

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

**River Edge, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
River Edge Board of Education  
River Edge, New Jersey  
For The Fiscal Year Ended June 30, 2017**

**Prepared by:  
Business Office**

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**INTRODUCTORY SECTION**

# River Edge Elementary Schools

410 Bogert Road, River Edge, New Jersey 07661  
201-261-3408 201-261-3404  
Fax 201-261-0698

*"Building Bright Futures Together"*

Dr. Tova Ben-Dov  
Superintendent of Schools

Louise A. Napolitano  
Board Secretary/Business Administration

September 15, 2017

Honorable President and  
Members of the Board of Education  
River Edge School District  
River Edge, NJ 07661

Dear Board Members:

The comprehensive annual financial report of the River Edge School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and result of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the Districts' financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the "Independent Auditor's Report", management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the State single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** River Edge School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The River Edge 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 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 1,183 students, which is 13 additional students than the previous year's enrollment. The following details show the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016/17	1,183	1.1
2015/16	1,170	(2.9)
2014/15	1,205	3.5
2013/14	1,164	(3.2)
2012/13	1,202	2.0
2011/12	1,179	(1.5)
2010/11	1,197	(.7)
2009/10	1,206	4.1
2008/09	1,158	.3
2007/08	1,154	2.3

**2.) ECONOMIC CONDITION AND OUTLOOK:** The River Edge area is a stable community with a growing number of new residences each year. In anticipation of increased enrollment due to new development in town the BOE engaged in a new demographic study and commissioned the architects to evaluate the current use of facilities and make recommendations for optimal use of space. While no action was taken to change grade configurations, school enrollment lines, or initiate a referendum the district remains vigilant about the enrollment situation. The Mayor and Council are actively engaged in developing plans for the redevelopment of the business district which will include additional housing. A new luxury apartment complex is slated for completion in September 2018. It will have 69 units including 7 senior living spaces and 26-1 bedroom and 36-2 bedroom.

**3.) MAJOR INITIATIVES:**

The River Edge Public School District continues to strive to educate all children within the district. Beginning in September 2007 when New Bridge Center was opened, the building has housed the Early Childhood wing and several special education classes. 2011-2012 brought the creation of a third special education class that serves a slightly different student population. These classes are educationally appropriate for the students and have provided the district with cost savings. In addition, the classes are a source of revenue by accepting students from other districts to join the classes on a tuition basis. In 2012-2013 River Edge implemented a full day Kindergarten that has been very successful and is currently serving 156 students in 9 classes. Due to the increase in K enrollment starting in the 2014-15 school year the Kindergarten classes were transferred to their home schools (RS and CHS) thus relieving some classroom space for the growing enrollment in CHS.

Our community continues to attract new residents seeking an excellent school system. Curriculum and staff development are guided by a Bi-Borough Supervisor of Curriculum and Instruction with costs for this position shared by the Oradell and River Edge School Districts. This consortium was created in 2014-15 school year. The River Edge Schools have also included the position of a Literacy Coach/Supervisor to guide the implementation of Reading/Writing Workshop programs and implement the Common Core State Standards as well as a Math and Science Coach/Supervisor to increase rigor in these subject areas. During the 2012-13 school year River Edge updated its technology Infra Structure and added technological devices to better prepare students for the 21<sup>st</sup> Century. During the 2013-14 School year the River Edge School District has also upgraded its safety provisions and protocols for students, including the addition of safety cameras in school buildings. We also began a one-on-one technology initiative of ChromeBooks for 6<sup>th</sup> grade. The Board of Education continues to support professional development efforts in order to maintain instructional excellence in the district. During 2014-17 we continued to augment our one-on-one technology initiative by adding individual devices for younger students. Currently all students in grades 3-6 are able to use individual devices. We also added a position of a second technology coach to help guide teachers and students. We updated and improved our curriculum to include 21<sup>st</sup> Century and Technology skills and integrated them into the

curriculum. For the 2015-16 school year the technology labs were converted to classrooms as they were no longer needed due to our one-on-one initiative. This also freed up to classrooms to accommodate enrollment.

Math and Social Studies online resources were added and we deepened our alignment to the Common Core State Standards (CCSS) and began to prepare for the transition to the NJSLs. At the same time instructional efforts were increased to add rigor to the math curriculum and to enhance students' higher-order thinking in all areas of the curriculum. It was supported and implemented again with modifications during the 2016-17 school year.

The River Edge School district is committed to a philosophy and practice of differentiation. During the 2015-16 school year the Post-dismissal Instructional Academy was added to help struggling students to reach their academic potential.

Students in River Edge enjoy a wide variety of educational experiences that extend and broaden the curriculum. During the 2016-17 school year we began to develop and implement our STEAM program. To this end we started the conversion of the Discovery Labs to STEAM Labs and provided PD for teachers to support the development of the program in grades K-6. Students enjoy an excellent fine arts program that includes general music instruction for all and instrumental music opportunities for older students. Several performance opportunities for Chorus and Band groups are offered each year. Musically talented and art talented students are given special opportunities to develop their skills through club programs that meet at lunchtime. The physical education program develops students' physical skills and introduces them to lifelong activities that will contribute to their physical well-being in the future. Developmental physical education is offered to students who need extra time and attention to demonstrate good skill development.

Character development is an important part of the school program. Pupil Assistance Counselors provide social/emotional support to students in crisis and design proactive programs for building students' self-confidence and resiliency. The school nurses and principals work closely with the counselors to identify students and design intervention and pro-active Anti-bullying programs that are proactive, meaningful, and appropriate. Mindfulness and flexible seating also became part of our program supporting the mind and body connection. Multiculturalism became an important staple of our program. It was integrated and pursued through literature, lessons, and activities. Special programs were held for students and families new to the district.

Teachers and students from the River Edge Schools are often recognized for excellence by national, state and local educational agencies. During multiple years from 2009-10 students were recognized for achievements in the New Jersey Stock Market Game and the County Poster Contest. In subsequent years students ranked very high in the NJ Math Olympics. Student art work is often displayed at local cultural centers and musical groups perform for local community groups. Teachers lead staff development courses, teach at universities in the area and serve as consultants to other districts on science and authentic assessment topics. In addition, our administrators serve on the executive boards of their local professional organizations.

Parents are actively involved in our schools; Parent Teacher Organizations take an active role in supporting instructional decisions and activities by communicating school goals and programs to parents and by fundraising to help finance field trips, assemblies, and the purchase of additional instructional, enrichment materials. In addition, parents serve on committees to consider new programs or initiatives for the district, to establish school goals, and to provide valuable input for technology decisions and the development of security procedures for the schools.

**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 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 each District has complied with applicable laws and regulations.

**5.) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

**6.) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements".

**7.) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government 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 and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.


**9.) OTHER INFORMATION:**

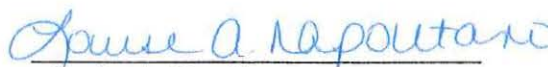
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of a single audit in accordance with New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and individual fund financial 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.

**11.) ACKNOWLEDGMENTS:**

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

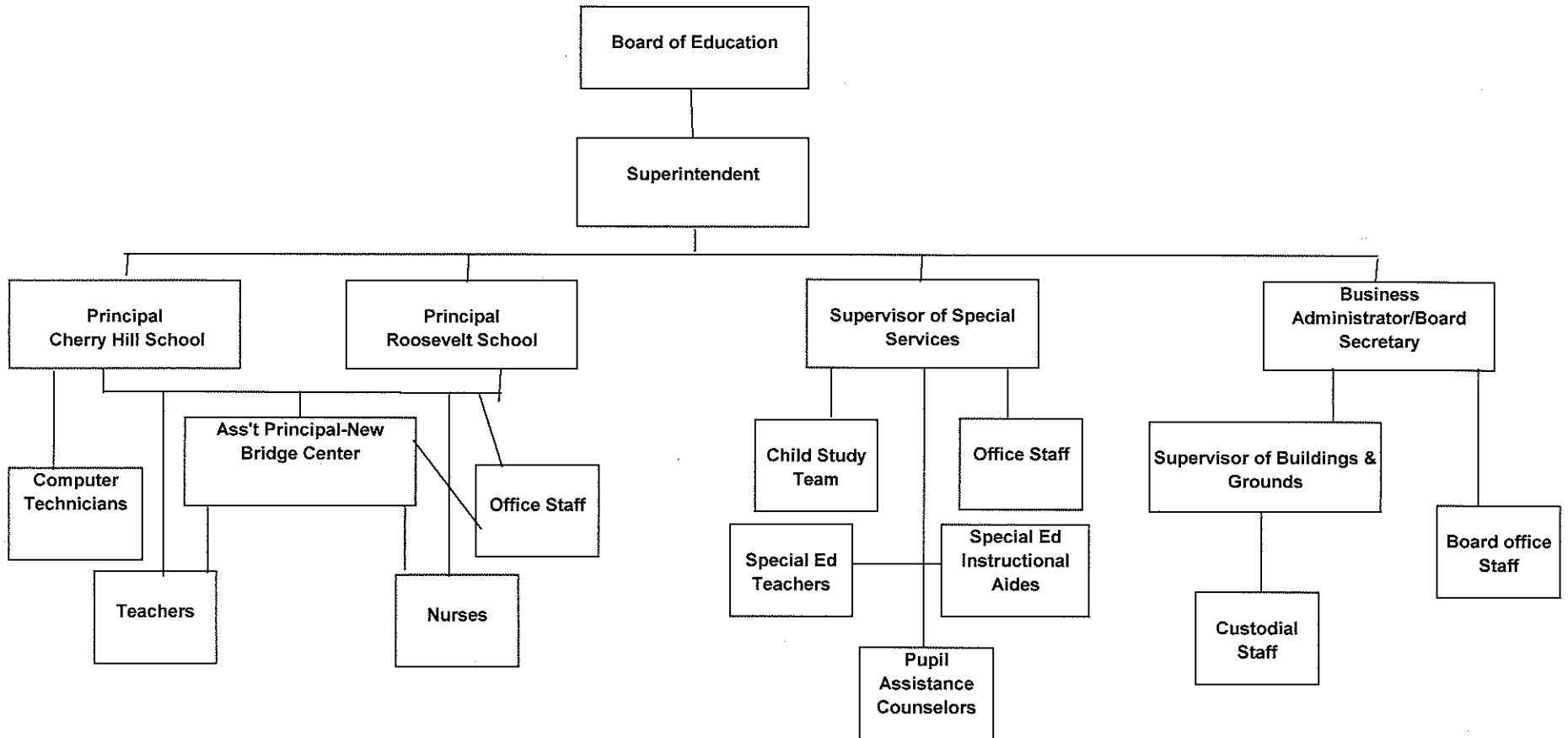
Respectfully submitted,

  
Dr. Tova Ben-Dov  
Superintendent of Schools

  
Louise A. Napolitano  
Board Secretary/Business Administrator

RIVER EDGE BOARD OF EDUCATION

ORGANIZATIONAL CHART



**RIVER EDGE BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires January</u>
Paris Myers - President	2020
Gyuchang Sim – Vice President	2019
Sheli Dansky	2018
Cathy Danahy	2018
Michael Koth	2019
Caleb Herbst	2020
Colin Busteed	2019

Other Officials

Dr. Tova Ben-Dov – Superintendent

Joseph Bellino – Interim Business Administrator/Board Secretary (December 1, 2016 - June 30, 2017)

Patricia A. Salvati – Business Administrator /Board Secretary (July 1, 2016 - December 12, 2016)

Antoinette Kelly – Treasurer

**RIVER EDGE BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

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

**Attorney**

Stephen Fogarty, Esq.  
Fogarty & Hara  
16-00 Route 208 S  
Fair Lawn, NJ 07410

**Official Depository**

Capital One Bank  
710 Route 46 East  
Fairfield, NJ 07004

**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  
River Edge Board of Education  
River Edge, 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 River Edge 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 River Edge 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*

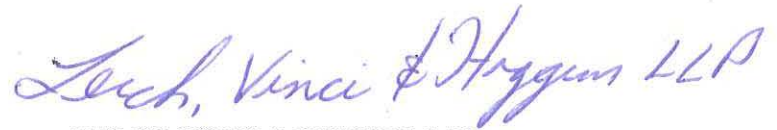
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Edge Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 River Edge Board of Education.

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

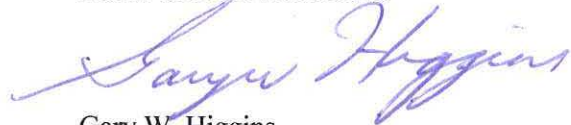
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2017 on our consideration of the River Edge 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 River Edge 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 River Edge 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  
September 15, 2017

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

This discussion and analysis of the River Edge School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2017 is as follows:

- General revenues accounted for \$16,316,094 or 66 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,437,661 or 34 percent of total revenues of \$24,753,755.
- The School District had \$25,422,719 in expenses; only \$8,437,661 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,316,094 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$18,392,621 in revenues and \$18,499,402 in expenditures and other financing uses. The General Fund's fund balance decreased by \$106,781 from the fiscal year ended June 30, 2016.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Using this 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 that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provides information about the activities of the entire 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 show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2017?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 School District's net position and changes in those positions. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. 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.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Reporting the School District as a Whole (Continued)**

**Statement of Net Position and the Statement of Activities (Continued)**

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

- Governmental activities – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type activities – These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Summer Enrichment Program enterprise funds are reported as business-type activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General, Special Revenue, Capital Projects and Debt Service Funds. The District's Enterprise Funds include the Food Service Fund and Summer Enrichment Program Fund.

**Governmental Funds**

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to 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 Funds**

The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**The District as a Whole**

The Statement of Net Position provides one perspective of the District as a whole.

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

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other assets	\$ 2,505,588	\$ 2,544,742	\$ 85,268	\$ 77,537	\$ 2,590,856	\$ 2,622,279
Capital assets, net	<u>19,472,128</u>	<u>20,149,229</u>	<u>-</u>	<u>-</u>	<u>19,472,128</u>	<u>20,149,229</u>
Total assets	<u>21,977,716</u>	<u>22,693,971</u>	<u>85,268</u>	<u>77,537</u>	<u>22,062,984</u>	<u>22,771,508</u>
<b>Deferred Outflow of Resources</b>						
Deferred Amount on Refunding of Debt	992,303	1,101,697			992,303	1,101,697
Deferred Amounts on Net Pension Liability	<u>3,454,319</u>	<u>1,621,658</u>	<u>-</u>	<u>-</u>	<u>3,454,319</u>	<u>1,621,658</u>
Total Deferred Outflow of Resources	<u>4,446,622</u>	<u>2,723,355</u>	<u>-</u>	<u>-</u>	<u>4,446,622</u>	<u>2,723,355</u>
Total Assets and Deferred Outflow of Resources	<u>26,424,338</u>	<u>25,417,326</u>	<u>85,268</u>	<u>77,537</u>	<u>26,509,606</u>	<u>25,494,863</u>
<b>Liabilities</b>						
Long-term liabilities	27,744,834	25,838,532			27,744,834	25,838,532
Other liabilities	<u>290,553</u>	<u>391,215</u>	<u>55,917</u>	<u>53,105</u>	<u>346,470</u>	<u>444,320</u>
Total liabilities	<u>28,035,387</u>	<u>26,229,747</u>	<u>55,917</u>	<u>53,105</u>	<u>28,091,304</u>	<u>26,282,852</u>
<b>Deferred Inflow of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>-</u>	<u>124,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,745</u>
Total Deferred Inflow of Resources	<u>-</u>	<u>124,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,745</u>
Total Liabilities and Deferred Inflow of Resources	<u>28,035,387</u>	<u>26,354,492</u>	<u>55,917</u>	<u>53,105</u>	<u>28,091,304</u>	<u>26,407,597</u>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 3,302,158	\$ 3,171,066			\$ 3,302,158	\$ 3,171,066
Restricted	1,026,840	1,059,966			1,026,840	1,059,966
Unrestricted	<u>(5,940,047)</u>	<u>(5,168,198)</u>	<u>\$ 29,351</u>	<u>\$ 24,432</u>	<u>(5,910,696)</u>	<u>(5,143,766)</u>
Total net position	<u>\$ (1,611,049)</u>	<u>\$ (937,166)</u>	<u>\$ 29,351</u>	<u>\$ 24,432</u>	<u>\$ (1,581,698)</u>	<u>\$ (912,734)</u>

The District's combined net position were \$(1,581,698) and \$(912,734) as of June 30, 2017 and 2016, respectively.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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**

	<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>						
Program revenues						
Charges for services	\$ 693,242	\$ 835,142	\$ 68,402	\$ 70,770	\$ 761,644	\$ 905,912
Operating grants and contributions	7,676,017	5,999,315			7,676,017	5,999,315
Capital grants and contributions		9,593			-	9,593
General revenues						
Property Taxes	15,923,313	15,509,911			15,923,313	15,509,911
Other revenues	392,716	507,275	65	119	392,781	507,394
Total revenues	<u>24,685,288</u>	<u>22,861,236</u>	<u>68,467</u>	<u>70,889</u>	<u>24,753,755</u>	<u>22,932,125</u>
<b>Program Expenses</b>						
Instruction	16,364,609	14,885,547			16,364,609	14,885,547
Support services						
Student and Instructional Related Services	3,174,664	2,681,295			3,174,664	2,681,295
General administration, school administration, business/central	2,684,220	2,376,463			2,684,220	2,376,463
Plant Operation and Maintenance	2,427,827	2,191,767			2,427,827	2,191,767
Pupil Transportation	111,639	99,234			111,639	99,234
Interest on debt	596,212	625,235			596,212	625,235
Food service and summer enrichment	-	-	63,548	69,858	63,548	69,858
Total expenses	<u>25,359,171</u>	<u>22,859,541</u>	<u>63,548</u>	<u>69,858</u>	<u>25,422,719</u>	<u>22,929,399</u>
Change in net position	(673,883)	1,695	4,919	1,031	(668,964)	2,726
Net Position Beginning of Year	<u>(937,166)</u>	<u>(938,861)</u>	<u>24,432</u>	<u>23,401</u>	<u>(912,734)</u>	<u>(915,460)</u>
Net Position End of Year	<u>\$ (1,611,049)</u>	<u>\$ (937,166)</u>	<u>\$ 29,351</u>	<u>\$ 24,432</u>	<u>\$ (1,581,698)</u>	<u>\$ (912,734)</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 65 and 68 percent of revenues for governmental activities for the River Edge School District in fiscal years 2017 and 2016, respectively. The District's total revenues were \$24,685,288 and \$22,861,236 for the fiscal years ended June 30, 2017 and 2016, respectively. Federal, state, and local grants accounted for 32 and 27 percent of revenue for 2017 and 2016, respectively. The total cost of all programs and services was \$25,359,171 and \$22,859,541 for the fiscal years ended June 30, 2017 and 2016, respectively. Instruction comprises 65 and 64 percent of District expenses for the fiscal years ended June 30, 2017 and 2016, respectively.



**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Business-Type Activities**

Revenues for the District's business-type activities (Food Service Fund and Summer Enrichment Program Fund) were comprised of charges for services.

- Total business-type activities revenues exceeded expenses by \$4,919.
- Charges for services of \$68,402 represent 99 percent of revenue. This represents amounts paid for daily milk service and for summer enrichment program services.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

Total Cost and Net Cost of Services

	<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	\$ 16,364,609	\$ 14,885,547	\$ 8,833,540	\$ 8,873,146
Support services				
Student and Instructional Related Services	3,174,664	2,681,295	2,838,668	2,274,144
General administration, school administration, Business/Central	2,684,220	2,376,463	2,186,410	1,965,806
Plant Operation and Maintenance	2,427,827	2,191,767	2,427,827	2,182,174
Pupil Transportation	111,639	99,234	107,255	94,986
Interest and fiscal charges	<u>596,212</u>	<u>625,235</u>	<u>596,212</u>	<u>625,235</u>
 Total Expenses	 <u>\$ 25,359,171</u>	 <u>\$ 22,859,541</u>	 <u>\$ 16,989,912</u>	 <u>\$ 16,015,491</u>

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Student and instructional related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business/central services include expenses associated with administration and financial supervision of the District.

Plant operation and maintenance involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,882,389 and \$20,413,065 and expenditures were \$20,828,857 and \$20,161,649 during the fiscal years ended June 30, 2017 and 2016, respectively.

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 fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2017 and 2016.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2017</u>	<u>2016</u>		
Local Sources	\$ 16,743,295	\$ 16,589,766	\$ 153,529	0.93%
State Sources	3,606,474	3,334,193	272,281	8.17%
Federal Sources	532,620	489,106	43,514	8.90%
<b>Total Revenues</b>	<b><u>\$ 20,882,389</u></b>	<b><u>\$ 20,413,065</u></b>	<b><u>\$ 469,324</u></b>	<b>2.30%</b>

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

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

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

	<u>Year Ended June 30,</u>		Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
	<u>2017</u>	<u>2016</u>		
Current:				
Instruction	\$ 12,881,556	\$ 12,540,498	\$ 341,058	2.72%
Undistributed Expenditures	6,496,150	6,186,671	309,479	5.00%
Capital Outlay	38,770	22,002	16,768	76.21%
Debt Service:				
Principal	840,000	815,000	25,000	3.07%
Interest and Other Charges	<u>572,381</u>	<u>597,478</u>	<u>(25,097)</u>	-4.20%
 Total Expenditures	 <u>\$ 20,828,857</u>	 <u>\$ 20,161,649</u>	 <u>\$ 667,208</u>	 3.31%

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over expenditures in specific line item accounts.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**Capital Assets**

At the end of fiscal years 2017 and 2016, the District had \$19,472,128 and \$20,149,229 (net of depreciation), respectively, in land, construction in progress, buildings, furniture, equipment and vehicles. Table 4 shows the capital assets balances, net of depreciation at June 30, 2017 and 2016.

Table 4  
Capital Assets at June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 28,106	\$ 28,106			\$ 28,106	\$ 28,106
Construction in Progress	35,610				35,610	
Improvements Other Than Buildings	21,000	21,000			21,000	21,000
Buildings and Building Improvements	28,167,575	28,167,575			28,167,575	28,167,575
Machinery and Equipment	<u>436,700</u>	<u>433,540</u>	\$ 2,589	\$ 2,589	<u>439,289</u>	<u>436,129</u>
	28,688,991	28,650,221	2,589	2,589	28,691,580	28,652,810
Less Accumulated Depreciation	<u>(9,216,863)</u>	<u>(8,500,992)</u>	<u>(2,589)</u>	<u>(2,589)</u>	<u>(9,219,452)</u>	<u>(8,503,581)</u>
Capital Assets, Net	<u>\$ 19,472,128</u>	<u>\$ 20,149,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,472,128</u>	<u>\$ 20,149,229</u>

Additional information relating to the District's capital assets can be found in Note 3 to the financial statements.

**Debt Administration**

At June 30, 2017 and 2016, the District had \$27,744,834 and \$25,838,532 of outstanding long-term liabilities, respectively.

Table 5 shows an analysis of the outstanding liabilities.

	<u>2017</u>	<u>2016</u>
Bonds Payable (Including Unamortized Premium)	\$ 17,162,273	\$ 18,079,860
Net Pension Liability	<u>10,582,561</u>	<u>7,758,672</u>
	<u>\$ 27,744,834</u>	<u>\$ 25,838,532</u>

At June 30, 2017, the District's overall legal remaining debt margin was \$25,242,556.

Additional information pertaining to the District's long term debt can be found in Note 3 to the financial statements.

**RIVER EDGE BOARD OF EDUCATION  
RIVER EDGE, NEW JERSEY**

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

**For the Future**

Currently, the District is in sound financial condition. Everyone associated with the River Edge School District is grateful for the community support of the schools. The District's major concerns are continued enrollment growth and the ability to maintain optimum class sizes and excellent services. This, in an environment of uncertain state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the River Edge School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

**Contacting the District's Financial Management**

If you have questions about this report or need additional information, contact the School Business Administrator at the River Edge Board of Education, 410 Bogert Road, River Edge, NJ 07661.

**FINANCIAL STATEMENTS**

**RIVER EDGE 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	\$ 2,190,300	\$ 85,268	\$ 2,275,568
Receivables, net			
Receivables from Other Governments	303,273		303,273
Other	3,787		3,787
Due From Other Funds	8,228		8,228
Capital Assets, net			
Not Being Depreciated	63,716		63,716
Being Depreciated	<u>19,408,412</u>	<u>-</u>	<u>19,408,412</u>
Total Assets	<u>21,977,716</u>	<u>85,268</u>	<u>22,062,984</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	992,303		992,303
Deferred Amounts on Net Pension Liability	<u>3,454,319</u>	<u>-</u>	<u>3,454,319</u>
Total Deferred Outflow of Resources	<u>4,446,622</u>	<u>-</u>	<u>4,446,622</u>
Total Assets and Deferred Outflows of Resources	<u>26,424,338</u>	<u>85,268</u>	<u>26,509,606</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Salaries	52,382		52,382
Payable to State Government	60,036		60,036
Accrued Interest Payable	158,192		158,192
Unearned Revenue	19,943	55,917	75,860
Noncurrent Liabilities			
Due within one year	865,000		865,000
Due beyond one year	<u>26,879,834</u>	<u>-</u>	<u>26,879,834</u>
Total Liabilities	<u>28,035,387</u>	<u>55,917</u>	<u>28,091,304</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,302,158		3,302,158
Restricted for			
Capital Projects	914,617		914,617
Other Purposes	112,223		112,223
Unrestricted	<u>(5,940,047)</u>	<u>29,351</u>	<u>(5,910,696)</u>
Total Net Position	<u>\$ (1,611,049)</u>	<u>\$ 29,351</u>	<u>\$ (1,581,698)</u>

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

**RIVER EDGE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Net (Expense) Revenue and  
Changes in Net Position**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 9,955,637	\$ 42,060	\$ 3,489,645		\$ (6,423,932)		\$ (6,423,932)
Special Education	4,963,621	651,182	2,549,700		(1,762,739)		(1,762,739)
Other Instruction	1,445,351		798,482		(646,869)		(646,869)
Support Services							
Student and Instruction Related Services	3,174,664		335,996		(2,838,668)		(2,838,668)
General Administration Services	776,820		214,896		(561,924)		(561,924)
School Administration Services	1,356,528		214,802		(1,141,726)		(1,141,726)
Business/Central Services	550,872		68,112		(482,760)		(482,760)
Plant Operations and Maintenance	2,427,827				(2,427,827)		(2,427,827)
Pupil Transportation	111,639		4,384		(107,255)		(107,255)
Interest and Other Charges on Debt	596,212	-	-	-	(596,212)	-	(596,212)
Total Governmental Activities	<u>25,359,171</u>	<u>693,242</u>	<u>7,676,017</u>	<u>-</u>	<u>(16,989,912)</u>	<u>-</u>	<u>(16,989,912)</u>
<b>Business-Type Activities</b>							
Food Service	11,428	12,167				\$ 739	739
Summer Enrichment Program	52,120	56,235	-	-	-	4,115	4,115
Total Business-Type Activities	<u>63,548</u>	<u>68,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,854</u>	<u>4,854</u>
Total Primary Government	<u>\$ 25,422,719</u>	<u>\$ 761,644</u>	<u>\$ 7,676,017</u>	<u>\$ -</u>	<u>(16,989,912)</u>	<u>4,854</u>	<u>(16,985,058)</u>
<b>General Revenues</b>							
Property Taxes, levied for General Purposes					14,707,943		14,707,943
Property Taxes, levied for Debt Service					1,215,370		1,215,370
State Aid - Unrestricted					269,763		269,763
Investment Earnings					6,387	65	6,452
Miscellaneous Income					116,566	-	116,566
Total General Revenues					<u>16,316,029</u>	<u>65</u>	<u>16,316,094</u>
Change in Net Position					(673,883)	4,919	(668,964)
Net Position, Beginning of Year					(937,166)	24,432	(912,734)
Net Position, End of Year					<u>\$ (1,611,049)</u>	<u>\$ 29,351</u>	<u>\$ (1,581,698)</u>

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



**FUND FINANCIAL STATEMENTS**

**RIVER EDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,023,687		\$ 164,390	\$ 2,223	\$ 2,190,300
Receivables, Net					
Due from Other Funds	168,051				168,051
Receivables from Other Governments	62,361	\$ 240,912			303,273
Other Receivables	-	3,787	-	-	3,787
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 2,254,099</u>	<u>\$ 244,699</u>	<u>\$ 164,390</u>	<u>\$ 2,223</u>	<u>\$ 2,665,411</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Salaries	\$ 43,235	\$ 9,147			\$ 52,382
Due to Other Funds		159,823			159,823
Payable to State Government		60,036			60,036
Unearned Revenue	4,250	15,693	-	-	19,943
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>47,485</u>	<u>244,699</u>	<u>-</u>	<u>-</u>	<u>292,184</u>
<b>Fund Balances</b>					
<b>Restricted:</b>					
Capital Reserve	650,227				650,227
Capital Reserve - Designated for Subsequent Year's Expenditures	100,000				100,000
Maintenance Reserve	110,000				110,000
Excess Surplus - Designated for Subsequent Year's Expenditures	575,000				575,000
Excess Surplus	500,000				500,000
Capital Projects Fund			\$ 164,390		164,390
Debt Service Fund				\$ 2,223	2,223
<b>Assigned:</b>					
Year-end Encumbrances	113,777				113,777
<b>Unassigned</b>					
General Fund	157,610	-	-	-	157,610
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>2,206,614</u>	<u>-</u>	<u>164,390</u>	<u>2,223</u>	<u>2,373,227</u>
Total Liabilities and Fund Balances	<u>\$ 2,254,099</u>	<u>\$ 244,699</u>	<u>\$ 164,390</u>	<u>\$ 2,223</u>	

**RIVER EDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$ 2,373,227</b>
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,688,991 and the accumulated depreciation is \$9,216,863.	19,472,128
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:	(158,192)
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.	992,303
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	\$ 3,454,319
Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:	
Bonds Payable	\$ (16,425,000)
Add: Unamortized Premium	(737,273)
Net Pension Liability	(10,582,561)
	(27,744,834)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$ (1,611,049)</b>

**RIVER EDGE 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>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 14,707,943			\$ 1,215,370	\$ 15,923,313
Tuition	693,242				693,242
Interest	6,387				6,387
Miscellaneous	116,566	\$ 3,787	-	-	120,353
<b>Total - Local Sources</b>	<u>15,524,138</u>	<u>3,787</u>	<u>-</u>	<u>1,215,370</u>	<u>16,743,295</u>
State Sources	2,868,483	545,057		192,934	3,606,474
Federal Sources	-	532,620	-	-	532,620
<b>Total Revenues</b>	<u>18,392,621</u>	<u>1,081,464</u>	<u>-</u>	<u>1,408,304</u>	<u>20,882,389</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	7,679,457	81,410			7,760,867
Special Education Instruction	3,681,307	226,176			3,907,483
Other Instruction	775,324	437,882			1,213,206
Support Services and Undistributed Costs					
Student and Instruction Related Services	2,374,146	335,996			2,710,142
General Administration Services	638,475				638,475
School Administration Services	1,087,474				1,087,474
Business/Central Services	448,738				448,738
Plant Operations and Maintenance	1,519,343				1,519,343
Pupil Transportation	91,978				91,978
Debt Service					
Principal				840,000	840,000
Interest				572,381	572,381
Capital Outlay	3,160	-	35,610	-	38,770
<b>Total Expenditures</b>	<u>18,299,402</u>	<u>1,081,464</u>	<u>35,610</u>	<u>1,412,381</u>	<u>20,828,857</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>93,219</u>	<u>-</u>	<u>(35,610)</u>	<u>(4,077)</u>	<u>53,532</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			200,000		200,000
Transfers Out	(200,000)	-	-	-	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(106,781)	-	164,390	(4,077)	53,532
Fund Balance, Beginning of Year	2,313,395	-	-	6,300	2,319,695
Fund Balance, End of Year	<u>\$ 2,206,614</u>	<u>\$ -</u>	<u>\$ 164,390</u>	<u>\$ 2,223</u>	<u>\$ 2,373,227</u>

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

**RIVER EDGE 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)** **\$ 53,532**

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 expense exceeds capital outlays in the current period.

Capital Outlays	\$	38,770	
Depreciation Expense		<u>(715,871)</u>	
			(677,101)

The Issuance of Long Term Debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Principal Repayments			
Bonds Payable			840,000

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium		77,587	
Amortization of Deferred Amount on Refunding of Debt		<u>(109,394)</u>	
			(31,807)

In the statement of activities, certain operating expenses - pension expense is measured by the amounts accrued during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (paid):

Increase in Pension Expense			(866,483)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest			<u>7,976</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ (673,883)**

**RIVER EDGE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2017**

	<b>Non-Major Enterprise Funds <u>Totals</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ <u>85,268</u>
Total Current Assets	<u>85,268</u>
Capital Assets	
Machinery and Equipment	2,589
Less: Accumulated Depreciation	<u>(2,589)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>85,268</u>
<b>LIABILITIES</b>	
Unearned Revenue	<u>55,917</u>
Total Liabilities	<u>55,917</u>
<b>NET POSITION</b>	
Unrestricted	<u>29,351</u>
Total Net Position	<u>\$ 29,351</u>

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

**RIVER EDGE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Non-Major Enterprise Funds <u>Totals</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales/Program Fees	\$ 68,402
Total Operating Revenues	68,402
 <b>OPERATING EXPENSES</b>	
Salaries and Wages	48,588
Cost of Sales	11,428
Miscellaneous	3,532
	63,548
Total Operating Expenses	63,548
Operating Income	4,854
 <b>NON-OPERATING REVENUES</b>	
Interest Earned on Investments	65
	65
Total Non-Operating Revenues	65
Change in Net Position	4,919
Net Position Beginning of Year	24,432
Net Position End of Year	\$ 29,351

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

**RIVER EDGE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Non-Major Enterprise Funds <u>Totals</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 71,214
Cash Payments for Employees Salaries and Benefits	(48,588)
Cash Payments to Suppliers for Goods and Services	<u>(14,960)</u>
Net Cash Provided by Operating Activities	<u>7,666</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Deposits	<u>65</u>
Net Cash Provided by Investing Activities	<u>65</u>
Net Increase in Cash and Cash Equivalents	7,731
Cash and Cash Equivalents, Beginning of Year	<u>77,537</u>
Cash and Cash Equivalents, End of Year	<u>\$ 85,268</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$ <u>4,854</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
Increase in Unearned Revenue	<u>2,812</u>
Total Adjustments	<u>2,812</u>
Net Cash Provided by Operating Activities	<u>\$ 7,666</u>

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



**RIVER EDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2017**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Trust and Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 121,444	\$ 203,640	\$ 16,850
Intergovernmental Receivable - Other Governments	<u>1,068,157</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,189,601</u>	<u>203,640</u>	<u>\$ 16,850</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 4,399
Accrued Salaries and Wages			4,828
Due to Student Groups			7,623
Other Current Liabilities	870,238	5,501	
Due to Other Funds	<u>8,228</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>878,466</u>	<u>5,501</u>	<u>\$ 16,850</u>
<b>NET POSITION</b>			
Held in Trust for:			
Other Purposes	<u>\$ 311,135</u>		
Unemployment Claims		<u>\$ 198,139</u>	

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

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>		
Contributions		
Employees		\$ 36,614
Other Governments	\$ 9,780,803	
Investment Earnings	3,738	360
Other	<u>20,987</u>	<u>-</u>
Total Additions	<u>9,805,528</u>	<u>36,974</u>
<b>DEDUCTIONS</b>		
Transportation and Special Education	9,729,189	
Unemployment Claims and Contributions		33,927
Miscellaneous	<u>28,947</u>	<u>-</u>
Total Deductions	<u>9,758,136</u>	<u>33,927</u>
Change in Net Position	47,392	3,047
Net Position Beginning of Year	<u>263,743</u>	<u>195,092</u>
Net Position End of Year	<u>\$ 311,135</u>	<u>\$ 198,139</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**RIVER EDGE 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 River Edge 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 seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the River Edge Board of Education this includes general operations, food service, summer enrichment 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:

- 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*.

**RIVER EDGE 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.

**RIVER EDGE 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 funds to be major funds and all of its enterprise funds to be nonmajor 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 *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

**RIVER EDGE 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 non-major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides milk to students.

The *summer enrichment program fund* accounts for the activities of the District's summer enrichment program.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, Region V, 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.

**RIVER EDGE 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, 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.



**RIVER EDGE 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. 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>
Buildings and Building Improvements	20-45
Improvements Other than Buildings	20
Machinery and Equipment	5-20

**5. Deferred Outflows 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.

**RIVER EDGE 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. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. Payments to employees based upon resignations and retirements are restricted to amounts available and established per contract and the current annual budget appropriation.

**7. *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.

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are 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 portion of the original issue bond premium.

**9. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

RIVER EDGE 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)

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

Governmental Fund Statements

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

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

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

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

*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.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

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

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

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

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

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

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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 and the summer enrichment program 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.

**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.

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

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

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 1, 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 \$377,329. The increase was funded by additional fund balance appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**B. 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			
Support Services General Administration			
Salaries	\$303,487	\$307,498	\$(4,011)
Unallocated Benefits – Employee Benefits			
Other Employee Benefits	34,308	39,308	<u>(5,000)</u>
 Total General Fund			 <u>\$ 9,011</u>

The above variances were offset with other available resources.

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

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

**C. Capital Reserve**

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

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

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

Balance, July 1, 2016		\$ 893,666
Increased by:		
Interest Earnings	\$ 600	
Deposits Approved by Board Resolution	<u>55,961</u>	
Total Increases		<u>56,561</u>
Decreased by:		
Approved in district Budget		<u>200,000</u>
Balance, June 30, 2017		<u>\$ 750,227</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. The District has anticipated \$100,000 of the capital reserve balance in the 2017/18 adopted budget.

**D. 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.

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

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

**D. Maintenance Reserve**

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

Balance, July 1, 2016	<u>\$ 110,000</u>
Balance, June 30, 2017	<u>\$ 110,000</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$946,202.

**E. Transfers to Capital Outlay**

During the 2016/2017 school year, the district transferred \$3,160 to only the equipment capital outlay accounts.

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2017 is \$1,075,000. Of this amount, \$575,000 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$500,000 will be appropriated in the 2018/2019 original budget certified for taxes.

**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.

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

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

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

**Cash Deposits (Continued)**

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 \$2,617,502 and bank and brokerage firm balances of the Board's deposits amounted to \$3,706,956. 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>3,706,956</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 has no bank balance 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.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.



**RIVER EDGE 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 and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Private Purpose Trust</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 239,829		\$ 239,829
State	\$ 29,293	1,083		30,376
Other	33,068		\$ 1,068,157	1,101,225
Other	-	3,787	-	3,787
Gross Receivables	62,361	244,699	1,068,157	1,375,217
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 62,361</u>	<u>\$ 244,699</u>	<u>\$ 1,068,157</u>	<u>\$ 1,375,217</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:

General Fund	
Tuition Charges Prepaid	\$ 4,250
Special Revenue	
Unencumbered Grant Draw Downs	<u>15,693</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 19,943</u>

**RIVER EDGE 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, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 28,106			\$ 28,106
Construction in Progress	<u>-</u>	\$ 35,610	-	<u>35,610</u>
Total capital assets, not being depreciated	<u>28,106</u>	<u>35,610</u>	<u>-</u>	<u>63,716</u>
Capital assets, being depreciated:				
Improvements other than buildings	21,000			21,000
Buildings and Building Improvements	28,167,575			28,167,575
Machinery and equipment	<u>433,540</u>	3,160	-	<u>436,700</u>
Total capital assets being depreciated	<u>28,622,115</u>	<u>3,160</u>	<u>-</u>	<u>28,625,275</u>
Less accumulated depreciation for:				
Improvements other than buildings	(21,000)			(21,000)
Buildings and building improvements	(8,133,152)	(700,280)		(8,833,432)
Machinery and equipment	<u>(346,840)</u>	<u>(15,591)</u>	-	<u>(362,431)</u>
Total accumulated depreciation	<u>(8,500,992)</u>	<u>(715,871)</u>	<u>-</u>	<u>(9,216,863)</u>
Total capital assets, being depreciated, net	<u>20,121,123</u>	<u>(712,711)</u>	\$ -	<u>19,408,412</u>
Governmental activities capital assets, net	<u>\$ 20,149,229</u>	<u>\$ (677,101)</u>	<u>\$ -</u>	<u>\$ 19,472,128</u>

**RIVER EDGE 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)**

	Balance <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2017</u>
<b>Business-type Activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 2,589	-	-	\$ 2,589
Total capital assets being depreciated	<u>2,589</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Less accumulated depreciation for:				
Machinery and equipment	(2,589)	-	-	(2,589)
Total accumulated depreciation	<u>(2,589)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<b>Governmental activities:</b>	
Instruction	
Regular	\$ 632
Total Instruction	<u>632</u>
Support Services	
Student and Instruction Related Services	1,516
School Administration Services	2,120
Plant Operations and Maintenance	706,086
Pupil Transportation	5,517
Total Support Services	<u>715,239</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 715,871</u>

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

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

**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	\$ 159,823
General Fund	Private Purpose Trust Fund	<u>8,228</u>
		<u>\$ 168,051</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.

**Interfund transfers**

	<u>Transfer In:</u>	
	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:		
General Fund	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Total transfers Out	<u>\$ 200,000</u>	<u>\$ 200,000</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**RIVER EDGE 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 copies under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$44,160. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending June 30,	<u>Amount</u>
2018	\$ 44,160
2019	44,160
2020	<u>3,680</u>
Total	<u>\$ 92,000</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$2,820,000, 2012 Refunding Bonds, due in annual installments of \$275,000 to \$285,000 through December 1, 2021, interest at 2.500% to 4.000%	\$1,405,000
\$8,515,000, 2013 Refunding Bonds, due in annual installments of \$370,000 to \$635,000 through February 1, 2031, interest at 3.000% to 4.000%	7,725,000
\$7,325,000, 2014 Refunding Bonds, due in annual installments of \$210,000 to \$905,000 through October 15, 2031, interest at 3.000% to 4.000%	<u>7,295,000</u>
Total	<u>\$16,425,000</u>

**RIVER EDGE 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 (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Bonds Payable		Total
	Principal	Interest	
2018	865,000	544,313	1,409,313
2019	900,000	512,800	1,412,800
2020	940,000	476,700	1,416,700
2021	975,000	444,425	1,419,425
2022	1,005,000	411,100	1,416,100
2023-2027	5,600,000	1,536,037	7,136,037
2028-2032	<u>6,140,000</u>	<u>529,163</u>	<u>6,669,163</u>
Total	<u>\$ 16,425,000</u>	<u>\$ 4,454,538</u>	<u>\$ 20,879,538</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:

2.5% of Equalized Valuation Basis (Municipal)	\$ 41,667,556
Less: Net Debt	<u>16,425,000</u>
Remaining Borrowing Power	<u>\$ 25,242,556</u>

**RIVER EDGE 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:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 17,265,000		\$ 840,000	\$ 16,425,000	\$ 865,000
Add: Unamortized Premium	<u>814,860</u>	<u>-</u>	<u>77,587</u>	<u>737,273</u>	<u>-</u>
Net Bonds Payable	<u>18,079,860</u>	<u>-</u>	<u>917,587</u>	<u>17,162,273</u>	<u>865,000</u>
Net Pension Liability	<u>7,758,672</u>	<u>3,141,320</u>	<u>317,431</u>	<u>10,582,561</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 25,838,532</u>	<u>\$ 3,141,320</u>	<u>\$ 1,235,018</u>	<u>\$ 27,744,834</u>	<u>\$ 865,000</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NESBIG 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.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017		\$ 36,614	\$ 33,927	\$ 198,139
2016	\$ 30,000	34,203	35,213	195,092
2015		33,303	29,588	165,524

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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 has not estimated its arbitrage earnings due to the IRS, if any.



**RIVER EDGE 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**

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.

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).

**RIVER EDGE 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)**

**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.

**RIVER EDGE 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	\$ 317,431	\$ 841,981	\$ 18,220
2016	260,627	629,178	12,853
2015	269,417	431,108	7,941

In addition for fiscal year 2016/2017 the District contributed \$2,609 for PERS and the State contributed \$2,178 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 \$558,563 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.

**RIVER EDGE 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 \$10,582,561 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 .03573 percent, which was an increase of .00117 percent from its proportionate share measured as of June 30, 2015 of .03456 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,183,914 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	\$ 196,804	
Changes of Assumptions	2,192,141	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	403,523	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>661,851</u>	<u>\$ -</u>
Total	<u>\$ 3,454,319</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	\$ 768,451
2019	768,451
2020	768,451
2021	768,451
2022	380,515
Thereafter	<u>-</u>
	<u>\$ 3,454,319</u>

**RIVER EDGE 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.

**RIVER EDGE 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%

**RIVER EDGE 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>\$ 12,967,693</u>	<u>\$ 10,582,561</u>	<u>\$ 8,613,427</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).

**RIVER EDGE 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 \$4,644,880 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 \$61,819,569. 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 .07858 percent, which was a decrease of .00116 percent from its proportionate share measured as of June 30, 2015 of .07974 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.

**TPAF**

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.



**RIVER EDGE 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%

**RIVER EDGE 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>\$ 73,826,381</u>	<u>\$ 61,819,569</u>	<u>\$ 52,014,458</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.

**RIVER EDGE 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).

**RIVER EDGE 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.

**RIVER EDGE 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 \$701,563, \$749,177 and \$684,383, 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 River Edge Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**RIVER EDGE 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	\$ 14,707,943		\$ 14,707,943	\$ 14,707,943	
Tuition	685,684		685,684	693,242	\$ 7,558
Interest	-		-	5,787	5,787
Interest - Capital Reserve Fund	600		600	600	-
Miscellaneous	155,082	-	155,082	116,566	(38,516)
<b>Total Local Sources</b>	<b>15,549,309</b>	<b>-</b>	<b>15,549,309</b>	<b>15,524,138</b>	<b>(25,171)</b>
<b>State Sources</b>					
Categorical Special Education Aid	406,566		406,566	406,566	
Categorical Security Aid	19,965		19,965	19,965	
Categorical Transportation Aid	3,005		3,005	3,005	
Under Adequacy Aid	23,482		23,482	23,482	
PARCC Readiness	11,260		11,260	11,260	
Per Pupil Growth	11,260		11,260	11,260	
Extraordinary Aid	130,000		130,000	297,192	167,192
Professional Learning Community Aid	11,400		11,400	11,400	-
Non Public Transportation Aid Reimbursement				1,392	1,392
On-behalf TPAF Pension System Payments Normal Cost (Non-Budget)				812,541	812,541
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				29,440	29,440
On-behalf TPAF Post-Retirement Medical (Non-Budget)				701,563	701,563
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				2,178	2,178
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	558,563	558,563
<b>Total State Sources</b>	<b>616,938</b>	<b>-</b>	<b>616,938</b>	<b>2,889,807</b>	<b>2,272,869</b>
<b>Total Revenues</b>	<b>16,166,247</b>	<b>-</b>	<b>16,166,247</b>	<b>18,413,945</b>	<b>2,247,698</b>
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Preschool	62,744		62,744	61,349	1,395
Kindergarten	533,646	\$ 56,053	589,699	577,568	12,131
Grades 1-5	3,495,856	(175,436)	3,320,420	3,306,449	13,971
Grades 6-8	713,194	86,642	799,836	786,029	13,807
<b>Regular Program - Home Instruction</b>					
Salaries of Teachers	2,000	(49)	1,951	1,575	376
Other Salaries for Instruction	45,724	2,516	48,240	48,240	
Purchased Professional - Educational Services	20,000	635	20,635	3,530	17,105
General Supplies	2,500	(150)	2,350	1,933	417
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	61,242	34,436	95,678	95,678	
Other Purchased Services	67,262	(7,839)	59,423	59,179	244
General Supplies	179,681	39,235	218,916	207,285	11,631
Textbooks	51,575	74,993	126,568	36,466	90,102
Other Objects	94,100	3,241	97,341	88,724	8,617
<b>Total Regular Programs</b>	<b>5,329,524</b>	<b>114,277</b>	<b>5,443,801</b>	<b>5,274,005</b>	<b>169,796</b>



**RIVER EDGE 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>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Multiple Disabilities					
Salaries of Teachers	\$ 280,348	\$ 25,283	\$ 305,631	\$ 305,081	\$ 550
Other Salaries for Instruction	1,185,809	40,532	1,226,341	1,195,921	30,420
Purchased Technical Services	60,000	(8,351)	51,649	41,600	10,049
General Supplies	9,600	(600)	9,000	7,500	1,500
Other Objects	3,000	2,532	5,532	5,431	101
<b>Total Multiple Disabilities</b>	<b>1,538,757</b>	<b>59,396</b>	<b>1,598,153</b>	<b>1,555,533</b>	<b>42,620</b>
Resource Room/Resource Center					
Salaries of Teachers	451,315	(4,472)	446,843	445,568	1,275
General Supplies	6,200	(150)	6,050	6,050	-
<b>Total Resource Room/Resource Center</b>	<b>457,515</b>	<b>(4,622)</b>	<b>452,893</b>	<b>451,618</b>	<b>1,275</b>
Autism					
Salaries of Teachers	78,449	(691)	77,758	76,705	1,053
Other Salaries for Instruction	369,494	(45,301)	324,193	324,193	-
Purchased Professional - Educational Services	5,000	(3,108)	1,892	205	1,687
General Supplies	2,500	716	3,216	3,110	106
Other Objects	500	-	500	270	230
<b>Total Autism</b>	<b>455,943</b>	<b>(48,384)</b>	<b>407,559</b>	<b>404,483</b>	<b>3,076</b>
Preschool Disabilities - Part-Time					
General Supplies	-	49	49	49	-
Other Objects	-	15	15	15	-
<b>Total Preschool Disabilities - Part-Time</b>	<b>-</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>-</b>
Home Instruction					
Salaries of Teachers	2,000	(1,515)	485	-	485
<b>Total Home Instruction</b>	<b>2,000</b>	<b>(1,515)</b>	<b>485</b>	<b>-</b>	<b>485</b>
<b>Total Special Education</b>	<b>2,454,215</b>	<b>4,939</b>	<b>2,459,154</b>	<b>2,411,698</b>	<b>47,456</b>
Basic Skills/Remedial					
Salaries of Teachers	343,927	13,735	357,662	357,662	-
General Supplies	6,200	2,459	8,659	7,751	908
<b>Total Basic Skills/Remedial</b>	<b>350,127</b>	<b>16,194</b>	<b>366,321</b>	<b>365,413</b>	<b>908</b>
Bilingual Education					
Salaries of Teachers	164,310	3,128	167,438	158,325	9,113
General Supplies	1,850	(450)	1,400	821	579
<b>Total Bilingual Education</b>	<b>166,160</b>	<b>2,678</b>	<b>168,838</b>	<b>159,146</b>	<b>9,692</b>
<b>Total Instruction</b>	<b>8,300,026</b>	<b>138,088</b>	<b>8,438,114</b>	<b>8,210,262</b>	<b>227,852</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	50,000	-	50,000	49,071	929
Tuition to CSSD & Reg Day Schools	-	30,000	30,000	26,247	3,753
Tuition to Priv. Sch. For Disabled - W.I. State	-	115,501	115,501	59,080	56,421
Tuition to Priv. Sch. For the Disabled & Oth LEAs - Spl, O/S St	166,112	(145,502)	20,610	20,610	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>216,112</b>	<b>(1)</b>	<b>216,111</b>	<b>155,008</b>	<b>61,103</b>

**RIVER EDGE 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>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 500		\$ 500	\$ 500	
Purchased Professional and Technical Services	14,000	-	14,000	13,254	\$ 746
<b>Total Attendance and Social Work Services</b>	<b>14,500</b>	<b>-</b>	<b>14,500</b>	<b>13,754</b>	<b>746</b>
Health Services					
Salaries	247,148	\$ (59,074)	188,074	188,074	
Supplies and Materials	5,431	(926)	4,505	4,427	78
<b>Total Health Services</b>	<b>252,579</b>	<b>(60,000)</b>	<b>192,579</b>	<b>192,501</b>	<b>78</b>
Speech, OT, PT & Related Services					
Salaries	166,269	(264)	166,005	164,882	1,123
Purchased Professional - Educational Services	30,000	18,968	48,968	48,968	
Supplies and Materials	3,650	2,456	6,106	6,084	22
Other Objects	15,000	(10,195)	4,805	3,198	1,607
<b>Total Other Support Serv. Students - Related Services</b>	<b>214,919</b>	<b>10,965</b>	<b>225,884</b>	<b>223,132</b>	<b>2,752</b>
Other Support Services-Extra Services					
Other Salaries for Instruction	231,353	2,297	233,650	231,227	2,423
Other Objects	-	114,924	114,924	-	114,924
<b>Total Other Support Services - Students - Extra Services</b>	<b>231,353</b>	<b>117,221</b>	<b>348,574</b>	<b>231,227</b>	<b>117,347</b>
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	147,649	3,913	151,562	151,562	
Other Salaries	3,500	1,719	5,219	5,219	
Supplies and Materials	1,250	2,803	4,053	4,053	-
<b>Total Other Support Services - Students - Guidance</b>	<b>152,399</b>	<b>8,435</b>	<b>160,834</b>	<b>160,834</b>	<b>-</b>
Other Support Services-Students-Child Study Team					
Salaries of Other Professional Staff	400,610	2,820	403,430	403,430	
Salaries of Secretarial and Clerical Assistants	48,575	(2,331)	46,244	36,371	9,873
Purchased Professional - Educational Services	18,683		18,683	18,683	
Supplies and Materials	22,280	4,937	27,217	27,217	
Other Objects	1,220	-	1,220	1,020	200
<b>Total Other Support Services - Students - Child Study Team</b>	<b>491,368</b>	<b>5,426</b>	<b>496,794</b>	<b>486,721</b>	<b>10,073</b>
Improvement of Instructional Services					
Salaries of Other Professional Staff		11,600	11,600	11,600	
Purchased Professional - Educational Services	76,500	-	76,500	76,091	409
<b>Total Improvement of Instructional Services</b>	<b>76,500</b>	<b>11,600</b>	<b>88,100</b>	<b>87,691</b>	<b>409</b>

**RIVER EDGE 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>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 121,049	\$ 1,050	\$ 122,099	\$ 122,099	
Salaries of Technology Coordinators	117,754		117,754	117,531	\$ 223
Supplies and Materials	11,805	(1,350)	10,455	9,507	948
<b>Total Educational Media Serv./School Library</b>	<b>250,608</b>	<b>(300)</b>	<b>250,308</b>	<b>249,137</b>	<b>1,171</b>
Staff Training Services					
Salaries of Other Professional Staff	31,000	7,369	38,369	38,369	
Purchased Professional - Educational Services	30,000	(18,969)	11,031	2,220	8,811
<b>Total Staff Training Services</b>	<b>61,000</b>	<b>(11,600)</b>	<b>49,400</b>	<b>40,589</b>	<b>8,811</b>
Support Services General Administration					
Salaries	304,673	(1,186)	303,487	307,498	(4,011)
Legal Services	25,000		25,000	24,008	992
Audit Fees	22,000	1,186	23,186	23,186	
Architectural/Engineering Services	6,000	27,780	33,780	13,006	20,774
Other Purchased Professional Services	5,700	1,530	7,230	7,230	
Purchased Technical Services	5,000	(2,964)	2,036	1,850	186
Communications/Telephone	21,000	6,204	27,204	25,988	1,216
Miscellaneous Purchased Services	31,594	2,483	34,077	33,472	605
General Supplies	16,000	552	16,552	15,475	1,077
Miscellaneous Expenditures	13,000	3,515	16,515	16,438	77
BOE Membership Dues and Fees	6,000	(3,823)	2,177	1,400	777
<b>Total Support Services General Administration</b>	<b>455,967</b>	<b>35,277</b>	<b>491,244</b>	<b>469,551</b>	<b>21,693</b>
Support Services School Administration					
Salaries of Principal/Asst. Principals	307,362		307,362	307,362	
Salaries of Other Professional Staff	165,360	65	165,425	165,425	
Salaries of Secretarial and Clerical Assistants	176,473	(750)	175,723	175,723	
Other Salaries	64,245	3,301	67,546	67,546	
Other Purchased Services	1,000	2,648	3,648	3,648	
Supplies and Materials	19,000	3,637	22,637	22,637	
Other Objects	3,000	1,435	4,435	4,435	-
<b>Total Support Services School Administration</b>	<b>736,440</b>	<b>10,336</b>	<b>746,776</b>	<b>746,776</b>	<b>-</b>
Support Services Central Services					
Salaries	307,281	(9,266)	298,015	282,622	15,393
Misc. Purchased Services	3,000	(356)	2,644	561	2,083
Supplies and Materials	16,000	171	16,171	14,656	1,515
<b>Total Support Services Central Services</b>	<b>326,281</b>	<b>(9,451)</b>	<b>316,830</b>	<b>297,839</b>	<b>18,991</b>
Admin. Info. Technology					
Other Purchased Services	15,125	1,729	16,854	16,854	-
<b>Total Admin. Info. Technology</b>	<b>15,125</b>	<b>1,729</b>	<b>16,854</b>	<b>16,854</b>	<b>-</b>

**RIVER EDGE 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>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 111,896	\$ (14,828)	\$ 97,068	\$ 93,423	\$ 3,645
Cleaning, Repair and Maintenance	146,000	20,175	166,175	165,200	975
General Supplies	2,000	-	2,000	712	1,288
<b>Total Required Maintenance for School Fac.</b>	<b>259,896</b>	<b>5,347</b>	<b>265,243</b>	<b>259,335</b>	<b>5,908</b>
Custodial Services					
Salaries	513,255	7,182	520,437	520,437	
Salaries for Non-Instructional Aides		29,115	29,115	29,115	
Cleaning, Repair and Maintenance	39,500	(14,690)	24,810	22,529	2,281
Other Purchased Property Services	11,800	546	12,346	12,346	
Insurance	64,421	(1,428)	62,993	60,002	2,991
General Supplies	31,500	40,372	71,872	59,753	12,119
Energy (Natural Gas)	105,150	(15,987)	89,163	69,159	20,004
Energy (Electricity)	210,000	(27,158)	182,842	179,671	3,171
Other Objects	6,000	-	6,000	5,998	2
<b>Total Custodial Services</b>	<b>981,626</b>	<b>17,952</b>	<b>999,578</b>	<b>959,010</b>	<b>40,568</b>
Student Transportation Services					
Salaries for Non-Instructional Aides	18,500		18,500	18,497	3
Salaries for Pupil Transportation (Bet Home & Sch) Sp Ed	27,500		27,500	26,435	1,065
Contracted Services-Aid in Lieu Pynts - Non Pub	12,000		12,000	7,956	4,044
Contracted Services (Spl. Ed. Students) - Vendors	42,000		42,000	14,562	27,438
Other Objects	7,000	-	7,000	3,494	3,506
<b>Total Student Transportation Services</b>	<b>107,000</b>	<b>-</b>	<b>107,000</b>	<b>70,944</b>	<b>36,056</b>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	300,000	(1,792)	298,208	298,208	
Other Retirement Contributions - PERS	325,000	(1,806)	323,194	323,021	173
Other Retirement Contributions - Regular	11,000	7,220	18,220	18,220	
Workmen's Compensation	115,000	(3,622)	111,378	111,283	95
Health Benefits	2,753,882	(103,524)	2,650,358	2,491,929	158,429
Tuition Reimbursement	8,500	1,757	10,257	10,257	
Other Employee Benefits	30,000	4,308	34,308	39,308	(5,000)
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>3,543,382</b>	<b>(97,459)</b>	<b>3,445,923</b>	<b>3,292,226</b>	<b>153,697</b>
On-behalf TPAF Pension System Payments					
Normal Cost (Non-Budget)				812,541	(812,541)
On-behalf TPAF Pension System Payments NCGI Premium (Non-Budget)				29,440	(29,440)
On-behalf TPAF Post-Retirement Medical (Non-Budget)				701,563	(701,563)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				2,178	(2,178)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	558,563	(558,563)
<b>Total Undistributed Expenditures</b>	<b>8,387,055</b>	<b>45,477</b>	<b>8,432,532</b>	<b>10,057,414</b>	<b>(1,624,882)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>16,687,081</b>	<b>183,565</b>	<b>16,870,646</b>	<b>18,267,676</b>	<b>(1,397,030)</b>

**RIVER EDGE 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>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Instruction	-	\$ 3,160	\$ 3,160	\$ 3,160	-
Total Equipment	-	3,160	3,160	3,160	-
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 19,483	-	19,483	19,483	-
Total Facilities Acquis. and Const. Services	19,483	-	19,483	19,483	-
Interest Deposit on Capital Reserve	600	-	600	-	\$ 600
Total Capital Outlay	20,083	3,160	23,243	22,643	600
Transfer of Funds to Charter School	9,083	-	9,083	9,083	-
Total Expenditures	16,716,247	186,725	16,902,972	18,299,402	(1,396,430)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(550,000)	(186,725)	(736,725)	114,543	851,268
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out - Capital Reserve to Capital Projects	(200,000)	-	(200,000)	(200,000)	-
Total Transfers	(200,000)	-	(200,000)	(200,000)	-
Fund Balance, Beginning of Year	2,630,947	-	2,630,947	2,630,947	-
Fund Balance, End of Year	\$ 1,880,947	\$ (186,725)	\$ 1,694,222	\$ 2,545,490	\$ 851,268
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Capital Reserve				\$ 650,227	
Capital Reserve - Designated in Subsequent Year's Expenditures				100,000	
Maintenance Reserve				110,000	
Excess Surplus- Designated in Subsequent Year's Expenditures				575,000	
Excess Surplus				500,000	
Assigned:					
Year-End Encumbrances				113,777	
Unassigned				496,486	
Reconciliation to Governmental Funds Statements (GAAP):				2,545,490	
Less: State Aid Payments not Recognized on Budgetary Basis:					
Deferred State Aid Payments				(41,684)	
Extraordinary Aid				(297,192)	
Fund Balance Per Governmental Funds (GAAP)				\$ 2,206,614	

**EXHIBIT C-1a**

**RIVER EDGE BOARD OF EDUCATION  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**NOT APPLICABLE**

**EXHIBIT C-1b**

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**

**RIVER EDGE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (BUDGETARY)**  
**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					
State	\$ 599,862	\$ 5,231	\$ 605,093	\$ 545,057	\$ (60,036)
Federal	422,881	165,892	588,773	540,805	(47,968)
Other	-	19,481	19,481	3,787	(15,694)
Total Revenues	<u>1,022,743</u>	<u>190,604</u>	<u>1,213,347</u>	<u>1,089,649</u>	<u>(123,698)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries		60,000	60,000	59,010	990
Purchased Prof./Technical Services	367,900	(287,851)	80,049	73,795	6,254
Tuition		140,351	140,351	138,952	1,399
Other Purchased Services	370,379	16,237	386,616	339,376	47,240
General Supplies	28,626	80,157	108,783	91,298	17,485
Textbooks	62,867	(12,548)	50,319	47,435	2,884
Other Objects	-	3,787	3,787	3,787	-
Total Instruction	<u>829,772</u>	<u>133</u>	<u>829,905</u>	<u>753,653</u>	<u>76,252</u>
Support Services					
Salaries	54,981	(52,981)	2,000	-	2,000
Personnel Services - Employee Benefits		6,393	6,393	-	6,393
Purchased Prof./Technical Services		22,725	22,725	16,565	6,160
Other Purchased Services	137,990	212,275	350,265	319,431	30,834
Other Objects	-	2,059	2,059	-	2,059
Total Support Services	<u>192,971</u>	<u>190,471</u>	<u>383,442</u>	<u>335,996</u>	<u>47,446</u>
Total Expenditures	<u>1,022,743</u>	<u>190,604</u>	<u>1,213,347</u>	<u>1,089,649</u>	<u>123,698</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**



**RIVER EDGE 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 18,413,945	\$ 1,089,649
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. (Current Year)		(8,185)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(338,876)	
State Aid payments recognized for GAAP statements, not recognized for budgetary statements (prior year)	<u>317,552</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 18,392,621</u>	<u>\$ 1,081,464</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 18,299,402	\$ 1,089,649
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized. (Current Year)	<u>-</u>	<u>(8,185)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 18,299,402</u>	<u>\$ 1,081,464</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**RIVER EDGE 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)	0.03573 %	0.03456 %	0.03268 %	0.03037 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 10,582,561</u>	<u>\$ 7,758,672</u>	<u>\$ 6,118,767</u>	<u>\$ 5,804,444</u>
District's Covered-Employee Payroll	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>	<u>\$ 2,203,935</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	413%	322%	269%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	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.

**RIVER EDGE 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	\$ 317,431	\$ 260,627	\$ 269,417	\$ 228,837
Contributions in Relation to the Contractually Required Contributions	<u>317,431</u>	<u>260,627</u>	<u>269,417</u>	<u>228,837</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 2,563,059</u>	<u>\$ 2,406,632</u>	<u>\$ 2,275,030</u>	<u>\$ 2,203,935</u>
Contributions as a Percentage of Covered-Employee Payroll	12.38%	10.83%	11.84%	10.38%

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.

**RIVER EDGE 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>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
Total	<u>\$ 61,819,569</u>	<u>\$ 50,399,597</u>	<u>\$ 38,293,955</u>	<u>\$ 38,852,868</u>
District's Covered-Employee Payroll	<u>\$ 7,601,792</u>	<u>\$ 7,641,947</u>	<u>\$ 7,722,649</u>	<u>\$ 7,576,844</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.

**RIVER EDGE 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 4D.

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



RIVER EDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Title IA</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Local Donations</u>	<u>Home Instruction</u>	<u>Total Exhibit E-1A</u>	<u>Total</u>
<b>REVENUES</b>										
Intergovernmental										
State								\$ 1,083	\$ 543,974	\$ 545,057
Federal	\$ 90,959	\$ 16,565	\$ 23,684	\$ 2,549	\$ 389,189	\$ 17,859				540,805
Other	-	-	-	-	-	-	\$ 3,787	-	-	3,787
<b>Total Revenues</b>	<b>\$ 90,959</b>	<b>\$ 16,565</b>	<b>\$ 23,684</b>	<b>\$ 2,549</b>	<b>\$ 389,189</b>	<b>\$ 17,859</b>	<b>\$ 3,787</b>	<b>\$ 1,083</b>	<b>\$ 543,974</b>	<b>\$ 1,089,649</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 59,010									\$ 59,010
Purchased Prof./Technical Services					\$ 55,936	\$ 17,859				73,795
Tuition					138,952					138,952
Other Purchased Services								\$ 1,083	\$ 338,293	339,376
General Supplies	29,649		\$ 23,684	\$ 2,549	13,429				21,987	91,298
Textbooks									47,435	47,435
Other Objects	-	-	-	-	-	-	\$ 3,787	-	-	3,787
<b>Total Instruction</b>	<b>88,659</b>	<b>-</b>	<b>23,684</b>	<b>2,549</b>	<b>208,317</b>	<b>17,859</b>	<b>3,787</b>	<b>1,083</b>	<b>407,715</b>	<b>753,653</b>
Support Services										
Purchased Prof./Technical Services		\$ 16,565								16,565
Other Purchased Services	2,300	-	-	-	180,872	-	-	-	136,259	319,431
<b>Total Support Services</b>	<b>2,300</b>	<b>16,565</b>	<b>-</b>	<b>-</b>	<b>180,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,259</b>	<b>335,996</b>
<b>Total Expenditures</b>	<b>\$ 90,959</b>	<b>\$ 16,565</b>	<b>\$ 23,684</b>	<b>\$ 2,549</b>	<b>\$ 389,189</b>	<b>\$ 17,859</b>	<b>\$ 3,787</b>	<b>\$ 1,083</b>	<b>\$ 543,974</b>	<b>\$ 1,089,649</b>

RIVER EDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Nonpublic Technology	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Security	Chapter 192		Chapter 193			Sub-Total
					Compensatory Education	ESL	Corrective Speech	Exam. & Classification	Supplemental Instruction	
<b>REVENUES</b>										
Intergovernmental State	\$ 21,987	\$ 84,960	\$ 47,435	\$ 51,299	\$ 53,538	\$ 3,289	\$ 92,414	\$ 121,756	\$ 67,296	\$ 543,974
Total Revenues	\$ 21,987	\$ 84,960	\$ 47,435	\$ 51,299	\$ 53,538	\$ 3,289	\$ 92,414	\$ 121,756	\$ 67,296	\$ 543,974
<b>EXPENDITURES</b>										
Instruction										
Other Purchased Services					\$ 53,538	\$ 3,289	\$ 92,414	\$ 121,756	\$ 67,296	\$ 338,293
General Supplies	\$ 21,987									21,987
Textbooks			\$ 47,435							47,435
Total Instruction	21,987		47,435		53,538	3,289	92,414	121,756	67,296	407,715
Support Services										
Other Purchased Services		\$ 84,960		\$ 51,299						136,259
Total Support Services		84,960		51,299						136,259
Total Expenditures	\$ 21,987	\$ 84,960	\$ 47,435	\$ 51,299	\$ 53,538	\$ 3,289	\$ 92,414	\$ 121,756	\$ 67,296	\$ 543,974

**CAPITAL PROJECTS FUND**

**RIVER EDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Original</u>	<u>Modified</u>	<u>Expenditures to Date</u>		<u>Unexpended</u>
	<u>Amount</u>		<u>Authorization</u>	<u>Prior Years</u>	
STEM Lab for Cherry Hill School	\$ 90,000	\$ 90,000		\$ 13,526	\$ 76,474
STEM Lab for Roosevelt School	110,000	110,000	\$ -	22,084	87,916
	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 35,610</u>	<u>\$ 164,390</u>

Analysis of Balance  
Available for Capital Projects      \$ 164,390

**RIVER EDGE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>Revenues and Other Financing Sources</b>	
Transfer from Capital Reserve	\$ 200,000
Total Revenues and Other Financing Sources	<u>200,000</u>
<b>Expenditures and Other Financing Uses</b>	
Architectural/Engineering Services	941
Other Purchased Professional and Technical Services	20,614
Construction Services	3,528
Equipment	<u>10,527</u>
Total Expenditures and Other Financing Uses	<u>35,610</u>
Excess (Deficiency) of Revenues Over/(Under)	
Expenditures and Other Financing Sources and Uses	164,390
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance - End of Year	<u>\$ 164,390</u>

**RIVER EDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
STEM LAB FOR CHERRY HILL SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 90,000	\$ 90,000	\$ 90,000
Total Revenues	-	90,000	90,000	90,000
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Architectural/Engineering Services		470	470	5,000
Other Purchased Professional and Technical Services		1,764	1,764	5,000
Construction Services		6,014	6,014	40,000
Equipment	-	5,278	5,278	40,000
Total Expenditures and other Financing Sources	-	13,526	13,526	90,000
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 76,474	\$ 76,474	\$ -

Additional Project Information:

Project Number	# 4410-030-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	90,000
Additional Authorized Cost/(Cancellation)	-
Revised Authorized Cost	90,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	15%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

**RIVER EDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
STEM LAB FOR ROOSEVELT SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 110,000	\$ 110,000	\$ 110,000
Total Revenues	-	110,000	110,000	110,000
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Architectural/Engineering Services		471	471	5,000
Other Purchased Professional and Technical Services		1,764	1,764	5,000
Construction Services		14,600	14,600	60,000
Equipment	-	5,249	5,249	40,000
Total Expenditures and other Financing Sources	-	22,084	22,084	110,000
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 87,916	\$ 87,916	\$ -

## Additional Project Information:

Project Number	# 4410-050-16-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	110,000
Additional Authorized Cost/(Cancellation)	-
Revised Authorized Cost	110,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	20%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

**ENTERPRISE FUND**



**RIVER EDGE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON-MAJOR  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017**

	<u>Food Service Fund</u>	<u>Summer Enrichment Program Fund</u>	<u>Non-Major Enterprise Funds Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,470	\$ 83,798	\$ 85,268
Total Current Assets	<u>1,470</u>	<u>83,798</u>	<u>85,268</u>
Capital Assets			
Machinery and Equipment	2,589		2,589
Less: Accumulated Depreciation	<u>(2,589)</u>	<u>-</u>	<u>(2,589)</u>
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,470</u>	<u>83,798</u>	<u>85,268</u>
<b>LIABILITIES</b>			
Unearned Revenue	<u>-</u>	<u>55,917</u>	<u>55,917</u>
Total Liabilities	<u>-</u>	<u>55,917</u>	<u>55,917</u>
<b>NET POSITION</b>			
Unrestricted	<u>1,470</u>	<u>27,881</u>	<u>29,351</u>
Total Net Position	<u>\$ 1,470</u>	<u>\$ 27,881</u>	<u>\$ 29,351</u>

**RIVER EDGE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON-MAJOR  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Food Service Fund</u>	<u>Summer Enrichment Program Fund</u>	<u>Non-Major Enterprise Funds Total</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales / Program Fees - Non-reimbursable	\$ 12,167	\$ 56,235	\$ 68,402
Total Operating Revenues	<u>12,167</u>	<u>56,235</u>	<u>68,402</u>
<b>OPERATING EXPENSES</b>			
Salaries and Wages		48,588	48,588
Cost of Sales - Non-reimbursable	11,428	-	11,428
Miscellaneous	<u>-</u>	<u>3,532</u>	<u>3,532</u>
Total Operating Expenses	<u>11,428</u>	<u>52,120</u>	<u>63,548</u>
Operating Income	<u>739</u>	<u>4,115</u>	<u>4,854</u>
<b>NON-OPERATING REVENUES</b>			
Interest on Investments	<u>-</u>	<u>65</u>	<u>65</u>
Total Non-Operating Revenues	<u>-</u>	<u>65</u>	<u>65</u>
Change in Net Position		4,180	4,919
Total Net Position Beginning of Year	<u>731</u>	<u>23,701</u>	<u>24,432</u>
Total Net Position End of Year	<u>\$ 1,470</u>	<u>\$ 27,881</u>	<u>\$ 29,351</u>

**RIVER EDGE BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON-MAJOR  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Food Service Fund</u>	<u>Summer Enrichment Program Fund</u>	<u>Non-Major Enterprise Funds Total</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 12,167	\$ 59,047	\$ 71,214
Cash Payments for Employees			
Salaries and Benefits		(48,588)	(48,588)
Cash Payments to Suppliers for Goods and Services	<u>(11,428)</u>	<u>(3,532)</u>	<u>(14,960)</u>
Net Cash Provided by Operating Activities	<u>739</u>	<u>6,927</u>	<u>7,666</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Deposits	<u>-</u>	<u>65</u>	<u>65</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>65</u>	<u>65</u>
Net Increase in Cash and Cash Equivalents	739	6,992	7,731
Cash and Cash Equivalents, Beginning of Year	<u>731</u>	<u>76,806</u>	<u>77,537</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,470</u>	<u>\$ 83,798</u>	<u>\$ 85,268</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	<u>\$ 739</u>	<u>\$ 4,115</u>	<u>\$ 4,854</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by			
Change in Liabilities			
Increase in Unearned Revenue	<u>-</u>	<u>2,812</u>	<u>2,812</u>
Total Adjustments	<u>-</u>	<u>2,812</u>	<u>2,812</u>
Net Cash Provided by Operating Activities	<u>\$ 739</u>	<u>\$ 6,927</u>	<u>\$ 7,666</u>

**FIDUCIARY FUNDS**

**RIVER EDGE 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	\$ 7,623	\$ 9,227	\$ 16,850
Total Assets	<u>\$ 7,623</u>	<u>\$ 9,227</u>	<u>\$ 16,850</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 4,399	\$ 4,399
Accrued Salaries and Wages		4,828	4,828
Due to Student Groups	<u>\$ 7,623</u>	<u>-</u>	<u>7,623</u>
Total Liabilities	<u>\$ 7,623</u>	<u>\$ 9,227</u>	<u>\$ 16,850</u>

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

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

	<u>Balance, July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2017</u>
Elementary Schools				
Cherry Hill	\$ 5,350	\$ 1,470	\$ 4,084	\$ 2,736
Roosevelt	<u>4,136</u>	<u>5,009</u>	<u>4,258</u>	<u>4,887</u>
 Total All Schools	 <u>\$ 9,486</u>	 <u>\$ 6,479</u>	 <u>\$ 8,342</u>	 <u>\$ 7,623</u>

**RIVER EDGE 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><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2017</u></b>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 4,274	\$ 5,344,234	\$ 5,344,109	\$ 4,399
Accrued Salaries and Wages	<u>6,518</u>	<u>7,216,557</u>	<u>7,218,247</u>	<u>4,828</u>
Total	<u>\$ 10,792</u>	<u>\$ 12,560,791</u>	<u>\$ 12,562,356</u>	<u>\$ 9,227</u>

**LONG-TERM DEBT**



RIVER EDGE BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
School Issue	10/15/2006	\$ 8,855,000				\$ 190,000	\$ 190,000	
Refunding School Issue	3/17/2011	2,820,000	12/1/2017	285,000	2.500%			
			12/1/2018	285,000	4.000%			
			12/1/2019-2020	280,000	4.000%			
			12/1/2021	275,000	4.000%	1,700,000	295,000	\$ 1,405,000
Refunding School Issue	9/27/2012	8,515,000	2/1/2018	370,000	4.000%			
			2/1/2019	400,000	4.000%			
			2/1/2020	435,000	3.000%			
			2/1/2021	460,000	3.000%			
			2/1/2022	485,000	3.000%			
			2/1/2023	630,000	3.000%			
			2/1/2024	625,000	3.000%			
			2/1/2025	620,000	3.000%			
			2/1/2026	635,000	3.000%			
			2/1/2027	630,000	3.000%			
			2/1/2028	620,000	3.000%			
			2/1/2029	615,000	3.000%			
			2/1/2030	605,000	3.000%			
			2/1/2031	595,000	3.000%			8,065,000
Refunding School Issue	11/25/2014	7,325,000	10/15/2017	210,000	3.000%			
			10/15/2018	215,000	4.000%			
			10/15/2019	225,000	4.000%			
			10/15/2020	235,000	3.000%			
			10/15/2021	245,000	4.000%			
			10/15/2022	415,000	4.000%			
			10/15/2023	455,000	3.000%			
			10/15/2024	500,000	3.125%			
			10/15/2025	520,000	4.500%			
			10/15/2026	570,000	3.500%			
			10/15/2027	620,000	3.500%			
			10/15/2028	675,000	3.500%			
			10/15/2029	725,000	3.500%			
			10/15/2030	780,000	3.500%			
10/15/2031	905,000	3.500%			7,310,000	15,000	7,295,000	
						<u>7,310,000</u>	<u>15,000</u>	<u>7,295,000</u>
						<u>\$ 17,265,000</u>	<u>\$ 840,000</u>	<u>\$ 16,425,000</u>
						Budget Appropriation	<u>\$ 840,000</u>	

**RIVER EDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
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	\$ 1,215,370		\$ 1,215,370	\$ 1,215,370	
Debt Service Aid	<u>192,934</u>	\$ -	<u>192,934</u>	<u>192,934</u>	<u>-</u>
Total Revenues	<u>1,408,304</u>	<u>-</u>	<u>1,408,304</u>	<u>1,408,304</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	840,000		840,000	840,000	
Interest	<u>572,381</u>	<u>-</u>	<u>572,381</u>	<u>572,381</u>	<u>-</u>
Total Expenditures	<u>1,412,381</u>	<u>-</u>	<u>1,412,381</u>	<u>1,412,381</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,077)</u>	<u>-</u>	<u>(4,077)</u>	<u>(4,077)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>6,300</u>	<u>-</u>	<u>6,300</u>	<u>6,300</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,223</u>	<u>\$ -</u>	<u>\$ 2,223</u>	<u>\$ 2,223</u>	<u>\$ -</u>
<u>Analysis of Balance</u>					
Restricted for Debt Service					
Designated for Subsequent Year's Expenditures				<u>\$ 2,223</u>	

## STATISTICAL SECTION

This part of the River Edge 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.

**RIVER EDGE 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	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 2,615,048	\$ 2,492,185	\$ 2,494,727	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158
Restricted	671,513	100,403	146,290	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840
Unrestricted	878,697	736,691	840,139	737,452	867,590	1,153,834	(4,790,997)	(4,795,691)	(5,168,198)	(5,940,047)
<b>Total Governmental Activities Net Position</b>	<b>\$ 4,165,258</b>	<b>\$ 3,329,279</b>	<b>\$ 3,481,156</b>	<b>\$ 3,216,851</b>	<b>\$ 3,434,927</b>	<b>\$ 3,780,801</b>	<b>\$ (1,463,442)</b>	<b>\$ (938,861)</b>	<b>\$ (937,166)</b>	<b>\$ (1,611,049)</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 1,553	\$ 1,035	\$ 517							
Unrestricted	5,762	5,219	6,731	7,876	9,547	6,439	11,473	23,401	24,432	29,351
<b>Total Business-Type Activities Net Position</b>	<b>\$ 7,315</b>	<b>\$ 6,254</b>	<b>\$ 7,248</b>	<b>\$ 7,876</b>	<b>\$ 9,547</b>	<b>\$ 6,439</b>	<b>\$ 11,473</b>	<b>\$ 23,401</b>	<b>\$ 24,432</b>	<b>\$ 29,351</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 2,616,601	\$ 2,493,220	\$ 2,495,244	\$ 2,287,210	\$ 2,299,398	\$ 2,248,154	\$ 2,706,552	\$ 3,085,602	\$ 3,171,066	\$ 3,302,158
Restricted	671,513	100,403	146,290	192,189	267,939	378,813	621,003	771,228	1,059,966	1,026,840
Unrestricted	884,459	741,910	846,870	745,328	877,137	1,160,273	(4,779,524)	(4,772,290)	(5,143,766)	(5,910,696)
<b>Total District Net Position</b>	<b>\$ 4,172,573</b>	<b>\$ 3,335,533</b>	<b>\$ 3,488,404</b>	<b>\$ 3,224,727</b>	<b>\$ 3,444,474</b>	<b>\$ 3,787,240</b>	<b>\$ (1,451,969)</b>	<b>\$ (915,460)</b>	<b>\$ (912,734)</b>	<b>\$ (1,581,698)</b>

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

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"

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 6,500,556	\$ 6,558,610	\$ 6,602,547	\$ 6,849,342	\$ 6,881,874	\$ 7,138,658	\$ 6,861,154	\$ 8,435,228	\$ 9,430,279	\$ 9,955,637
Special Education	1,917,447	2,032,761	2,108,586	2,600,471	2,840,848	3,189,561	3,355,024	3,738,680	4,062,713	4,363,621
Other Instruction	800,671	651,899	973,052	888,181	978,354	1,048,138	1,082,254	1,311,920	1,392,555	1,445,351
<b>Support Services:</b>										
Student and Instruction Related Services	2,706,622	2,292,069	2,367,205	2,367,895	2,206,225	2,286,215	2,341,688	2,529,563	2,681,295	3,174,664
General Administration Services	586,005	582,616	612,461	507,808	565,502	680,068	551,565	641,985	608,418	776,820
School Administration Services	710,438	729,642	791,451	745,602	852,329	908,472	886,780	1,047,441	1,156,852	1,356,528
Business/ Central Services	365,132	324,566	343,502	361,676	365,252	455,388	428,759	529,266	611,193	550,872
Plant Operations And Maintenance	1,904,241	1,906,011	1,949,954	1,982,410	1,967,932	1,955,808	1,966,031	2,909,615	2,191,767	2,427,827
Pupil Transportation	194,417	150,910	108,786	93,119	46,463	50,201	49,428	84,448	99,234	111,639
Interest On Long-Term Debt	948,234	927,367	902,494	833,366	831,774	680,039	725,695	632,309	625,235	596,212
<b>Total Governmental Activities Expenses</b>	<b>16,633,763</b>	<b>16,156,451</b>	<b>16,752,038</b>	<b>17,229,070</b>	<b>17,536,553</b>	<b>18,401,548</b>	<b>18,249,078</b>	<b>20,961,055</b>	<b>22,859,541</b>	<b>25,359,171</b>
<b>Business-Type Activities:</b>										
Food Service	17,944	17,293	15,312	16,445	15,273	16,848	16,452	14,222	19,509	11,428
Summer Enrichment Program	52,180	58,503	63,503	57,701	56,416	55,096	53,046	47,955	50,349	52,120
<b>Total Business-Type Activities Expense</b>	<b>70,124</b>	<b>75,796</b>	<b>78,815</b>	<b>74,146</b>	<b>71,689</b>	<b>71,944</b>	<b>69,498</b>	<b>62,177</b>	<b>69,858</b>	<b>63,548</b>
<b>Total District Expenses</b>	<b>\$ 16,703,887</b>	<b>\$ 16,232,247</b>	<b>\$ 16,830,853</b>	<b>\$ 17,303,216</b>	<b>\$ 17,608,242</b>	<b>\$ 18,473,492</b>	<b>\$ 18,318,576</b>	<b>\$ 21,023,232</b>	<b>\$ 22,929,399</b>	<b>\$ 25,422,719</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Special Education	\$ 270,450	\$ 192,403	\$ 500,413	\$ 466,579	\$ 484,142	\$ 777,275	\$ 790,310	\$ 929,139	\$ 835,142	\$ 693,242
Operating Grants And Contributions	3,085,629	2,375,836	2,488,154	2,200,419	2,584,964	3,083,986	2,891,826	4,875,937	5,999,315	7,676,017
Capital Grants And Contributions	-	-	55,000	-	90,000	65,296	41,669	150,586	9,593	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,356,079</b>	<b>2,568,239</b>	<b>3,043,567</b>	<b>2,666,998</b>	<b>3,159,106</b>	<b>3,926,557</b>	<b>3,723,805</b>	<b>5,955,662</b>	<b>6,844,050</b>	<b>8,369,259</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	\$ 17,207	\$ 16,775	\$ 16,079	\$ 16,445	\$ 16,519	\$ 15,602	\$ 16,452	\$ 14,222	\$ 20,240	\$ 12,167
Summer Enrichment Program	55,960	57,960	63,730	58,330	56,841	53,105	57,943	59,763	50,530	56,235
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>73,167</b>	<b>74,735</b>	<b>79,809</b>	<b>74,775</b>	<b>73,360</b>	<b>68,707</b>	<b>74,395</b>	<b>73,985</b>	<b>70,770</b>	<b>68,402</b>
<b>Total District Program Revenues</b>	<b>\$ 3,429,246</b>	<b>\$ 2,642,974</b>	<b>\$ 3,123,376</b>	<b>\$ 2,741,773</b>	<b>\$ 3,232,466</b>	<b>\$ 3,995,264</b>	<b>\$ 3,798,200</b>	<b>\$ 6,029,647</b>	<b>\$ 6,914,820</b>	<b>\$ 8,437,661</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<b>\$ (13,277,684)</b>	<b>\$ (13,588,212)</b>	<b>\$ (13,708,471)</b>	<b>\$ (14,562,072)</b>	<b>\$ (14,377,447)</b>	<b>\$ (14,474,991)</b>	<b>\$ (14,525,273)</b>	<b>\$ (15,005,393)</b>	<b>\$ (16,015,491)</b>	<b>\$ (16,989,912)</b>
<b>Business-Type Activities</b>	<b>3,043</b>	<b>(1,061)</b>	<b>994</b>	<b>629</b>	<b>1,671</b>	<b>(3,237)</b>	<b>4,897</b>	<b>11,808</b>	<b>912</b>	<b>4,854</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (13,274,641)</b>	<b>\$ (13,589,273)</b>	<b>\$ (13,707,477)</b>	<b>\$ (14,561,443)</b>	<b>\$ (14,375,776)</b>	<b>\$ (14,478,228)</b>	<b>\$ (14,520,376)</b>	<b>\$ (14,993,585)</b>	<b>\$ (16,014,579)</b>	<b>\$ (16,985,058)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes	\$ 11,334,010	\$ 11,776,036	\$ 12,237,477	\$ 12,867,707	\$ 12,983,676	\$ 13,243,350	\$ 13,508,217	\$ 13,850,746	\$ 14,308,961	\$ 14,707,943
Property Taxes Levied For Debt Service	1,038,020	625,109	1,217,792	1,256,360	1,255,573	1,211,928	1,186,228	1,188,351	1,200,950	1,215,370
Federal and State Aid - Unrestricted	658,878	260,213	311,216	219,274	217,099	233,024	243,431	272,955	274,243	269,763
Investment Earnings	277,342	47,849	28,352	25,860	10,334	9,626	8,556	5,046	4,595	6,387
Miscellaneous Income	81,927	43,026	65,511	76,730	128,841	122,937	139,042	202,276	228,437	116,566
Donated Capital Assets	-	-	-	-	-	-	-	10,600	-	-
Accrued Interest on Sale of Bonds	-	-	-	-	-	-	-	-	-	-
Loss on Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>13,390,177</b>	<b>12,752,233</b>	<b>13,860,348</b>	<b>14,445,931</b>	<b>14,595,523</b>	<b>14,820,865</b>	<b>15,085,474</b>	<b>15,529,974</b>	<b>16,017,186</b>	<b>16,316,029</b>
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>137</b>	<b>120</b>	<b>119</b>	<b>65</b>
<b>Total District-Wide</b>	<b>\$ 13,390,177</b>	<b>\$ 12,752,233</b>	<b>\$ 13,860,348</b>	<b>\$ 14,445,931</b>	<b>\$ 14,595,523</b>	<b>\$ 14,820,994</b>	<b>\$ 15,085,611</b>	<b>\$ 15,530,094</b>	<b>\$ 16,017,305</b>	<b>\$ 16,316,094</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ (12,493)</b>	<b>\$ (835,979)</b>	<b>\$ 151,877</b>	<b>\$ (116,141)</b>	<b>\$ 218,076</b>	<b>\$ 345,874</b>	<b>\$ 560,201</b>	<b>\$ 524,581</b>	<b>\$ 1,693</b>	<b>\$ (673,883)</b>
<b>Business-Type Activities</b>	<b>3,043</b>	<b>(1,061)</b>	<b>994</b>	<b>629</b>	<b>1,671</b>	<b>(3,108)</b>	<b>5,034</b>	<b>11,928</b>	<b>1,031</b>	<b>4,919</b>
<b>Total District</b>	<b>\$ 115,536</b>	<b>\$ (837,040)</b>	<b>\$ 152,871</b>	<b>\$ (115,512)</b>	<b>\$ 219,747</b>	<b>\$ 342,766</b>	<b>\$ 565,235</b>	<b>\$ 536,509</b>	<b>\$ 2,726</b>	<b>\$ (668,964)</b>

**RIVER EDGE 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										
Restricted				\$ 700,240	\$ 1,089,260	\$ 1,386,409	\$ 1,139,063	\$ 1,696,038	\$ 2,128,666	\$ 1,935,227
Assigned				279,046	191,156	125,808	213,100	154,208	42,540	113,777
Unassigned				144,604	125,766	126,986	134,713	136,602	142,189	157,610
Reserved	\$ 723,711	\$ 844,903	\$ 875,666							
Unreserved	<u>493,215</u>	<u>245,990</u>	<u>358,893</u>	-	-	-	-	-	-	-
<b>Total General Fund</b>	<u>\$ 1,216,926</u>	<u>\$ 1,090,893</u>	<u>\$ 1,234,559</u>	<u>\$ 1,123,890</u>	<u>\$ 1,406,182</u>	<u>\$ 1,639,203</u>	<u>\$ 1,486,876</u>	<u>\$ 1,986,848</u>	<u>\$ 2,313,395</u>	<u>\$ 2,206,614</u>
All Other Governmental Funds										
Restricted				\$ 129,334	\$ 88,892	\$ 49,539	\$ 337,697	\$ 81,431	\$ 6,300	\$ 166,613
Assigned					20,147	34,463				
Reserved	\$ 175,200									
Unreserved	<u>926,184</u>	<u>\$ 321,858</u>	<u>\$ 84,610</u>	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 1,101,384</u>	<u>\$ 321,858</u>	<u>\$ 84,610</u>	<u>\$ 129,334</u>	<u>\$ 109,039</u>	<u>\$ 84,002</u>	<u>\$ 337,697</u>	<u>\$ 81,431</u>	<u>\$ 6,300</u>	<u>\$ 166,613</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

**RIVER EDGE 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	\$ 12,372,030	\$ 12,401,145	\$ 13,455,269	\$ 14,124,067	\$ 14,239,249	\$ 14,455,278	\$ 14,694,445	\$ 15,039,097	\$ 15,509,911	\$ 15,923,313
Tuition Charges	270,450	192,403	500,413	466,579	484,142	777,275	790,310	929,139	835,142	693,242
Interest Earnings	277,342	47,849	28,352	25,860	10,334	9,626	8,556	5,046	4,595	6,387
Miscellaneous	81,927	43,026	69,818	76,730	128,841	122,937	139,132	204,514	240,118	120,353
Other Local Sources										
State Sources	3,361,148	2,296,077	2,379,371	1,886,552	2,371,786	2,935,002	2,758,367	3,248,237	3,334,193	3,606,474
Federal Sources	383,359	339,972	474,999	533,141	520,277	447,304	418,469	419,537	489,106	532,620
<b>Total Revenues</b>	<b>16,746,256</b>	<b>15,320,472</b>	<b>16,908,222</b>	<b>17,112,929</b>	<b>17,754,629</b>	<b>18,747,422</b>	<b>18,809,279</b>	<b>19,845,570</b>	<b>20,413,065</b>	<b>20,882,389</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	6,500,106	6,558,160	6,602,097	6,849,342	6,964,044	7,138,658	6,861,154	7,276,076	7,688,490	7,760,867
Special Education Instruction	1,917,447	2,032,761	2,108,586	2,600,471	2,840,848	3,189,561	3,355,024	3,503,625	3,649,064	3,907,483
Other Instruction	800,671	651,899	973,052	888,181	978,354	1,048,138	1,082,954	1,181,662	1,202,944	1,213,206
<b>Support Services:</b>										
Student and Inst. Related Services	2,702,665	2,288,112	2,364,628	2,365,318	2,203,648	2,280,698	2,336,171	2,489,188	2,566,126	2,710,142
General Administration Services	586,005	582,616	612,461	507,008	565,502	572,140	551,565	523,122	585,023	638,475
School Administration Services	710,438	729,642	791,451	745,602	852,329	908,472	886,780	961,048	1,010,852	1,087,474
Business/ Central Services	365,132	324,566	343,502	361,676	365,252	455,388	428,759	458,049	495,774	448,738
Plant Operations And Maintenance	1,325,576	1,247,459	1,284,563	1,316,657	1,302,179	1,279,978	1,281,421	1,289,024	1,438,780	1,519,343
Pupil Transportation	194,417	150,910	100,786	93,119	46,463	50,201	49,428	77,859	90,116	91,978
Capital Outlay	4,758,221	188,016	343,112	22,672	149,138	108,713	380,509	412,049	22,002	38,770
<b>Debt Service:</b>										
Principal	520,000	545,000	570,000	595,000	620,000	797,467	804,317	770,000	815,000	840,000
Interest and Other Charges	949,462	926,890	903,259	833,828	813,839	710,014	689,829	615,162	597,478	572,381
Cost of Issuance of Refunding Bonds				69,079		116,928		111,175		
Payments to Refunding Escrow Agent	-	-	-	121,256	-	802,275	-	-	-	-
<b>Total Expenditures</b>	<b>21,330,140</b>	<b>16,226,031</b>	<b>16,997,497</b>	<b>17,369,209</b>	<b>17,701,596</b>	<b>19,458,631</b>	<b>18,707,911</b>	<b>19,668,039</b>	<b>20,161,649</b>	<b>20,828,857</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(4,583,884)	(905,559)	(89,275)	(256,280)	53,033	(711,209)	101,368	177,531	251,416	53,532
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)					208,954					
Cancellation of Grant Receivable			(4,307)							
Accrued Interest on Sale of Bonds										
Bond Proceeds								7,325,000		
Payments to Refunding Escrow Agent				(2,698,000)		(8,085,000)		(7,746,275)		
Refunding Bond Proceeds				2,820,000		8,315,000				
Premium on Issuance of Refunding Bond				68,335		489,203		487,450		
Transfers In	146,085	5,182	880	472	5,593	113	301,245	-	86,947	200,000
Transfers Out	(146,085)	(5,182)	(880)	(472)	(5,593)	(113)	(301,245)	-	(86,947)	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(4,307)</b>	<b>190,335</b>	<b>208,954</b>	<b>919,203</b>	<b>-</b>	<b>66,175</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (4,583,884)</b>	<b>\$ (905,559)</b>	<b>\$ (93,582)</b>	<b>\$ (65,945)</b>	<b>\$ 261,987</b>	<b>\$ 207,994</b>	<b>\$ 101,368</b>	<b>\$ 243,706</b>	<b>\$ 251,416</b>	<b>\$ 53,532</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.87%</b>	<b>9.18%</b>	<b>8.85%</b>	<b>9.33%</b>	<b>8.17%</b>	<b>8.18%</b>	<b>8.15%</b>	<b>7.77%</b>	<b>7.01%</b>	<b>6.79%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

**RIVER EDGE 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>Misc.</u>	<u>Total</u>
2008	\$ 270,450	\$ 152,916	\$ 81,927	\$ 505,293
2009	192,403	42,667	43,026	278,096
2010	500,413	27,472	69,818	597,703
2011	466,579	25,388	76,730	568,697
2012	484,142	10,074	128,841	623,057
2013	777,275	9,513	122,937	909,725
2014	790,310	8,322	139,042	937,674
2015	929,139	5,046	202,276	1,136,461
2016	835,142	4,595	228,437	1,068,174
2017	693,242	6,387	116,566	816,195

Source: School Districts' Financial Statements



RIVER EDGE BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Ofarm	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	6,331,700	1,414,404,500	N/A	N/A	113,153,700	12,088,000	70,523,500	1,616,501,400	6,740,506	1,623,241,906	1,896,887,695	0.76
2009	11,167,500	1,421,404,500	N/A	N/A	105,142,400	11,978,000	70,523,500	1,620,215,900	6,952,327	1,627,168,227	1,920,855,215	0.83
2010	11,257,500	1,423,100,600	N/A	N/A	111,031,000	11,770,500	70,523,500	1,627,683,100	7,502,187	1,635,185,287	1,842,825,877	0.86
2011	11,268,700	1,424,860,900	N/A	N/A	109,821,000	11,628,300	70,523,500	1,628,102,400	6,992,114	1,635,094,514	1,845,519,614	0.87
(1) 2012	7,651,800	1,230,634,900	N/A	N/A	101,710,100	11,109,500	79,154,600	1,430,260,900	7,391,212	1,437,652,112	1,612,162,697	1.006
2013	7,651,800	1,230,141,600	N/A	N/A	101,255,800	11,109,500	79,154,600	1,429,313,300	4,948,498	1,434,261,798	1,630,484,645	1.025
2014	3,019,800	1,230,540,199	N/A	N/A	107,300,600	11,109,500	77,829,700	1,429,799,799	4,544,828	1,434,344,627	1,680,254,978	1.049
2015	3,035,800	1,237,865,699	N/A	N/A	110,334,400	9,957,700	76,839,700	1,438,033,299	4,509,632	1,442,542,931	1,652,674,244	1.075
2016	2,533,300	1,243,022,199	N/A	N/A	113,294,400	9,957,700	76,839,700	1,447,647,299	4,742,304	1,452,389,603	1,687,677,142	1.097
2017	2,533,300	1,247,329,199	N/A	N/A	113,994,900	9,957,700	76,787,900	1,450,602,999	4,715,220	1,455,318,219	1,706,636,057	1.121

Source: County Abstract of Ratables

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

(1) The Borough underwent a reassessment of real property which became effective January 1, 2012.

**RIVER EDGE 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 Direct School Tax Rate</u>	<u>Overlapping Rates</u>			<u>Total</u>
		<u>Regional High School District</u>	<u>Municipality (2)</u>	<u>County</u>	
2008	\$ 0.76	\$ 0.79	\$ 0.55	\$ 0.22	\$ 2.32
2009	0.83	0.82	0.57	0.23	2.44
2010	0.86	0.83	0.64	0.23	2.56
2011	0.87	0.87	0.70	0.23	2.67
2012	(1) 1.006	0.998	0.816	0.245	3.065
2013	1.025	1.001	0.842	0.264	3.132
2014	1.049	1.039	0.862	0.273	3.223
2015	1.075	0.999	0.868	0.275	3.217
2016	1.097	1.023	0.880	0.286	3.286
2017	1.121	1.052	0.895	0.294	3.362

(1) - The Borough underwent a reassessment of real property which became effective January 1, 2012.

(2) - Includes Library Tax

Source: Tax Collector

**RIVER EDGE BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
River Terrace Gardens, LLC	\$ 21,816,700	1.50%	\$ 19,825,900	1.22%
River Edge Associates	19,446,100	1.34%	15,761,300	0.97%
Route 4 - Maint Street, LLC	14,382,000	0.99%	10,176,800	0.63%
ESS WCOT Owner LLC, PTA	9,844,800	0.68%		
Gainesborough COOP Corp.	8,600,000	0.59%	10,524,100	0.65%
First Real Est. Investment Tr of NJ	8,475,900	0.58%	7,297,900	0.45%
River Terrace Gardens Assoc - R E Gardens	8,289,500	0.57%		
Grand Four Associates	6,500,000	0.45%	8,649,300	0.53%
Milpau, LLC.	5,431,200	0.37%	5,032,600	0.31%
Verizon - New Jersey	4,715,220	0.32%	6,740,506	0.42%
East Coast Storage			10,040,200	0.62%
Riverside Medical Arts Center			4,066,200	0.25%
	<u>\$ 107,501,420</u>	<u>7.39%</u>	<u>\$ 98,114,806</u>	<u>6.04%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	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	\$ 12,372,030	\$ 12,372,030	100.00%	
2009	12,401,145	12,401,145	100.00%	
2010	13,455,269	13,455,269	100.00%	
2011	14,124,067	14,124,067	100.00%	
2012	14,239,249	14,239,249	100.00%	
2013	14,455,278	14,455,278	100.00%	
2014	14,694,445	14,694,445	100.00%	
2015	15,039,097	15,039,097	100.00%	
2016	15,509,911	15,509,911	100.00%	
2017	15,923,313	15,923,313	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	<u>Population</u>	<u>Per Capita</u>
	General Obligation Bonds	Capital Leases			
2008	21,988,000		21,988,000	10,627	2,069
2009	21,443,000		21,443,000	10,691	2,006
2010	20,873,000		20,873,000	11,361	1,837
2011	20,400,000		20,400,000	11,446	1,782
2012	19,780,000	\$ 126,784	19,906,784	11,497	1,731
2013	19,480,000	59,317	19,539,317	11,560	1,690
2014	18,735,000	-	18,735,000	11,609	1,614
2015	18,080,000	-	18,080,000	11,668	1,550
2016	17,265,000	-	17,265,000	11,647	1,482
2017	16,425,000	-	16,425,000	11,647 (1)	1,410

(1) - estimated

Source: District records

**RIVER EDGE 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 Debt	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2008	21,988,000		21,988,000	1.35%	2,069
2009	21,443,000		21,443,000	1.32%	2,006
2010	20,873,000		20,873,000	1.28%	1,837
2011	20,400,000		20,400,000	1.25%	1,782
2012	19,780,000		19,780,000	1.38%	1,720
2013	19,480,000		19,480,000	1.36%	1,685
2014	18,735,000		18,735,000	1.31%	1,614
2015	18,080,000		18,080,000	1.25%	1,550
2016	17,265,000		17,265,000	1.19%	1,482
2017	16,425,000		16,425,000	1.13%	1,410

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIVER EDGE BOARD OF EDUCATION**  
**COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT**  
**FOR YEAR ENDED DECEMBER 31, 2016**  
**(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of River Edge	\$ 11,103,211		\$ 11,103,211
Regional School District	4,787,317	\$ 4,787,317	
Local School District	<u>16,765,000</u>	<u>16,765,000</u>	<u>-</u>
	<u>\$ 32,655,528</u>	<u>\$ 21,552,317</u>	11,103,211
Overlapping Debt Apportioned to the Municipality:			
Bergen County			
County of Bergen (3); (A)			12,107,979
Bergen County Utilities Authority - Water Pollution Control (2); (B)			<u>2,569,560</u>
Total Direct and Overlapping Debt			<u>\$ 25,780,750</u>

(A) The debt for this entity was apportioned to the Borough of River Edge by dividing the Municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of River Edge 2016 Annual Debt Statement.
- (2) BCUA 2016 audit.
- (3) Bergen County 2016 Annual Debt Statement

**RIVER EDGE BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
AS OF JUNE 30, 2017  
(Unaudited)**

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

Equalized valuation basis	
2016	\$ 1,695,534,433
2015	1,668,832,887
2014	<u>1,635,739,388</u>
	<u>\$ 5,000,106,708</u>
Average equalized valuation of taxable property	<u>\$ 1,666,702,236</u>
Debt limit (2.5% of average equalization value)	41,667,556
Total Net Debt Applicable to Limit	<u>16,425,000</u>
Legal debt margin	<u>\$ 25,242,556</u>

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 43,992,029	\$ 46,433,937	\$ 46,750,086	\$ 46,355,838	\$ 45,270,222	\$ 43,775,847	\$ 42,423,181	\$ 41,262,018	\$ 41,472,291	\$ 41,667,556
Total net debt applicable to limit	<u>21,988,000</u>	<u>21,443,000</u>	<u>20,873,000</u>	<u>20,400,000</u>	<u>19,780,000</u>	<u>19,480,000</u>	<u>18,735,000</u>	<u>18,080,000</u>	<u>17,265,000</u>	<u>16,425,000</u>
Legal debt margin	<u>\$ 22,004,029</u>	<u>\$ 24,990,937</u>	<u>\$ 25,877,086</u>	<u>\$ 25,955,838</u>	<u>\$ 25,490,222</u>	<u>\$ 24,295,847</u>	<u>\$ 23,688,181</u>	<u>\$ 23,182,018</u>	<u>\$ 24,207,291</u>	<u>\$ 25,242,556</u>
Total net debt applicable to the limit as a percentage of debt limit	49.98%	46.18%	44.65%	44.01%	43.69%	44.50%	44.16%	43.82%	41.63%	39.42%

Source: Annual Debt Statements



**RIVER EDGE 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>School District Population</u>
2008	3.4	68,548	10,627
2009	6.2	64,571	10,691
2010	6.4	65,275	11,361
2011	6.3	68,244	11,446
2012	6.4	71,380	11,497
2013	6.6	70,498	11,560
2014	4.6	73,536	11,609
2015	3.6	75,849	11,668
2016	3.4	N/A	11,647
2017	N/A	N/A	11,647 (2)

N/A - Not Available

Source: United States Bureau of Census  
School District Records

(1) Represents the County of Bergen's Per Capita Income

(2) Estimated

RIVER EDGE BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

	2017		2008	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

**RIVER EDGE 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	77.0	78.0	77.0	72.0	72.0	74.0	74.0	76.5	77.1	77.4
Special education	18.5	24.5	27.5	29.0	34.0	40.0	47.0	47.0	49.0	49.0
Other instruction	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	3.0	3.0
Co-curricular activities										
Support Services:										
Student and instruction related services	12.5	12.5	12.5	12.5	11.5	11.5	17.0	17.5	18.5	17.0
General administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administration Services	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0	6.7
Central services	4.0	4.0	4.0	4.0	4.5	4.5	5.5	5.5	7.0	8.0
Plant operations and maintenance	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0	10.0
Pupil transportation				1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>130.0</b>	<b>137.0</b>	<b>139.0</b>	<b>136.5</b>	<b>141.0</b>	<b>149.0</b>	<b>166.5</b>	<b>169.5</b>	<b>173.6</b>	<b>175.1</b>

Source: District Personnel Records

RIVER EDGE 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	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2008	1,154	15,102,457	13,087	11.21%	105.00	01:13.8		1,140	1,099	1.01%	96.40%
2009	1,158	14,566,125	12,579	-3.88%	105.00	01:13.8		1,158	1,115	1.55%	96.30%
2010	1,206	15,181,126	12,588	0.07%	105.00	01:13.8		1,198	1,154	3.34%	96.30%
2011	1,197	15,727,374	13,139	4.38%	105.00	01:13.8		1,197	1,153	-0.08%	96.40%
2012	1,179	16,118,619	13,671	4.05%	105.00	01:13.8		1,169	1,132	-2.40%	96.40%
2013	1,202	16,923,234	14,079	2.98%	105.00	01:13.8		1,196	1,153	2.24%	95.90%
2014	1,167	16,833,256	14,424	2.45%	106.00	01:14.4		1,166	1,121	-2.56%	96.06%
2015	1,205	17,759,653	14,738	2.18%	109.00	01:11.1		1,201	1,169	2.91%	97.01%
2016	1,170	18,727,169	16,006	8.60%	107.00	01:11		1,177	1,133	-2.04%	96.26%
2017	1,183	19,377,706	16,380	2.34%	108.00	01:11		1,188	1,146	1.15%	96.20%

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.

RIVER EDGE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<u>Cherry Hill Elementary School</u>										
Square Feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900
Capacity (students)	850	850	850	850	850	850	850	850	850	850
Enrollment	696	703	736	720	727	745	730	760	667	690
<u>Roosevelt Elementary School</u>										
Square Feet	63,520	63,520	63,520	63,520	63,520	63,520	63,250	63,250	63,250	63,250
Capacity (students)	596	596	596	596	596	596	596	596	596	596
Enrollment	458	455	470	477	452	457	437	445	503	493

Number of Schools at June 30, 2017  
 Elementary = 2

Source: District Records

**RIVER EDGE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS**

	<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>School Facilities</u></b>										
Cherry Hill School	\$ 112,969	\$ 91,094	\$ 116,953	\$ 104,287	\$ 142,159	\$ 153,759	\$ 123,998	\$ 124,109	\$ 142,655	\$ 160,014
Roosevelt School	<u>81,355</u>	<u>64,460</u>	<u>87,309</u>	<u>120,787</u>	<u>135,294</u>	<u>106,362</u>	<u>69,959</u>	<u>113,568</u>	<u>155,938</u>	<u>99,321</u>
Total School Facilities	<u>194,324</u>	<u>155,554</u>	<u>204,262</u>	<u>225,074</u>	<u>277,453</u>	<u>260,121</u>	<u>193,957</u>	<u>237,677</u>	<u>298,593</u>	<u>259,335</u>
<b>Grand Total</b>	<b><u>\$ 194,324</u></b>	<b><u>\$ 155,554</u></b>	<b><u>\$ 204,262</u></b>	<b><u>\$ 225,074</u></b>	<b><u>\$ 277,453</u></b>	<b><u>\$ 260,121</u></b>	<b><u>\$ 193,957</u></b>	<b><u>\$ 237,677</u></b>	<b><u>\$ 298,593</u></b>	<b><u>\$ 259,335</u></b>

Source: District Records

\* School Facilities as defined under EFCFA.  
(N.J.A.C. 6:26-1.2 and N.J.A.C. 6:24.1.3)

**RIVER EDGE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2017  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance		
Property - Blanket Building & Contents	\$ 54,528,073	\$ 5,000
Flood and Earthquake (per occurrence and annual aggregate)	5,000,000	50,000
Automobile Liability	1,000,000	
General Liability - General Aggregate	2,000,000	
Crime Coverage - Selective Insurance Company of America		
Blanket Employee Dishonesty - per employee/per loss	100,000/400,000	5,000/100,000
Commercial Umbrella Policy - Great American Insurance Insurance Co.	9,000,000	
Commercial Umbrella Excess - Fireman's Fund Insurance Company	50,000,000	
Surety Bonds		
Treasurer of School Monies	210,000	
Board Secretary/Business Administrator	200,000	

Source: School District's records

**SINGLE AUDIT SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

**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  
River Edge Board of Education  
River Edge, 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 River Edge 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 River Edge Board of Education’s basic financial statements and have issued our report thereon dated September 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the River Edge 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 River Edge Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the River Edge Board of Education’s internal control.

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

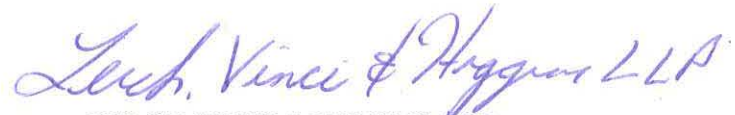
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

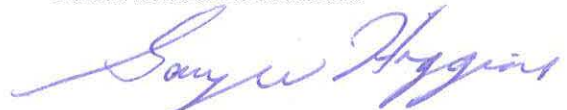
As part of obtaining reasonable assurance about whether the River Edge Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Edge 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 River Edge 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  
September 15, 2017



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE 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  
River Edge Board of Education  
River Edge, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the River Edge Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the River Edge Board of Education's major state programs for the fiscal year ended June 30, 2017. The River Edge Board of Education's major 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 state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the River Edge Board of Education's major 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; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards 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 state program occurred. An audit includes examining, on a test basis, evidence about the River Edge 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 state program. However, our audit does not provide a legal determination of the River Edge Board of Education's compliance.

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

In our opinion, the River Edge 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 state programs for the fiscal year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the River Edge 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 River Edge Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the 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 River Edge Board of Education's internal control over compliance.

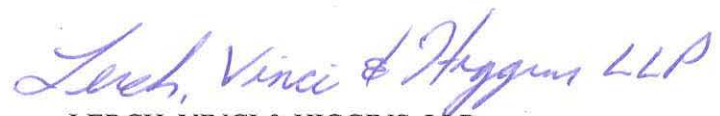
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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.

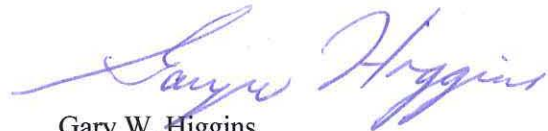
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on 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 River Edge 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 September 15, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
September 15, 2017

**RIVER EDGE 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 FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016		Deferred Revenue Carryover Amount	A/R Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Cancellations (1)	June 30, 2017		Memo GAAP Receivables
						(Account Receivable)	Unearned Revenue						Unearned Revenue	(Account Receivable)	
<b>U.S. Department of Education Passed-through State Department of Education</b>															
<u>Special Revenue Fund</u>															
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	IDEA441017	7/1/16-6/30/17	\$ 360,634			\$ 49,022	\$ (49,022)	\$ 217,659	\$ 389,189		\$ 20,467	\$ (191,997)	\$ (171,530)
I.D.E.A. Part B, Preschool	84.173	H173A160114	IDEA441017	7/1/16-6/30/17	16,270			8,779	(8,779)	10,208	17,859		7,190	(14,841)	(7,651)
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA441016	7/1/15-6/30/16	416,280	\$ (196,608)	\$ 49,022	(49,022)	49,022	147,586					
I.D.E.A. Part B, Preschool	84.173	H173A150114	IDEA441016	7/1/15-6/30/16	16,542	(12,662)	8,779	(8,779)	8,779	3,883					
<b>Total Special Education Cluster (IDEA)</b>						<b>(209,270)</b>	<b>57,801</b>	<b>-</b>	<b>-</b>	<b>379,336</b>	<b>407,048</b>	<b>-</b>	<b>27,657</b>	<b>(206,838)</b>	<b>(179,181)</b>
Title III	84.365	S365A160030	NCLB441017	7/1/16-6/30/17	26,341						23,684		2,657	(26,341)	(22,748)
Title III - Immigrant	84.365	S365A160030	NCLB441017	7/1/16-6/30/17	3,717						2,549		1,168	(3,717)	(2,549)
<b>Total English Language Acquisition Cluster</b>						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,233</b>	<b>-</b>	<b>3,825</b>	<b>(30,058)</b>	<b>(25,297)</b>
Title I	84.010	S010A150030	NCLB441016	7/1/15-6/30/16	64,683	(49,716)	40,748	(40,748)	40,748	8,968					
Title I	84.010	S010A160030	NCLB441017	7/1/16-6/30/17	61,317			40,748	(40,748)	64,924	90,959		11,106	(37,141)	(18,786)
Title II A	84.367A	S367A150029	NCLB441016	7/1/15-6/30/16	23,371		4,165					\$ 4,165			
Title II A	84.367A	S367A160029	NCLB441017	7/1/16-6/30/17	21,945						16,565		5,380	(21,945)	(16,565)
<b>Total Special Revenue Fund</b>						<b>(258,986)</b>	<b>102,714</b>	<b>-</b>	<b>-</b>	<b>453,228</b>	<b>540,805</b>	<b>4,165</b>	<b>47,968</b>	<b>(295,982)</b>	<b>(239,829)</b>
<b>Total Federal Awards</b>						<b>\$ (258,986)</b>	<b>\$ 102,714</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 453,228</b>	<b>\$ 540,805</b>	<b>\$ 4,165</b>	<b>\$ 47,968</b>	<b>\$ (295,982)</b>	<b>\$ (239,829)</b>

Note - This schedule was not subject to an audit in accordance with U.S. Uniform Guidance

(1) - To adjust deferred revenue balance and reclassify prior year expenditures

RIVER EDGE 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, July 1, 2016		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			MEMO		
				Unearned Rev./ (Acct Receiv.)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 404,603	\$ (38,778)		\$ 38,778						*		
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	406,566			371,762	\$ 406,566		\$ (34,804)			*	\$ 406,566	
Security Categorical Aid	16-495-034-5120-084	7/1/15-6/30/16	17,489	(1,676)		1,676						*		
Security Categorical Aid	17-495-034-5120-084	7/1/16-6/30/17	19,965			18,256	19,965		(1,709)			*	19,965	
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	23,482	(2,251)		2,251						*		
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	23,482			21,472	23,482		(2,010)			*	23,482	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	11,260	(1,079)		1,079						*		
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	11,260			10,296	11,260		(964)			*	11,260	
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	11,260	(1,079)		1,079						*		
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	11,260			10,296	11,260		(964)			*	11,260	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	11,400			10,424	11,400		(976)			*	11,400	
<b>Total State Aid Public Cluster</b>				<b>(44,863)</b>	<b>-</b>	<b>487,369</b>	<b>483,933</b>	<b>-</b>	<b>(41,427)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>483,933</b>	<b>-</b>
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	2,540	(244)		244						*		
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	3,005			2,748	3,005		(257)			*	3,005	
Non Public Transportation Reimbursement	16-495-034-5120-014	7/1/15-6/30/16	1,740	(1,740)		1,740						*		
Non Public Transportation Reimbursement	17-495-034-5120-014	7/1/16-6/30/17	1,392			-	1,392		(1,392)			*	\$ (1,392)	1,392
<b>Total Transportation Cluster</b>				<b>(1,984)</b>	<b>-</b>	<b>4,732</b>	<b>4,397</b>	<b>-</b>	<b>(1,649)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(1,392)</b>	<b>4,397</b>
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	272,445	(272,445)		272,445						*		
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	297,192			297,192	297,192		(297,192)			*	297,192	
On-Behalf TPAF Normal Costs	17-495-034-5094-002	7/1/16-6/30/17	812,541			812,541	812,541					*	812,541	
On-Behalf TPAF NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	29,440			29,440	29,440					*	29,440	
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	2,178			2,178	2,178					*	2,178	
On-Behalf TPAF Post-Retirements Medical Contributions	17-495-034-5094-001	7/1/16-6/30/17	701,563			701,563	701,563					*	701,563	
On-behalf TPAF Soc. Sec. Contributions	16-495-034-5094-003	7/1/15-6/30/16	561,810	(27,677)		27,677						*		
On-behalf TPAF Soc. Sec. Contributions	17-495-034-5094-003	7/1/16-6/30/17	558,563			530,662	558,563		(27,901)			*	(27,901)	558,563
<b>Total General Fund</b>				<b>(346,969)</b>	<b>-</b>	<b>2,868,607</b>	<b>2,889,807</b>	<b>-</b>	<b>(368,169)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(29,293)</b>	<b>2,889,807</b>
<b>Special Revenue Fund</b>														
<b>New Jersey Nonpublic Aid</b>														
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	49,392		\$ 1,559			\$ 1,559				*		
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	50,319			50,319	47,435			\$ 2,884		*		47,435
<b>Total Textbook Aid Cluster</b>					<b>1,559</b>	<b>50,319</b>	<b>47,435</b>	<b>1,559</b>	<b>-</b>	<b>2,884</b>	<b>-</b>	<b>*</b>	<b>-</b>	<b>47,435</b>
Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	84,330		87			87				*		
Nursing Aid	17-100-034-5120-070	7/1/16-6/30/17	84,960			84,960	84,960					*		84,960
<b>Total Nursing Aid Cluster</b>					<b>87</b>	<b>84,960</b>	<b>84,960</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>-</b>	<b>84,960</b>
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	22,490		1,425			1,425				*		
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	22,698			22,698	21,987			711		*		21,987
<b>Total Technology Aid Cluster</b>					<b>1,425</b>	<b>22,698</b>	<b>21,987</b>	<b>1,425</b>	<b>-</b>	<b>711</b>	<b>-</b>	<b>*</b>	<b>-</b>	<b>21,987</b>
<b>Auxiliary Services</b>														
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	81,388		29,389			29,389				*		
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	56,256			56,256	53,538			2,718		*		53,538
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	8,628		6,040			6,040				*		
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	4,203			4,203	3,289			914		*		3,289
Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	1,083				1,083		(1,083)			*	(1,083)	1,083
Transportation	16-100-034-5120-068	7/1/15-6/30/16	15,175		6,588			6,588				*		
Transportation	17-100-034-5120-068	7/1/16-6/30/17	15,300			15,300				15,300		*		
<b>Total Auxiliary Services Aid</b>					<b>42,017</b>	<b>75,759</b>	<b>57,910</b>	<b>42,017</b>	<b>-</b>	<b>(1,083)</b>	<b>18,932</b>	<b>*</b>	<b>(1,083)</b>	<b>57,910</b>

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

**RIVER EDGE 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, July 1, 2016		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			MEMO		
				Unearned Rev./ (Acct. Receiv.)	Due to Grantor				Uncearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
Handicapped Services														
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	91,967		\$ 3,845			\$ 3,845						
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	96,743			\$ 96,743	\$ 92,414			\$ 4,329			\$ 92,414	
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	126,640		20,630			20,630						
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	135,267			135,267	121,756				13,511		121,756	
Supplementary Instruction	16-100-934-5120-066	7/1/15-6/30/16	53,762		3,861			3,861						
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	77,764			77,764	67,296				10,468		67,296	
<b>Total Handicapped Aid</b>					<b>28,336</b>	<b>309,774</b>	<b>281,466</b>	<b>28,336</b>			<b>28,308</b>		<b>281,466</b>	
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	30,350		1,201			1,201						
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	60,500			60,500	51,299				9,201		51,299	
<b>Total Security Aid Cluster</b>					<b>1,201</b>	<b>60,500</b>	<b>51,299</b>	<b>1,201</b>			<b>9,201</b>		<b>51,299</b>	
<b>Total Special Revenue Fund</b>					<b>74,625</b>	<b>604,010</b>	<b>545,057</b>	<b>74,625</b>		<b>\$ (1,083)</b>	<b>60,036</b>		<b>(1,083)</b>	<b>545,057</b>
Debt Service Fund														
Debt Service Aid-State Support	17-495-034-5120-075	7/1/16-6/30/17	192,934			192,934	192,934						192,934	
<b>Total Debt Service Fund</b>						<b>192,934</b>	<b>192,934</b>						<b>192,934</b>	
<b>Total</b>					<b>\$ (346,969)</b>	<b>\$ 74,625</b>	<b>\$ 3,665,551</b>	<b>\$ 3,627,798</b>	<b>\$ 74,625</b>		<b>\$ (369,252)</b>	<b>\$ 60,036</b>	<b>\$ (30,376)</b>	<b>\$ 3,627,798</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>														
General Fund														
On-Behalf TPAF Normal Costs							(812,541)	(812,541)						(812,541)
On-Behalf TPAF NCGI Premium							(29,440)	(29,440)						(29,440)
On-Behalf TPAF Long-Term Disability Insurance							(2,178)	(2,178)						(2,178)
On-Behalf TPAF Post-Retirements Medical Contributions							(701,563)	(701,563)						(701,563)
<b>Total State Financial Assistance Subject to Single Audit</b>					<b>\$ (346,969)</b>	<b>\$ 74,625</b>	<b>\$ 2,119,829</b>	<b>\$ 2,082,076</b>	<b>\$ 74,625</b>	<b>\$ -</b>	<b>\$ (369,252)</b>	<b>\$ 60,036</b>	<b>\$ (30,376)</b>	<b>\$ 2,082,076</b>



**RIVER EDGE 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 River Edge 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. 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 a decrease of \$21,324 for the general fund and a decrease of \$8,185 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		\$ 2,868,483	\$ 2,868,483
Special Revenue Fund	\$ 532,620	545,057	1,077,677
Debt Service Fund	-	192,934	192,934
	<u>532,620</u>	<u>3,606,474</u>	<u>4,139,094</u>
Total Financial Assistance	<u>\$ 532,620</u>	<u>\$ 3,606,474</u>	<u>\$ 4,139,094</u>

**RIVER EDGE 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 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$558,563 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 \$841,981, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$701,563 and TPAF Long-Term Disability Insurance Contributions in the amount of \$2,178 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension and 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 7 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.

**RIVER EDGE 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**

A) Type of auditors' report issued:	<u>Unmodified</u>
B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  x  </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u>  x  </u> none reported
C) Noncompliance material to basic financial statements noted?	_____ yes <u>  x  </u> no

**Federal Awards Section**

Not Applicable

**RIVER EDGE 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**

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

K) Auditee qualified as low-risk auditee?  x  yes   no

L) Type of auditors' report on compliance for major programs: Unmodified

M) Internal Control over compliance:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses?   yes  x  none reported

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?   yes  x  no

O) Identification of major programs:

GMIS Number(s)	Name of State Program
17-495-034-5094-003	Reimbursed TPAF Social Security Contributions

**RIVER EDGE 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 significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**RIVER EDGE 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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**RIVER EDGE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.