
2021	650,545
2022	663,555
2023-2024	<u>1,367,190</u>
Total	<u>\$ 4,557,385</u>

In conjunction with the lease, the Church incurred certain costs related to the build out of the leased premises required for the school buildings to comply with State regulations concerning educational facilities. A five-year loan commencing in the 2016/2017 fiscal year in the amount of \$629,754 plus interest of 2.25 percent was entered into by the Board, but never formally approved by the District's Board of Trustees. Principal payments on the loan for the fiscal year ended June 30, 2017 were \$125,951. The principal balance of the loan at June 30, 2017 is \$503,803.

**Capital Leases**

The District is leasing equipment and vehicles totaling \$679,574 under capital leases. The leases are for terms of 3 to 7 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 144,446
2019	98,395
2020	17,544
2021	<u>11,090</u>
Total Minimum Lease Payments	271,475
Less: Amount Representing Interest	<u>11,212</u>
Present Value of Minimum Lease Payments	<u>\$ 260,263</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017 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% \$750,000

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>	
2018	\$ 390,000	\$ 23,587	\$ 413,587
2019	<u>360,000</u>	<u>7,650</u>	<u>367,650</u>
	<u>\$ 750,000</u>	<u>\$ 31,237</u>	<u>\$ 781,237</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 50,880,810
Less: Net Bonded Debt	<u>750,000</u>
Remaining Borrowing Power	<u>\$ 50,130,810</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, was as follows:

	Balance, <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 1,140,000		\$ 390,000	\$ 750,000	\$ 390,000
Add:					
Unamortized Premium on Refunding	<u>15,137</u>	<u>-</u>	<u>5,953</u>	<u>9,184</u>	<u>-</u>
	1,155,137	-	395,953	759,184	390,000
Net Pension Liability	12,107,448	\$ 4,769,956	491,506	16,385,898	
State Aid Advance Loan Payable	2,500,000		250,000	2,250,000	250,000
Leases Payable	393,867		133,604	260,263	137,593
Compensated Absences Payable	<u>1,694,395</u>	<u>332,775</u>	<u>174,259</u>	<u>1,852,911</u>	<u>185,291</u>
Governmental Activity Long-Term Liabilities	<u>\$ 17,850,847</u>	<u>\$ 5,102,731</u>	<u>\$ 1,445,322</u>	<u>\$ 21,508,256</u>	<u>\$ 962,884</u>

For the governmental activities, the liabilities for leases payable, State Aid Advance Loan payable, 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 2016/2017 school year. The Board's State aid advance payment activity for the fiscal year ended June 30, 2017 is as follows:

<u>Purpose</u>	<u>Rate</u> %	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2017</u>
Advance State Aid Payment	0%	6/30/2021	\$ 2,500,000	\$ -	\$ 250,000	\$ 2,250,000
			<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 2,250,000</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 except as set forth below. In the opinion of the Board's Attorney any other potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

- ***St. Francis of Assisi Church v. Ridgefield Park Board of Education; Superior Court of New Jersey, Law Division, Bergen County; Docket No.: BER-L-5741-17:*** St. Francis of Assisi Church (the "Church") filed a Complaint on August 24, 2017, alleging that the Board breached a Lease Agreement and separate Loan Agreement it had entered into with the Church pertaining to the Jefferson School buildings ("Leased Premises") in which the Board houses certain classes. In its Complaint, the Church is seeking a declaratory judgment confirming the enforceability of the Lease, which runs through June 30, 2024, as well as ejection of the Board from the Leased Premises. In addition, the Church seeks to recover monies it alleges it advanced on the Board's behalf related to the "Build Out" of the leased premises that was required for the school buildings to comply with State regulations concerning educational facilities ("Loan"). The Church does not seek judgment as to the enforceability of the Loan, likely inasmuch as the Loan never was approved formally by the Board. The Church is seeking to recover monies it laid out for the Build Out under several equitable theories which, it claims, permit the court to award damages based upon the reasonable value of the monies the Church spent on the Board's behalf and from which the Board benefitted.

The Board's consistently held legal position is that both the Lease and Loan are void and cannot serve as the basis of any claim for damages. In July 2017, the Board gave written notice to the Church that it would exercise its rights under State law to cancel the Lease after June 30, 2018 (i.e., providing one year's advance notice), and stating that the Board was not bound to repayment of the Loan as it had never approved the Loan formally. In lieu of answering the Complaint, the Board timely filed three motions to dismiss the Complaint, as permitted by the Rules of Court, on the following grounds: 1) the court lacks jurisdiction because the case must be transferred to the Commissioner of Education as it concerns the application of the School Laws; 2) the Church failed to join a necessary and indispensable party; and 3) the complaint fails to state a claim upon which relief may be granted. The return date for the motions originally was scheduled for November 3, 2017.

Through its counsel, the Board conveyed to the Church that it is prepared to enter into such negotiations in an attempt to avoid further litigation. The parties are attempting to schedule a negotiation session. In its Complaint, the Church is seeking to recoup the balance of the alleged \$629,754.08 loan, plus interest of 2.25%. While the Board's counsel believes the Board has strong defenses to this claim, they are unable to assess a precise amount of exposure.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**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, 2017, 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, 2017, the District had no estimated arbitrage earnings due to the IRS.

**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.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

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



**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Other Pension Funds (Continued)**

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

**Basis of Accounting**

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

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

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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, 2017**

**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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 491,506	\$ 1,979,784	-
2016	474,751	1,365,310	
2015	408,994	886,842	

In addition for fiscal year 2016/2017 the District contributed \$4,810 for PERS and the State contributed \$3,765 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$1,276,061 during the fiscal year ended June 30, 2017 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, 2017**

**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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$16,385,898 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .05533 percent, which was an increase of .0014 percent from its proportionate share measured as of June 30, 2015 of .05393 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,845,768 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 304,728	
Changes of Assumptions	3,394,283	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	624,809	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,064,577</u>	<u>\$ -</u>
Total	<u>\$ 5,388,397</u>	<u>\$ -</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 1,258,044
2019	1,258,044
2020	1,396,434
2021	1,142,063
2022	333,812
Thereafter	<u>-</u>
	<u>\$ 5,388,397</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.98%, 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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	<b>1% Decrease (<u>2.98%</u>)</b>	<b>Current Discount Rate (<u>3.98%</u>)</b>	<b>1% Increase (<u>4.98%</u>)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 20,079,005</u>	<u>\$ 16,385,898</u>	<u>\$ 13,336,918</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. 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](http://www.state.nj.us/treasury/pensions).

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,079,343 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$134,147,839. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .17053 percent, which was an increase of .00649 percent from its proportionate share measured as of June 30, 2015 of .16404 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%



**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease <u>(2.22%)</u></b>	<b>Current Discount Rate <u>(3.22%)</u></b>	<b>1% Increase <u>(4.22%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 160,202,499</u>	<u>\$ 134,147,839</u>	<u>\$ 112,870,847</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program 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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

**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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$1,649,611, \$1,625,707 and \$1,407,861, 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.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Ridgefield Park Board of Education, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement is indeterminate.

**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 24,825,721		\$ 24,825,721	\$ 24,825,721	
Tuition From Other LEAs Within State	5,048,682		5,048,682	4,887,176	\$ (161,506)
Transportation Fees from Other LEAs	204,000		204,000	381,000	177,000
Rents and Royalties	120,000		120,000	120,000	
Interest Earned on Capital Reserve Funds	332		332		(332)
Unrestricted Miscellaneous Revenue	148,239	-	148,239	336,128	187,889
<b>Total Local Sources</b>	<b>30,346,974</b>	<b>-</b>	<b>30,346,974</b>	<b>30,550,025</b>	<b>203,051</b>
<b>State Sources</b>					
Categorical Special Education Aid	1,188,469		1,188,469	1,188,469	
Equalization Aid	3,427,956		3,427,956	3,427,956	
Categorical Security Aid	116,399		116,399	116,399	
Categorical Transportation Aid	53,329		53,329	53,329	
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	
Professional Learning Community Aid	20,820		20,820	20,820	
Host District Support Aid	6		6	6	
Extraordinary Aid	500,000		500,000	229,925	(270,075)
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				69,224	69,224
On-behalf TPAF Pension System Contribution - LTDI (Nonbudgeted)				3,765	3,765
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				1,910,560	1,910,560
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,649,611	1,649,611
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,276,061	1,276,061
<b>Total State Sources</b>	<b>5,462,421</b>	<b>-</b>	<b>5,462,421</b>	<b>10,101,567</b>	<b>4,639,146</b>
<b>Federal Sources</b>					
ARRA-Medical Assistance Program (SEMI)				1,964	1,964
Medical Assistance Program (SEMI)	35,866	-	35,866	25,346	(10,520)
<b>Total Federal Sources</b>	<b>35,866</b>	<b>-</b>	<b>35,866</b>	<b>27,310</b>	<b>(8,556)</b>
<b>Total Revenues</b>	<b>35,845,261</b>	<b>-</b>	<b>35,845,261</b>	<b>40,678,902</b>	<b>4,833,641</b>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs-Instruction</b>					
<b>Salaries of Teachers:</b>					
Kindergarten	542,377	\$ (8,229)	534,148	519,875	14,273
Grades 1-5	3,165,943	591,021	3,756,964	3,740,288	16,676
Grades 6-8	1,679,629	(109,850)	1,569,779	1,378,783	190,996
Grades 9-12	5,406,830	(301,006)	5,105,824	5,080,288	25,536
<b>Regular Programs-Home Instruction</b>					
Salaries of Teachers	130,000	(87,764)	42,236	42,235	1
Purchased Professional-Educational Services	15,000	(7,000)	8,000	6,072	1,928
<b>Regular Programs-Undistributed Instruction</b>					
General Supplies	200,172	(15,912)	184,260	125,397	58,863
Textbooks	6,824	-	6,824	3,493	3,331
Other Objects	734	75	809	565	244
<b>Total Regular Programs</b>	<b>11,147,509</b>	<b>61,335</b>	<b>11,208,844</b>	<b>10,896,996</b>	<b>311,848</b>
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	107,131	-	107,131	106,838	293
Other Salaries for Instruction	89,639	28,569	118,208	118,202	6
<b>Total Learning and/or Language Disabilities</b>	<b>196,770</b>	<b>28,569</b>	<b>225,339</b>	<b>225,040</b>	<b>299</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	176,302	(6,950)	169,352	169,152	200
Other Salaries for Instruction	28,963	50	29,013	29,013	-
<b>Total Behavioral Disabilities</b>	<b>205,265</b>	<b>(6,900)</b>	<b>198,365</b>	<b>198,165</b>	<b>200</b>

**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Multiple Disabilities					
Salaries of Teachers	\$ 349,639	\$ 110,058	\$ 459,697	\$ 459,612	\$ 85
Other Salaries for Instruction	259,117	110,070	369,187	350,592	18,595
Total Multiple Disabilities	608,756	220,128	828,884	810,204	18,680
Resource Room/Resource Center					
Salaries of Teachers	1,352,607	(209,647)	1,142,960	1,118,496	24,464
Other Salaries for Instruction	172,178	(32,125)	140,053	140,053	-
Total Resource Room/Resource Center	1,524,785	(241,772)	1,283,013	1,258,549	24,464
Autism					
Salaries of Teachers	300,223	(45,144)	255,079	252,612	2,467
Other Salaries for Instruction	317,193	33,206	350,399	350,399	-
Total Autism	617,416	(11,938)	605,478	603,011	2,467
Preschool Disabilities - Full-Time					
Salaries of Teachers	213,540	44,268	257,808	257,808	-
Other Salaries for Instruction	173,478	(38,593)	134,885	134,885	-
Total Preschool Disabilities - Full-Time	387,018	5,675	392,693	392,693	-
Total Special Education	3,540,010	(6,238)	3,533,772	3,487,662	46,110
Basic Skills/Remedial					
Salaries of Teachers	315,859	(211,073)	104,786	104,786	-
Total Basic Skills/Remedial	315,859	(211,073)	104,786	104,786	-
Bilingual Education - Instruction					
Salaries of Teachers	372,824	(21,033)	351,791	337,856	13,935
Total Bilingual Education - Instruction	372,824	(21,033)	351,791	337,856	13,935
School Sponsored Cocurricular Activities					
Salaries	120,000	-	120,000	120,000	-
Transfer to Cover Deficit	21,224	-	21,224	10,342	10,882
Total School Sponsored Cocurricular Activities	141,224	-	141,224	130,342	10,882
School Sponsored Athletics					
Salaries	368,418	86,152	454,570	429,484	25,086
Purchased Services	95,000	(22,990)	72,010	52,445	19,565
Supplies and Materials	46,856	10,000	56,856	36,341	20,515
Other Objects	10,000	(10,000)	-	-	-
Total School Sponsored Athletics	520,274	63,162	583,436	518,270	65,166
Total Instruction	16,037,700	(113,847)	15,923,853	15,475,912	447,941

**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 26,542	\$ 30,447	\$ 56,989	\$ 56,988	\$ 1
Tuition to County Vocational Schools-Regular	150,180	28,110	178,290	174,200	4,090
Tuition to County Vocational Schools-Special	17,820	55,880	73,700	70,876	2,824
Tuition to CSSD and Regional Day Schools	438,240	99,714	537,954	448,444	89,510
Tuition to Priv. Sch. for the Handicapped-Within State	724,957	(297,804)	427,153	412,354	14,799
Tuition - Other	35,465	-	35,465	35,465	-
<b>Total Undistributed Expenditures- Instruction</b>	<b>1,393,204</b>	<b>(83,653)</b>	<b>1,309,551</b>	<b>1,198,327</b>	<b>111,224</b>
Attendance and Social Work					
Salaries	95,033	1,095	96,128	96,128	-
Purchased Professional and Tech. Services	38,900	(430)	38,470	38,470	-
<b>Total Attendance and Social Work</b>	<b>133,933</b>	<b>665</b>	<b>134,598</b>	<b>134,598</b>	<b>-</b>
Health Services					
Salaries	434,660	6,495	441,155	439,905	1,250
Purchased Professional and Technical Services	6,000	4,686	10,686	9,846	840
Supplies and Materials	5,569	(2,411)	3,158	3,158	-
<b>Total Health Services</b>	<b>446,229</b>	<b>8,770</b>	<b>454,999</b>	<b>452,909</b>	<b>2,090</b>
Other Support Services-Students-Related Services					
Salaries	745,633	27,699	773,332	725,147	48,185
Purchased Professional-Educational Services	20,000	(3,237)	16,763	13,743	3,020
<b>Total Other Support Services-Students-Related Serv</b>	<b>765,633</b>	<b>24,462</b>	<b>790,095</b>	<b>738,890</b>	<b>51,205</b>
Other Support Services-Students-Extra Serv					
Purchased Professional-Educational Services	-	273,611	273,611	230,965	42,646
<b>Total Other Support Services-Students-Extra Serv</b>	<b>-</b>	<b>273,611</b>	<b>273,611</b>	<b>230,965</b>	<b>42,646</b>
Guidance					
Salaries of Other Professional Staff	757,772	(1,755)	756,017	755,718	299
Salaries of Secretarial and Clerical Assistants	50,228	2,999	53,227	53,227	-
Other Purchased Professional and Technical Services	17,100	1,360	18,460	13,617	4,843
Supplies and Materials	3,150	(2,686)	464	455	9
<b>Total Guidance</b>	<b>828,250</b>	<b>(82)</b>	<b>828,168</b>	<b>823,017</b>	<b>5,151</b>
Child Study Teams					
Salaries of Other Professional Staff	932,511	(46,044)	886,467	886,467	-
Salaries of Secretarial and Clerical Assistants	116,496	145	116,641	116,533	108
Supplies and Materials	-	2,420	2,420	2,420	-
<b>Total Child Study Teams</b>	<b>1,049,007</b>	<b>(43,479)</b>	<b>1,005,528</b>	<b>1,005,420</b>	<b>108</b>
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	123,832	16,933	140,765	140,665	100
Salaries of Other Professional Staff	291,400	(1,601)	289,799	289,799	-
Salaries of Secretarial and Clerical Assistants	52,048	(2,133)	49,915	49,915	-
<b>Total Improvement of Instruction Services</b>	<b>467,280</b>	<b>13,199</b>	<b>480,479</b>	<b>480,379</b>	<b>100</b>
Educational Media/School Library					
Salaries	28,963	39,435	68,398	68,398	-
<b>Total Educational Media/School Library</b>	<b>28,963</b>	<b>39,435</b>	<b>68,398</b>	<b>68,398</b>	<b>-</b>



**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 10,000	\$ (7,525)	\$ 2,475	\$ 2,475	
Other Purchased Services	-	99	99	99	-
<b>Total Instructional Staff Training Services</b>	<b>10,000</b>	<b>(7,426)</b>	<b>2,574</b>	<b>2,574</b>	<b>-</b>
Support Services- General Administration					
Salaries	296,468	(38,500)	257,968	256,566	\$ 1,402
Salaries of State Monitors	140,000	(5,264)	134,736	134,736	
Legal Services	25,000	229,027	254,027	189,873	64,154
Audit Fees	37,500	14,116	51,616	51,616	
Architectural/Engineering Services	6,000	(6,000)			
Other Purchased Professional Services	59,063	(59,063)			
Communications/Telephone	193,414	24,476	217,890	215,923	1,967
BOE Other Purchased Services	6,500	(2,764)	3,736	3,661	75
Miscellaneous Purchased Services	67,263	(3,206)	64,057	62,179	1,878
General Supplies	9,740	(5,057)	4,683	4,475	208
Judgements Against School District	230,000	20,000	250,000	250,000	
Miscellaneous Expenditures	9,700	(1,207)	8,493	8,493	
BOE Membership Dues and Fees	15,000	(590)	14,410	14,410	-
<b>Total Support Services- General Administration</b>	<b>1,095,648</b>	<b>165,968</b>	<b>1,261,616</b>	<b>1,191,932</b>	<b>69,684</b>
Support Services- School Administration					
Salaries of Principals/Assistant Principals	812,025	-	812,025	812,024	1
Salaries of Secretarial and Clerical Assistants	320,688	18,849	339,537	322,580	16,957
Other Purchased Services	227,157	(4,795)	222,362	221,993	369
Supplies and Materials	20,178	(9,399)	10,779	9,287	1,492
Other Objects	12,500	(2,260)	10,240	9,345	895
<b>Total Support Services- School Administration</b>	<b>1,392,548</b>	<b>2,395</b>	<b>1,394,943</b>	<b>1,375,229</b>	<b>19,714</b>
Central Services					
Salaries	348,558	-	348,558	337,765	10,793
Unused Vacation Payment to Terminated/Retired Staff		8,395	8,395	8,395	
Purchased Professional Services	39,911	9,468	49,379	48,346	1,033
Miscellaneous Purchased Services	2,500	(542)	1,958	1,709	249
Supplies and Materials	1,800	280	2,080	2,025	55
<b>Total Central Services</b>	<b>392,769</b>	<b>17,601</b>	<b>410,370</b>	<b>398,240</b>	<b>12,130</b>
Admin. Info. Technology					
Salaries	268,739	56,627	325,366	325,081	285
Purchased Professional Services	73,501	(4,217)	69,284	58,594	10,690
<b>Total Admin. Info. Technology</b>	<b>342,240</b>	<b>52,410</b>	<b>394,650</b>	<b>383,675</b>	<b>10,975</b>
Required Maintenance for School Facilities					
Salaries	111,994	52,524	164,518	164,518	
Cleaning, Repair and Maintenance Services	102,925	(236)	102,689	98,047	4,642
<b>Total Required Maintenance for School Facilities</b>	<b>214,919</b>	<b>52,288</b>	<b>267,207</b>	<b>262,565</b>	<b>4,642</b>
Custodial Services					
Salaries	1,104,513	114,305	1,218,818	1,162,091	56,727
Cleaning, Repair and Maintenance Service	123,405	(13,010)	110,395	88,885	21,510
Rental of Land/Bldgs Other Than Lease Purchase Agreement	733,810	4,551	738,361	735,861	2,500
Other Purchased Property Services	45,500	18,809	64,309	61,774	2,535
Insurance	237,006	5,199	242,205	242,205	
General Supplies	89,041	(17,382)	71,659	57,754	13,905
Energy (Natural Gas)	166,000	(9,238)	156,762	126,063	30,699
Energy (Electricity)	457,937	-	457,937	389,519	68,418
Energy (Oil)		10,801	10,801	9,493	1,308
Other Objects	15,000	-	15,000	-	15,000
<b>Total Custodial Services</b>	<b>2,972,212</b>	<b>114,035</b>	<b>3,086,247</b>	<b>2,873,645</b>	<b>212,602</b>

**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Transp (Between Home & School)Spec Ed	\$ 582,000	\$ (68,379)	\$ 513,621	\$ 505,815	\$ 7,806
Lease Purchase Payments - School Buses	133,740	-	133,740	133,740	
Contracted Services(Special Ed Students)-Joint Agreements	60,000	65,000	125,000	107,582	17,418
Transportation Supplies	55,000	39,467	94,467	87,810	6,657
<b>Total Student Transportation Services</b>	<b>830,740</b>	<b>36,088</b>	<b>866,828</b>	<b>834,947</b>	<b>31,881</b>
Unallocated Employee Benefits					
Social Security Contributions	484,000	(52,493)	431,507	425,353	6,154
Other Retirement Contributions - PERS	558,419	(54,117)	504,302	504,302	
Unemployment Compensation	87,000	(12,000)	75,000	56,934	18,066
Workers Compensation	264,427	605	265,032	265,029	3
Health Benefits	5,772,530	(122,299)	5,650,231	5,110,308	539,923
Tuition Reimbursement	29,500	7,125	36,625	36,592	33
Unused Sick Payment to Terminated/Retired Staff				174,259	(174,259)
Other Employee Benefits	121,000	15,000	136,000	107,657	28,343
<b>Total Unallocated Employee Benefits</b>	<b>7,316,876</b>	<b>(218,179)</b>	<b>7,098,697</b>	<b>6,680,434</b>	<b>418,263</b>
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				69,224	(69,224)
LTDI Cost				3,765	(3,765)
Normal Cost				1,910,560	(1,910,560)
Post Retirement Medical				1,649,611	(1,649,611)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,276,061	(1,276,061)
<b>Total Undistributed Expenditures</b>	<b>19,680,451</b>	<b>448,108</b>	<b>20,128,559</b>	<b>24,045,365</b>	<b>(3,916,806)</b>
<b>Total Current Expenditures</b>	<b>35,718,151</b>	<b>334,261</b>	<b>36,052,412</b>	<b>39,521,277</b>	<b>(3,468,865)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures - Required Maint for School Facilities	-	110,021	110,021	-	110,021
<b>Total Equipment</b>	<b>-</b>	<b>110,021</b>	<b>110,021</b>	<b>-</b>	<b>110,021</b>
Facilities Acquisition and Construction Services					
Architectual/Engineering Services	5,000	-	5,000		5,000
Construction Services	86,000	-	86,000		86,000
Supplies and Materials		3,237	3,237		3,237
Assessment for Debt Service on SDA Funding	1,425	-	1,425	1,425	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>92,425</b>	<b>3,237</b>	<b>95,662</b>	<b>1,425</b>	<b>94,237</b>
<b>Total Capital Outlay</b>	<b>92,425</b>	<b>113,258</b>	<b>205,683</b>	<b>1,425</b>	<b>204,258</b>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	88,230	(9,379)	78,851	78,850	1
Other Salaries for Instruction	38,475	(5,812)	32,663	32,663	-
<b>Total Summer School - Instruction</b>	<b>126,705</b>	<b>(15,191)</b>	<b>111,514</b>	<b>111,513</b>	<b>1</b>
<b>Total Summer School</b>	<b>126,705</b>	<b>(15,191)</b>	<b>111,514</b>	<b>111,513</b>	<b>1</b>
<b>Total Special Schools</b>	<b>126,705</b>	<b>(15,191)</b>	<b>111,514</b>	<b>111,513</b>	<b>1</b>
Interest Deposit to Capital Reserve	332	-	332	-	332
Transfer of Funds to Charter Schools	8,375	-	8,375	8,375	-
<b>Total Expenditures</b>	<b>35,945,988</b>	<b>432,328</b>	<b>36,378,316</b>	<b>39,642,590</b>	<b>(3,264,274)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(100,727)	(432,328)	(533,055)	1,036,312	1,569,367

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, 2017

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	\$ (100,727)	\$ (432,328)	\$ (533,055)	\$ 1,036,312	\$ 1,569,367
Fund Balances, Beginning of Year	\$ 1,313,884	-	1,313,884	1,313,884	-
Fund Balances, End of Year	\$ 1,213,157	\$ (432,328)	\$ 780,829	\$ 2,350,196	\$ 1,569,367

**Recapitulation of Fund Balance**

Restricted					
Capital Reserve				\$ 1,452,778	
Maintenance Reserve				100,000	
Assigned					
Year End Encumbrances				70,213	
ARRA/SEMI - Designated for Subsequent Year's Expenditures				1,964	
Designated for Subsequent Year's Expenditures				204,240	
Unassigned				521,001	
				2,350,196	

**Reconciliation to Governmental Fund Statements (GAAP):**

Less: 2016/2017 Final State Aid Payment Not Recognized on GAAP Basis	\$ 432,356				
2016/2017 Extraordinary Aid Payment Not Recognized on GAAP Basis	229,925				
				(662,281)	

Fund Balance Per Governmental Funds (GAAP) \$ 1,687,915

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 869,433	\$ 321,140	\$ 1,190,573	\$ 1,102,229	\$ (88,344)
Local	-	23,389	23,389	7,034	(16,355)
Total Revenues	<u>869,433</u>	<u>344,529</u>	<u>1,213,962</u>	<u>1,109,263</u>	<u>(104,699)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	261,552	156,888	418,440	413,093	5,347
Other Purchased Services	433,517	129,258	562,775	537,559	25,216
General Supplies	17,779	49,717	67,496	42,522	24,974
Other Objects	-	-	-	-	-
Total Instruction	<u>712,848</u>	<u>335,863</u>	<u>1,048,711</u>	<u>993,174</u>	<u>55,537</u>
Support Services					
Salaries of Teachers	-	-	-	-	-
Personal Services - Employee Benefits	95,036	1,151	96,187	74,491	21,696
Purchased Professional/Educational Services	48,500	997	49,497	37,066	12,431
Other Purchased Services	2,000	9,309	11,309	748	10,561
Supplies and Materials	11,049	(2,791)	8,258	3,784	4,474
Other Objects	-	-	-	-	-
Total Support Services	<u>156,585</u>	<u>8,666</u>	<u>165,251</u>	<u>116,089</u>	<u>49,162</u>
Total Expenditures	<u>869,433</u>	<u>344,529</u>	<u>1,213,962</u>	<u>1,109,263</u>	<u>104,699</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, 2017**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 40,678,902	\$ 1,109,263
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		
2015/16 , Net		10,270
2016/17		(15,091)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2015/2016) State Aid)	1,231,636	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2016/2017) State Aid)	(662,281)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 41,248,257</u>	<u>\$ 1,104,442</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 39,642,590	\$ 1,109,263
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		
2015/16 , Net		10,270
2016/17	-	(15,091)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,642,590</u>	<u>\$ 1,104,442</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 Four Fiscal Years \*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05533%	0.05393%	0.04961%	0.04671%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 16,385,898</u>	<u>\$ 12,107,448</u>	<u>\$ 9,288,719</u>	<u>\$ 8,926,288</u>
District's Covered-Employee Payroll	<u>\$ 4,002,339</u>	<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	409%	325%	258%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 491,506	\$ 474,751	\$ 408,994	\$ 351,914
Contributions in Relation to the Contractually Required Contributions	<u>491,506</u>	<u>474,751</u>	<u>408,994</u>	<u>351,914</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 4,002,339</u>	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
Contributions as a Percentage of Covered-Employee Payroll	12.28%	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 Four Fiscal Years \*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
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>134,147,839</u>	<u>103,678,148</u>	<u>86,837,427</u>	<u>85,251,840</u>
Total	<u>\$ 134,147,839</u>	<u>\$ 103,678,148</u>	<u>\$ 86,837,427</u>	<u>\$ 85,251,840</u>
District's Covered-Employee Payroll	<u>\$ 18,994,729</u>	<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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**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, 2017**

**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, 2017**

REVENUES	NCLB				Subtotal Page 2	Total 2016
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>		
Local					\$ 7,034	\$ 7,034
Federal	\$ 476,706	\$ 39,613	\$ 25,215	\$ 12,696	547,999	1,102,229
Total Revenues	<u>\$ 476,706</u>	<u>\$ 39,613</u>	<u>\$ 25,215</u>	<u>\$ 12,696</u>	<u>\$ 555,033</u>	<u>\$ 1,109,263</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 387,581		\$ 21,000	\$ 4,512		\$ 413,093
Other Purchased Services					\$ 537,559	537,559
General Supplies	19,194	-	-	7,302	16,026	42,522
Total Instruction	<u>406,775</u>	<u>-</u>	<u>21,000</u>	<u>11,814</u>	<u>553,585</u>	<u>993,174</u>
Support Services						
Personal Services - Employee Benefits	69,931		4,215	345		74,491
Purchased Prof. Education Services		\$ 35,932		434	700	37,066
Other Purchased Services					748	748
Supplies and Materials	-	3,681	-	103	-	3,784
Total Support Services	<u>69,931</u>	<u>39,613</u>	<u>4,215</u>	<u>882</u>	<u>1,448</u>	<u>116,089</u>
Total Expenditures	<u>\$ 476,706</u>	<u>\$ 39,613</u>	<u>\$ 25,215</u>	<u>\$ 12,696</u>	<u>\$ 555,033</u>	<u>\$ 1,109,263</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

REVENUES	<u>IDEA</u>			Page 2
	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Local Grants</u>	<u>Total</u>
Local			\$ 7,034	\$ 7,034
Federal	\$ 535,909	\$ 12,090	-	547,999
Total Revenues	<u>\$ 535,909</u>	<u>\$ 12,090</u>	<u>\$ 7,034</u>	<u>\$ 555,033</u>
EXPENDITURES				
Instruction				
Other Purchased Services	\$ 535,909	\$ 1,650		\$ 537,559
General Supplies	-	10,440	\$ 5,586	16,026
Total Instruction	<u>535,909</u>	<u>12,090</u>	<u>5,586</u>	<u>553,585</u>
Support Services				
Purchased Professional Education Services			700	700
Other Purchased Services			748	748
Supplies and Materials	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>1,448</u>	<u>1,448</u>
Total Expenditures	<u>\$ 535,909</u>	<u>\$ 12,090</u>	<u>\$ 7,034</u>	<u>\$ 555,033</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**



**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**ENTERPRISE FUND**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 148,952	\$ 38,289	\$ 187,241
Total Assets	<u>\$ 148,952</u>	<u>\$ 38,289</u>	<u>\$ 187,241</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ -	\$ -
Accrued Salaries and Wages		36,214	36,214
Due to Student Groups	\$ 148,952		148,952
Due to Other Funds	<u>-</u>	<u>2,075</u>	<u>2,075</u>
Total Liabilities	<u>\$ 148,952</u>	<u>\$ 38,289</u>	<u>\$ 187,241</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**THIS STATEMENT IS NOT APPLICABLE**

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
<b>ELEMENTARY SCHOOLS</b>				
Lincoln School	\$ 6,559	\$ 8,265	\$ 9,096	\$ 5,728
Grant School	10,794	4,229	4,752	10,271
Roosevelt School	15,653	12,878	12,270	16,261
Thomas Jefferson School	<u>2,818</u>	<u>1,291</u>	<u>1,919</u>	<u>2,190</u>
Total Elementary Schools	<u>35,824</u>	<u>26,663</u>	<u>28,037</u>	<u>34,450</u>
<b>JUNIOR/SENIOR HIGH SCHOOL</b>				
Student Activities Fund	85,635	265,531	263,875	87,291
Athletic Account	<u>10,504</u>	<u>49,757</u>	<u>33,050</u>	<u>27,211</u>
Total Junior/Senior High School	<u>96,139</u>	<u>315,288</u>	<u>296,925</u>	<u>114,502</u>
Total All Schools	<u>\$ 131,963</u>	<u>\$ 341,951</u>	<u>\$ 324,962</u>	<u>\$ 148,952</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, July 1, <u>2016</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2017</u></b>
<b>ASSETS</b>				
Cash	\$ 232,139	\$ 40,926,257	\$ 41,120,107	\$ 38,289
Total Assets	<u>\$ 232,139</u>	<u>\$ 40,926,257</u>	<u>\$ 41,120,107</u>	<u>\$ 38,289</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 226,853	\$ 27,594,199	\$ 27,821,052	\$ -
Accrued Salaries and Wages	211	13,332,058	13,296,055	36,214
Due to Other Funds	<u>5,075</u>	<u>-</u>	<u>3,000</u>	<u>2,075</u>
Total Liabilities	<u>\$ 232,139</u>	<u>\$ 40,926,257</u>	<u>\$ 41,120,107</u>	<u>\$ 38,289</u>

**LONG-TERM DEBT**

**RIDGEFIELD PARK BOARD OF EDUCATION  
STATEMENT OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000	7/1/2017	\$ 390,000	4.25%			
			7/1/2018	360,000	4.25%			
						<u>\$ 1,140,000</u>	<u>\$ 390,000</u>	<u>\$ 750,000</u>
						<u>\$ 1,140,000</u>	<u>\$ 390,000</u>	<u>\$ 750,000</u>



**RIDGEFIELD PARK BOARD OF EDUCATION  
STATEMENT OF LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
Computers - 2013/2014	\$ 223,300	2.10%	\$ 95,728	\$ 45,428	\$ 50,300
Computers - 2014/2015	161,000	3.497%	102,283	31,974	70,309
(2) 29 Passenger Buses	111,196	2.28%	70,053	22,190	47,863
(1) 54 Passenger Bus	89,000	2.28%	56,074	17,758	38,316
(1) Ford F-250 Truck	31,798	5.95%	21,917	7,815	14,102
(18) Powerheart AED's	63,280	N/A	47,812	8,439	39,373
			<u>\$ 393,867</u>	<u>\$ 133,604</u>	<u>\$ 260,263</u>

N/A - Not Available

**RIDGEFIELD PARK BOARD OF EDUCATION  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 304,865		\$ 304,865	\$ 304,865	
State Sources					
State Aid Type II	<u>125,298</u>	<u>-</u>	<u>125,298</u>	<u>125,298</u>	<u>-</u>
Total Revenues	<u>430,163</u>	<u>-</u>	<u>430,163</u>	<u>430,163</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	40,163		40,163	40,162	\$ 1
Principal	<u>390,000</u>	<u>-</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>
Total Expenditures	<u>430,163</u>	<u>-</u>	<u>430,163</u>	<u>430,162</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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>\$ 1</u>	<u>\$ 1</u>
Restricted for Subsequent Year's Budgets				<u>\$ 1</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.									
	2008	2009	2010	2011	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 9,798,598
Restricted	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778
Unrestricted	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)	(15,101,821)
<b>Total Governmental Activities Net Position</b>	<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>	<u>\$ (3,750,445)</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 71,572	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724	\$ 60,548	\$ 62,376	\$ 41,777
Unrestricted	165,117	227,128	293,766	304,372	296,076	185,375	96,528	(27,893)	81,140	151,632
<b>Total Business-Type Activities Net Position</b>	<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>	<u>\$ 193,409</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 9,840,375
Restricted	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778
Unrestricted	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)	(14,950,189)
<b>Total District Net Position</b>	<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>	<u>\$ (3,557,036)</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 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	\$ 22,858,044
Special Education	4,634,721	5,096,953	6,079,429	5,396,021	5,701,214	6,413,590	6,246,015	6,995,549	7,866,888	8,182,893
Other Instruction	847,759	763,391	930,966	628,816	694,429	873,942	847,413	1,457,852	1,529,858	886,992
School Sponsored Activities And Athletics	1,552,453	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,187,907	1,231,578	1,200,218
<b>Support Services:</b>										
Student & Instruction Related Services	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	7,219,993
General Administration Services	1,123,904	1,044,982	968,038	1,174,493	866,708	847,109	901,014	783,050	1,015,397	1,257,093
School Administration Services	1,707,327	1,440,219	1,592,263	1,579,245	1,630,154	1,694,347	1,702,674	1,974,276	2,347,955	2,344,568
Business / Central Services	684,997	688,780	659,642	651,281	618,510	674,922	780,122	960,210	1,162,547	1,264,396
Plant Operations And Maintenance	2,581,609	3,078,487	2,812,015	2,724,797	2,609,146	2,754,932	2,995,101	3,139,740	3,841,199	4,033,800
Pupil Transportation	618,354	641,239	605,933	658,666	630,009	712,620	619,927	571,183	1,035,240	1,149,250
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest On Long-Term Debt	132,730	134,166	133,724	124,332	111,898	96,849	82,669	78,518	62,610	40,458
<b>Total Governmental Activities Expenses</b>	<b>31,497,242</b>	<b>32,867,992</b>	<b>34,051,813</b>	<b>33,309,601</b>	<b>34,201,553</b>	<b>37,124,737</b>	<b>37,472,955</b>	<b>42,728,316</b>	<b>47,874,908</b>	<b>50,437,705</b>
<b>Business-Type Activities:</b>										
Food Service	744,732	783,571	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211	1,113,399	1,000,552
<b>Total Business-Type Activities Expense</b>	<b>744,732</b>	<b>783,571</b>	<b>826,076</b>	<b>924,580</b>	<b>997,792</b>	<b>1,066,896</b>	<b>1,104,638</b>	<b>1,078,211</b>	<b>1,113,399</b>	<b>1,000,552</b>
<b>Total District Expenses</b>	<b>\$ 32,241,974</b>	<b>\$ 33,651,563</b>	<b>\$ 34,877,889</b>	<b>\$ 34,234,181</b>	<b>\$ 35,199,345</b>	<b>\$ 38,191,633</b>	<b>\$ 38,577,593</b>	<b>\$ 43,806,527</b>	<b>\$ 48,988,307</b>	<b>\$ 51,438,257</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular	\$ 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	\$ 4,341,295
Special Education	494,964	351,683	488,861	490,572	360,744	259,433	267,532	572,649	569,807	545,881
Pupil Transportation	-	-	-	-	-	-	-	-	151,000	381,000
Operating Grants And Contributions	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	16,371,535
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>9,213,832</b>	<b>8,040,417</b>	<b>9,311,812</b>	<b>9,285,741</b>	<b>9,524,633</b>	<b>10,489,138</b>	<b>10,251,657</b>	<b>14,845,700</b>	<b>17,457,095</b>	<b>21,639,711</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	497,797	514,178	498,523	499,722	503,906	479,218	514,671	491,949	524,206	513,657
Operating Grants And Contributions	284,319	323,728	386,516	427,789	450,706	479,197	499,962	507,665	520,054	536,555
<b>Total Business Type Activities Program Revenues</b>	<b>782,116</b>	<b>837,906</b>	<b>885,039</b>	<b>927,511</b>	<b>954,612</b>	<b>958,415</b>	<b>1,014,633</b>	<b>999,614</b>	<b>1,044,260</b>	<b>1,050,212</b>
<b>Total District Program Revenues</b>	<b>\$ 9,995,948</b>	<b>\$ 8,878,323</b>	<b>\$ 10,196,851</b>	<b>\$ 10,213,252</b>	<b>\$ 10,479,245</b>	<b>\$ 11,447,553</b>	<b>\$ 11,266,290</b>	<b>\$ 15,845,314</b>	<b>\$ 18,501,355</b>	<b>\$ 22,689,923</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (22,283,410)	\$ (24,827,575)	\$ (24,740,001)	\$ (24,023,860)	\$ (24,676,920)	\$ (26,635,599)	\$ (27,221,298)	\$ (27,882,616)	\$ (30,417,813)	\$ (28,797,994)
Business-Type Activities	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	(69,139)	49,660
<b>Total District-Wide Net Expense</b>	<b>\$ (22,246,026)</b>	<b>\$ (24,773,240)</b>	<b>\$ (24,681,038)</b>	<b>\$ (24,020,929)</b>	<b>\$ (24,720,100)</b>	<b>\$ (26,744,080)</b>	<b>\$ (27,311,303)</b>	<b>\$ (27,961,213)</b>	<b>\$ (30,486,952)</b>	<b>\$ (28,748,334)</b>
<b>General Revenues And Other Changes In Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 24,825,721
Taxes Levied For Debt Service	404,264	400,000	415,000	410,000	443,246	357,230	310,238	331,079	319,881	304,865
State Aid - Unrestricted	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	3,655,996
Investment Earnings	154,755	83,929	13,641	16,987	18,380	13,600	-	-	209,780	456,128
Miscellaneous Income	104,376	68,419	239,730	62,937	394,201	496,192	131,061	150,066	(180,000)	-
<b>Total Governmental Activities</b>	<b>23,656,321</b>	<b>24,336,361</b>	<b>24,320,977</b>	<b>24,676,527</b>	<b>25,978,357</b>	<b>26,486,347</b>	<b>26,547,789</b>	<b>27,110,204</b>	<b>28,143,262</b>	<b>29,242,710</b>
<b>Business-Type Activities:</b>										
Investment Earnings	-	-	-	-	-	-	-	-	-	233
Transfers	-	-	-	-	-	-	-	-	180,000	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,000</b>	<b>233</b>
<b>Total District-Wide</b>	<b>\$ 23,656,321</b>	<b>\$ 24,336,361</b>	<b>\$ 24,320,977</b>	<b>\$ 24,676,527</b>	<b>\$ 25,978,357</b>	<b>\$ 26,486,347</b>	<b>\$ 26,547,789</b>	<b>\$ 27,110,204</b>	<b>\$ 28,323,262</b>	<b>\$ 29,242,943</b>
<b>Change In Net Position</b>										
Governmental Activities	\$ 1,372,911	\$ (491,214)	\$ (419,024)	\$ 652,667	\$ 1,301,437	\$ (149,252)	\$ (673,509)	\$ (772,412)	\$ (2,274,551)	\$ 444,716
Business-Type Activities	37,384	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	110,861	49,893
<b>Total District</b>	<b>\$ 1,410,295</b>	<b>\$ (436,879)</b>	<b>\$ (360,061)</b>	<b>\$ 655,598</b>	<b>\$ 1,258,257</b>	<b>\$ (257,733)</b>	<b>\$ (763,514)</b>	<b>\$ (851,009)</b>	<b>\$ (2,163,690)</b>	<b>\$ 494,609</b>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,318,230	\$ 1,738,553	\$ 1,664,733							
Unreserved	370,834	(44,639)	(92,596)							
Restricted				\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870	\$ 332,870	\$ 332,870	\$ 1,552,778
Committed				145,294	245,500					
Assigned					300,658	281,266	336,275	52,218	54,985	276,417
Unassigned				(146,364)	(329,272)	(307,811)	(552,477)	(978,793)	(305,607)	(141,280)
<b>Total General Fund</b>	<b>\$ 2,689,064</b>	<b>\$ 1,693,914</b>	<b>\$ 1,572,137</b>	<b>\$ 1,602,250</b>	<b>\$ 1,755,355</b>	<b>\$ 1,127,720</b>	<b>\$ 116,668</b>	<b>\$ (593,705)</b>	<b>\$ 82,248</b>	<b>\$ 1,687,915</b>
All Other Governmental Funds										
Unreserved	\$ (6,803)	\$ 49,805	\$ (56,585)							
Restricted				\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -	\$ 1
<b>Total All Other Governmental Funds</b>	<b>\$ (6,803)</b>	<b>\$ 49,805</b>	<b>\$ (56,585)</b>	<b>\$ (74,092)</b>	<b>\$ 595,079</b>	<b>\$ 198,031</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 25,130,586
Tuition Charges	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	4,887,176
Interest Earnings	154,755	83,929	13,641	16,987	18,380	13,600	-	-	-	-
Miscellaneous	104,376	68,419	239,730	62,937	407,399	512,223	131,061	187,033	372,022	844,162
State Sources	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	10,796,220
Federal Sources	870,623	882,211	2,150,059	992,725	1,146,553	1,030,628	1,102,586	1,145,227	1,108,445	1,124,718
<b>Total Revenue</b>	<b>32,870,153</b>	<b>32,376,778</b>	<b>33,632,789</b>	<b>33,962,268</b>	<b>35,502,990</b>	<b>36,975,485</b>	<b>36,799,446</b>	<b>38,170,077</b>	<b>40,815,183</b>	<b>42,782,862</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	17,418,059
Special Education Instruction	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	6,782,921
Other Instruction	862,197	757,389	794,139	795,694	692,300	871,142	845,959	1,274,876	1,300,734	678,288
School Sponsored Activities And Athletics	918,419	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,066,272	1,068,535	941,137
<b>Support Services:</b>										
Student & Inst. Related Services	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	5,808,040
General Administration Services	1,035,394	983,977	1,014,144	1,310,663	857,409	846,757	904,285	747,423	957,726	1,124,300
School Administration Services	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	1,848,350
Business / Central Services	667,618	715,856	630,314	717,740	614,634	671,127	811,163	922,305	1,072,053	1,070,653
Plant Operations And Maintenance	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	3,678,233
Pupil Transportation	618,354	641,239	605,933	658,666	630,009	712,620	619,927	566,349	945,928	1,002,600
Capital Outlay	301,071	512,379	50,452	65,876	668,898	960,429	814,904	437,546	3,400	-
<b>Debt Service:</b>										
Principal	404,918	450,000	445,968	464,548	477,929	498,893	505,381	597,581	592,317	773,604
Interest And Other Charges	215,058	104,510	147,318	136,747	123,045	108,983	94,322	89,572	73,187	51,009
Payments to Refunding Escrow Agents	86,347	-	-	-	-	-	-	-	-	-
Cost of Issuance of Refunding Bonds	98,016	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>32,306,205</b>	<b>33,315,320</b>	<b>34,003,974</b>	<b>34,022,742</b>	<b>34,756,526</b>	<b>38,100,168</b>	<b>38,231,829</b>	<b>39,411,724</b>	<b>42,459,230</b>	<b>41,177,194</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	563,948	(938,542)	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)	(1,241,647)	(1,644,047)	1,605,668
<b>Other Financing Sources (Uses)</b>										
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)	-
<b>Total Other Financing Sources (Uses)</b>	<b>184,363</b>	<b>-</b>	<b>143,018</b>	<b>73,080</b>	<b>75,812</b>	<b>100,000</b>	<b>223,300</b>	<b>531,274</b>	<b>2,320,000</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ 748,311</b>	<b>\$ (938,542)</b>	<b>\$ (228,167)</b>	<b>\$ 12,606</b>	<b>\$ 822,276</b>	<b>\$ (1,024,683)</b>	<b>\$ (1,209,083)</b>	<b>\$ (710,373)</b>	<b>\$ 675,953</b>	<b>\$ 1,605,668</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	1.94%	1.69%	1.75%	1.77%	1.76%	1.64%	1.60%	1.76%	1.57%	2.00%

\* 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>
2017	\$ 4,887,176	\$ 3,058	\$ 834,070	\$ 5,724,304
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

Source: School District records



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

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
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
2017	25,159,900	766,080,200	N/A	N/A	248,111,700	47,412,400	101,409,500	1,188,173,700		1,188,173,700	1,310,515,497	2.156

Source: County Abstract of Ratables

<sup>a</sup> 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>
2017	\$ 3.723	\$ 2.156	\$ 1.292	\$ 0.275
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	2.362	1.320	0.847	0.195

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

Source: Village Tax Duplicate

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

Taxpayer	2017		Taxpayer	2008	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 28,889,400	2.43%	Hartz Mountain Industries	\$ 50,000,000	3.19%
85 Challenger Rd LLC	28,533,000	2.40%	Bank of America	39,000,000	2.49%
65 Challenger LLC	18,000,000	1.51%	RP Holdings Inc	35,500,000	2.27%
Marlboro Apt. Corp.	17,760,900	1.49%	Mack Cali Realty	32,000,000	2.04%
100 Chall Partners LLC C/O KABR	16,500,000	1.39%	AGFA	27,500,000	1.75%
Eye Level Hub LLC	16,000,000	1.35%	Marlboro Apt Corp	18,765,000	1.20%
Ridgefield Park Lodging Assoc	14,203,600	1.20%	Pitcairn Skymark LLC	16,645,000	1.06%
Pitcairn Skymark, LLC	13,351,000	1.12%	V Y Investment Corp	12,236,800	0.78%
United Rentals North America Inc	12,321,500	1.04%	Landmark E Corp	11,040,000	0.70%
Starplex Operating LLC	10,888,600	0.92%	Scott Court Apts LLC	11,000,000	0.70%
	<u>\$ 176,448,000</u>	<u>14.85%</u>		<u>\$ 253,686,800</u>	<u>16.19%</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	
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
2017	25,130,586	25,130,586	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			
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
2017	750,000	260,263	1,010,263	13,059		77

Source: District records

(1) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
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
2017	750,000		750,000	0.06%	57

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, 2016  
(Unaudited)**

	<u>Gross Debt</u>
<b>DIRECT DEBT: (1)</b>	
Ridgefield Park School District	\$ 750,000
Village of Ridgefield Park	<u>9,484,626</u>
	<u>\$ 10,234,626</u>
 <b>OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY</b>	
Bergen County:	
County of Bergen(A)	8,785,580
Bergen County Utilities Authority - Water Pollution Control (B)	<u>3,879,905</u>
	<u>12,665,485</u>
<b>Total Direct and Overlapping Outstanding Debt</b>	<u>\$ 22,900,111</u>

**SOURCE:**

(1) Village of Ridgefield Park 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2016 billings by the total 2016 billings of the Authority.

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

**Legal Debt Margin Calculation for Fiscal Year 2017**

Equalized Valuation Basis	
2016	\$ 1,308,420,422
2015	1,224,210,100
2014	1,283,430,240
	<u>\$ 3,816,060,762</u>
	\$ 1,272,020,254
Debt Limit (4 % of Average Equalization Value)	50,880,810
Total Net Debt Applicable to Limit	750,000
Legal Debt Margin	<u>\$ 50,130,810</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>	<u>2017</u>
Debt Limit	\$ 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	\$ 50,880,810
Total Net Debt Applicable to Limit	<u>4,420,000</u>	<u>3,970,000</u>	<u>3,555,000</u>	<u>3,140,000</u>	<u>2,730,000</u>	<u>2,330,000</u>	<u>1,930,000</u>	<u>1,535,000</u>	<u>1,140,000</u>	<u>750,000</u>
Legal Debt Margin	<u>\$ 56,737,464</u>	<u>\$ 59,253,729</u>	<u>\$ 58,716,686</u>	<u>\$ 56,460,257</u>	<u>\$ 54,353,476</u>	<u>\$ 53,353,763</u>	<u>\$ 53,184,973</u>	<u>\$ 52,470,505</u>	<u>\$ 51,518,549</u>	<u>\$ 50,130,810</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.23%	6.28%	5.71%	5.27%	4.78%	4.18%	3.50%	2.84%	2.16%	1.47%

**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>
2017	4.90% (E)	\$ 75,849 (E)	13,059
2016	4.90%	75,849 (E)	13,102
2015	5.30%	75,849	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

## 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

(E) - Estimated

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

	<u>2017</u>		<u>2008</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>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>	<u>2017</u>
Instruction										
Regular	179	184	180	161	164	172	180	182	162	149
Special education	3	3	5	32	45	48	53	56	76	71
Support Services:										
Student & instruction related services	17	17	15	14	17	21	21	21	26	27
School administration services	15	15	14	14	14	14	14	15	16	11
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	3	3	3	3	3	3	3	3
Plant operations and maintenance	21	21	20	20	20	21	22	22	22	21
Pupil transportation	5	5	4	4	4	4	4	7	4	4
Other support services	12	12	11	12	14	14	14	14	14	12
<b>Total</b>	<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>	<u>307</u>

**Source:** District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio		Junior/Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary					
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%
2017	2,385	40,352,581	16,919	-1.94%	175	1:12.9	1:13.9	2,340	2,214	-1.60%	94.62%

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)**

	<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>	<u>2017</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b>Lincoln School:</b>										
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	370	371	380	383	387	416	422	359	323	313
<b>Grant School:</b>										
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	190	205	196	220	242	241	230	212	198	190
<b>Roosevelt School:</b>										
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	387	372	394	400	415	438	454	413	361	338
<b>Thomas Jefferson School:</b>										
Square Feet								22,293	22,293	22,293
Capacity (students)								240	240	240
Enrollment								141	272	256
<b><u>High School</u></b>										
<b>Ridgefield Park Jr./Sr. High School:</b>										
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	1,159	1,175	1,190	1,229	1,220	1,235	1,257	1,261	1,268	1,249
<b><u>Other</u></b>										
<b>Special Services:</b>										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Fieldhouse:</b>										
Square Feet	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875
<b>Central Office:</b>										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,000	4,000

Number of Schools at June 30, 2017  
 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>2017</u>	<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>
*School Facilities	<b>Project # (s)</b>										
Lincoln School	N/A	\$ 34,883	\$ 33,943	\$ 32,416	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349	\$ 62,703
Roosevelt School	N/A	8,507	8,278	7,906	6,412	6,046	3,707	6,734	4,002	8,706	28,260
Grant School	N/A	7,298	7,101	6,781	5,403	5,094	6,837	6,601	11,197	24,359	24,312
Jefferson School	N/A	3,128	3,044	2,907							
Junior/Senior High School	N/A	208,749	203,127	193,987	187,273	176,570	173,874	162,658	164,780	358,474	160,193
Total School Facilities		<u>262,565</u>	<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>
Grand Total		<u>\$ 262,565</u>	<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>

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, 2017  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
<b>School Package Policy</b>		
Blanket Building & Contents	\$ 450,000,000	\$ 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	5,000,000	
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**



# LVH 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  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, PSA

**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, 2017 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 November 8, 2017.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

### **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 2017-001.

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 November 8, 2017.


### **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  
November 8, 2017



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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SHERYL M. NICOLosi, CPA, PSA

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

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of 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 the Ridgefield Park Board of Education’s major federal and state programs for the fiscal year ended June 30, 2017. 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 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.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Ridgefield Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 8, 2017, 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.

*Lech, Vinci & Higgins LLP*

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

*Gary W. Higgins*

Gary W. Higgins  
Public School Accountant  
PSA Number CS00816

Fair Lawn, New Jersey  
November 8, 2017

RIDGEFIELD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal EAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Cancelled Encumb/A-P Adjustments	June 30, 2017			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Enterprise Fund:</b>																
National School Lunch Program	10.555															
Cash Assistance		171NJ304N1099	N/A	7/1/16-6/30/17	\$ 382,546				\$ 365,652	\$ 382,546		\$ (16,894)			\$ (16,894)	
Cash Assistance		16161NJ304N1099	N/A	7/1/15-6/30/16	384,599	\$ (24,690)			24,690							
Non-Cash Assistance		171NJ304N1099	N/A	7/1/16-6/30/17	82,369				82,369	80,495			\$ 1,874			
Non-Cash Assistance		16161NJ304N1099	N/A	7/1/15-6/30/16	76,147		\$ 889			889						
School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/16-6/30/17	62,486				59,089	62,486		(3,397)		(3,397)		
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	44,968	(4,342)			4,342							
<b>Total Child Nutrition Cluster</b>						(29,032)	889		536,142	526,416		(20,291)	1,874		(20,291)	
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue Fund:</b>																
IDEA Part B - Flow Through	84.027	H027A160100	FT4380-17	7/1/16-6/30/17	547,560			\$ 346	334,326	535,909		(213,234)	11,997		(201,237)	
IDEA Part B - Flow Through C/O	84.027	H027A150100	FT4380-16	7/1/15-6/30/16	559,384		\$ 11,802	(346)						\$ 11,456		
IDEA Part B - Preschool	84.173	H173A160114	FT4380-17	7/1/16-6/30/17	15,397			1,738		12,090		(15,397)	5,045		(10,352)	
IDEA Part B - Preschool C/O	84.173	H173A150114	FT4380-16	7/1/15-6/30/16	15,022		11,911	(1,738)						10,173		
<b>Total Special Education Cluster (IDEA)</b>										547,999						
Title I	84.010	S010A160030	NCLB4380-17	7/1/16-6/30/17	478,765			23,338	281,963	476,706		(196,802)	25,397		(171,405)	
Title I Carryover	84.010	S010A150030	NCLB4380-16	7/1/15-6/30/16	487,659		23,889	(23,338)						551		
Title II A	84.367A	S367A160029	NCLB4380-17	7/1/16-6/30/17	50,408			2,997	23,358	39,613	\$ 10	(27,050)	13,802		(13,248)	
Title II A Carryover	84.367A	S367A150029	NCLB4380-16	7/1/15-6/30/16	54,394		2,997	(2,997)								
Title III	84.365	S365A160030	NCLB4380-17	7/1/16-6/30/17	28,761			783	3,821	25,215		(24,940)	4,329		(20,611)	
Title III C/O	84.365	S365A150030	NCLB4380-16	7/1/15-6/30/16	28,039		871	(783)						88		
Title III Immigrant	84.365	S365A160030	NCLB4380-17	7/1/16-6/30/17	10,350			3,383		12,696		5,013	(10,350)	6,050	(4,300)	
Title III Immigrant Carryover	84.365	S365A150030	NCLB4380-16	7/1/15-6/30/16	12,464		3,383	(3,383)								
<b>Total Special Revenue Fund</b>							54,853		643,468	1,102,229	5,023	(487,773)	66,620	22,268	(421,153)	
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>General Fund:</b>																
ARRA- Medical Assistance Program (SEMI)	93.778	1705NJSMAP	N/A	4/1/09-12/31/09	1,964				1,964	1,964						
Medical Assistance Program (SEMI)	93.778	1705NJSMAP	N/A	7/1/16-6/30/17	25,346				25,346	25,346						
<b>Total General Fund</b>									27,310	27,310						
<b>Total Federal Financial Assistance</b>						\$ (29,032)	\$ 55,742	\$ -	\$ -	\$ 1,206,920	\$ 1,655,955	\$ 5,023	\$ (508,064)	\$ 68,494	\$ 22,268	\$ (441,444)

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, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2017			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2016	GAAP Receivable	Combined Total Expenditures
<b>State Department of Education</b>														
<b>General Fund:</b>														
Categorical Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 1,188,469				\$ 1,084,922	\$ 1,188,469		\$ (103,547)			\$	1,188,469
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,167,201	\$ (82,046)			82,046							
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	3,427,956				3,129,292	3,427,956		(298,664)				3,427,956
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	3,432,294	(241,267)			241,267							
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	114,282				104,325	114,282		(9,957)				114,282
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	114,282	(8,033)			8,033							
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	116,399				106,258	116,399		(10,141)				116,399
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	100,688	(7,078)			7,078							
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	20,820				19,006	20,820		(1,814)				20,820
Host District Support Aid	17-495-034-5120-102	7/1/16-6/30/17	6				5	6		(1)				6
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	20,580				18,787	20,580		(1,793)				20,580
PARCC Readiness Aid	16-495-034-5120-098	7/1/16-6/30/17	20,580	(1,447)			1,447							
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	20,580				18,787	20,580		(1,793)				20,580
Per Pupil Growth Aid	16-495-034-5120-097	7/1/16-6/30/17	20,580	(1,447)			1,447							
Total State Aid Public Cluster								4,909,092						
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	53,329				48,683	53,329		(4,646)				53,329
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	46,216	(3,248)			3,248							
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	229,925					229,925		(229,925)				229,925
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	887,070	(887,070)			887,070							
TPAF - Post Retirement Medical	17-495-034-5094-001	7/1/16-6/30/17	1,649,611				1,649,611	1,649,611						1,649,611
TPAF - NCGI	17-495-034-5094-004	7/1/16-6/30/17	69,224				69,224	69,224						69,224
TPAF - LTDI	17-495-034-5094-004	7/1/16-6/30/17	3,765				3,765	3,765						3,765
TPAF - Normal Cost	17-495-034-5094-002	7/1/16-6/30/17	1,910,560				1,910,560	1,910,560						1,910,560
Reimbursed TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	1,276,061				1,275,897	1,276,061		(164)			\$ (164)	1,276,061
Reimbursed TPAF Social Security	16-495-034-5094-003	7/1/15-6/30/16	1,389,941	(69,216)			69,216							
Total General Fund				(1,300,852)			10,739,974	10,101,567		(662,445)			(164)	10,101,567
<b>Special Revenue Fund</b>														
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			
<b>Debt Service Fund</b>														
Debt Service Aid	17-495-034-5120-017	7/1/16-6/30/17	125,298				125,298	125,298						125,298
Total Debt Service Fund							125,298	125,298						125,298
<b>State Department of Agriculture</b>														
<b>Enterprise Fund</b>														
National School Lunch	17-100-010-3350-023	7/1/16-6/30/17	10,139				9,703	10,139		(436)			(436)	10,139
National School Lunch	16-100-010-3350-023	7/1/15-6/30/16	10,529	(666)			666							
Total Enterprise Fund				(666)			10,369	10,139		(436)			(436)	10,139
Total State Financial Assistance Subject to Major Program Determination				(1,301,518)	1,747		10,875,641	10,237,004		(662,881)		1,747	(600)	10,237,004
<b>State Financial Assistance Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
TPAF - Post Retirement Medical	17-495-034-5094-001	7/1/16-6/30/17	1,649,611				(1,649,611)	(1,649,611)						(1,649,611)
TPAF - Normal Cost	17-495-034-5094-002	7/1/16-6/30/17	1,910,560				(1,910,560)	(1,910,560)						(1,910,560)
TPAF - LTDI	17-495-034-5094-004	7/1/16-6/30/17	3,765				(3,765)	(3,765)						(3,765)
TPAF - NCGI	17-495-034-5094-004	7/1/16-6/30/17	69,224				(69,224)	(69,224)						(69,224)
Total State Financial Assistance Subject to Single Audit				\$ (1,301,518)	\$ 1,747	\$ -	\$ 7,242,481	\$ 6,603,844	\$ -	\$ (662,881)	\$ -	\$ 1,747	\$ (600)	\$ 6,603,844

**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, 2017**

**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 schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$569,355 for the general fund and an decrease of \$4,821 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	\$ 27,310	\$ 10,670,922	\$ 10,698,232
Special Revenue Fund	1,097,408		1,097,408
Debt Service Fund		125,298	125,298
Food Service Fund	526,416	10,139	536,555
Total Financial Assistance	<u>\$ 1,651,134</u>	<u>\$ 10,806,359</u>	<u>\$ 12,457,493</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, 2017**

**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, 2017, which is not 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>\$ 2,250,000</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 \$1,276,061 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$1,979,784, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,649,611 and TPAF Long-Term Disability Insurance in the amount of \$3,765 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions 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, 2017**

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?  X  yes \_\_\_\_\_ no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? \_\_\_\_\_ yes  X  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>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch</u>
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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>17-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-102</u>	<u>Host District Support Aid</u>
<u>17-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes      X   no

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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 2017-001**

Pursuant to State statute, if the Chief School Administrator does not reconcile the District's bank accounts and prepare a monthly cash report, the Board of Trustees shall designate an employee other than the Board Secretary to perform said duties. The Board's designee to prepare the District's bank reconciliations retired during the 2016/17 fiscal year; however, a new designee was not appointed and the Board Secretary only prepared monthly outstanding checklists and monthly cash reports. Formal bank reconciliations were not prepared.

**Criteria or specific requirement:**

N.J.S.A. 18A:17-9 "Secretary; report of appropriations, etc.; custodial duties, etc."

**Condition:**

See Finding 2017-001.

**Context**

Subsequent to the retirement of the Board designee for the months of September 2016 through June 2017, the Chief School Administrator did not reconcile the District's bank accounts and prepare a monthly cash report and the Board of Trustees did not designate an employee other than the Board Secretary to perform said duties. The Board Secretary prepared monthly outstanding checklists and monthly cash reports.

**Effect**

- Lack of segregation of duties relating to the preparation of monthly bank reconciliations and maintaining the books or original entry, including the general ledger and cash receipts and cash disbursements ledger.
- Formal bank reconciliations were not prepared.

**Cause**

Failure to appoint a new Board designee to prepare monthly bank reconciliations and the monthly cash report.

**Recommendation**

The Board designate an employee other than the Board Secretary to perform formal monthly bank reconciliations for all District accounts and the monthly cash report.

**View of Responsible Officials and Planned Corrective Action:**

A resolution will be proposed to the Board of Education at the next available meeting appointing an employee, other than the Board Secretary, to prepare monthly bank reconciliations and the monthly cash report.

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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.

**CURRENT YEAR FEDERAL 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, 2017**

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. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**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.

**Status**

Corrective action has been taken.

**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.

**Status**

Corrective action has been taken.