

RIDGEFIELD PARK
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Ridgefield Park, New Jersey

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Ridgefield Park Board of Education

Ridgefield Park, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

Business Office

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INTRODUCTORY SECTION

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

James Tevis
Interim Business Administrator/Board Secretary

January 30, 2019

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

Dear Board Members:

State Department of Education statutes require that all school districts complete a set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Ridgefield Park Board of Education for the fiscal year ended June 30, 2018.

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

The Ridgefield Park Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Ridgefield Park Board of Education for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Ridgefield Park Board of Education's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP requires that the management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Ridgefield Park Board of Education's MD&A can be found immediately following the report of the independent auditors.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 2,320 students, *which is 81 students less than the previous year's enrollment.* The following details the changes in the average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2008-09	2,112	0.91%
2009-10	2,160	2.27%
2010-11	2,224	2.96%
2011-12	2,248	1.08%
2012-13	2,296	2.14%

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013-14	2,343	2.01%
2014-15	2,379	1.54%
2015-16	2,442	2.65%
2016-17	2,401	(1.68%)
2017-18	2,320	(3.37%)

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

Facilities:

- Started high school chiller replacement project
- Started Roosevelt school lintels upgrade project
- Terminated the Thomas Jefferson school lease and started the elementary schools classroom conversion projects.
- Repairs to several school district boilers.

Technology:

- Continued to increase district Chromebook devices
- Increased internet Bandwidth throughout district
- Installation of additional interactive multi-media panels
- The district continued to increase communications with parents and students utilizing the School Messenger communication tool
- The district continued to expand the use of Google Classroom and Google Docs to decrease the need for copying information and the purchase of Microsoft office products.

Academic:

- Continued to train new teachers and reinforce with existing staff ELA instruction utilizing Readers and Writers Workshop with the Literacy Consultant.
- Continued to put an increased focus on Math instruction. Elementary principals were requested to schedule double periods of math. A Math Consultant was obtained for the upcoming school year, as scheduling only allowed for professional development sessions during the 2017-2018 school year.
- The Knowing Science curriculum and materials was implemented in Grades K-6.
- All curriculum guides were updated for Grades K-12 and uploaded to the school district website.
- There was an addition of an inclusive Pre-K class in the district.
- Ridgefield Park Junior-Senior High School was ranked #62 in Best High Schools in New Jersey 2018.

Professional Development:

- The district planned and executed two full-day professional development days along with one early dismissal day for professional development purposes. This was in addition to ongoing supported professional development for all faculty and staff.
- The district continued to utilize GCN Training, Global Compliance Network, for internet based training modules throughout the year.
- Ongoing training and support was provided in the use of our SIS (Genesis), Google Drive, Google Docs, Google Classroom, report cards, and online lesson planning.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Village. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. DEBT ADMINISTRATION:

At June 30, 2018, the District's outstanding debt issues included \$360,000 of general obligation bonds.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the single audit requirements of the U.S. Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

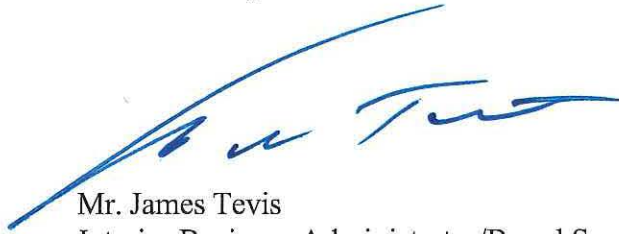
10. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

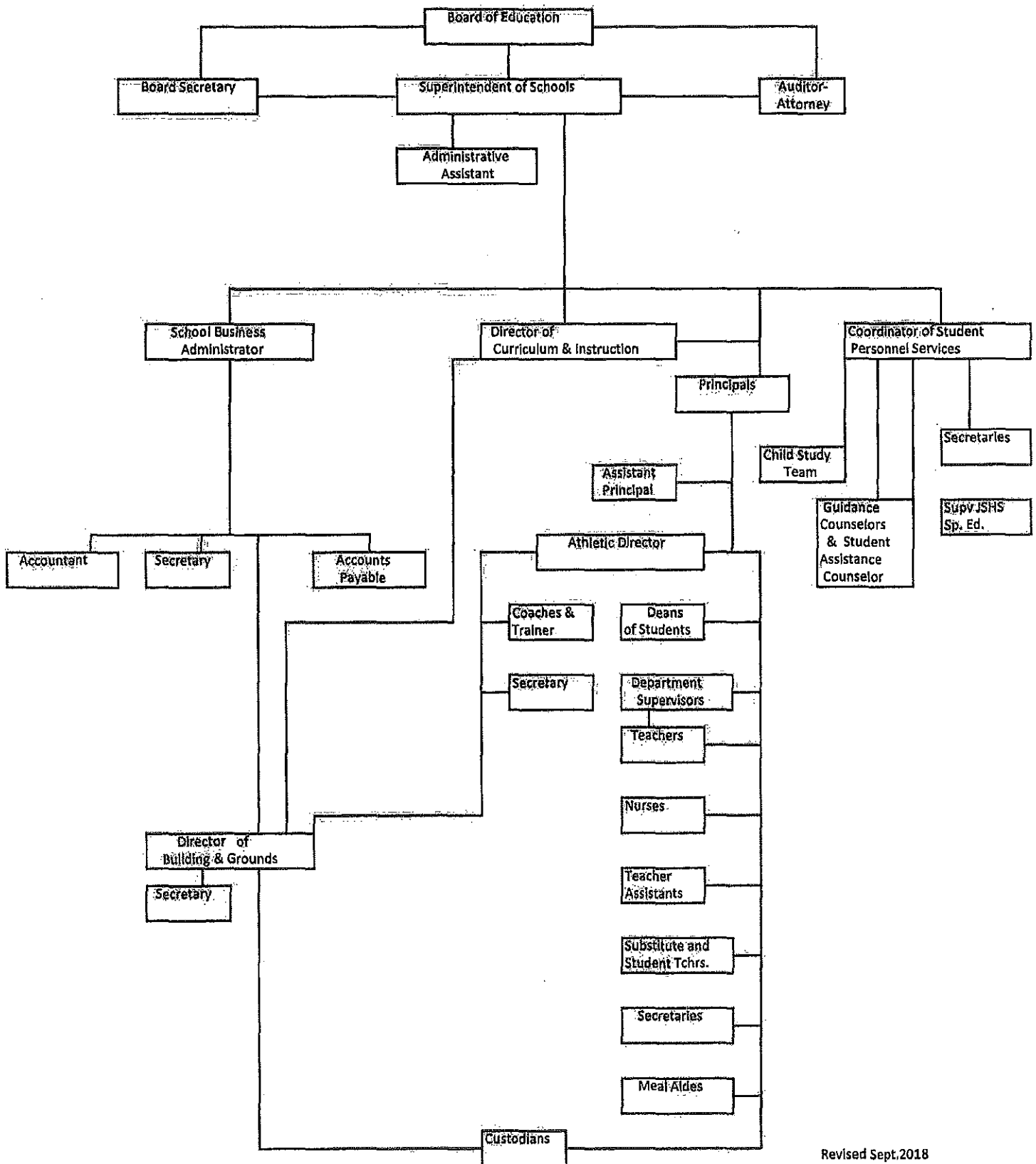


Dr. Mark Hayes
Interim Superintendent of Schools



Mr. James Tevis
Interim Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Revised Sept. 2018

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

ROSTER OF OFFICIALS
JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Robert Thiemann, President	2019
David Cathcart, Vice President	2021
Edmond DeSantis	2020
Elsa Martinez	2020
Jodie Craft	2021
Donna Ruby-Blue	2019
Ronald Hidalgo	2021
Vacancy	2019
Brian Cooney	2020
Nick Fytros (Little Ferry Representative)	

Other Officials

Dr. Mark Hayes, Interim Superintendent of Schools
Mr. Michael Steinmetz, Business Administrator/Board Secretary

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

Consultants and Advisors
June 30, 2018

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

TD Bank, NA
245 Main Street
Ridgefield Park, New Jersey 07660

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Ridgefield Park Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

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

Other Information

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

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

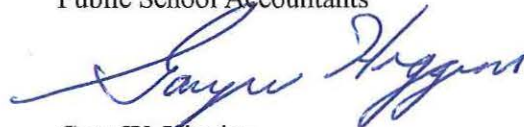
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2019 on our consideration of the Ridgefield Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgefield Park Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The discussion and analysis of the Ridgefield Park Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent year by \$1,148,180 (net position).
- General revenues accounted for \$30,922,677 of revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$24,078,234 or 44 percent of total revenues of \$55,000,911.
- Total assets and deferred outflows of resources of governmental activities amounted to \$20,559,704 as of June 30, 2018.
- The District had \$51,610,635 in expenses related to governmental activities; only \$23,040,100 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$30,922,349 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$43,571,587 in revenues and \$42,005,445 in expenditures. The General Fund's fund balance increased \$1,736,462 from the fiscal year ended June 30, 2017.

Using the Comprehensive Annual Financial Report (CAFR)

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

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2018?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, liabilities and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table 1 provides a summary of the District's net position as of June 30, 2018 and 2017.

Table 1
Net Position
As of June 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current Assets	\$ 5,273,671	\$ 3,163,639	\$ 240,197	\$ 153,506	\$ 5,513,868	\$ 3,317,145
Capital Assets	10,799,524	10,691,746	31,948	41,777	10,831,472	10,733,523
Total Assets	<u>16,073,195</u>	<u>13,855,385</u>	<u>272,145</u>	<u>195,283</u>	<u>16,345,340</u>	<u>14,050,668</u>
Deferred Amount on Net Pension Liability	4,484,002	5,388,397			4,484,002	5,388,397
Deferred Amount on Refunding of Debt	2,507	5,690	-	-	2,507	5,690
Total Deferred Outflows of Resources	<u>4,486,509</u>	<u>5,394,087</u>	<u>-</u>	<u>-</u>	<u>4,486,509</u>	<u>5,394,087</u>
Long-Term Liabilities	17,372,328	21,508,256			17,372,328	21,508,256
Other Liabilities	1,856,943	1,491,661	19,543	-	1,876,486	1,491,661
Total Liabilities	<u>19,229,271</u>	<u>22,999,917</u>	<u>19,543</u>	<u>-</u>	<u>19,248,814</u>	<u>22,999,917</u>
Deferred Amount on Net Pension Liability	2,729,064	-			2,729,064	-
Deferred Commodities Revenue	-	-	2,151	1,874	2,151	1,874
Total Deferred Inflows of Resources	<u>2,729,064</u>	<u>-</u>	<u>2,151</u>	<u>1,874</u>	<u>2,731,215</u>	<u>1,874</u>
Net Position						
Net Investment in Capital Assets	10,356,423	9,798,598	31,948	41,777	10,388,371	9,840,375
Restricted	1,804,225	1,552,778			1,804,225	1,552,778
Unrestricted	(13,559,279)	(15,101,821)	218,503	151,632	(13,340,776)	(14,950,189)
Total Net Position	<u>\$ (1,398,631)</u>	<u>\$ (3,750,445)</u>	<u>\$ 250,451</u>	<u>\$ 193,409</u>	<u>\$ (1,148,180)</u>	<u>\$ (3,557,036)</u>

The District's combined net position were \$(1,148,180) and \$(3,557,036) on June 30, 2018 and 2017, respectively. This was an increase of \$2,408,856 or 68% percent from the prior year.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table 2 shows changes in net position for fiscal years ended June 30, 2018 and 2017.

Table 2
Changes in Net Position
For The Years Ended June 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 5,690,283	\$ 5,268,176	\$ 499,746	\$ 513,657	\$ 6,190,029	\$ 5,781,833
Operating Grants and Contributions	17,349,817	16,371,535	538,388	536,555	17,888,205	16,908,090
General Revenues						
Property Taxes	25,615,354	25,130,586			25,615,354	25,130,586
State Aid	4,619,783	3,655,996			4,619,783	3,655,996
Other	<u>687,212</u>	<u>456,128</u>	<u>328</u>	<u>233</u>	<u>687,540</u>	<u>456,361</u>
Total Revenues	<u>53,962,449</u>	<u>50,882,421</u>	<u>1,038,462</u>	<u>1,050,445</u>	<u>55,000,911</u>	<u>51,932,866</u>
Expenses						
Instruction						
Regular	23,704,135	22,858,044			23,704,135	22,858,044
Special Education	7,814,343	8,182,893			7,814,343	8,182,893
Other Instruction	909,133	886,992			909,133	886,992
School Sponsored Activities and Athletics	1,283,130	1,200,218			1,283,130	1,200,218
Support Services						
Student and Instruction Related Services	7,036,227	7,219,993			7,036,227	7,219,993
General Administration Services	1,331,067	1,257,093			1,331,067	1,257,093
School Administration Services	2,662,178	2,344,568			2,662,178	2,344,568
Business / Central Services	1,360,247	1,264,396			1,360,247	1,264,396
Plant Operations and Maintenance	4,194,437	4,033,800			4,194,437	4,033,800
Pupil Transportation	1,295,539	1,149,250			1,295,539	1,149,250
Interest on Debt	20,199	40,458			20,199	40,458
Food Services	<u>-</u>	<u>-</u>	<u>981,420</u>	<u>1,000,552</u>	<u>981,420</u>	<u>1,000,552</u>
Total Expenses	<u>51,610,635</u>	<u>50,437,705</u>	<u>981,420</u>	<u>1,000,552</u>	<u>52,592,055</u>	<u>51,438,257</u>
Change in Net Position	2,351,814	444,716	57,042	49,893	2,408,856	494,609
Net Position, Beginning of Year	<u>(3,750,445)</u>	<u>(4,195,161)</u>	<u>193,409</u>	<u>143,516</u>	<u>(3,557,036)</u>	<u>(4,051,645)</u>
Net Position, End of Year	<u>\$ (1,398,631)</u>	<u>\$ (3,750,445)</u>	<u>\$ 250,451</u>	<u>\$ 193,409</u>	<u>\$ (1,148,180)</u>	<u>\$ (3,557,036)</u>

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Governmental Activities

The District's total revenues were \$53,962,449 and \$50,882,421 for the years ended June 30, 2018 and 2017, respectively. Property taxes made up 47 and 49 percent of revenues for governmental activities for the Ridgefield Park Board of Education for fiscal years ended June 30, 2018 and 2017, respectively. Federal, state and local grants aid accounted for another 37 and 39 percent of revenue and tuition revenue accounted for 10 percent and 10 percent for the years ended June 30, 2018 and 2017.

The total cost of all programs and services was \$51,610,635 and \$50,437,705 for the fiscal years ended June 30, 2018 and 2017, respectively. Instruction comprises 65 and 66 percent of governmental program expenses for the fiscal years ended June 30, 2018 and 2017, respectively. Support services expenses make up 35 and 34 percent of governmental expenses for the fiscal years ended June 30, 2018 and 2017, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Total Cost and Net Cost of Governmental Activities Services
for the Years Ended June 30, 2018 and 2017

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 23,704,135	\$ 22,858,044	\$ 10,145,487	\$ 9,983,331
Special Education	7,814,343	8,182,893	2,937,575	3,244,919
Other Instruction	909,133	886,992	547,709	556,614
School Sponsored Activities and Athletics	1,283,130	1,200,218	826,851	790,095
Support Services				
Student and Instruction Related Services	7,036,227	7,219,993	5,113,302	5,505,872
General Administration Services	1,331,067	1,257,093	1,174,022	1,139,539
School Administration Services	2,662,178	2,344,568	1,838,775	1,738,491
Business / Central Services	1,360,247	1,264,396	1,180,385	1,173,590
Plant Operations and Maintenance	4,194,437	4,033,800	4,016,788	3,920,464
Pupil Transportation	1,295,539	1,149,250	776,309	716,319
Interest on Debt	20,199	40,458	13,332	28,760
Total	\$ 51,610,635	\$ 50,437,705	\$ 28,570,535	\$ 28,797,994

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$1,038,462 and \$1,050,445 and expenses of \$981,420 and \$1,000,552 in fiscal years ended June 30, 2018 and 2017, respectively. Of the revenues, \$499,746 and \$513,657 was charges for services paid by patrons for daily food service and \$538,388 and \$536,555 was from State and Federal reimbursements in fiscal years ended June 30, 2018 and 2017, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$45,169,233 and \$42,782,862 and expenditures were \$43,603,091 and \$41,177,194 for the fiscal years ended June 30, 2018 and 2017 respectively. The net change in the fund balance for the 2017/2018 year was an increase of \$1,736,462.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2018 and 2017.

	Years Ended June 30,		Amount of	Percent
	<u>2018</u>	<u>2017</u>	Increase (Decrease)	Increase (Decrease)
Local Sources	\$ 32,003,622	\$ 30,861,924	\$ 1,141,698	4%
State Sources	11,949,124	10,796,220	1,152,904	11%
Federal Sources	<u>1,216,487</u>	<u>1,124,718</u>	<u>91,769</u>	8%
Total Governmental Revenues	<u>\$ 45,169,233</u>	<u>\$ 42,782,862</u>	<u>\$ 2,386,371</u>	6%

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2018 and 2017.

	<u>Years Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2018</u>	<u>2017</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Current Expense:				
Instruction	\$ 27,047,562	\$ 25,820,405	\$ 1,227,157	5%
Support Services	15,125,621	14,532,176	593,445	4%
Capital Outlay	576,650	-	576,650	100%
Debt Service:				
Principal	822,817	773,604	49,213	6%
Interest	30,441	51,009	(20,568)	-40%
Total Expenditures	<u>\$ 43,603,091</u>	<u>\$ 41,177,194</u>	<u>\$ 2,425,897</u>	6%

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2018 and 2017, the District had \$10,831,472 and \$10,733,523 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$97,949 from fiscal year 2017 to fiscal year 2018. Table 4 shows capital assets net of depreciation at June 30, 2018 and 2017.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table A-4
Capital Assets at June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Construction in Progress	476,854				476,854	-
Buildings and Building Improvements	16,866,935	16,866,935			16,866,935	16,866,935
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	<u>2,512,257</u>	<u>2,417,161</u>	<u>\$ 195,028</u>	<u>\$ 195,028</u>	<u>2,707,285</u>	<u>2,612,189</u>
	23,270,412	22,698,462	195,028	195,028	23,465,440	22,893,490
Less Accumulated Depreciation	<u>12,470,888</u>	<u>12,006,716</u>	<u>163,080</u>	<u>153,251</u>	<u>12,633,968</u>	<u>12,159,967</u>
Total	<u>\$ 10,799,524</u>	<u>\$ 10,691,746</u>	<u>\$ 31,948</u>	<u>\$ 41,777</u>	<u>\$ 10,831,472</u>	<u>\$ 10,733,523</u>

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

Long-Term Liabilities

At June 30, 2018 and 2017, the District had \$17,372,328 and \$21,508,256 of long-term liabilities, respectively. Of this amount, \$1,164,612 and \$1,852,911 is for compensated absences; \$247,766 and \$260,263 is for leases payable, \$13,595,903 and \$16,385,898 is for net pension liability, \$364,047 and \$759,184 of bonds payable, including the unamortized premium on refunding and \$2,000,000 and \$2,250,000 of a State Aid Advance Loan payable, as of June 30, 2018 and 2017, respectively.

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

For the Future

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

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

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,879,242	\$ 78,992	\$ 4,958,234
Receivables, net			
Receivables from Other Governments	422,216	84,666	506,882
Other Receivables	12,852		12,852
Internal Balances	(61,861)	61,861	-
Inventory		14,678	14,678
Prepaid Items	21,222		21,222
Capital Assets			
Not Being Depreciated	3,180,050		3,180,050
Being Depreciated, Net	<u>7,619,474</u>	<u>31,948</u>	<u>7,651,422</u>
Total Assets	<u>16,073,195</u>	<u>272,145</u>	<u>16,345,340</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	2,507		2,507
Deferred Amount on Net Pension Liability	<u>4,484,002</u>	<u>-</u>	<u>4,484,002</u>
Total Deferred Outflows of Resources	<u>4,486,509</u>	<u>-</u>	<u>4,486,509</u>
LIABILITIES			
Accounts Payable	1,817,855	19,543	1,837,398
Accrued Interest Payable	7,650		7,650
Payable to State Government	1,747		1,747
Payable to Federal Government	639		639
Unearned Revenue	29,052		29,052
Noncurrent Liabilities			
Due Within One Year	861,781		861,781
Due Beyond One Year	<u>16,510,547</u>	<u>-</u>	<u>16,510,547</u>
Total Liabilities	<u>19,229,271</u>	<u>19,543</u>	<u>19,248,814</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	2,729,064		2,729,064
Deferred Commodities Revenue	<u>-</u>	<u>2,151</u>	<u>2,151</u>
Total Deferred Inflows of Resources	<u>2,729,064</u>	<u>2,151</u>	<u>2,731,215</u>
NET POSITION			
Net Investment in Capital Assets	10,356,423	31,948	10,388,371
Restricted for:			
Capital Projects	1,504,224		1,504,224
Debt Service	1		1
Other Purposes	300,000		300,000
Unrestricted	<u>(13,559,279)</u>	<u>218,503</u>	<u>(13,340,776)</u>
Total Net Position	<u>\$ (1,398,631)</u>	<u>\$ 250,451</u>	<u>\$ (1,148,180)</u>

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

RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 23,704,135	\$ 4,413,538	\$ 9,145,110		\$ (10,145,487)		\$ (10,145,487)
Special Education	7,814,343	900,919	3,975,849		(2,937,575)		(2,937,575)
Other Instruction	909,133		361,424		(547,709)		(547,709)
School Sponsored Activities and Athletics	1,283,130		456,279		(826,851)		(826,851)
Support Services							
Student and Instruction Related Services	7,036,227		1,922,925		(5,113,302)		(5,113,302)
General Administration Services	1,331,067		157,045		(1,174,022)		(1,174,022)
School Administration Services	2,662,178		823,403		(1,838,775)		(1,838,775)
Central Services	1,360,247		179,862		(1,180,385)		(1,180,385)
Plant Operations and Maintenance	4,194,437		177,649		(4,016,788)		(4,016,788)
Pupil Transportation	1,295,539	375,826	143,404		(776,309)		(776,309)
Interest on Long-Term Debt	20,199	-	6,867	-	(13,332)	-	(13,332)
Total Governmental Activities	<u>51,610,635</u>	<u>5,690,283</u>	<u>17,349,817</u>	<u>-</u>	<u>(28,570,535)</u>	<u>-</u>	<u>(28,570,535)</u>
Business-Type Activities							
Food Service	981,420	499,746	538,388	-	-	\$ 56,714	56,714
Total Business-Type Activities	<u>981,420</u>	<u>499,746</u>	<u>538,388</u>	<u>-</u>	<u>-</u>	<u>56,714</u>	<u>56,714</u>
Total Primary Government	<u>\$ 52,592,055</u>	<u>\$ 6,190,029</u>	<u>\$ 17,888,205</u>	<u>\$ -</u>	<u>(28,570,535)</u>	<u>56,714</u>	<u>(28,513,821)</u>

Continued

RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		Net (Expense) Revenue and Changes in Net Position		
		<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues				
Taxes				
	Property Taxes Levied for General Purposes	\$ 25,322,235		\$ 25,322,235
	Property Taxes Levied for Debt Service	293,119		293,119
	State Aid -Unrestricted	4,506,181		4,506,181
	Debt Service Aid	113,602		113,602
	Miscellaneous Income	687,212	\$ 328	687,540
	Total General Revenues and Transfers	<u>30,922,349</u>	<u>328</u>	<u>30,922,677</u>
	Change in Net Position	2,351,814	57,042	2,408,856
	Net Position, Beginning of Year,	<u>(3,750,445)</u>	<u>193,409</u>	<u>(3,557,036)</u>
	Net Position, End of Year	<u>\$ (1,398,631)</u>	<u>\$ 250,451</u>	<u>\$ (1,148,180)</u>

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

FUND FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,866,109	\$ 13,132	\$ 1	\$ 4,879,242
Receivables, Net				
Receivables from Other Governments	65,092	357,124		422,216
Other Receivables	12,852			12,852
Due from Other Funds	200,000			200,000
Prepaid Items	21,222	-	-	21,222
Total Assets	\$ 5,165,275	\$ 370,256	\$ 1	\$ 5,535,532
LIABILITIES				
Liabilities				
Accounts Payable	\$ 1,679,037	\$ 138,818		1,817,855
Due to Other Funds	61,861	200,000		261,861
Payable to State Government		1,747		1,747
Payable to Federal Government		639		639
Unearned Revenue	-	29,052	-	29,052
Total Liabilities	1,740,898	370,256	-	2,111,154
FUND BALANCES				
Restricted				
Capital Reserve	1,504,224			1,504,224
Maintenance Reserve	300,000			300,000
Debt Service			\$ 1	1
Committed				
Year End Encumbrances	1,447,087			1,447,087
Assigned				
Year End Encumbrances	336,435			336,435
Unassigned	(163,369)	-	-	(163,369)
Total Fund Balances	3,424,377	-	1	3,424,378
Total Liabilities and Fund Balances	\$ 5,165,275	\$ 370,256	\$ 1	\$ 5,535,532
Total Fund Balances Governmental Funds (Exhibit 1)				\$ 3,424,378

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,270,412 and the accumulated depreciation is \$12,470,888.

10,799,524

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

(7,650)

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.

2,507

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	\$ 4,484,002
Deferred Inflows of Resources	(2,729,064)

1,754,938

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable, Including Unamortized Premium	\$ (364,047)
Leases Payable	(247,766)
Loan Payable	(2,000,000)
Net Pension Liability	(13,595,903)
Compensated Absences Payable	(1,164,612)

(17,372,328)

Net position of governmental activities

\$ (1,398,631)

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 25,322,235		\$ 293,119	\$ 25,615,354
Tuition	5,221			5,221
Tuition From Other LEAs Within State	5,309,236			5,309,236
Transportation Fees	375,826			375,826
Rents and Royalties	128,400			128,400
Miscellaneous	558,812	\$ 10,773	-	569,585
Total - Local Sources	31,699,730	10,773	293,119	32,003,622
State Sources	11,828,655		120,469	11,949,124
Federal Sources	43,202	1,173,285	-	1,216,487
Total Revenues	43,571,587	1,184,058	413,588	45,169,233
EXPENDITURES				
Current				
Instruction				
Regular Instruction	18,114,661	459,177		18,573,838
Special Education Instruction	6,184,988	545,414		6,730,402
Other Instruction	710,701			710,701
School-Sponsored Activities and Athletics	1,032,621			1,032,621
Support Services				
Student and Instruction Related Services	5,492,960	155,646		5,648,606
General Administration Services	1,185,886			1,185,886
School Administration Services	2,096,061			2,096,061
Business / Central Services	1,104,194			1,104,194
Plant Operations and Maintenance	4,029,785			4,029,785
Student Transportation	1,061,089			1,061,089
Capital Outlay	552,829	23,821		576,650
Debt Service				
Principal	432,817		390,000	822,817
Interest and Other Charges	6,853	-	23,588	30,441
Total Expenditures	42,005,445	1,184,058	413,588	43,603,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,566,142	-	-	1,566,142
Other Financing Sources (Uses)				
Capital Lease Proceeds	170,320	-	-	170,320
Total Other Financing Sources (Uses)	170,320	-	-	170,320
Net change in Fund Balance	1,736,462	-	-	1,736,462
Fund Balance, Beginning of Year	1,687,915	-	1	1,687,916
Fund Balance, End of Year	\$ 3,424,377	\$ -	\$ 1	\$ 3,424,378

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

**RIDGEFIELD PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 1,736,462**

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

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

Capital Outlay Additions	\$	576,650	
Depreciation Expense		<u>(468,872)</u>	
			107,778

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

Debt Issued			
Leases Payable			(170,320)
Principal Repayments			
Bonds Payable		390,000	
Loan Payable		250,000	
Leases Payable		<u>182,817</u>	
			822,817

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

Deferred Amount on Refunding	(3,183)		
Original Issue Premium		<u>5,137</u>	
			1,954

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

Decrease in Compensated Absences	688,299		
Increase in Pension Expense		<u>(843,464)</u>	
			(155,165)

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

Decrease in Accrued Interest		<u>8,288</u>	
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Change in net position of governmental activities **\$ 2,351,814**

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 78,992
Intergovernmental Receivable	
State	2,033
Federal	82,633
Due from Other Funds	61,861
Inventory	<u>14,678</u>
Total Current Assets	<u>240,197</u>
Capital Assets	
Equipment	195,028
Less: Accumulated Depreciation	<u>(163,080)</u>
Total Capital Assets	<u>31,948</u>
Total Assets	<u>272,145</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>19,543</u>
Total Current Liabilities	<u>19,543</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>2,151</u>
Total Deferred Inflows of Resources	<u>2,151</u>
NET POSITION	
Invested in Capital Assets	31,948
Unrestricted	<u>218,503</u>
Total Net Position	<u>\$ 250,451</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales-Reimbursable Programs	\$ 299,383
Daily Sales-Non-Reimbursable Programs	<u>200,363</u>
Total Operating Revenues	<u>499,746</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	375,488
Cost of Sales-Reimbursable Programs	436,757
Cost of Sales-Non-Reimbursable Programs	40,228
Other Purchased Services	17,018
Management Fee	59,064
Depreciation	9,829
Supplies and Materials	41,942
Miscellaneous	<u>1,094</u>
Total Operating Expenses	<u>981,420</u>
Operating Loss	<u>(481,674)</u>
NONOPERATING REVENUES (EXPENSES)	
State Sources	
School Lunch Program	11,266
Federal Sources	
National School Lunch Program	390,229
Food Distribution Program - National School Lunch Program	78,134
National School Breakfast Program	58,759
Interest on Deposits	<u>328</u>
Total Nonoperating Revenues	<u>538,716</u>
Change in Net Position	57,042
Total Net Position, Beginning of Year,	<u>193,409</u>
Total Net Position, End of Year	<u><u>\$ 250,451</u></u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Cash Flows from Operating Activities

Receipts from Customers	\$ 499,746
Payments for Employees' Salaries and Benefits	(375,488)
Payments to Suppliers for Goods and Services	<u>(501,855)</u>

Net Cash Used by Operating Activities	<u>(377,597)</u>
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Cash Flows from Noncapital Financing Activities

State and Federal Subsidy Reimbursements	<u>396,315</u>
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Net Cash Provided by Noncapital Financing Activities	<u>396,315</u>
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Cash Flows from Investing Activities

Interest on Deposits	<u>328</u>
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Net Cash Provided by Investing Activities	<u>328</u>
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Net Increase in Cash and Cash Equivalents	19,046
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Cash and Cash Equivalents, Beginning of Year	<u>59,946</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 78,992</u></u>
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Reconciliation of Operating Loss to Net Cash**Used by Operating Activities**

Operating Loss	\$ (481,674)
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Adjustments to Reconcile Operating Loss to**Net Cash Used by Operating Activities**

Depreciation	9,829
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Non-Cash Federal Assistance**Food Distribution - National School**

Lunch Programs	78,134
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Change in Assets and Liabilities

Increase/(Decrease) in Accounts Payable	19,543
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(Increase)/Decrease in Inventory	<u>(3,429)</u>
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Total Adjustments	<u>104,077</u>
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Net Cash Used by Operating Activities	<u><u>\$ (377,597)</u></u>
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Non-Cash Financing Activities

National School Lunch Program (Food Distribution)	<u><u>\$ 78,411</u></u>
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**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2018**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 527,595	\$ 177,106
Total Assets	<u>527,595</u>	<u>\$ 177,106</u>
LIABILITIES		
Due to Student Groups		\$ 174,049
Accrued Salaries and Wages		2,864
Payroll Deductions and Withholdings	<u>-</u>	<u>193</u>
Total Liabilities	<u>-</u>	<u>\$ 177,106</u>
NET POSITION		
Held in Trust for Scholarships	<u>\$ 527,595</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 20,000
Total Contributions	<u>20,000</u>
Investment Earnings	
Interest	<u>5,508</u>
Net Investment Earnings	<u>5,508</u>
Total Additions	<u>25,508</u>
DEDUCTIONS	
Scholarships Awarded	<u>28,000</u>
Total Deductions	<u>28,000</u>
Change in Net Position	(2,492)
Net Position, Beginning of the Year	<u>530,087</u>
Net Position, End of the Year	<u>\$ 527,595</u>

NOTES TO THE FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ridgefield Park Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2018, the District adopted the following GASB statements as required:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Prepaid Items

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

5. Capital Assets

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The one 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item, which arises under the accrual basis of accounting that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. Compensated Absences

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

8. Pensions

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

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

9. Long-Term Obligations

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$2,667,202. The increase was funded by additional state aid and grant awards, the reappropriation of prior year general fund encumbrances and an approved withdrawal from capital reserve in the amount of \$1,235,000 to fund certain projects in the general fund.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$163,369 in the General Fund as of June 30, 2018 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2017/2018 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$163,369 in the General Fund is equal to or less than the delayed state aid payments and state aid advance payment balance at June 30, 2018.

C. Capital Reserve

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 1,452,778
Increases	
Deposits Approved by Board Resolution	<u>1,286,446</u>
	2,739,224
Withdrawals	
Approved in District Budget	<u>1,235,000</u>
Balance, June 30, 2018	<u>\$ 1,504,224</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.

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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 100,000
Increases	
Deposits Approved by Board Resolution	<u>200,000</u>
Balance, June 30, 2018	<u>\$ 300,000</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,622,438.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Transfers to Capital Outlay

During the 2017/2018 school year, the district transferred \$1,235,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to fund certain capital projects included in the Long-Range Facilities Plan.

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 and NCUSIF.

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, 2018, the book value of the Board's deposits were \$5,662,935 and bank and brokerage firm balances of the Board's deposits amounted to \$6,843,117. 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>6,843,117</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, 2018 the Board's bank balances were not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2018, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2018 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 12,852			\$ 12,852
Intergovernmental				
Federal		\$ 357,124	\$ 82,633	439,757
State	65,092	-	2,033	67,125
Gross Receivables	77,944	357,124	84,666	519,734
Less Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 77,944</u>	<u>\$ 357,124</u>	<u>\$ 84,666</u>	<u>\$ 519,734</u>

C. Unearned Revenue

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

Special Revenue Fund

Unencumbered Grant Draw Downs	\$ 18,499
Grant Draw Downs Reserved for Encumbrances	10,553
Total Unearned Revenue for Governmental Funds	<u>\$ 29,052</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, July 1, 2017	Increases	Decreases	Balance, June 30, 2018
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,703,196			\$ 2,703,196
Construction in Progress	-	\$ 476,854	-	476,854
Total Capital Assets, not being depreciated	<u>2,703,196</u>	<u>476,854</u>	<u>-</u>	<u>3,180,050</u>
Capital Assets, being depreciated:				
Buildings and Building Improvements	16,866,935			16,866,935
Land Improvements	711,170			711,170
Machinery and Equipment	<u>2,417,161</u>	<u>99,796</u>	<u>\$ (4,700)</u>	<u>2,512,257</u>
Total Capital Assets being depreciated	<u>19,995,266</u>	<u>99,796</u>	<u>(4,700)</u>	<u>20,090,362</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,608,677)	(359,838)		(9,968,515)
Land Improvements	(465,160)	(14,018)		(479,178)
Machinery and Equipment	<u>(1,932,879)</u>	<u>(95,016)</u>	<u>4,700</u>	<u>(2,023,195)</u>
Total Accumulated Depreciation	<u>(12,006,716)</u>	<u>(468,872)</u>	<u>4,700</u>	<u>(12,470,888)</u>
Total Capital Assets, being depreciated, net	<u>7,988,550</u>	<u>(369,076)</u>	<u>-</u>	<u>7,619,474</u>
Government Activities capital assets, net	<u>\$ 10,691,746</u>	<u>\$ 107,778</u>	<u>\$ -</u>	<u>\$ 10,799,524</u>
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 195,028	-	-	\$ 195,028
Total Capital Assets being depreciated	<u>195,028</u>	<u>-</u>	<u>-</u>	<u>195,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(153,251)</u>	<u>\$ (9,829)</u>	<u>-</u>	<u>(163,080)</u>
Total Accumulated Depreciation	<u>(153,251)</u>	<u>(9,829)</u>	<u>-</u>	<u>(163,080)</u>
Total Capital Assets, being depreciated, net	<u>41,777</u>	<u>(9,829)</u>	<u>-</u>	<u>31,948</u>
Business-Type Activities capital assets, net	<u>\$ 41,777</u>	<u>\$ (9,829)</u>	<u>\$ -</u>	<u>\$ 31,948</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction

Regular	\$ 362,920
Special	1,908
Total Instruction	<u>364,828</u>

Support Services

Students and Instruction Related Services	28,345
School Administration Services	32,592
Transportation	20,018
Operations and maintenance of plant	23,089
Total Support Services	<u>104,044</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 468,872</u>
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Business-Type Activities:

Food Service Fund	\$ 9,829
Total Depreciation Expense-Business-Type Activities	<u>\$ 9,829</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2018:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Classroom Renovations at Various Schools		\$ 1,132,000
Lintel Upgrades at Roosevelt School		345,000
Chiller Upgrade at Jr./Sr. High School		252,600
Upgrades to Security Systems at the Jr./Sr. High School	\$ 38,710	<u>38,710</u>
		<u>\$ 1,768,310</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 200,000
Food Service - Enterprise Fund	General Fund	<u>61,861</u>
		<u>\$ 261,861</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.

F. Leases

Operating Leases

The District approved a settlement of \$400,000 with the Saint Francis of Assisi Church (the "Church") prior to June 30, 2018 to satisfy the five year loan and ten year operating lease of the school building.

The District leases the Church to operate an elementary school for grades Pre-Kindergarten through 8th grade. The term of the lease is for 10 years commencing on July 1, 2014 through June 30, 2024. Lease payments for the fiscal year ended June 30, 2018 were \$613,023. The District terminated the lease as of June 30 2018 as part of a settlement agreement with church.

In conjunction with the lease, the Church incurred certain costs related to the build out of the leased premises required for the school buildings to comply with State regulations concerning educational facilities. A five-year loan commencing in the 2016/2017 fiscal year in the amount of \$629,754 plus interest of 2.25 percent was entered into by the Board, but never formally approved by the District's Board of Trustees. Principal payments on the loan for the fiscal year ended June 30, 2018 were \$-0-. The principal balance of the loan at June 30, 2018 is \$0 as a result of the settlement agreement.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing equipment and vehicles totaling \$849,894 under capital leases. The leases are for terms of 3 to 7 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2019	\$ 143,619
2020	62,768
2021	<u>56,314</u>
Total Minimum Lease Payments	262,701
Less: Amount Representing Interest	<u>14,935</u>
Present Value of Minimum Lease Payments	<u>\$ 247,766</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, 2018 is comprised of the following issue:

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

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

Governmental Activities:

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 360,000	\$ 7,650	\$ 367,650
	<u>\$ 360,000</u>	<u>\$ 7,650</u>	<u>\$ 367,650</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

State Aid Advance Loan Payable

On June 13, 2016, the Board entered into a loan agreement with the State of New Jersey in the amount of \$2,500,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2016/2017 school year at a minimum amount of \$250,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2017/2018 school year.

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

Governmental Activities:

Year Ended <u>June 30,</u>	State Aid Advance Loan	<u>Total</u>
	<u>Principal</u>	
2019	\$ 250,000	\$ 250,000
2020	250,000	250,000
2021	250,000	250,000
2022	250,000	250,000
2023	250,000	250,000
2024-2028	<u>750,000</u>	<u>750,000</u>
Total	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 51,938,284
Less: Net Bonded Debt	<u>360,000</u>
Remaining Borrowing Power	<u>\$ 51,578,284</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, was as follows:

	Balance, July 1, 2017	Additions	Reductions	Balance, June 30, 2018	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 750,000		\$ 390,000	\$ 360,000	\$ 360,000
Add:					
Unamortized Premium on Refunding	9,184	-	5,137	4,047	-
	759,184	-	395,137	364,047	360,000
Net Pension Liability	16,385,898		2,789,995	13,595,903	
State Aid Advance Loan Payable	2,250,000		250,000	2,000,000	250,000
Leases Payable	260,263	\$ 170,320	182,817	247,766	135,320
Compensated Absences Payable	1,852,911	-	688,299	1,164,612	116,461
Governmental Activity Long-Term Liabilities	<u>\$ 21,508,256</u>	<u>\$ 170,320</u>	<u>\$ 4,306,248</u>	<u>\$ 17,372,328</u>	<u>\$ 861,781</u>

For the governmental activities, the liabilities for compensated absences, leases payable, state aid advance loan payable and 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 New Jersey Schools Insurance Group (NJSIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance funds 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

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

B. Contingent Liabilities

The District is a party defendant in certain lawsuits as set forth below. In the opinion of the Board's Attorney the potential exposure to the District of these claims is unknown.

- ***Ridgefield Park Board of Education and Ridgefield Park Education Association, P.E.R.C. Docket No. 2018-14:*** On January 6, 2016, the Ridgefield Park Board of Education ("Board") corrected the amount Association members were contributing toward their health insurance based on P.L. 2011, c. 78 and the Public Employment Relations Commission's ("PERC") decision in *Clementon Bd. of Educ. Ass'n*, PERC No. 2016-10, 42 N.J.P.E.R. 117 (¶34 2016). The Association filed a grievance challenging the Board's decision to modify its members' contribution rate on January 6, 2016. The grievance was initially held in abeyance pending final disposition of the appeal in *Clementon*. On October 11, 2016, the Association reinstated its grievance. The Superintendent denied the grievance on October 21, 2016. The Association advanced the grievance to the Board on October 31, 2016. The Board denied the grievance on November 29, 2016.

The Association submitted its grievance to binding arbitration on November 30, 2016, which PERC assigned Docket No. AR-2017-249. Arbitrator Frank Cocuzza was appointed by PERC to serve as the arbitrator.

On June 2, 2017, the Association filed its petition for Scope of Negotiations, Docket No. SN-2017-47, seeking "a determination as to whether the Commission would adhere to its holding in *Clementon*..." The Board submitted its own Petition for Scope of Negotiations, Docket No. SN-2017-56, on July 21, 2017, which sought to have the Association's request for arbitration restrained.

PERC issued its decision on October 26, 2017. In its decision, PERC granted the Board's request to restrain binding arbitration (except on the limited issue of negotiating over the timing and amount of recoupment of underpaid employee health insurance premiums). Notably, PERC held that the "health insurance premium contribution rate for the July 1, 2014 to June 30, 2018 collective negotiations agreement between the Board and the Association is controlled by the pertinent provisions of P.L. 2011, c. 78 as interpreted by the Commission in *Clementon Bd. of Ed. and Clementon Ed. Ass'n*, PERC No. 2016-10, 42 NJPER 117 (¶34 2015)".

On December 11, 2017, the Association filed an appeal, Docket No. A-1694-17. The Board filed its opposition of the appeal April 18, 2018. The New Jersey School Boards Association and the Community Workers of America, AFL-CIO were granted the right to appear as *amicus curiae* in the matter. Oral argument was heard on January 7, 2019. The parties are awaiting a decision.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

- ***Ridgefield Park Administrators' Association v. and Ridgefield Park Board of Education Association:*** On October 16, 2017, the Ridgefield Park Administrators' Association ("Administrators' Association") filed an Unfair Practice Charge with the Public Employment Relations Commission ("PERC") alleging that the Ridgefield Park Board of Education's ("Board") "decision to unilaterally change the contribution level from 1.5% of salary to the 4th tier contribution level beginning with the pay period of January 13, 2017 constitutes both a violation of contract and a unilateral change in terms and conditions of employment in violation of N.J.S.A. 34:13-5.4(a)(1)(3)(5)."

The Board's consistently held legal position has been that the parties have a past practice that the Administrators' Association receives the same benefits as the Ridgefield Park Educational Association ("Educational Association"). Therefore, since the Ridgefield Park Educational Association was required to contribute at Tier 4 (based on PERC's *Clementon and Ridgefield Park* decisions), so must the Administrators' Association. The Board further has argued that under Chapter 78, Tier 4 remains the status quo. As such, the Administrators' Association must contribute at Tier 4 until the Board affirmatively agrees to reduce the contribution amount. In addition, we have taken the position that there is no documentation regarding any negotiated agreement to move the administrators from Tier 4 to 1.5% of salary – no memorandum of understanding, nothing in the contract, and no vote from the Board approving that move.

The matter is presently being held in abeyance pending the outcome of the Ridgefield Park Education Association's appeal regarding health insurance contributions (Docket No. A-1694-17).

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, 2018, 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, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 ("Division"), 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The 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.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2016 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 7.00 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.

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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-behalf TPAF</u>	<u>DCRP</u>
2018	\$ 541,066	\$ 2,724,161	
2017	491,506	1,979,784	
2016	474,751	1,365,310	

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$11,367 and \$4,810, respectively for PERS and the State contributed \$3,282 and \$3,765, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,247,773 during the fiscal year ended June 30, 2018 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$13,595,903 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportionate share was .05841 percent, which was an increase of .00308 percent from its proportionate share measured as of June 30, 2016 of .05533 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,384,530 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 320,137	
Changes of Assumptions	2,739,106	\$ 2,729,064
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	92,579	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,332,180</u>	<u>-</u>
Total	<u>\$ 4,484,002</u>	<u>\$ 2,729,064</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

At June 30, 2018, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 716,263
2020	854,653
2021	600,282
2022	(207,971)
2023	(208,289)
Thereafter	<u>-</u>
	<u>\$ 1,754,938</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

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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, 2040

Municipal Bond Rate * From July 1, 2040
and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. 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 5.00%, 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 (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 16,866,640</u>	<u>\$ 13,595,903</u>	<u>\$ 10,870,973</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. 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.

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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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,221,090 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. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$118,673,365. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .17601 percent, which was an increase of .00548 percent from its proportionate share measured as of June 30, 2016 of .17053 percent.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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NOTES TO THE FINANCIAL STATEMENTS
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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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
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, 2036

Municipal Bond Rate * From July 1, 2036
and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 140,987,680</u>	<u>\$ 118,673,365</u>	<u>\$ 100,290,735</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership and Contributing Employers

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$1,759,478, \$1,649,611 and \$1,625,707, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,055,765. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the OPEB liability attributable to the District is \$73,407,036. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state's share of the OPEB liability attributable to the District was .13685 percent, which was an increase of .00047 percent from its proportionate share measured as of June 30, 2016 of .13638 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ 78,868,829
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 3,754,706
Interest on the Total OPEB Liability	2,317,635
Changes of Assumptions	(9,698,131)
Gross Benefit Payments	(1,906,194)
Contributions from the Member	70,191
Net Changes	\$ (5,461,793)
Balance, June 30, 2017 Measurement Date	<u>\$ 73,407,036</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 87,139,448	\$ 73,407,036	\$ 62,514,356

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>60,370,191</u>	\$ <u>73,407,036</u>	\$ <u>90,719,813</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

F. Tax Abatements

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

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

BUDGETARY COMPARISON SCHEDULES

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 25,322,235		\$ 25,322,235	\$ 25,322,235	
Tuition				5,221	\$ 5,221
Tuition From Other LEAs Within State	5,087,507		5,087,507	5,309,236	221,729
Transportation Fees from Other LEAs	368,101		368,101	375,826	7,725
Rents and Royalties	122,400		122,400	128,400	6,000
Interest Earned on Capital Reserve Funds	332		332		(332)
Unrestricted Miscellaneous Revenue	224,768	-	224,768	558,812	334,044
Total Local Sources	31,125,343	-	31,125,343	31,699,730	574,387
State Sources					
Categorical Special Education Aid	1,188,469		1,188,469	1,188,469	
Equalization Aid	3,427,956	\$ 996,436	4,424,392	4,424,392	
Categorical Security Aid	116,399		116,399	116,399	
Categorical Transportation Aid	53,329		53,329	53,329	
Under Adequacy Aid	114,282		114,282	114,282	
PARCC Readiness Aid	20,580		20,580	20,580	
Per Pupil Growth Aid	20,580		20,580	20,580	
Professional Learning Community Aid	20,820		20,820	20,820	
Host District Support Aid	6		6	6	
Lead Testing for Schools Aid				1,920	1,920
Extraordinary Aid	500,000		500,000	175,778	(324,222)
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				64,542	64,542
On-behalf TPAF Pension System Contribution - LTDI (Nonbudgeted)				3,282	3,282
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				2,659,619	2,659,619
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,759,478	1,759,478
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,247,773	1,247,773
Total State Sources	5,462,421	996,436	6,458,857	11,871,249	5,412,392
Federal Sources					
Medical Assistance Program (SEMI)	43,186	-	43,186	43,202	16
Total Federal Sources	43,186	-	43,186	43,202	16
Total Revenues	36,630,950	996,436	37,627,386	43,614,181	5,986,795
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	437,938		437,938	424,478	13,460
Grades 1-5	3,279,362	(148,843)	3,130,519	3,115,212	15,307
Grades 6-8	1,721,116	71,168	1,792,284	1,785,154	7,130
Grades 9-12	5,556,236	(70,750)	5,485,486	5,476,620	8,866
Regular Programs-Home Instruction					
Salaries of Teachers	130,000	(74,966)	55,034	55,032	2
Purchased Professional-Educational Services	15,000	-	15,000	4,312	10,688
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	19,637	36,832	56,469	38,310	18,159
Other Purchased Services		1,700	1,700	1,238	462
General Supplies	193,092	397,648	590,740	411,860	178,880
General Supplies Acquired Under Capital Lease (Non-Budget)				170,320	(170,320)
Textbooks	99,184	43,703	142,887	139,486	3,401
Other Objects	285	-	285	155	130
Total Regular Programs	11,451,850	256,492	11,708,342	11,622,177	86,165
Learning and/or Language Disabilities					
Salaries of Teachers	174,182	21,966	196,148	196,148	-
Purchased Professional-Educational Services	64,800	62,144	126,944	126,421	523
Total Learning and/or Language Disabilities	238,982	84,110	323,092	322,569	523
Auditory Impairments					
Other Purchased Services	-	500	500	427	73
Total Behavioral Disabilities	-	500	500	427	73
Behavioral Disabilities					
Salaries of Teachers	159,592	-	159,592	159,592	-
Purchased Professional-Educational Services	32,670	31,331	64,001	63,763	238
Total Behavioral Disabilities	192,262	31,331	223,593	223,355	238

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 418,800	\$ (4,525)	\$ 414,275	\$ 404,055	\$ 10,220
Purchased Professional-Educational Services	178,200	170,897	349,097	347,671	1,426
General Supplies	-	575	575	563	12
Total Multiple Disabilities	597,000	166,947	763,947	752,289	11,658
Resource Room/Resource Center					
Salaries of Teachers	1,226,004	32,902	1,258,906	1,251,500	7,406
Purchased Professional-Educational Services	81,000	77,681	158,681	158,013	668
Total Resource Room/Resource Center	1,307,004	110,583	1,417,587	1,409,513	8,074
Autism					
Salaries of Teachers	306,583	(30,251)	276,332	254,344	21,988
Purchased Professional-Educational Services	194,400	186,434	380,834	379,237	1,597
Total Autism	500,983	156,183	657,166	633,581	23,585
Preschool Disabilities - Full-Time					
Salaries of Teachers	221,305	-	221,305	221,305	-
Purchased Professional-Educational Services	81,000	77,681	158,681	158,013	668
Total Preschool Disabilities - Full-Time	302,305	77,681	379,986	379,318	668
Total Special Education	3,138,536	627,335	3,765,871	3,721,052	44,819
Basic Skills/Remedial					
Salaries of Teachers	105,786	-	105,786	105,786	-
Total Basic Skills/Remedial	105,786	-	105,786	105,786	-
Bilingual Education - Instruction					
Salaries of Teachers	348,514	1,775	350,289	350,289	-
Total Bilingual Education - Instruction	348,514	1,775	350,289	350,289	-
School Sponsored Cocurricular Activities					
Salaries	110,423	3,000	113,423	113,250	173
General Supplies	-	8,137	8,137	3,137	5,000
Transfer to Cover Deficit	75,624	(27,637)	47,987	29,803	18,184
Total School Sponsored Cocurricular Activities	186,047	(16,500)	169,547	146,190	23,357
School Sponsored Athletics					
Salaries	502,714	(10,000)	492,714	462,521	30,193
Purchased Services	63,010	1,216	64,226	61,023	3,203
Supplies and Materials	45,162	29,702	74,864	41,435	33,429
Total School Sponsored Athletics	610,886	20,918	631,804	564,979	66,825
Total Instruction	15,841,619	890,020	16,731,639	16,510,473	221,166

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 75,000	\$ 27,501	\$ 102,501	\$ 102,501	
Tuition to County Vocational Schools-Regular	210,000	45,000	255,000	253,230	\$ 1,770
Tuition to County Vocational Schools-Special	85,000	58,372	143,372	142,869	503
Tuition to CSSD and Regional Day Schools	1,015,500	(396,917)	618,583	612,986	5,597
Tuition to Priv. Sch. for the Handicapped-Within State	591,395	(389,935)	201,460	184,171	17,289
Tuition - State Facilities	32,952	-	32,952	32,952	-
Total Undistributed Expenditures- Instruction	2,009,847	(655,979)	1,353,868	1,328,709	25,159
Attendance and Social Work					
Salaries		20,000	20,000	20,000	
Purchased Professional and Tech. Services	42,400	(1,381)	41,019	41,019	-
Total Attendance and Social Work	42,400	18,619	61,019	61,019	-
Health Services					
Salaries	402,575	(28,157)	374,418	374,389	29
Purchased Professional and Technical Services	20,500	840	21,340	16,875	4,465
Supplies and Materials	9,131	(1,797)	7,334	5,588	1,746
Total Health Services	432,206	(29,114)	403,092	396,852	6,240
Other Support Services-Students-Related Services					
Salaries	762,713	-	762,713	762,713	
Purchased Professional-Educational Services	35,000	-	35,000	30,770	4,230
Total Other Support Services-Students-Related Serv	797,713	-	797,713	793,483	4,230
Other Support Services-Students-Extra Serv					
Purchased Professional-Educational Services	346,125	34,778	380,903	290,819	90,084
Supplies and Materials	-	400	400	341	59
Total Other Support Services-Students-Extra Serv	346,125	35,178	381,303	291,160	90,143
Guidance					
Salaries of Other Professional Staff	783,179	16,907	800,086	780,711	19,375
Salaries of Secretarial and Clerical Assistants	56,488	-	56,488	56,321	167
Other Purchased Professional and Technical Services	17,100	1,860	18,960	10,901	8,059
Supplies and Materials	10,010	-	10,010	7,423	2,587
Total Guidance	866,777	18,767	885,544	855,356	30,188
Child Study Teams					
Salaries of Other Professional Staff	778,321	(141,438)	636,883	636,789	94
Salaries of Secretarial and Clerical Assistants	122,066	-	122,066	120,771	1,295
Other Purchased Services		200	200	173	27
Supplies and Materials	3,500	1,403	4,903	4,552	351
Total Child Study Teams	903,887	(139,835)	764,052	762,285	1,767
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	103,441	12,000	115,441	115,441	-
Salaries of Other Professional Staff	388,807	(38,900)	349,907	349,896	11
Salaries of Secretarial and Clerical Assistants	53,738	(29,450)	24,288	24,250	38
Purchased Professional-Educational Services	-	14,545	14,545	14,544	1
Total Improvement of Instruction Services	545,986	(41,805)	504,181	504,131	50
Educational Media/School Library					
Salaries	39,461	39,946	79,407	78,921	486
Supplies and Materials	955	-	955	214	741
Total Educational Media/School Library	40,416	39,946	80,362	79,135	1,227

RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 5,000	\$ 1,540	\$ 6,540	\$ 5,712	\$ 828
Total Instructional Staff Training Services	5,000	1,540	6,540	5,712	828
Support Services- General Administration					
Salaries	244,500	(14,829)	229,671	229,670	1
Salaries of State Monitors	140,000	-	140,000	133,728	6,272
Repayment of Principal-NIDOE Loan	250,000	-	250,000	250,000	-
Legal Services	120,000	152,950	272,950	227,631	45,319
Audit Fees	65,000	3,650	68,650	68,590	60
Architectural/Engineering Services	7,500	21,476	28,976	1,554	27,422
Other Purchased Professional Services	8,900	11,571	20,471	5,722	14,749
Communications/Telephone	230,350	(17,180)	213,160	205,592	7,568
BOE Other Purchased Services	15,450	(9,701)	5,749	5,659	90
Miscellaneous Purchased Services	60,118	35,543	95,661	91,162	4,499
General Supplies	22,000	(7,045)	14,955	10,715	4,240
Miscellaneous Expenditures	9,700	(5,716)	3,984	3,791	193
BOE Membership Dues and Fees	15,500	(1,090)	14,410	14,410	-
Total Support Services- General Administration	1,189,018	169,619	1,358,637	1,248,224	110,413
Support Services- School Administration					
Salaries of Principals/Assistant Principals	804,681	178,181	982,862	982,850	12
Salaries of Secretarial and Clerical Assistants	282,840	1,716	284,556	284,456	100
Other Purchased Services	271,947	11,350	283,297	266,913	16,384
Supplies and Materials	8,730	117	8,847	5,496	3,351
Other Objects	11,000	-	11,000	10,165	835
Total Support Services- School Administration	1,379,198	191,364	1,570,562	1,549,880	20,682
Central Services					
Salaries	281,771	71,319	353,090	352,490	600
Purchased Professional Services	48,665	(7,636)	41,029	40,661	368
Miscellaneous Purchased Services	3,000	-	3,000	1,778	1,222
Supplies and Materials	1,800	17,196	18,996	14,929	4,067
Total Central Services	335,236	80,879	416,115	409,858	6,257
Admin. Info. Technology					
Salaries	336,091	(20,787)	315,304	315,304	-
Purchased Professional Services	69,800	(19,179)	50,621	50,621	-
Total Admin. Info. Technology	405,891	(39,966)	365,925	365,925	-
Required Maintenance for School Facilities					
Salaries	219,277	1,489	220,766	220,766	-
Cleaning, Repair and Maintenance Services	219,047	(12,601)	206,446	150,206	56,240
Total Required Maintenance for School Facilities	438,324	(11,112)	427,212	370,972	56,240
Custodial Services					
Salaries		75,485	75,485	70,313	5,172
Salaries of Non-Instructional Aides		89,967	89,967	89,262	705
Purchased Professional and Technical Services	1,060,000	264,000	1,324,000	1,323,285	715
Cleaning, Repair and Maintenance Service	186,400	85,483	271,883	158,838	113,045
Rental of Land/Bldgs Other Than Lease Purchase Agreement	747,882	275,000	1,022,882	1,021,189	1,693
Other Purchased Property Services	55,100	(23,500)	31,600	20,912	10,688
Insurance	288,949	(69,281)	219,668	216,009	3,659
General Supplies	126,900	2,962	129,862	124,465	5,397
Energy (Natural Gas)	189,000	(26,791)	162,209	129,878	32,331
Energy (Electricity)	514,981	(155,000)	359,981	300,858	59,123
Energy (Oil)		33,000	33,000	18,673	14,327
Other Objects	15,000	(14,117)	883	-	883
Total Custodial Services	3,184,212	537,208	3,721,420	3,473,682	247,738

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Security					
Purchased Professional and Technical Services	-	\$ 15,000	\$ 15,000	\$ 12,495	\$ 2,505
Total Security	-	15,000	15,000	12,495	2,505
Student Transportation Services					
Salaries for Pupil Transp (Between Home & School)Spec Ed	\$ 620,090	(42,225)	577,865	575,971	1,894
Lease Purchase Payments - School Buses	133,739	1	133,740	133,740	
Contracted Services(Special Ed Students)-Joint Agreements	122,000	(99,701)	22,299	21,603	696
Transportation Supplies	97,000	4,511	101,511	97,189	4,322
Total Student Transportation Services	972,829	(137,414)	835,415	828,503	6,912
Tuition Reimbursement	25,000	14,401	39,401	39,401	-
Unallocated Employee Benefits					
Social Security Contributions	530,595	(219,946)	310,649	282,365	28,284
Other Retirement Contributions - PERS	499,933	53,700	553,633	553,041	592
Unemployment Compensation	101,000	(30,463)	70,537	64,554	5,983
Workers Compensation	296,838	(101,832)	195,006	194,006	1,000
Health Benefits	5,319,393	(972,618)	4,346,775	4,197,165	149,610
Unused Sick Payment to Terminated/Retired Staff	40,579	432,953	473,532	323,882	149,650
Other Employee Benefits	137,000	(41,200)	95,800	92,435	3,365
Total Unallocated Employee Benefits	6,925,338	(879,406)	6,045,932	5,707,448	338,484
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				64,542	(64,542)
LTDI Cost				3,282	(3,282)
Normal Cost				2,659,619	(2,659,619)
Post Retirement Medical				1,759,478	(1,759,478)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,247,773	(1,247,773)
Total Undistributed Expenditures	20,845,403	(812,110)	20,033,293	24,818,924	(4,785,631)
Total Current Expenditures	36,687,022	77,910	36,764,932	41,329,397	(4,564,465)
CAPITAL OUTLAY					
Equipment					
Grades 1-5		63,465	63,465	63,165	300
Grades 9-12		36,700	36,700	4,655	32,045
Undistributed Expenditures - Instruction		3,236	3,236	3,236	-
Undistributed Expenditures - Central Services		11,800	11,800		11,800
Undistributed Expenditures - Required Maint for School Facilities		43,160	43,160	14,745	28,415
Undistributed Expenditures - Custodial Services	-	40,000	40,000	-	40,000
Total Equipment	-	198,361	198,361	85,801	112,560
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		168,500	168,500	23,615	144,885
Construction Services		1,879,793	1,879,793	443,413	1,436,380
Assessment for Debt Service on SDA Funding	1,425	-	1,425	1,425	-
Total Facilities Acquisition and Construction Services	1,425	2,048,293	2,049,718	468,453	1,581,265
Total Capital Outlay	1,425	2,246,654	2,248,079	554,254	1,693,825
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	95,000	(28,931)	66,069	66,061	8
Other Salaries for Instruction	45,000	(4,312)	40,688	40,658	30
Total Summer School - Instruction	140,000	(33,243)	106,757	106,719	38
Total Summer School	140,000	(33,243)	106,757	106,719	38
Total Special Schools	140,000	(33,243)	106,757	106,719	38
Interest Deposit to Capital Reserve	332	-	332	-	332
Transfer of Funds to Charter Schools	8,375	10,328	18,703	15,075	3,628
Total Expenditures	36,837,154	2,301,649	39,138,803	42,005,445	(2,866,642)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(206,204)	(1,305,213)	(1,511,417)	1,608,736	3,120,153

**RIDGEFIELD PARK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources					
Capital Lease Proceeds (Non-Budget)	-	-	-	\$ 170,320	\$ 170,320
Total Other Financing Sources	-	-	-	170,320	170,320
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	\$ (206,204)	\$ (1,305,213)	\$ (1,511,417)	1,779,056	3,290,473
Fund Balances, Beginning of Year	2,350,196	-	2,350,196	2,350,196	-
Fund Balances, End of Year	\$ 2,143,992	\$ (1,305,213)	\$ 838,779	\$ 4,129,252	\$ 3,290,473

Recapitulation of Fund Balance

Restricted	
Capital Reserve	\$ 1,504,224
Maintenance Reserve	300,000
Committed	
Year End Encumbrances	1,447,087
Assigned	
Year End Encumbrances	336,435
Unassigned	541,506
	4,129,252

Reconciliation to Governmental Fund Statements (GAAP):

Less: 2017/2018 Final State Aid Payment Not Recognized on GAAP Basis	\$ 529,097
2017/2018 Extraordinary Aid Payment Not Recognized on GAAP Basis	175,778
	(704,875)

Fund Balance Per Governmental Funds (GAAP) \$ 3,424,377

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 904,992	\$ 326,455	\$ 1,231,447	\$ 1,159,155	\$ (72,292)
Local	-	39,098	39,098	20,599	(18,499)
Total Revenues	<u>904,992</u>	<u>365,553</u>	<u>1,270,545</u>	<u>1,179,754</u>	<u>(90,791)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	406,335	(19,112)	387,223	386,835	388
Other Purchased Services	450,366	102,351	552,717	552,717	-
General Supplies	<u>2,465</u>	<u>79,578</u>	<u>82,043</u>	<u>60,735</u>	<u>21,308</u>
Total Instruction	<u>859,166</u>	<u>162,817</u>	<u>1,021,983</u>	<u>1,000,287</u>	<u>21,696</u>
Support Services					
Salaries of Teachers		-		-	-
Personal Services - Employee Benefits	4,000	117,852	121,852	121,852	-
Purchased Professional/Educational Services	35,000	27,717	62,717	23,669	39,048
Supplies and Materials	<u>6,826</u>	<u>29,288</u>	<u>36,114</u>	<u>10,125</u>	<u>25,989</u>
Total Support Services	<u>45,826</u>	<u>174,857</u>	<u>220,683</u>	<u>155,646</u>	<u>65,037</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	18,000	18,000	13,995	4,005
Noninstructional Equipment	<u>-</u>	<u>9,879</u>	<u>9,879</u>	<u>9,826</u>	<u>53</u>
Total Facilities Acq. & Construction	<u>-</u>	<u>27,879</u>	<u>27,879</u>	<u>23,821</u>	<u>4,058</u>
Total Expenditures	<u>904,992</u>	<u>365,553</u>	<u>1,270,545</u>	<u>1,179,754</u>	<u>90,791</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 43,614,181	\$ 1,179,754
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes		
2016/17, Net		14,857
2017/18		(10,553)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2016/2017) State Aid)	662,281	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2017/2018) State Aid)	(704,875)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 43,571,587</u>	<u>\$ 1,184,058</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 42,005,445	\$ 1,179,754
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes		
2016/17, Net		14,857
2017/18	-	(10,553)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 42,005,445</u>	<u>\$ 1,184,058</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05841%	0.05533%	0.05393%	0.04961%	0.04671%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 13,595,903</u>	<u>\$ 16,385,898</u>	<u>\$ 12,107,448</u>	<u>\$ 9,288,719</u>	<u>\$ 8,926,288</u>
District's Covered-Employee Payroll	<u>\$ 3,504,209</u>	<u>\$ 4,002,339</u>	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	388%	409%	325%	258%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 541,066	\$ 491,506	\$ 474,751	\$ 408,994	\$ 351,914
Contributions in Relation to the Contractually Required Contributions	<u>541,066</u>	<u>491,506</u>	<u>474,751</u>	<u>408,994</u>	<u>351,914</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 3,504,209</u>	<u>\$ 4,002,339</u>	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
Contributions as a Percentage of Covered-Employee Payroll	15.44%	12.28%	12.75%	11.36%	10.36%

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

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

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

	<u>2018</u>	<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%	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>118,673,365</u>	<u>134,147,839</u>	<u>103,678,148</u>	<u>86,837,427</u>	<u>85,251,840</u>
Total	<u>\$ 118,673,365</u>	<u>\$ 134,147,839</u>	<u>\$ 103,678,148</u>	<u>\$ 86,837,427</u>	<u>\$ 85,251,840</u>
District's Covered-Employee Payroll	<u>\$ 17,881,345</u>	<u>\$ 18,994,729</u>	<u>\$ 18,021,120</u>	<u>\$ 17,196,615</u>	<u>\$ 16,461,939</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Benefit Terms: None.

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

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Fiscal Year*

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 3,754,706
Interest on the Total OPEB Liability	2,317,635
Changes of Assumptions	(9,698,131)
Gross Benefit Payments	(1,906,194)
Contribution from the Member	<u>70,191</u>
Net Change in Total OPEB Liability	(5,461,793)
Total OPEB Liability - Beginning	<u>78,868,829</u>
Total OPEB Liability - Ending	<u>\$ 73,407,036</u>
 District's Proportionate Share	 \$ -
State's Proportionate Share	<u>73,407,036</u>
Total OPEB Liability - Ending	<u>\$ 73,407,036</u>
 Covered-Employee Payroll	 \$ 21,385,554
Total OPEB Liability as a Percentage of	
Covered-Employee Payroll:	343.26%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIDGEFIELD PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

RIDGEFIELD PARK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ESEA						Subtotal Page 2	Total 2018
	Title I	Title I SIA	Title IIA	Title III	Title III Immigrant	Title IV		
REVENUES								
Local							\$ 20,599	\$ 20,599
Federal	\$ 512,282	\$ 26,126	\$ 23,355	\$ 24,961	\$ 11,804	\$ 7,241	553,386	1,159,155
Total Revenues	<u>\$ 512,282</u>	<u>\$ 26,126</u>	<u>\$ 23,355</u>	<u>\$ 24,961</u>	<u>\$ 11,804</u>	<u>\$ 7,241</u>	<u>\$ 573,985</u>	<u>\$ 1,179,754</u>
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 358,763			\$ 16,000	\$ 7,072	\$ 5,000		\$ 386,835
Other Purchased Services							\$ 552,717	552,717
General Supplies	40,509	\$ 12,131	-	3,921	2,505	-	1,669	60,735
Total Instruction	<u>399,272</u>	<u>12,131</u>	<u>-</u>	<u>19,921</u>	<u>9,577</u>	<u>5,000</u>	<u>554,386</u>	<u>1,000,287</u>
Support Services								
Personal Services - Employee Benefits	113,010			5,040	2,227	1,575		121,852
Purchased Prof. Education Services			\$ 23,355			314	-	23,669
Supplies and Materials	-	-	-	-	-	352	9,773	10,125
Total Support Services	<u>113,010</u>	<u>-</u>	<u>23,355</u>	<u>5,040</u>	<u>2,227</u>	<u>2,241</u>	<u>9,773</u>	<u>155,646</u>
Equipment								
Instructional Equipment		13,995					-	13,995
Noninstructional Equipment	-	-	-	-	-	-	9,826	9,826
Total Equipment	<u>-</u>	<u>13,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,826</u>	<u>23,821</u>
Total Expenditures	<u>\$ 512,282</u>	<u>\$ 26,126</u>	<u>\$ 23,355</u>	<u>\$ 24,961</u>	<u>\$ 11,804</u>	<u>\$ 7,241</u>	<u>\$ 573,985</u>	<u>\$ 1,179,754</u>

RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>IDEA</u>			Page 2
REVENUES	IDEA Part B	IDEA Part B	Local Grants	Total
	<u>Basic</u>	<u>Preschool</u>		
Local			\$ 20,599	\$ 20,599
Federal	\$ 552,717	\$ 669	-	553,386
Total Revenues	<u>\$ 552,717</u>	<u>\$ 669</u>	<u>\$ 20,599</u>	<u>\$ 573,985</u>
EXPENDITURES				
Instruction				
Other Purchased Services	\$ 552,717			\$ 552,717
General Supplies	-	\$ 669	\$ 1,000	1,669
Total Instruction	<u>552,717</u>	<u>669</u>	<u>1,000</u>	<u>554,386</u>
Support Services				
Supplies and Materials	-	-	9,773	9,773
Total Support Services	<u>-</u>	<u>-</u>	<u>9,773</u>	<u>9,773</u>
Equipment				
Noninstructional Equipment	-	-	9,826	9,826
Total Equipment	<u>-</u>	<u>-</u>	<u>9,826</u>	<u>9,826</u>
Total Expenditures	<u>\$ 552,717</u>	<u>\$ 669</u>	<u>\$ 20,599</u>	<u>\$ 573,985</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

NOT APPLICABLE

FIDUCIARY FUNDS

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 174,049	\$ 3,057	\$ 177,106
Total Assets	<u>\$ 174,049</u>	<u>\$ 3,057</u>	<u>\$ 177,106</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 193	\$ 193
Accrued Salaries and Wages		2,864	2,864
Due to Student Groups	<u>\$ 174,049</u>	<u>-</u>	<u>174,049</u>
Total Liabilities	<u>\$ 174,049</u>	<u>\$ 3,057</u>	<u>\$ 177,106</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
ELEMENTARY SCHOOLS				
Lincoln School	\$ 5,728	\$ 7,059	\$ 6,494	\$ 6,293
Grant School	10,271	7,212	4,736	12,747
Roosevelt School	16,261	8,293	7,257	17,297
Thomas Jefferson School	<u>2,190</u>	<u>2,237</u>	<u>1,014</u>	<u>3,413</u>
Total Elementary Schools	<u>34,450</u>	<u>24,801</u>	<u>19,501</u>	<u>39,750</u>
JUNIOR/SENIOR HIGH SCHOOL				
Student Activities Fund	87,291	253,110	258,959	81,442
Athletic Accounts	<u>27,211</u>	<u>54,455</u>	<u>28,809</u>	<u>52,857</u>
Total Junior/Senior High School	<u>114,502</u>	<u>307,565</u>	<u>287,768</u>	<u>134,299</u>
Total All Schools	<u>\$ 148,952</u>	<u>\$ 332,366</u>	<u>\$ 307,269</u>	<u>\$ 174,049</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ASSETS				
Cash	\$ 38,289	\$ 23,987,943	\$ 24,023,175	\$ 3,057
Total Assets	<u>\$ 38,289</u>	<u>\$ 23,987,943</u>	<u>\$ 24,023,175</u>	<u>\$ 3,057</u>
LIABILITIES				
Payroll Deductions and Withholdings		\$ 11,885,646	\$ 11,885,453	193
Accrued Salaries and Wages	\$ 36,214	12,102,297	12,135,647	\$ 2,864
Due to Other Funds	<u>2,075</u>	<u>-</u>	<u>2,075</u>	<u>-</u>
Total Liabilities	<u>\$ 38,289</u>	<u>\$ 23,987,943</u>	<u>\$ 24,023,175</u>	<u>\$ 3,057</u>

LONG-TERM DEBT

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000	7/1/2018	\$ 360,000	4.25%	\$ 750,000	\$ 390,000	\$ 360,000
						<u>\$ 750,000</u>	<u>\$ 390,000</u>	<u>\$ 360,000</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
Computers - 2013/2014	\$ 223,300	2.10%	\$ 50,300		\$ 46,390	\$ 3,910
Computers - 2014/2015	161,000	3.497%	70,309		33,110	37,199
(2) 29 Passenger Buses	111,196	2.28%	47,863		22,701	25,162
(1) 54 Passenger Bus	89,000	2.28%	38,316		18,168	20,148
(1) Ford F-250 Truck	31,798	5.95%	14,102		8,293	5,809
(18) Powerheart AED's	63,280	N/A	39,373		8,931	30,442
Technology Equipment	170,320	N/A	-	\$ 170,320	45,224	125,096
			<u>\$ 260,263</u>	<u>\$ 170,320</u>	<u>\$ 182,817</u>	<u>\$ 247,766</u>

N/A - Not Available

**RIDGEFIELD PARK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 293,119		\$ 293,119	\$ 293,119	
State Sources					
State Aid Type II	<u>120,469</u>	<u>-</u>	<u>120,469</u>	<u>120,469</u>	<u>-</u>
Total Revenues	<u>413,588</u>	<u>-</u>	<u>413,588</u>	<u>413,588</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	23,588		23,588	23,588	
Principal	<u>390,000</u>	<u>-</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>
Total Expenditures	<u>413,588</u>	<u>-</u>	<u>413,588</u>	<u>413,588</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Restricted for Subsequent Year's Budgets				<u>\$ 1</u>	

STATISTICAL SECTION

This part of the Ridgefield Park Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
				(Restated)		(Restated)				
Governmental Activities										
Net Investment in Capital Assets	\$ 7,404,363	\$ 7,308,131	\$ 7,238,926	\$ 8,045,931	\$ 8,961,153	\$ 9,769,270	\$ 9,824,350	\$ 9,782,461	\$ 9,798,598	\$ 10,356,423
Restricted	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778	1,804,225
Unrestricted	(1,282,680)	(2,309,146)	(1,399,604)	(1,332,328)	(1,725,532)	(11,250,338)	(12,077,830)	(14,310,492)	(15,101,821)	(13,559,279)
Total Governmental Activities Net Position	<u>\$ 7,101,592</u>	<u>\$ 6,682,569</u>	<u>\$ 7,299,414</u>	<u>\$ 8,600,851</u>	<u>\$ 8,451,599</u>	<u>\$ (1,148,198)</u>	<u>\$ (1,920,610)</u>	<u>\$ (4,195,161)</u>	<u>\$ (3,750,445)</u>	<u>\$ (1,398,631)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724	\$ 60,548	\$ 62,376	\$ 41,777	\$ 31,948
Unrestricted	227,128	293,766	304,372	296,076	185,375	96,528	(27,893)	81,140	151,632	218,503
Total Business-Type Activities Net Position	<u>\$ 291,024</u>	<u>\$ 349,987</u>	<u>\$ 352,918</u>	<u>\$ 309,738</u>	<u>\$ 201,257</u>	<u>\$ 111,252</u>	<u>\$ 32,655</u>	<u>\$ 143,516</u>	<u>\$ 193,409</u>	<u>\$ 250,451</u>
District-Wide										
Net Investment in Capital Assets	\$ 7,468,259	\$ 7,364,352	\$ 7,287,472	\$ 8,059,593	\$ 8,977,035	\$ 9,783,994	\$ 9,884,898	\$ 9,844,837	\$ 9,840,375	\$ 10,388,371
Restricted	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778	1,804,225
Unrestricted	(1,055,552)	(2,015,380)	(1,095,232)	(1,036,252)	(1,540,157)	(11,153,810)	(12,105,723)	(14,229,352)	(14,950,189)	(13,340,776)
Total District Net Position	<u>\$ 7,392,616</u>	<u>\$ 7,032,556</u>	<u>\$ 7,652,332</u>	<u>\$ 8,910,589</u>	<u>\$ 8,652,856</u>	<u>\$ (1,036,946)</u>	<u>\$ (1,887,955)</u>	<u>\$ (4,051,645)</u>	<u>\$ (3,557,036)</u>	<u>\$ (1,148,180)</u>

Note 1 - Net Position at June 30, 2012 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

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

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

	2009	2010	2011	2012	Fiscal Year Ended June 30,		2015	2016	2017	2018
					2013	2014				
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,814,413	\$ 14,830,594	\$ 14,289,814	\$ 15,171,855	\$ 16,784,624	\$ 16,895,035	\$ 19,206,920	\$ 20,539,538	\$ 22,858,044	\$ 23,704,135
Special Education	5,096,953	6,079,429	5,596,021	5,701,214	6,413,590	6,246,015	6,995,549	7,866,888	8,182,893	7,814,343
Other Instruction	763,391	930,966	628,816	694,429	873,942	847,413	1,457,852	1,529,858	886,992	909,133
School Sponsored Activities And Athletics	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,187,907	1,231,578	1,200,218	1,283,130
Support Services:										
Student & Instruction Related Services	5,245,911	4,465,578	4,913,960	5,129,207	5,149,343	5,333,528	6,373,111	7,244,098	7,219,993	7,036,227
General Administration Services	1,044,982	968,038	1,174,493	866,708	847,109	901,014	783,050	1,013,397	1,257,093	1,331,067
School Administration Services	1,440,219	1,592,263	1,579,245	1,630,154	1,694,347	1,702,674	1,974,276	2,347,955	2,344,568	2,662,178
Business / Central Services	688,780	659,642	651,281	618,510	674,922	780,122	960,210	1,162,547	1,264,396	1,360,247
Plant Operations And Maintenance	3,078,487	2,812,013	2,724,797	2,609,146	2,754,932	2,995,101	3,139,740	3,841,199	4,033,800	4,194,437
Pupil Transportation	641,239	605,933	658,666	630,009	712,620	619,927	571,183	1,035,240	1,149,250	1,295,539
Special Schools										
Interest On Long-Term Debt	134,166	133,724	124,332	111,898	96,849	82,669	78,518	62,610	40,458	20,199
Total Governmental Activities Expenses	<u>32,867,992</u>	<u>34,051,813</u>	<u>33,309,601</u>	<u>34,201,553</u>	<u>37,124,737</u>	<u>37,472,955</u>	<u>42,728,316</u>	<u>47,874,908</u>	<u>50,437,705</u>	<u>51,610,635</u>
Business-Type Activities:										
Food Service	783,571	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211	1,113,399	1,000,552	981,420
Total Business-Type Activities Expense	<u>783,571</u>	<u>826,076</u>	<u>924,580</u>	<u>997,792</u>	<u>1,066,896</u>	<u>1,104,638</u>	<u>1,078,211</u>	<u>1,113,399</u>	<u>1,000,552</u>	<u>981,420</u>
Total District Expenses	<u>\$ 33,651,563</u>	<u>\$ 34,877,889</u>	<u>\$ 34,234,181</u>	<u>\$ 35,199,345</u>	<u>\$ 38,191,633</u>	<u>\$ 38,577,593</u>	<u>\$ 43,806,527</u>	<u>\$ 48,988,307</u>	<u>\$ 51,438,257</u>	<u>\$ 52,592,055</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 2,983,236	\$ 3,207,565	\$ 3,901,104	\$ 3,895,957	\$ 3,863,442	\$ 3,992,049	\$ 3,824,819	\$ 3,917,080	\$ 4,341,295	\$ 4,413,538
Special Education	351,683	488,861	490,572	360,744	259,433	267,532	572,649	569,807	545,881	900,919
Pupil Transportation								151,000	381,000	375,826
Operating Grants And Contributions	4,705,498	5,615,386	4,894,065	5,267,932	6,366,263	5,992,076	10,448,232	12,819,208	16,371,535	17,349,817
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>8,040,417</u>	<u>9,311,812</u>	<u>9,285,741</u>	<u>9,524,633</u>	<u>10,489,138</u>	<u>10,251,657</u>	<u>14,843,700</u>	<u>17,437,095</u>	<u>21,639,711</u>	<u>23,040,100</u>
Business-Type Activities:										
Charges For Services										
Food Service	514,178	498,523	499,722	503,906	479,218	514,671	491,949	524,206	513,657	499,746
Operating Grants And Contributions	323,728	386,516	427,789	450,706	479,197	499,962	507,665	520,054	536,555	538,388
Total Business-Type Activities Program Revenues	<u>837,906</u>	<u>885,039</u>	<u>927,511</u>	<u>954,612</u>	<u>958,415</u>	<u>1,014,633</u>	<u>999,614</u>	<u>1,044,260</u>	<u>1,050,212</u>	<u>1,038,134</u>
Total District Program Revenues	<u>\$ 8,878,323</u>	<u>\$ 10,196,851</u>	<u>\$ 10,213,252</u>	<u>\$ 10,479,245</u>	<u>\$ 11,447,553</u>	<u>\$ 11,266,290</u>	<u>\$ 15,843,314</u>	<u>\$ 18,501,355</u>	<u>\$ 22,689,923</u>	<u>\$ 24,078,234</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (24,827,575)	\$ (24,740,001)	\$ (24,023,860)	\$ (24,676,920)	\$ (26,635,599)	\$ (27,221,298)	\$ (27,882,616)	\$ (30,417,813)	\$ (28,797,994)	\$ (28,570,535)
Business-Type Activities	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	(69,139)	49,660	56,714
Total District-Wide Net Expense	<u>\$ (24,773,240)</u>	<u>\$ (24,681,038)</u>	<u>\$ (24,020,929)</u>	<u>\$ (24,720,100)</u>	<u>\$ (26,744,080)</u>	<u>\$ (27,311,303)</u>	<u>\$ (27,961,213)</u>	<u>\$ (30,486,952)</u>	<u>\$ (28,748,334)</u>	<u>\$ (28,513,821)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 20,290,000	\$ 20,445,640	\$ 21,213,466	\$ 21,584,702	\$ 22,005,605	\$ 22,443,517	\$ 22,892,388	\$ 24,011,557	\$ 24,825,721	\$ 25,322,235
Taxes Levied For Debt Service	400,000	415,000	410,000	443,246	357,230	310,238	331,079	319,881	304,865	293,119
State Aid - Unrestricted	3,494,013	3,206,966	2,973,137	3,537,828	3,613,720	3,662,973	3,736,671	3,782,044	3,655,996	4,619,783
Investment Earnings	83,929	13,641	16,987	18,380	13,600	-	-	209,780	456,128	687,212
Miscellaneous Income	68,419	239,730	62,937	394,201	496,192	131,061	150,066	(180,000)	-	-
Total Governmental Activities	<u>24,336,361</u>	<u>24,320,977</u>	<u>24,676,527</u>	<u>25,978,357</u>	<u>26,486,347</u>	<u>26,547,789</u>	<u>27,110,204</u>	<u>28,143,262</u>	<u>29,242,710</u>	<u>30,922,349</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	233	328
Transfers	-	-	-	-	-	-	-	180,000	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>233</u>	<u>328</u>
Total District-Wide	<u>\$ 24,336,361</u>	<u>\$ 24,320,977</u>	<u>\$ 24,676,527</u>	<u>\$ 25,978,357</u>	<u>\$ 26,486,347</u>	<u>\$ 26,547,789</u>	<u>\$ 27,110,204</u>	<u>\$ 28,323,262</u>	<u>\$ 29,242,943</u>	<u>\$ 30,922,677</u>
Change In Net Position										
Governmental Activities	\$ (491,214)	\$ (419,024)	\$ 652,667	\$ 1,301,437	\$ (149,252)	\$ (673,509)	\$ (772,412)	\$ (2,274,551)	\$ 444,716	\$ 2,351,814
Business-Type Activities	54,335	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	110,861	49,893	57,042
Total District	<u>\$ (436,879)</u>	<u>\$ (360,061)</u>	<u>\$ 655,598</u>	<u>\$ 1,258,257</u>	<u>\$ (257,733)</u>	<u>\$ (763,514)</u>	<u>\$ (851,009)</u>	<u>\$ (2,163,690)</u>	<u>\$ 494,609</u>	<u>\$ 2,408,856</u>

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

	2009	2010	2011	2012	Fiscal Year Ended June 30,		2015	2016	2017	2018
					2013	2014				
General Fund										
Reserved	\$ 1,738,553	\$ 1,664,733								
Unreserved	(44,639)	(92,596)								
Restricted			\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870	\$ 332,870	\$ 332,870	\$ 1,552,778	\$ 1,804,224
Committed			145,294	245,500						1,447,087
Assigned				300,658	281,266	336,275	52,218	54,985	276,417	336,435
Unassigned			(146,364)	(329,272)	(307,811)	(552,477)	(978,793)	(305,607)	(141,280)	(163,369)
Total General Fund	<u>\$ 1,693,914</u>	<u>\$ 1,572,137</u>	<u>\$ 1,602,250</u>	<u>\$ 1,755,355</u>	<u>\$ 1,127,720</u>	<u>\$ 116,668</u>	<u>\$ (593,705)</u>	<u>\$ 82,248</u>	<u>\$ 1,687,915</u>	<u>\$ 3,424,377</u>
All Other Governmental Funds										
Unreserved	\$ 49,805	\$ (56,585)								
Restricted			\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -	\$ 1	\$ 1
Total All Other Governmental Funds	<u>\$ 49,805</u>	<u>\$ (56,585)</u>	<u>\$ (74,092)</u>	<u>\$ 595,079</u>	<u>\$ 198,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Beginning with Fiscal Year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$20,690,000	\$20,860,640	\$ 21,623,466	\$ 22,027,948	\$ 22,362,835	\$ 22,753,755	\$ 23,223,467	\$ 24,331,438	\$ 25,130,586	\$ 25,615,354
Tuition Charges	3,334,919	3,696,426	4,391,676	4,256,701	4,122,875	4,259,581	4,397,468	4,486,887	4,887,176	5,314,457
Interest Earnings	83,929	13,641	16,987	18,380	13,600	-	-	-	-	-
Miscellaneous	68,419	239,730	62,937	407,399	512,223	131,061	187,033	372,022	844,162	1,073,811
State Sources	7,317,300	6,672,293	6,874,477	7,646,009	8,933,324	8,552,463	9,216,882	10,516,391	10,796,220	11,949,124
Federal Sources	882,211	2,150,059	992,725	1,146,553	1,030,628	1,102,586	1,145,227	1,108,445	1,124,718	1,216,487
Total Revenue	32,376,778	33,632,789	33,962,268	35,502,990	36,975,485	36,799,446	38,170,077	40,815,183	42,782,862	45,169,233
Expenditures										
Instruction										
Regular Instruction	13,599,235	14,621,042	14,163,843	14,772,783	16,284,086	16,462,126	16,597,275	17,250,067	17,418,059	18,573,838
Special Education Instruction	5,131,186	6,071,193	5,536,686	5,696,757	6,405,781	6,243,283	6,470,208	7,096,604	6,782,921	6,730,402
Other Instruction	757,389	794,139	795,694	692,300	871,142	845,959	1,274,876	1,300,734	678,288	710,701
School Sponsored Activities And Athletics	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,066,272	1,068,535	941,137	1,032,621
Support Services:										
Student & Inst. Related Services	5,112,892	4,481,054	4,985,817	5,055,892	5,246,957	5,239,866	5,776,528	6,380,946	5,808,040	5,648,606
General Administration Services	983,977	1,014,144	1,310,663	857,409	846,757	904,285	747,423	957,726	1,124,300	1,185,886
School Administration Services	1,371,493	1,445,104	1,522,500	1,577,132	1,648,423	1,662,772	1,778,220	2,026,671	1,848,350	2,096,061
Business / Central Services	715,856	630,314	717,740	614,634	671,127	811,163	922,305	1,072,053	1,070,653	1,104,194
Plant Operations And Maintenance	3,015,713	2,723,680	2,695,786	2,551,315	2,722,511	2,958,384	3,087,569	3,691,062	3,678,233	4,029,785
Pupil Transportation	641,239	605,933	658,666	630,009	712,620	619,927	566,349	945,928	1,002,600	1,061,089
Capital Outlay	512,379	50,452	65,876	668,898	960,429	814,904	437,546	3,400	-	576,650
Debt Service:										
Principal	450,000	445,968	464,548	477,929	498,893	505,381	597,581	592,317	773,604	822,817
Interest And Other Charges	104,510	147,318	136,747	123,045	108,983	94,322	89,572	73,187	51,009	30,441
Payments to Refunding Escrow Agents	-	-	-	-	-	-	-	-	-	-
Cost of Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Total Expenditures	33,315,320	34,003,974	34,022,742	34,756,526	38,100,168	38,231,829	39,411,724	42,459,230	41,177,194	43,603,091
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(938,542)	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)	(1,241,647)	(1,644,047)	1,605,668	1,566,142
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	-	143,018	73,080	75,812	100,000	223,300	531,274	-	-	170,320
School District Deficit Relief Proceeds	-	-	-	-	-	-	-	2,500,000	-	-
Refunding Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-	-
payment to Refunding Escrow Agent	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	1,201,269	309,584	685,077	-	-	-	-
Transfers Out	-	-	-	(1,201,269)	(309,584)	(685,077)	-	(180,000)	-	-
Total Other Financing Sources (Uses)	-	143,018	73,080	75,812	100,000	223,300	531,274	2,320,000	-	170,320
Net Change In Fund Balances	\$ (938,542)	\$ (228,167)	\$ 12,606	\$ 822,276	\$ (1,024,683)	\$ (1,209,083)	\$ (710,373)	\$ 675,953	\$ 1,605,668	\$ 1,736,462
Debt Service As A Percentage Of										
Noncapital Expenditures	1.69%	1.75%	1.77%	1.76%	1.64%	1.60%	1.76%	1.57%	2.00%	1.98%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Other</u>	<u>Total</u>
2018	\$ 5,314,457	\$ 15,291	\$ 1,047,747	\$ 6,377,495
2017	4,887,176	3,058	834,070	5,724,304
2016	4,486,887	4,835	355,945	4,847,667
2015	4,397,468	4,970	145,096	4,547,534
2014	4,259,581	9,830	121,231	4,390,642
2013	4,122,875	13,600	496,192	4,632,667
2012	4,256,701	18,380	394,201	4,669,282
2011	4,391,676	16,987	62,937	4,471,600
2010	3,696,426	13,641	239,730	3,949,797
2009	3,334,919	83,929	68,419	3,487,267

Source: School District records

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

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2009	\$ 26,622,100	\$ 1,047,524,300	N/A	N/A	\$ 330,612,100	\$ 55,895,900	\$ 116,228,200	\$ 1,576,882,600	\$ 1,404,287	\$ 1,578,286,887	\$ 1,574,882,476	\$ 1.323
2010	26,609,000	1,040,332,800	N/A	N/A	328,716,500	49,667,000	114,271,300	1,559,596,600	3,124,731	1,562,721,331	1,470,267,482	1.384
2011	26,313,400	767,364,600	N/A	N/A	284,638,000	49,765,400	107,634,800	1,235,716,200	2,099,972	1,237,816,172	1,342,736,493	1.780
2012	26,181,600	766,238,100	N/A	N/A	280,250,600	49,183,200	104,107,200	1,225,960,700	1,825,934	1,227,786,634	1,364,697,743	1.822
2013	28,515,600	766,852,100	N/A	N/A	274,587,700	48,409,620	103,832,600	1,222,197,620		1,222,197,620	1,370,921,451	1.862
2014	25,221,600	766,388,000	N/A	N/A	270,931,600	47,908,920	102,519,800	1,212,969,920		1,212,969,920	1,395,299,209	1.915
2015	25,623,100	771,379,500	N/A	N/A	251,114,800	47,758,920	101,646,000	1,197,522,320		1,197,522,320	1,274,098,383	2.032
2016	25,623,100	765,800,000	N/A	N/A	251,114,800	47,525,420	101,646,000	1,191,709,320		1,191,709,320	1,224,582,795	2.108
2017	25,159,900	766,080,200	N/A	N/A	248,111,700	47,412,400	101,409,500	1,188,173,700		1,188,173,700	1,310,515,497	2.156
2018	25,147,800	766,419,400	N/A	N/A	246,187,500	47,128,900	104,940,300	1,189,823,900		1,189,823,900	1,370,882,006	2.193

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2018	\$ 3.848	\$ 2.193	\$ 1.374	\$ 0.281
2017	3.723	2.156	1.292	0.275
2016	3.624	2.108	1.266	0.250
2015	3.550	2.032	1.272	0.246
2014	3.458	1.915	1.277	0.266
2013	3.385	1.862	1.274	0.249
2012	3.301	1.822	1.241	0.238
2011 (A)	3.255	1.780	1.254	0.221
2010	2.509	1.384	0.949	0.176
2009	2.402	1.323	0.891	0.188

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

Source: Village Tax Duplicate

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

Taxpayer	2018		Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 28,889,400	2.43%	Hartz Mountain Industries	\$ 50,000,000	3.17%
85 Challenger Rd LLC	28,533,000	2.40%	Bank of America	38,000,000	2.41%
65 Challenger LLC	18,000,000	1.51%	85 Challenger Rd LLC	35,500,000	2.25%
Marlboro Apt. Corp.	16,500,000	1.39%	Mack Cali Realty	28,000,000	1.77%
100 Chall Partners LLC C/O KABR	16,500,000	1.39%	AGFA	27,500,000	1.74%
Eye Level Hub LLC	16,000,000	1.34%	Marlboro Apt Corp	18,765,000	1.19%
Ridgefield Park Lodging Assoc	14,203,600	1.19%	Pitcairn Skymark LLC	16,645,000	1.05%
Pitcairn Skymark, LLC	13,351,000	1.12%	Scott Court Apts LLC	15,189,300	0.96%
United Rentals North America Inc	12,321,500	1.04%	United Rentals North America Inc	12,236,800	0.78%
American Multi Cinema	9,495,000	0.80%	Landmark E Corp	11,040,000	0.70%
	<u>\$ 173,793,500</u>	<u>14.61%</u>		<u>\$ 252,876,100</u>	<u>16.02%</u>

Source: Municipal Tax Assessor

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

Calendar Year Ended December 31,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 20,690,000	\$ 20,690,000	100.00%	N/A
2010	20,860,400	20,860,400	100.00%	N/A
2011	21,623,466	21,623,466	100.00%	N/A
2012	22,027,948	22,027,948	100.00%	N/A
2013	22,362,835	22,362,835	100.00%	N/A
2014	22,753,755	22,753,755	100.00%	N/A
2015	23,223,467	23,223,467	100.00%	N/A
2016	24,331,438	24,331,438	100.00%	N/A
2017	25,130,586	25,130,586	100.00%	N/A
2018	25,615,354	25,615,354	100.00%	N/A

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Population</u>	(1)	<u>Per Capita</u>
	General Obligation Bonds	Capital Leases	Total District			
2009	\$ 3,970,000		\$ 3,970,000	12,345	\$	322
2010	3,555,000	\$ 112,050	3,667,050	12,394		296
2011	3,140,000	135,582	3,275,582	12,745		257
2012	2,730,000	143,465	2,873,465	12,845		224
2013	2,330,000	144,572	2,474,572	12,918		192
2014	1,930,000	262,491	2,192,491	12,986		169
2015	1,535,000	591,184	2,126,184	13,037		163
2016	1,140,000	393,867	1,533,867	13,091		117
2017	750,000	260,263	1,010,263	13,104		77
2018	360,000	247,766	607,766	13,154		46

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2009	\$ 3,970,000		\$ 3,970,000	0.25%	\$ 322
2010	3,555,000		3,555,000	0.23%	287
2011	3,140,000		3,140,000	0.25%	246
2012	2,730,000		2,730,000	0.22%	213
2013	2,330,000		2,330,000	0.19%	180
2014	1,930,000		1,930,000	0.16%	149
2015	1,535,000		1,535,000	0.13%	118
2016	1,140,000		1,140,000	0.10%	87
2017	750,000		750,000	0.06%	57
2018	360,000		360,000	0.03%	27

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIDGEFIELD PARK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2017
(Unaudited)**

	<u>Gross Debt</u>
DIRECT DEBT: (1)	
Ridgefield Park School District	\$ 360,000
Village of Ridgefield Park	<u>7,875,455</u>
	<u>8,235,455</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County:	
County of Bergen(A)	9,629,316
Bergen County Utilities Authority - Water Pollution Control (B)	<u>3,508,734</u>
	<u>13,138,050</u>
Total Direct and Overlapping Outstanding Debt	<u>\$ 21,373,505</u>

SOURCE:

(1) Village of Ridgefield Park 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2017 equalized value by the total 2017 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2017 billings by the total 2017 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis	
	2017	\$ 1,362,740,796
	2016	1,308,420,422
	2015	<u>1,224,210,100</u>
		<u>\$ 3,895,371,318</u>
		<u>\$ 1,298,457,106</u>
Debt Limit (4 % of Average Equalization Value)		\$ 51,938,284
Total Net Debt Applicable to Limit		<u>360,000</u>
Legal Debt Margin		<u>\$ 51,578,284</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>	<u>2018</u>
Debt Limit	\$ 63,223,729	\$ 62,271,686	\$ 59,600,257	\$ 57,083,476	\$ 55,683,763	\$ 55,114,973	\$ 54,005,505	\$ 52,658,549	\$ 50,880,810	\$ 51,938,284
Total Net Debt Applicable to Limit	<u>3,970,000</u>	<u>3,555,000</u>	<u>3,140,000</u>	<u>2,730,000</u>	<u>2,330,000</u>	<u>1,930,000</u>	<u>1,535,000</u>	<u>1,140,000</u>	<u>750,000</u>	<u>360,000</u>
Legal Debt Margin	<u>\$ 59,253,729</u>	<u>\$ 58,716,686</u>	<u>\$ 56,460,257</u>	<u>\$ 54,353,476</u>	<u>\$ 53,353,763</u>	<u>\$ 53,184,973</u>	<u>\$ 52,470,505</u>	<u>\$ 51,518,549</u>	<u>\$ 50,130,810</u>	<u>\$ 51,578,284</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.28%	5.71%	5.27%	4.78%	4.18%	3.50%	2.84%	2.16%	1.47%	0.69%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2018	4.90% (E)	\$ 77,187 (E)	13,154
2017	4.90%	77,187 (E)	13,104
2016	4.90%	77,187	13,091
2015	5.30%	76,388	13,037
2014	6.20%	73,293	12,986
2013	7.00%	71,449	12,918
2012	8.90%	71,953	12,845
2011	8.70%	69,044	12,745
2010	8.90%	66,080	12,394
2009	8.70%	65,097	12,345

Source:

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

(E) - Estimated

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

	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
<u>Employer</u>				

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2018</u>
Instruction										
Regular	184	180	161	164	172	180	182	162	149	139
Special education	3	5	32	45	48	53	56	76	71	28
Support Services:										
Student & instruction related services	17	15	14	17	21	21	21	26	27	26
School administration services	15	14	14	14	14	14	15	16	11	14
Other administration services	5	5	5	5	5	5	5	5	5	5
Central services	4	4	4	4	4	4	4	4	4	3
Administrative Information Technology	4	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	21	20	20	20	21	22	22	22	21	3
Pupil transportation	5	4	4	4	4	4	7	4	4	3
Other support services	12	11	12	14	14	14	14	14	12	11
Total	<u>270</u>	<u>261</u>	<u>269</u>	<u>290</u>	<u>306</u>	<u>320</u>	<u>329</u>	<u>332</u>	<u>307</u>	<u>235</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior/Senior High School				
2009	2,123	\$ 32,248,431	\$ 15,190	2.53%	188	1:10.7	1:11.8	2,112	2,001	0.91%	94.74%
2010	2,160	33,360,236	15,445	1.68%	185	1:12.3	1:14.5	2,160	2,041	2.27%	94.49%
2011	2,232	33,355,571	14,944	-3.24%	190	11:10.6	01:13.0	2,224	2,101	2.96%	94.47%
2012	2,264	33,486,654	14,791	-1.03%	209	1:11.6	1:12.2	2,248	2,134	1.08%	94.93%
2013	2,330	36,531,863	15,679	6.00%	217	1:12.3	1:13.4	2,296	2,171	2.14%	94.56%
2014	2,363	36,817,222	15,581	-0.63%	230	1:13.7	1:15.6	2,343	2,213	2.05%	94.45%
2015	2,386	38,287,025	16,047	2.99%	238	1:14.2	1:16.8	2,379	2,256	1.54%	94.83%
2016	2,422	41,790,326	17,254	7.53%	236	1:10.4	1:10.8	2,378	2,283	-0.04%	96.01%
2017	2,385	40,352,581	16,919	-1.94%	175	1:12.9	1:13.9	2,340	2,214	-1.60%	94.62%
2018	2,344	42,173,183	17,992	6.34%	167	1:13.5	1:12.7	2,320	2,199	-0.85%	94.78%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
Lincoln School:										
Square Feet	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	420	420	420	420	420	420	420	420	420	420
Enrollment	371	380	383	387	416	422	359	323	313	330
Grant School:										
Square Feet	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350
Capacity (students)	330	330	330	330	330	330	330	330	330	330
Enrollment	205	196	220	242	241	230	212	198	190	205
Roosevelt School:										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	372	394	400	415	438	454	413	361	338	324
Thomas Jefferson School:										
Square Feet							22,293	22,293	22,293	22,293
Capacity (students)							240	240	240	240
Enrollment							141	272	256	259
<u>High School</u>										
Ridgefield Park Jr./Sr. High School:										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,175	1,190	1,229	1,220	1,235	1,257	1,261	1,268	1,249	1,226
<u>Other</u>										
Special Services:										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fieldhouse:										
Square Feet	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875
Central Office:										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,000	4,000	4,000

Number of Schools at June 30, 2018

Elementary = 4

Junior/Senior High School = 1

Other = 3

Source: District Records

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

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

		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
*School Facilities	<u>Project # (s)</u>										
Lincoln School	N/A	\$ 49,285	\$ 34,883	\$ 33,943	\$ 32,416	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349
Roosevelt School	N/A	12,019	8,507	8,278	7,906	6,412	6,046	3,707	6,734	4,002	8,706
Grant School	N/A	10,311	7,298	7,101	6,781	5,403	5,094	6,837	6,601	11,197	24,359
Jefferson School	N/A	4,420	3,128	3,044	2,907						
Junior/Senior High School	N/A	<u>294,937</u>	<u>208,749</u>	<u>203,127</u>	<u>193,987</u>	<u>187,273</u>	<u>176,570</u>	<u>173,874</u>	<u>162,658</u>	<u>164,780</u>	<u>358,474</u>
Total School Facilities		<u>370,972</u>	<u>262,565</u>	<u>255,493</u>	<u>243,997</u>	<u>230,652</u>	<u>217,470</u>	<u>215,393</u>	<u>206,164</u>	<u>219,211</u>	<u>476,888</u>
Grand Total		<u>\$ 370,972</u>	<u>\$ 262,565</u>	<u>\$ 255,493</u>	<u>\$ 243,997</u>	<u>\$ 230,652</u>	<u>\$ 217,470</u>	<u>\$ 215,393</u>	<u>\$ 206,164</u>	<u>\$ 219,211</u>	<u>\$ 476,888</u>

Source: District Records

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2018
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
School Package Policy		
Blanket Building & Contents	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Loss of Business Income/Tuition	1,000,000	
Demolition and Increased Cost of Construction	25,000,000	
Data Processing Equipment	1,200,000	1,000
Comprehensive General Liability	11,000,000	
Comprehensive Auto Liability	11,000,000	1,000
Equipment Breakdown	100,000,000	5,000
Public Employee Dishonesty with Faithful Performance	250,000	1,000
Loss of Money & Securities	25,000	500
Board Secretary	250,000	1,000
School Leaders Errors and Omissions	10,000,000	5,000

Source: District records

SINGLE AUDIT 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
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ANDREW D. PARENTE, CPA, RMA, PSA

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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Ridgefield Park Board of Education's basic financial statements and have issued our report thereon dated January 30, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ridgefield Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2018-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 30, 2019.

Ridgefield Park Board of Education's Response to Finding

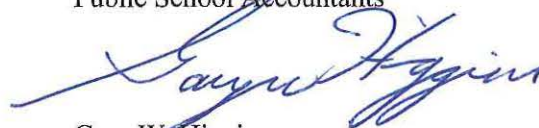
The Ridgefield Park Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Ridgefield Park Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements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

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 30, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Ridgefield Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Ridgefield Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2018. The Ridgefield Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ridgefield Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Ridgefield Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Ridgefield Park Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Ridgefield Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Ridgefield Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgefield Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Park Board of Education's internal control over compliance.

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

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

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

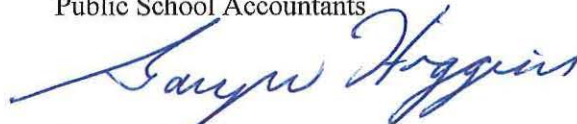
Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2018 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 January 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00816

Fair Lawn, New Jersey
January 30, 2019

RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017			Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2018			MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue	Due to Grantor							(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education																		
Enterprise Fund:																		
National School Lunch Program	10.555																	
Cash Assistance		181NJ304N1099	N/A	7/1/17-6/30/18	\$ 390,229						\$ 319,067	\$ 390,229			\$ (71,162)			\$ (71,162)
Cash Assistance		171NJ304N1099	N/A	7/1/16-6/30/17	382,546	\$ (16,894)					16,894							
Non-Cash Assistance		181NJ304N1099	N/A	7/1/17-6/30/18	78,411						78,411	76,260				\$ 2,151		
Non-Cash Assistance		171NJ304N1099	N/A	7/1/16-6/30/17	82,369		\$ 1,874					1,874						
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	58,759						47,288	58,759			(11,471)			(11,471)
School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/16-6/30/17	62,486	(3,397)	-	-	-	-	3,397	-	-	-	-	-	-	-
Total Child Nutrition Cluster						(20,291)	1,874	-	-	-	465,057	527,123	-	-	(82,633)	2,151	-	(82,633)
U.S. Department of Education Passed-through State Department of Education																		
Special Revenue Fund:																		
IDEA Part B - Flow Through	84.027	H027A170100	FT4380-18	7/1/17-6/30/18	529,158				\$ (213,234)	\$ 23,453	648,774	552,717	\$ (346)	\$ 106	(93,964)	-		(93,964)
IDEA Part B - Flow Through	84.027	H027A160100	FT4380-17	7/1/16-6/30/17	547,560	(213,234)	11,997		213,234	(11,997)								
IDEA Part B - Flow Through C/O	84.027	H027A150100	FT4380-16	7/1/15-6/30/16	559,584			\$ 11,456		(11,456)								
IDEA Part B - Preschool	84.173	H173A170114	FT4380-18	7/1/17-6/30/18	15,122				(15,397)	15,218	2,169	669	12,809	(14,549)	(15,541)	15,123		(419)
IDEA Part B - Preschool	84.173	H173A160114	FT4380-17	7/1/16-6/30/17	15,397	(15,397)	5,045		15,397	(5,045)								
IDEA Part B - Preschool C/O	84.173	H173A150114	FT4380-16	7/1/15-6/30/16	15,022			10,173		(10,173)								
Total Special Education Cluster (IDEA)												553,386						
Title I	84.010	S010A170030	ESSA4380-18	7/1/17-6/30/18	486,885				(196,802)	25,397	468,110	512,282			(215,577)	-		(215,577)
Title I Carryover	84.010	S010A160030	NCLB4380-17	7/1/16-6/30/17	478,765	(196,802)	25,397		196,802	(25,397)								
Title I Carryover	84.010	S010A150030	NCLB4380-16	7/1/15-6/30/16	487,659			551									551	
Title I SIA Part A	84.010	S010A170030	ESSA4380-18	7/1/17-6/30/18	30,677				(27,050)	12,131	12,131	26,126			(18,546)	4,551		(13,995)
Title H A	84.367A	S367A170029	ESSA4380-18	7/1/17-6/30/18	43,711				(27,050)	13,802	30,013	23,355		(10)	(40,748)	34,148		(6,600)
Title H A Carryover	84.367A	S367A160029	NCLB4380-17	7/1/16-6/30/17	50,408	(27,050)	13,802		27,050	(13,802)								
Title III	84.365	S365A170030	ESSA4380-18	7/1/17-6/30/18	22,942				(24,940)	4,329	34,311	24,961			(13,571)	2,310		(11,261)
Title III Carryover	84.365	S365A160030	NCLB4380-17	7/1/16-6/30/17	28,761	(24,940)	4,329		24,940	(4,329)								
Title III Carryover	84.365	S365A150030	NCLB4380-16	7/1/15-6/30/16	28,039			88									88	
Title III Immigrant	84.365	S365A170030	ESSA4380-18	7/1/17-6/30/18	7,060				(10,350)	6,050	7,638	11,804		49	(9,772)	1,355		(8,417)
Title III Immigrant Carryover	84.365	S365A160030	NCLB4380-17	7/1/16-6/30/17	10,350	(10,350)	6,050		10,350	(6,050)								
Title III Immigrant Carryover	84.365	S365A150030	NCLB4380-16	7/1/15-6/30/16	12,464													
Title IV	84.424	S424A170031	ESSA4380-18	7/1/17-6/30/18	7,500	-	-	-	-	-	350	7,241	-	-	(7,150)	269	-	(6,891)
Total Special Revenue Fund						(487,773)	66,620	22,268	-	-	1,205,496	1,159,155	12,463	(14,404)	(414,869)	57,745	639	(357,124)
U.S. Department of Education Passed-through State Department of Education																		
General Fund:																		
Medical Assistance Program (SEMI)	93.778	1805NUSMAP	N/A	7/1/17-6/30/18	43,202	-	-	-	-	-	43,202	43,202	-	-	-	-	-	-
Total General Fund						-	-	-	-	-	43,202	43,202	-	-	-	-	-	-
Total Federal Financial Assistance						\$ (508,064)	\$ 68,494	\$ 22,268	\$ -	\$ -	\$ 1,711,755	\$ 1,729,479	\$ 12,463	\$ (14,404)	\$ (497,502)	\$ 59,896	\$ 639	\$ (439,757)

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017			Cnsh Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2018			MEMO		
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2018	GAAP Receivable	Combined Total Expenditures	
State Department of Education															
General Fund:															
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,188,469				\$ 1,082,943	\$ 1,188,469		\$ (105,526)			\$	1,188,469	
Categorical Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	1,188,469	\$ (103,547)			103,547								
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	4,424,392				4,031,542	4,424,392		(392,850)				4,424,392	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	3,427,956	(298,664)			298,664								
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	114,282				104,135	114,282		(10,147)				114,282	
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	114,282	(9,957)			9,957								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	116,399				106,064	116,399		(10,335)				116,399	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	116,399	(10,141)			10,141								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	20,820				18,971	20,820		(1,849)				20,820	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	20,820	(1,814)			1,814								
Host District Support Aid	18-495-034-5120-102	7/1/17-6/30/18	6				5	6		(1)				6	
Host District Support Aid	17-495-034-5120-102	7/1/16-6/30/17	6	(1)			1								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	20,580				18,753	20,580		(1,827)				20,580	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	20,580	(1,793)			1,793								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	20,580				18,753	20,580		(1,827)				20,580	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	20,580	(1,793)			1,793								
Total State Aid Public Cluster								5,905,528							
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	53,329				48,594	53,329		(4,735)				53,329	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	53,329	(4,646)			4,646								
Lead Testing for Schools Aid	18-495-034-5120-104	7/1/17-6/30/18	1,920				1,920							1,920	
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	175,778					175,778		(175,778)				175,778	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	229,925	(229,925)			229,925								
TPAF - Post Retirement Medical	18-495-034-5094-001	7/1/17-6/30/18	1,759,478				1,759,478	1,759,478						1,759,478	
TPAF - NCGI	18-495-034-5094-004	7/1/17-6/30/18	64,542				64,542	64,542						64,542	
TPAF - LTDI	18-495-034-5094-004	7/1/17-6/30/18	3,282				3,282	3,282						3,282	
TPAF - Normal Cost	18-495-034-5094-002	7/1/17-6/30/18	2,659,619				2,659,619	2,659,619						2,659,619	
Reimbursed TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	1,247,773				1,182,681	1,247,773		(65,092)			\$ (65,092)	1,247,773	
Reimbursed TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	1,276,061	(164)	-	-	164	-	-	-	-	-	-	-	
Total General Fund				(662,445)	-	-	11,763,727	11,871,249	-	(769,967)	-	-	(65,092)	11,871,249	
Special Revenue Fund															
Anti-Bullying Act	N/A	7/1/13-6/30/14	1,746			1,746						1,746			
Anti-Bullying Act	N/A	7/1/11-6/30/12	262	-	-	-	-	-	-	-	-	-	-	-	
Total Special Revenue Fund				-	-	1,747	-	-	-	-	-	1,747	-	-	
Debt Service Fund															
Debt Service Aid	18-495-034-5120-017	7/1/17-6/30/18	120,469	-	-	-	120,469	120,469	-	-	-	-	-	120,469	
Total Debt Service Fund				-	-	-	120,469	120,469	-	-	-	-	-	120,469	
State Department of Agriculture															
Enterprise Fund															
National School Lunch	18-100-010-3350-023	7/1/17-6/30/18	11,266				9,233	11,266		(2,033)			(2,033)	11,266	
National School Lunch	17-100-010-3350-023	7/1/16-6/30/17	10,139	(436)	-	-	436	-	-	-	-	-	-	-	
Total Enterprise Fund				(436)	-	-	9,669	11,266	-	(2,033)	-	-	(2,033)	11,266	
Total State Financial Assistance Subject to Major Program Determination				(662,881)	-	1,747	11,893,865	12,002,984	-	(772,000)	-	1,747	(67,125)	12,002,984	
State Financial Assistance															
Not Subject to Single Audit Determination															
General Fund															
TPAF - Post Retirement Medical	18-495-034-5094-001	7/1/17-6/30/18	1,759,478				(1,759,478)	(1,759,478)						(1,759,478)	
TPAF - Normal Cost	18-495-034-5094-002	7/1/17-6/30/18	2,659,619				(2,659,619)	(2,659,619)						(2,659,619)	
TPAF - LTDI	18-495-034-5094-004	7/1/17-6/30/18	3,282				(3,282)	(3,282)						(3,282)	
TPAF - NCGI	18-495-034-5094-004	7/1/17-6/30/18	64,542	-	-	-	(64,542)	(64,542)	-	-	-	-	-	(64,542)	
Total State Financial Assistance Subject to Single Audit				\$ (662,881)	\$ -	\$ 1,747	\$ 7,406,944	\$ 7,516,063	\$ -	\$ (772,000)	\$ -	\$ 1,747	\$ (67,125)	\$ 7,516,063	

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Ridgefield Park Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$42,594 for the general fund and an increase of \$4,304 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	\$ 43,202	\$ 11,828,655	\$ 11,871,857
Special Revenue Fund	1,173,285		1,173,285
Debt Service Fund		120,469	120,469
Food Service Fund	<u>527,122</u>	<u>11,266</u>	<u>538,388</u>
Total Financial Assistance	<u>\$ 1,743,609</u>	<u>\$ 11,960,390</u>	<u>\$ 13,703,999</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 STATE LOANS OUTSTANDING

The District's state loan outstanding at June 30, 2018, which is not required to be reported on the schedule of expenditures of state financial assistance, is as follows:

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,247,773 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$2,724,161, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,759,478 and TPAF Long-Term Disability Insurance in the amount of \$3,282 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial
statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A170030	ESEA - Title I
84.010	S010A170030	ESEA - Title I SIA
10.555	181NJ304N1099	National School Lunch
10.553	181NJ304N1099	School Breakfast Program

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

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor's Results

State Awards Section

Internal control over major programs:

- 1) Material weakness(es) identified: _____ yes X no
- 2) Significant deficiencies identified not considered to be material weakness(es)? _____ yes X none reported

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

Unmodified

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

_____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>18-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>18-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>18-495-034-5120-102</u>	<u>Host District Support Aid</u>
<u>18-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2018-001:

Our audit indicated that the District's cash balance in the General Fund general ledger and monthly reports was not reconciled to the monthly bank reconciliation.

Criteria or specific requirement:

Generally Accepted Accounting Principles

Condition:

The cash balance in the District's general ledger and monthly Board Secretary's and designee's cash report were not reconciled to the monthly bank reconciliation for all months.

Questioned Costs:

Not Applicable.

Context:

The cash balance in the General Fund general ledger at June 30, 2018 presented for audit was \$3,133,786. The monthly bank reconciliation reflected a General Fund cash balance of \$4,866,109 or a difference of \$1,732,323. The difference was the result of certain financial transactions not recorded properly in the general ledger as follows:

- The local taxes from the Village of Ridgefield Park for the month of January 2018 in the amount of \$2,134,613 was not recorded.
- Debit/credit memorandums from the State of New Jersey were not properly recorded as a debit totaling \$299,152.
- Interfund transactions in the amount of \$577,210 between the General Fund and Food Service Fund were misposted as a debit to the cash account.
- TPAF FICA reimbursement totaling \$120,760 were misposted as a debit to the cash account.
- Other miscellaneous adjustments with a net credit of \$3,472 was also required.

Effect:

The District's financial records are not including all transactions occurring in the bank accounts resulting in the monthly reports presented to governance being inaccurate. The financial statements have been adjusted to reflect the proper bank account balance.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2018-001: (Continued)

Cause:

The General Fund general ledger cash balance was not reconciled to the monthly bank reconciliations.

Recommendation:

The cash balance in the District's General Fund general ledger and monthly reports be reconciled to the bank reconciliation on a monthly basis.

View of Responsible Officials and Planned Corrective Action Plan:

The District's Business Administrator/Board Secretary responsible for the maintenance of the General Fund general ledger and the preparation of the related monthly financial reports for the fiscal year ending June 30, 2018 is no longer employed by the District. Effective July 1, 2018, the District has employed an experienced interim Business Administrator/Board Secretary who has implemented internal control procedures to ensure the General Fund general ledger and monthly reports prepared for governance are in agreement with the monthly reconciled cash balance.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

CURRENT YEAR STATE AWARDS

There are none.

CURRENT YEAR FEDERAL AWARDS

There are none.

**RIDGEFIELD PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2017-001

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

Status

Corrective action has been taken.