

RIDGEFIELD PARK
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

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

November 26, 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, 2019.

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, 2019, 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, 2019 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 2018-2019 fiscal year with an average daily enrollment of 2,250 students, *which is 70 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>
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%)
2018-19	2,250	(3.02%)

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 and completed the Grant School Ceiling Reinforcements project
- Completed the High School Chiller Replacement project
- Completed Roosevelt School Lintels Upgrades
- Completed the Elementary Schools Classroom Conversion project
- Started the Roosevelt Cafeteria Wall Repairs and Exterior Stairs Replacement project.

Technology:

- Continued to increase district Chromebook devices
- Continued to 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 other Google related applications.

Academic:

- Math instruction continued to be a focus. A Math Consultant was acquired to assist teachers in the review of test scores and the analyzing of the data to correlate and align the curriculum, instruction, standards and testing.
- Continue to train and mentor new teachers with existing staff in ELA instruction using the Readers and Writers Workshop model with the Literacy Consultant.
- The acquiring of a Science Consultant/Program was investigated and one obtained for the 2019-2020 school year. This will provide teachers with training and guidance in lesson planning and implementation in grades K-6 using The Knowing Science.
- The revisiting and rewriting of the curriculum was and is on-going.

Professional Development:

- The district continued to utilize GCN Training, Global Compliance Network, for internet based training modules throughout the year.
- 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.
- 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30.

6. DEBT ADMINISTRATION:

At June 30, 2019, the District has no outstanding debt.

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.

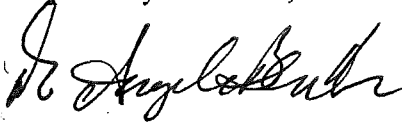
9. OTHER INFORMATION:

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.

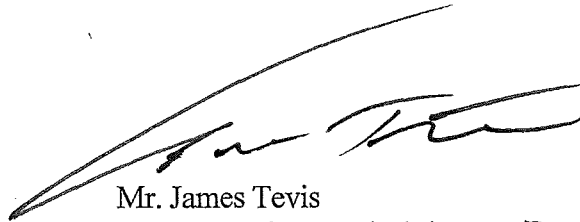
10. ACKNOWLEDGEMENTS:

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,

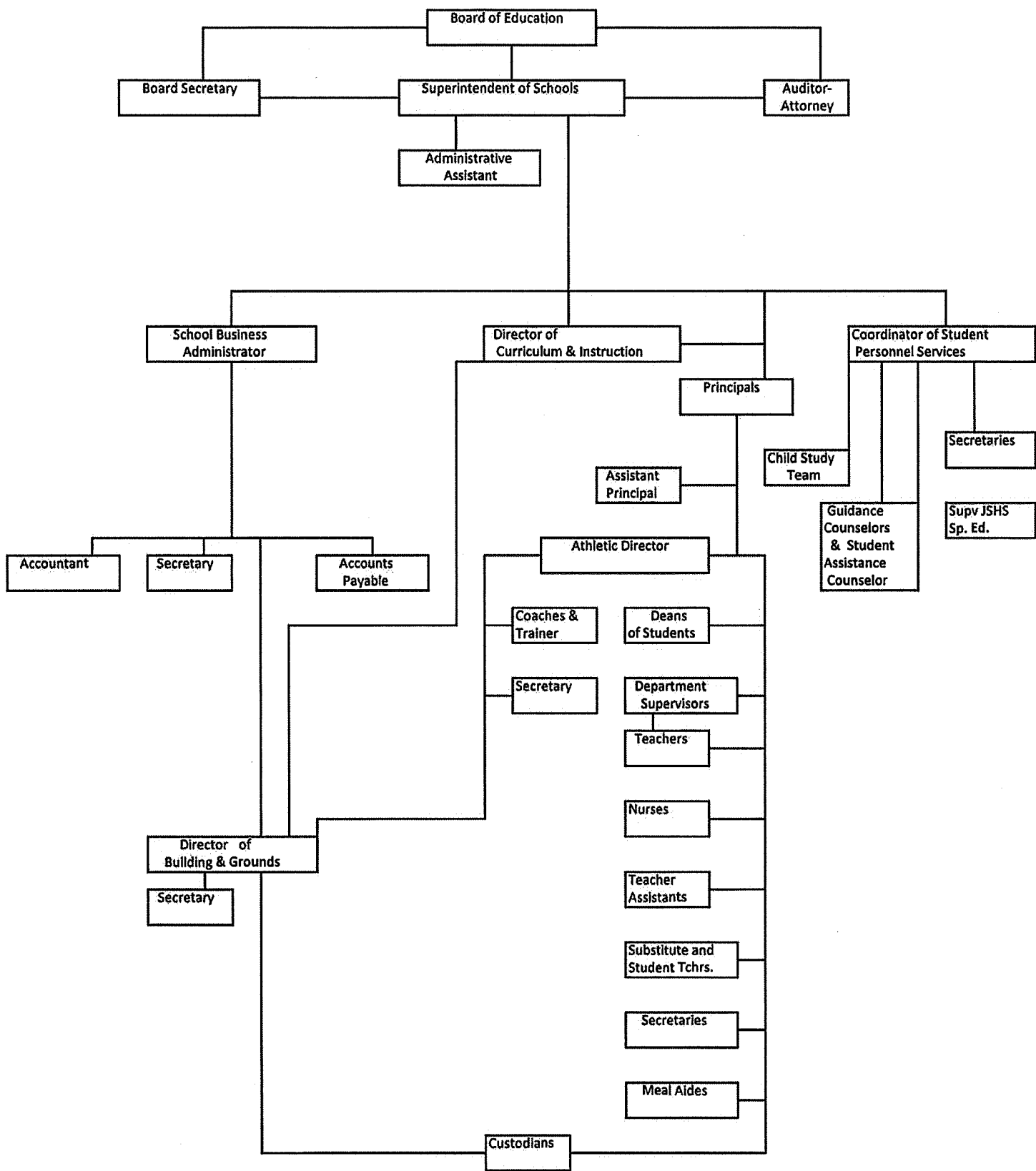


Dr. Angela Bender
Superintendent of Schools



Mr. James Tevis
Interim Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



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

ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Elsa Martinez, President	2020
Jodie Craft, Vice President	2022
Brian Cooney	2020
Edmond DeSantis	2020
David Cathcart	2022
Ronald Hidalgo	2022
Dr. Ricardo Martinez	2023
Mary O'Neil	2023
Robert Thiemann	2023
Nick Fytros (Little Ferry Representative)	

Other Officials

Dr. Mark Hayes, Interim Superintendent of Schools
Mr. James Tevis, Interim Business Administrator/Board Secretary

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

Consultants and Advisors
June 30, 2019

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

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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

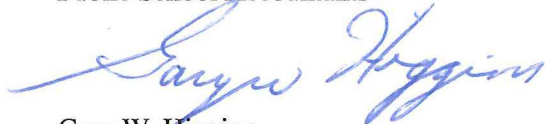
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 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
November 26, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

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, 2019. 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 \$592,960 (net position).
- General revenues accounted for \$33,181,185 of revenue or 61 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$21,527,646 or 39 percent of total revenues of \$54,708,831.
- Total assets and deferred outflows of resources of governmental activities amounted to \$21,901,971 as of June 30, 2019.
- The District had \$52,621,191 in expenses related to governmental activities; only \$20,507,130 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$33,178,891 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$46,746,449 in revenues and \$45,701,962 in expenditures. The General Fund's fund balance increased \$1,044,487 from the fiscal year ended June 30, 2018.

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, 2019

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, 2019?" 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, 2019

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, 2019

Table 1 provides a summary of the District's net position as of June 30, 2019 and 2018.

Table 1
Net Position
As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u> (Restated)
Current Assets	\$ 6,219,009	\$ 5,273,671	\$ 217,039	\$ 240,197	\$ 6,436,048	\$ 5,513,868
Capital Assets	<u>12,922,092</u>	<u>11,133,453</u>	<u>71,489</u>	<u>31,948</u>	<u>12,993,581</u>	<u>11,165,401</u>
Total Assets	<u>19,141,101</u>	<u>16,407,124</u>	<u>288,528</u>	<u>272,145</u>	<u>19,429,629</u>	<u>16,679,269</u>
Deferred Amount on Net Pension Liability	2,760,870	4,484,002			2,760,870	4,484,002
Deferred Amount on Refunding of Debt	-	2,507	-	-	-	2,507
Total Deferred Outflows of Resources	<u>2,760,870</u>	<u>4,486,509</u>	<u>-</u>	<u>-</u>	<u>2,760,870</u>	<u>4,486,509</u>
Long-Term Liabilities	16,506,350	18,250,869			16,506,350	18,250,869
Other Liabilities	<u>1,498,602</u>	<u>1,856,943</u>	<u>-</u>	<u>19,543</u>	<u>1,498,602</u>	<u>1,876,486</u>
Total Liabilities	<u>18,004,952</u>	<u>20,107,812</u>	<u>-</u>	<u>19,543</u>	<u>18,004,952</u>	<u>20,127,355</u>
Deferred Amount on Net Pension Liability	4,775,432	2,729,064			4,775,432	2,729,064
Deferred Commodities Revenue	-	-	3,075	2,151	3,075	2,151
Total Deferred Inflows of Resources	<u>4,775,432</u>	<u>2,729,064</u>	<u>3,075</u>	<u>2,151</u>	<u>4,778,507</u>	<u>2,731,215</u>
Net Position						
Net Investment in Capital Assets	12,712,604	10,420,332	71,489	31,948	12,784,093	10,452,280
Restricted	2,752,574	1,804,225			2,752,574	1,804,225
Unrestricted	<u>(16,343,591)</u>	<u>(14,167,800)</u>	<u>213,964</u>	<u>218,503</u>	<u>(16,129,627)</u>	<u>(13,949,297)</u>
Total Net Position	<u>\$ (878,413)</u>	<u>\$ (1,943,243)</u>	<u>\$ 285,453</u>	<u>\$ 250,451</u>	<u>\$ (592,960)</u>	<u>\$ (1,692,792)</u>

The District's combined net position were \$(592,960) and \$(1,692,792) on June 30, 2019 and 2018, respectively. This was an increase of \$1,099,832 or 64.97% percent from the prior year.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Table 2 shows changes in net position for fiscal years ended June 30, 2019 and 2018.

Table 2
Changes in Net Position
For The Years Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u> (Restated)
Revenues						
Program Revenues						
Charges for Services	\$ 5,430,768	\$ 5,690,283	\$ 522,422	\$ 499,746	\$ 5,953,190	\$ 6,190,029
Operating Grants and Contributions	15,076,362	17,349,817	498,094	538,388	15,574,456	17,888,205
General Revenues						
Property Taxes	26,089,241	25,615,354			26,089,241	25,615,354
State Aid	6,788,410	4,619,783			6,788,410	4,619,783
Other	<u>301,240</u>	<u>687,212</u>	<u>2,294</u>	<u>328</u>	<u>303,534</u>	<u>687,540</u>
Total Revenues	<u>53,686,021</u>	<u>53,962,449</u>	<u>1,022,810</u>	<u>1,038,462</u>	<u>54,708,831</u>	<u>55,000,911</u>
Expenses						
Instruction						
Regular	23,218,391	23,704,135			23,218,391	23,704,135
Special Education	8,262,935	7,814,343			8,262,935	7,814,343
Other Instruction	871,325	909,133			871,325	909,133
School Sponsored Activities and Athletics	1,448,704	1,283,130			1,448,704	1,283,130
Support Services						
Student and Instruction Related Services	6,532,714	7,036,227			6,532,714	7,036,227
General Administration Services	3,819,201	1,331,067			3,819,201	1,331,067
School Administration Services	3,197,910	2,662,178			3,197,910	2,662,178
Business / Central Services	995,746	1,360,247			995,746	1,360,247
Plant Operations and Maintenance	3,139,854	4,194,437			3,139,854	4,194,437
Pupil Transportation	1,121,297	1,295,539			1,121,297	1,295,539
Interest on Debt	13,114	20,199			13,114	20,199
Food Services	-	-	987,808	981,420	987,808	981,420
Total Expenses	<u>52,621,191</u>	<u>51,610,635</u>	<u>987,808</u>	<u>981,420</u>	<u>53,608,999</u>	<u>52,592,055</u>
Change in Net Position	1,064,830	2,351,814	35,002	57,042	1,099,832	2,408,856
Net Position, Beginning of Year, Restated	<u>(1,943,243)</u>	<u>(4,295,057)</u>	<u>250,451</u>	<u>193,409</u>	<u>(1,692,792)</u>	<u>(4,101,648)</u>
Net Position, End of Year	<u>\$ (878,413)</u>	<u>\$ (1,943,243)</u>	<u>\$ 285,453</u>	<u>\$ 250,451</u>	<u>\$ (592,960)</u>	<u>\$ (1,692,792)</u>

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Governmental Activities

The District's total revenues were \$53,686,021 and \$53,962,449 for the years ended June 30, 2019 and 2018, respectively. Property taxes made up 49 and 47 percent of revenues for governmental activities for the Ridgefield Park Board of Education for fiscal years ended June 30, 2019 and 2018, respectively. Federal, state and local grants aid accounted for another 41 and 41 percent of revenue and tuition revenue accounted for 10 percent and 10 percent for the years ended June 30, 2019 and 2018.

The total cost of all programs and services was \$52,621,191 and \$51,610,635 and for the fiscal years ended June 30, 2019 and 2018, respectively. Instruction comprises 64 and 65 percent of governmental program expenses for the fiscal years ended June 30, 2019 and 2018, respectively. Support services expenses make up 36 and 35 percent of governmental expenses for the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 23,218,391	\$ 23,704,135	\$ 11,863,975	\$ 10,145,487
Special Education	8,262,935	7,814,343	3,341,345	2,937,575
Other Instruction	871,325	909,133	597,192	547,709
School Sponsored Activities and Athletics	1,448,704	1,283,130	1,065,222	826,851
Support Services				
Student and Instruction Related Services	6,532,714	7,036,227	5,028,011	5,113,302
General Administration Services	3,819,201	1,331,067	3,682,179	1,174,022
School Administration Services	3,197,910	2,662,178	2,490,104	1,838,775
Business / Central Services	995,746	1,360,247	876,953	1,180,385
Plant Operations and Maintenance	3,139,854	4,194,437	2,647,410	4,016,788
Pupil Transportation	1,121,297	1,295,539	510,784	776,309
Interest on Debt	13,114	20,199	10,886	13,332
Total	<u>\$ 52,621,191</u>	<u>\$ 51,610,635</u>	<u>\$ 32,114,061</u>	<u>\$ 28,570,535</u>

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$1,022,810 and \$1,038,462 and expenses of \$987,808 and \$981,420 in fiscal years ended June 30, 2019 and 2018, respectively. Of the revenues, \$522,422 and \$499,746 was charges for services paid by patrons for daily food service and \$498,094 and \$538,388 was from State and Federal reimbursements in fiscal years ended June 30, 2019 and 2018, 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 \$48,364,556 and \$45,169,233 and expenditures were \$47,320,069 and \$43,603,091 for the fiscal years ended June 30, 2019 and 2018 respectively. The net change in the fund balance for the 2018/2019 year was an increase of \$1,044,487.

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, 2019 and 2018.

	<u>Years Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2019</u>	<u>2018</u>		
Local Sources	\$ 31,594,812	\$ 32,003,622	\$ (408,810)	-1%
State Sources	15,575,499	11,949,124	3,626,375	30%
Federal Sources	<u>1,194,245</u>	<u>1,216,487</u>	<u>(22,242)</u>	-2%
Total Governmental Revenues	<u>\$ 48,364,556</u>	<u>\$ 45,169,233</u>	<u>\$ 3,195,323</u>	7%

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2019 and 2018.

	<u>Years Ended June 30,</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2019</u>	<u>2018</u>		
Current Expense:				
Instruction	\$ 29,244,371	\$ 27,047,562	\$ 2,196,809	8%
Support Services	14,733,814	15,125,621	(391,807)	-3%
Capital Outlay	2,489,283	576,650	1,912,633	332%
Debt Service:				
Principal	830,297	822,817	7,480	1%
Interest	<u>22,304</u>	<u>30,441</u>	<u>(8,137)</u>	-27%
 Total Expenditures	 <u>\$ 47,320,069</u>	 <u>\$ 43,603,091</u>	 <u>\$ 3,716,978</u>	 9%

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 2019 and 2018, the District had \$12,993,581 and \$11,165,401 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$1,828,180 from fiscal year 2018 to fiscal year 2019. Table 4 shows capital assets net of depreciation at June 30, 2019 and 2018.

RIDGEFIELD PARK BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Table A-4
Capital Assets at June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Construction in Progress	246,257	476,854			246,257	476,854
Buildings and Building Improvements	19,079,416	16,866,935			19,079,416	16,866,935
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	3,524,286	3,016,887	\$ 249,551	\$ 195,028	3,773,837	3,211,915
	26,264,325	23,775,042	249,551	195,028	26,513,876	23,970,070
Less Accumulated Depreciation	13,342,233	12,641,589	178,062	163,080	13,520,295	12,804,669
Total	\$ 12,922,092	\$ 11,133,453	\$ 71,489	\$ 31,948	\$ 12,993,581	\$ 11,165,401

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

Long-Term Liabilities

At June 30, 2019 and 2018, the District had \$16,506,350 and \$18,250,869 of long-term liabilities, respectively. Of this amount, \$1,888,973 and \$1,773,133 is for compensated absences; \$2,602,359 and \$-0- is for judgements payable, \$297,489 and \$517,786 is for leases payable, \$9,967,529 and \$13,595,903 is for net pension liability, \$-0- and \$364,047 of bonds payable, including the unamortized premium on refunding and \$1,750,000 and \$2,000,000 of a State Aid Advance Loan payable, as of June 30, 2019 and 2018, 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 Interim 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, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,061,147	\$ 176,274	\$ 5,237,421
Receivables, net			
Receivables from Other Governments	1,129,419	26,419	1,155,838
Other Receivables	3,499		3,499
Inventory		14,346	14,346
Prepaid Items	24,944		24,944
Capital Assets			
Not Being Depreciated	2,949,453		2,949,453
Being Depreciated, Net	<u>9,972,639</u>	<u>71,489</u>	<u>10,044,128</u>
Total Assets	<u>19,141,101</u>	<u>288,528</u>	<u>19,429,629</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>2,760,870</u>	<u>-</u>	<u>2,760,870</u>
Total Deferred Outflows of Resources	<u>2,760,870</u>	<u>-</u>	<u>2,760,870</u>
LIABILITIES			
Accounts Payable	432,104	-	432,104
Other Liabilities	1,015,392		1,015,392
Payable to State Government	27,492		27,492
Payable to Federal Government	639		639
Unearned Revenue	22,975		22,975
Noncurrent Liabilities			
Due Within One Year	584,422		584,422
Due Beyond One Year	<u>15,921,928</u>	<u>-</u>	<u>15,921,928</u>
Total Liabilities	<u>18,004,952</u>	<u>-</u>	<u>18,004,952</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	4,775,432		4,775,432
Deferred Commodities Revenue	<u>-</u>	<u>3,075</u>	<u>3,075</u>
Total Deferred Inflows of Resources	<u>4,775,432</u>	<u>3,075</u>	<u>4,778,507</u>
NET POSITION			
Net Investment in Capital Assets	12,712,604	71,489	12,784,093
Restricted for:			
Capital Projects	2,052,573		2,052,573
Debt Service	1		1
Other Purposes	700,000		700,000
Unrestricted	<u>(16,343,591)</u>	<u>213,964</u>	<u>(16,129,627)</u>
Total Net Position	<u>\$ (878,413)</u>	<u>\$ 285,453</u>	<u>\$ (592,960)</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, 2019**

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	\$ 23,218,391	\$ 4,335,659	\$ 7,018,757		\$ (11,863,975)		\$ (11,863,975)
Special Education	8,262,935	802,619	4,118,971		(3,341,345)		(3,341,345)
Other Instruction	871,325		274,133		(597,192)		(597,192)
School Sponsored Activities and Athletics	1,448,704		383,482		(1,065,222)		(1,065,222)
Support Services							
Student and Instruction Related Services	6,532,714		1,504,703		(5,028,011)		(5,028,011)
General Administration Services	3,819,201		137,022		(3,682,179)		(3,682,179)
School Administration Services	3,197,910		707,806		(2,490,104)		(2,490,104)
Central Services	995,746		118,793		(876,953)		(876,953)
Plant Operations and Maintenance	3,139,854		492,444		(2,647,410)		(2,647,410)
Pupil Transportation	1,121,297	292,490	318,023		(510,784)		(510,784)
Interest on Long-Term Debt	13,114	-	2,228	-	(10,886)	-	(10,886)
Total Governmental Activities	<u>52,621,191</u>	<u>5,430,768</u>	<u>15,076,362</u>	<u>-</u>	<u>(32,114,061)</u>	<u>-</u>	<u>(32,114,061)</u>
Business-Type Activities							
Food Service	987,808	522,422	498,094	-	-	\$ 32,708	32,708
Total Business-Type Activities	<u>987,808</u>	<u>522,422</u>	<u>498,094</u>	<u>-</u>	<u>-</u>	<u>32,708</u>	<u>32,708</u>
Total Primary Government	<u>\$ 53,608,999</u>	<u>\$ 5,953,190</u>	<u>\$ 15,574,456</u>	<u>\$ -</u>	<u>(32,114,061)</u>	<u>32,708</u>	<u>(32,081,353)</u>

Continued

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 25,828,679		\$ 25,828,679
Property Taxes Levied for Debt Service	260,562		260,562
State Aid -Unrestricted	6,683,550		6,683,550
Debt Service Aid	104,860		104,860
Miscellaneous Income	301,240	\$ 2,294	303,534
Total General Revenues and Transfers	33,178,891	2,294	33,181,185
Change in Net Position	1,064,830	35,002	1,099,832
Net Position, Beginning of Year, Restated	(1,943,243)	250,451	(1,692,792)
Net Position, End of Year	\$ (878,413)	\$ 285,453	\$ (592,960)

FUND FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,061,146		\$ 1	\$ 5,061,147
Receivables, Net				
Receivables from Other Governments	673,687	\$ 455,732		1,129,419
Due from Other Funds	299,798			299,798
Prepaid Items	24,944	-	-	24,944
Total Assets	\$ 6,059,575	\$ 455,732	\$ 1	\$ 6,515,308
LIABILITIES				
Liabilities				
Accounts Payable	\$ 323,777	\$ 108,327		432,104
Other Liabilities	1,015,392			1,015,392
Due to Other Funds		296,299		296,299
Payable to State Government		27,492		27,492
Payable to Federal Government		639		639
Unearned Revenue	-	22,975	-	22,975
Total Liabilities	1,339,169	455,732	-	1,794,901
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources				
Unavailable Revenue-Tuition and Related Fees	251,542	-	-	251,542
Total Deferred Inflows of Resources	251,542	-	-	251,542
FUND BALANCES				
Restricted				
Capital Reserve	2,052,573			2,052,573
Maintenance Reserve	700,000			700,000
Debt Service			\$ 1	1
Committed				
Year End Encumbrances	27,388			27,388
Assigned				
Year End Encumbrances	130,795			130,795
Designated for Subsequent Year's Expenditure	2,000,000			2,000,000
Unassigned	(441,892)	-	-	(441,892)
Total Fund Balances	4,468,864	-	1	4,468,865
Total Liabilities and Fund Balances	\$ 6,059,575	\$ 455,732	\$ 1	\$ 6,515,308
Total Fund Balances Governmental Funds (Exhibit 1)				\$ 4,468,865

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 \$26,264,325 and the accumulated depreciation is \$13,342,233. 12,922,092

Deferred revenues in the funds that are unavailable and do not provide current financial resources are realized as earned revenues in the statement of activities 251,542

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

Deferred Outflows of Resources	\$	2,760,870	
Deferred Inflows of Resources		(4,775,432)	(2,014,562)

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.

Leases Payable	\$	(297,489)	
Loan Payable		(1,750,000)	
Net Pension Liability		(9,967,529)	
Judgements Payable		(2,602,359)	
Compensated Absences Payable		(1,888,973)	
			(16,506,350)

Net position of governmental activities	\$	(878,413)
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**RIDGEFIELD PARK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 25,828,679		\$ 260,562	\$ 26,089,241
Tuition	16,471			16,471
Tuition From Other LEAs Within State	4,870,265			4,870,265
Transportation Fees	292,490			292,490
Miscellaneous	301,240	\$ 25,105	-	326,345
Total - Local Sources	31,309,145	25,105	260,562	31,594,812
State Sources	15,413,544	54,867	107,088	15,575,499
Federal Sources	23,760	1,170,485	-	1,194,245
Total Revenues	46,746,449	1,250,457	367,650	48,364,556
EXPENDITURES				
Current				
Instruction				
Regular Instruction	19,369,183	408,929		19,778,112
Special Education Instruction	6,819,151	619,489		7,438,640
Other Instruction	749,431			749,431
School-Sponsored Activities and Athletics	1,278,188			1,278,188
Support Services				
Student and Instruction Related Services	5,597,297	202,864		5,800,161
General Administration Services	1,145,910			1,145,910
School Administration Services	2,806,270			2,806,270
Business / Central Services	913,828			913,828
Plant Operations and Maintenance	3,083,323			3,083,323
Student Transportation	984,322			984,322
Capital Outlay	2,470,108	19,175		2,489,283
Debt Service				
Principal	470,297		360,000	830,297
Interest and Other Charges	14,654	-	7,650	22,304
Total Expenditures	45,701,962	1,250,457	367,650	47,320,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,044,487	-	-	1,044,487
Net change in Fund Balance	1,044,487	-	-	1,044,487
Fund Balance, Beginning of Year	3,424,377	-	1	3,424,378
Fund Balance, End of Year	\$ 4,468,864	\$ -	\$ 1	\$ 4,468,865

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, 2019**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,044,487

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	\$	2,489,283	
Depreciation Expense		<u>(700,644)</u>	
			1,788,639

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

Principal Repayments			
Bonds Payable		360,000	
Loan Payable		250,000	
Leases Payable		<u>220,297</u>	
			830,297

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		(2,507)	
Original Issue Premium		<u>4,047</u>	
			1,540

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

Increase in Compensated Absences		(115,840)	
Increase in Judgements Payable		(2,602,359)	
Increase in Pension Expense		<u>(141,126)</u>	
			(2,859,325)

Revenues in the statement of activities related to receivables that do not provide current financial resources are not reported as revenue in the governmental funds but are deferred until collected.

Increase in Unavailable Revenue			251,542
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest			<u>7,650</u>
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Change in net position of governmental activities \$ 1,064,830

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, 2019**

	Business-Type Activities
	Enterprise Fund
	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 176,274
Intergovernmental Receivable	
State	604
Federal	25,815
Inventory	<u>14,346</u>
Total Current Assets	<u>217,039</u>
Capital Assets	
Equipment	249,551
Less: Accumulated Depreciation	<u>(178,062)</u>
Total Capital Assets	<u>71,489</u>
Total Assets	<u>288,528</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>3,075</u>
Total Deferred Inflows of Resources	<u>3,075</u>
 NET POSITION	
Invested in Capital Assets	71,489
Unrestricted	<u>213,964</u>
Total Net Position	<u>\$ 285,453</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales-Reimbursable Programs	\$ 287,082
Daily Sales-Non-Reimbursable Programs	<u>235,340</u>
Total Operating Revenues	<u>522,422</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	391,761
Cost of Sales-Reimbursable Programs	387,994
Cost of Sales-Non-Reimbursable Programs	64,560
Other Purchased Services	27,278
Management Fee	59,994
Depreciation	14,982
Supplies and Materials	40,805
Miscellaneous	<u>434</u>
Total Operating Expenses	<u>987,808</u>
Operating Loss	<u>(465,386)</u>
NONOPERATING REVENUES (EXPENSES)	
State Sources	
School Lunch Program	10,455
Federal Sources	
National School Lunch Program	362,909
Food Distribution Program - National School Lunch Program	75,201
National School Breakfast Program	49,529
Interest on Deposits	<u>2,294</u>
Total Nonoperating Revenues	<u>500,388</u>
Change in Net Position	35,002
Total Net Position, Beginning of Year,	<u>250,451</u>
Total Net Position, End of Year	<u>\$ 285,453</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Cash Flows from Operating Activities

Receipts from Customers	\$ 522,422
Payments for Employees' Salaries and Benefits	(391,761)
Payments to Suppliers for Goods and Services	<u>(524,151)</u>
 Net Cash Used for Operating Activities	 <u>(393,490)</u>

Cash Flows from Noncapital Financing Activities

Transfers from Other Funds	61,861
State and Federal Subsidy Reimbursements	<u>481,140</u>
 Net Cash Provided by Noncapital Financing Activities	 <u>543,001</u>

Cash Flows from Capital and Related Financing Activities

Acquisition of Capital Assets	<u>(54,523)</u>
 Net Cash Used for Capital and Related Financing Activities	 <u>(54,523)</u>

Cash Flows from Investing Activities

Interest on Deposits	<u>2,294</u>
 Net Cash Provided by Investing Activities	 <u>2,294</u>
 Net Increase in Cash and Cash Equivalents	 97,282
 Cash and Cash Equivalents, Beginning of Year	 <u>78,992</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 176,274</u>

Reconciliation of Operating Loss to Net Cash**Used for Operating Activities**

Operating Loss	\$ <u>(465,386)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	14,982
Non-Cash Federal Assistance	
Food Distribution - National School Lunch Programs	75,201
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(19,543)
(Increase)/Decrease in Inventory	<u>1,256</u>
 Total Adjustments	 <u>71,896</u>

Net Cash Used by Operating Activities	\$ <u>(393,490)</u>
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Non-Cash Financing Activities

National School Lunch Program (Food Distribution)	\$ <u>76,125</u>
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 524,055	\$ 170,030
Total Assets	<u>524,055</u>	<u>\$ 170,030</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 698
Due to Student Groups		161,821
Due to Other Funds		3,499
Accrued Salaries and Wages	<u>-</u>	<u>4,012</u>
Total Liabilities	<u>-</u>	<u>\$ 170,030</u>
NET POSITION		
Held in Trust for Scholarships	<u>\$ 524,055</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations	\$ <u>20,000</u>
Total Contributions	<u>20,000</u>
Investment Earnings	
Interest	<u>6,460</u>
Net Investment Earnings	<u>6,460</u>
Total Additions	<u>26,460</u>
DEDUCTIONS	
Scholarships Awarded	<u>30,000</u>
Total Deductions	<u>30,000</u>
Change in Net Position	(3,540)
Net Position, Beginning of the Year	<u>527,595</u>
Net Position, End of the Year	<u>\$ 524,055</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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. 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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, tuition, 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualify for reporting in this category. The 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.

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, and proprietary fund types in the fund 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.

RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Pensions (Continued)*

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.

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).

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

Restricted Fund Balance (Continued)

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 Trustee's 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.

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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies (Continued)

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.

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 2017-2018 and 2018-2019 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, 2019**

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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$3,377,077. The increase was funded by additional state aid, additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$441,892 in the General Fund as of June 30, 2019 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 2018/2019 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 \$441,892 in the General Fund is less than the delayed state aid payments at June 30, 2019.

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, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 1,504,224
Increases	
Deposits Approved by Board Resolution	<u>548,349</u>
Balance, June 30, 2019	<u>\$ 2,052,573</u>

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, 2019 is as follows:

Balance, July 1, 2018	\$ 300,000
Increases	
Deposits Approved by Board Resolution	<u>400,000</u>
Balance, June 30, 2019	<u>\$ 700,000</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,622,438.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$5,931,506 and bank and brokerage firm balances of the Board's deposits amounted to \$8,749,883. 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>8,749,883</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, 2019 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.

As of June 30, 2019, the Board had no outstanding investments.

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

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 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:				
Intergovernmental				
Federal		\$ 455,732	\$ 25,815	\$ 481,547
State	\$ 555		604	1,159
Other	<u>673,132</u>	-	-	<u>673,132</u>
Gross Receivables	673,687	455,732	26,419	1,155,838
Less Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 673,687</u>	<u>\$ 455,732</u>	<u>\$ 26,419</u>	<u>\$ 1,155,838</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	\$ 20,499
Grant Draw Downs Reserved for Encumbrances	<u>2,476</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 22,975</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018 (Restated)	Increases	Transfers	Balance, June 30, 2019
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,703,196			\$ 2,703,196
Construction in Progress	476,854	\$ 246,257	\$ (476,854)	246,257
Total Capital Assets, not being depreciated	<u>3,180,050</u>	<u>246,257</u>	<u>(476,854)</u>	<u>2,949,453</u>
Capital Assets, being depreciated:				
Buildings and Building Improvements	16,866,935	1,735,627	476,854	19,079,416
Land Improvements	711,170			711,170
Machinery and Equipment	3,016,887	507,399	-	3,524,286
Total Capital Assets being depreciated	<u>20,594,992</u>	<u>2,243,026</u>	<u>476,854</u>	<u>23,314,872</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,968,515)	(470,460)		(10,438,975)
Land Improvements	(479,178)	(14,018)		(493,196)
Machinery and Equipment	(2,193,896)	(216,166)	-	(2,410,062)
Total Accumulated Depreciation	<u>(12,641,589)</u>	<u>(700,644)</u>	<u>-</u>	<u>(13,342,233)</u>
Total Capital Assets, being depreciated, net	<u>7,953,403</u>	<u>1,542,382</u>	<u>476,854</u>	<u>9,972,639</u>
Government Activities capital assets, net	<u>\$ 11,133,453</u>	<u>\$ 1,788,639</u>	<u>\$ -</u>	<u>\$ 12,922,092</u>
	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 195,028	\$ 54,523	-	\$ 249,551
Total Capital Assets being depreciated	<u>195,028</u>	<u>54,523</u>	<u>-</u>	<u>249,551</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(163,080)	(14,982)	-	(178,062)
Total Accumulated Depreciation	<u>(163,080)</u>	<u>(14,982)</u>	<u>-</u>	<u>(178,062)</u>
Total Capital Assets, being depreciated, net	<u>31,948</u>	<u>39,541</u>	<u>-</u>	<u>71,489</u>
Business-Type Activities capital assets, net	<u>\$ 31,948</u>	<u>\$ 39,541</u>	<u>\$ -</u>	<u>\$ 71,489</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 505,873
Special Education	1,909
Total Instruction	<u>507,782</u>

Support Services

Student and Instruction Related Services	59,373
School Administrative Services	32,592
Pupil Transportation	70,481
Plant Operations and Maintenance	30,416
Total Support Services	<u>192,862</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 700,644</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 14,982</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 14,982</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Foundation Wall Water-Proofing & Exterior Stair Replacement	\$ 60,515	<u>\$ 172,085</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 296,299
General Fund	Agency Fund	<u>3,499</u>
		<u>\$ 299,798</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

Capital Leases

The District is leasing equipment and vehicles totaling \$1,099,426 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, 2019 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 154,100
2021	147,646
2022	<u>7,998</u>
Total Minimum Lease Payments	309,744
Less: Amount Representing Interest	<u>12,255</u>
Present Value of Minimum Lease Payments	<u>\$ 297,489</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

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 2018/2019 school year or in any of the prior years.

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

Governmental Activities:

<u>Year Ended</u> <u>June 30,</u>	<u>State Aid</u> <u>Advance Loan</u> <u>Principal</u>	<u>Total</u>
2020	\$ 250,000	\$ 250,000
2021	250,000	250,000
2022	250,000	250,000
2023	250,000	250,000
2024	250,000	250,000
2025-2026	<u>500,000</u>	<u>500,000</u>
Total	<u>\$ 1,750,000</u>	<u>\$ 1,750,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 56,689,232
Less: Net Bonded Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 56,689,232</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, was as follows:

	Balance, July 1, 2018 (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2019	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 360,000		\$ 360,000		
Add:					
Unamortized Premium on Refunding	4,047	-	4,047	-	-
	364,047	-	364,047	-	-
Net Pension Liability	13,595,903		3,628,374	\$ 9,967,529	
State Aid Advance Loan Payable	2,000,000		250,000	1,750,000	\$ 250,000
Judgements Payable		\$ 3,617,751	1,015,392	2,602,359	-
Leases Payable	517,786		220,297	297,489	145,525
Compensated Absences Payable	1,773,133	115,840	-	1,888,973	188,897
Governmental Activity Long-Term Liabilities	<u>\$ 18,250,869</u>	<u>\$ 3,733,591</u>	<u>\$ 5,478,110</u>	<u>\$ 16,506,350</u>	<u>\$ 584,422</u>

For the governmental activities, the liabilities for compensated absences, judgements payable, 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, 2019**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the Group 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group 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 Group 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.

On May 3, 2019, the Appellate Division reversed PERC's decision and ordered the Ridgefield Park Board of Education to reimburse association members for health contributions they made between July 1, 2015 to June 30, 2018 above 1.5% of their salaries.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

On June 20, 2019, the Board sought review by the New Jersey Supreme Court. On September 20, 2019, the New Jersey Supreme Court granted the Board's petition for certification and agreed to hear the Board's appeal of the Appellate Division's decision. The parties presently are awaiting a briefing schedule and a date for when the appeal will be heard.

Based on the Appellate Division's decision, the Board has exposure in this case. The potential exposure is approximately \$3.6 million for retro and approximately \$1 million annually moving forward (dependent upon multiple variables). However, it is the District's legal counsel's belief that the Board has strong legal arguments.

- ***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 presently is awaiting a response from PERC. The parties have agreed not to wait for the Supreme Court's decision in the matter pending with the RPEA (discussed above).

The Board has exposure in this case. The potential exposure has not been calculated at this time. However, it is the District's legal counsel's belief that the Board has strong legal arguments.

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, 2019, 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, 2019, the District had no estimated arbitrage earnings due to the IRS.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 Board employees who are eligible for pension coverage:

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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 reached 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 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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.

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 reached 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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 503,541	\$ 3,342,517	\$ 26,314
2018	541,066	2,724,161	
2017	491,506	1,979,784	

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$2,786, \$11,367 and \$4,810, respectively for PERS and the State contributed \$2,098, \$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 \$1,296,876 during the fiscal year ended June 30, 2019 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

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. 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 measurement period July 1, 2017 through June 30, 2018. 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 (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$9,967,529 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .05062 percent, which was a decrease of .00779 percent from its proportionate share measured as of June 30, 2017 of .05841 percent.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$644,667 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 190,082	\$ 51,396
Changes of Assumptions	1,642,484	3,187,086
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		93,496
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>928,304</u>	<u>1,443,454</u>
Total	<u>\$ 2,760,870</u>	<u>\$ 4,775,432</u>

At June 30, 2019, 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>
2020	\$ 188,636
2021	(65,735)
2022	(873,988)
2023	(874,304)
2024	(389,171)
Thereafter	<u>-</u>
	<u>\$ (2,014,562)</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 5.66%, 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 12,533,019</u>	<u>\$ 9,967,529</u>	<u>\$ 7,815,247</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at June 30, 2018. A sensitivity analysis specific to the District’s net pension liability at June 30, 2018 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,697,955 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$114,894,623. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .18060 percent, which was an increase of .00459 percent from its proportionate share measured as of June 30, 2017 of .17601 percent.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 135,803,263</u>	<u>\$ 114,894,623</u>	<u>\$ 97,561,870</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 for the fiscal year ended June 30, 2018. 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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>362,181</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,516,161, \$1,759,478 and \$1,649,610 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,230,646. 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, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$62,553,993. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .13566 percent, which was a decrease of .00119 percent from its proportionate share measured as of June 30, 2017 of .13685 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
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.

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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 Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

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, 2018.

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>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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.

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, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>73,407,036</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,083,635
Interest on the Total OPEB Liability	2,709,714
Differences Between Expected and Actual Experience	(7,853,147)
Changes of Assumptions	(7,178,384)
Gross Benefit Payments	(1,672,671)
Contributions from the Member	57,810
Net Changes	\$ <u>(10,853,043)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>62,553,993</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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 3.87%, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>73,951,554</u>	\$ <u>62,553,993</u>	\$ <u>53,494,109</u>

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>51,704,518</u>	\$ <u>62,553,993</u>	\$ <u>76,902,838</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 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.

**RIDGEFIELD PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 RESTATEMENT

The District-wide financial statements for June 30, 2018 have been restated to reflect the revised compensated absences payable and the omission of certain capital leases. The result of the restatement is to increase long-term liabilities of governmental activities in the statement of net position with a corresponding reduction in total net position of \$878,541. This is comprised of \$608,521 of compensated absences payable and \$270,020 of leases payable. Additionally, the financial statements for June 30, 2018 have been restated to reflect the updated capital assets of \$504,630 net of depreciation of \$170,701. The effect results in a net increase of \$333,929 in governmental activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2018.

In the District-wide financial statements, the above restatement decreased total net position of governmental activities by \$544,612 at June 30, 2018 from (\$1,398,631) as originally reported to (\$1,943,243).

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, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 25,828,679		\$ 25,828,679	\$ 25,828,679	
Tuition				16,471	\$ 16,471
Tuition From Other LEAs Within State	4,848,098		4,848,098	4,870,265	22,167
Transportation Fees from Other LEAs	312,860		312,860	292,490	(20,370)
Interest Earned on Capital Reserve Funds	332		332		(332)
Unrestricted Miscellaneous Revenue	130,000	-	130,000	301,240	171,240
Total Local Sources	31,119,969	-	31,119,969	31,309,145	189,176
State Sources					
Categorical Special Education Aid	1,188,469	\$ 508,192	1,696,661	1,696,661	
Equalization Aid	4,424,392	2,482,669	6,907,061	6,907,061	
Categorical Security Aid	347,181	164,600	511,781	511,781	
Categorical Transportation Aid	296,758		296,758	296,758	
Extraordinary Aid	237,000		237,000	173,813	(63,187)
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				68,533	68,533
On-behalf TPAF Pension System Contribution - LTDI (Nonbudgeted)				2,098	2,098
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				3,273,984	3,273,984
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,516,161	1,516,161
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,296,876	1,296,876
Total State Sources	6,493,800	3,155,461	9,649,261	15,743,726	6,094,465
Federal Sources					
Medical Assistance Program (SEMI)	48,857	-	48,857	23,760	(25,097)
Total Federal Sources	48,857	-	48,857	23,760	(25,097)
Total Revenues	37,662,626	3,155,461	40,818,087	47,076,631	6,258,544
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	517,383	6,170	523,553	520,991	2,562
Grades 1-5	3,816,780	(147,994)	3,668,786	3,667,766	1,020
Grades 6-8	1,729,589	(159,500)	1,570,089	1,569,069	1,020
Grades 9-12	5,614,520	(45,100)	5,569,420	5,568,063	1,357
Regular Programs-Home Instruction					
Salaries of Teachers	75,000	8,301	83,301	80,220	3,081
Purchased Professional-Educational Services	16,000	-	16,000	9,433	6,567
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	49,300	(13,078)	36,222	34,486	1,736
Other Purchased Services	10,700	-	10,700	6,027	4,673
General Supplies	434,215	643,159	1,077,374	1,028,145	49,229
Textbooks	119,592	(47,115)	72,477	52,859	19,618
Other Objects	625	-	625	185	440
Total Regular Programs	12,383,704	244,843	12,628,547	12,537,244	91,303
Learning and/or Language Disabilities					
Salaries of Teachers	181,484	(37,000)	144,484	144,255	229
Other Salaries for Instruction		94,000	94,000	93,975	25
Purchased Professional-Educational Services	136,945	(136,945)	-	-	-
Total Learning and/or Language Disabilities	318,429	(79,945)	238,484	238,230	254
Behavioral Disabilities					
Salaries of Teachers	163,557	4,300	167,857	167,802	55
Other Salaries for Instruction		43,500	43,500	43,475	25
Purchased Professional-Educational Services	79,825	(79,825)	-	-	-
Total Behavioral Disabilities	243,382	(32,025)	211,357	211,277	80

**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, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 486,087	\$ 8,500	\$ 494,587	\$ 494,199	\$ 388
Other Salaries for Instruction		352,500	352,500	352,500	-
Purchased Professional-Educational Services	360,000	(360,000)			-
Other Purchased Services	500	-	500	-	500
Total Multiple Disabilities	846,587	1,000	847,587	846,699	888
Resource Room/Resource Center					
Salaries of Teachers	1,423,390	(45,900)	1,377,490	1,375,101	2,389
Other Salaries for Instruction		138,500	138,500	136,300	2,200
Purchased Professional-Educational Services	165,000	(165,000)	-	-	-
Total Resource Room/Resource Center	1,588,390	(72,400)	1,515,990	1,511,401	4,589
Autism					
Salaries of Teachers	289,828	(16,300)	273,528	273,294	234
Other Salaries for Instruction		261,500	261,500	261,284	216
Purchased Professional-Educational Services	380,000	(380,000)			-
General Supplies	-	9,375	9,375	3,854	5,521
Total Autism	669,828	(125,425)	544,403	538,432	5,971
Preschool Disabilities - Full-Time					
Salaries of Teachers	226,202	59,200	285,402	285,358	44
Other Salaries for Instruction		211,500	211,500	211,500	-
Purchased Professional-Educational Services	165,000	(165,000)			-
General Supplies	-	3,125	3,125	3,120	5
Total Preschool Disabilities - Full-Time	391,202	108,825	500,027	499,978	49
Total Special Education	4,057,818	(199,970)	3,857,848	3,846,017	11,831
Basic Skills/Remedial					
Salaries of Teachers	108,431	45,450	153,881	153,827	54
Total Basic Skills/Remedial	108,431	45,450	153,881	153,827	54
Bilingual Education - Instruction					
Salaries of Teachers	362,122	(37,100)	325,022	324,014	1,008
Total Bilingual Education - Instruction	362,122	(37,100)	325,022	324,014	1,008
School Sponsored Cocurricular Activities					
Salaries	113,574	95,000	208,574	173,506	35,068
General Supplies		2,959	2,959	2,913	46
Transfer to Cover Deficit	10,200	23,500	33,700	26,816	6,884
Total School Sponsored Cocurricular Activities	123,774	121,459	245,233	203,235	41,998
School Sponsored Athletics					
Salaries	591,075	(93,659)	497,416	494,942	2,474
Purchased Services	95,462	16,111	111,573	110,608	965
Supplies and Materials	81,521	25,443	106,964	89,477	17,487
Total School Sponsored Athletics	768,058	(52,105)	715,953	695,027	20,926
Total Instruction	17,803,907	122,577	17,926,484	17,759,364	167,120

**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, 2019**

	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		\$ 61,204	\$ 61,204	\$ 56,139	\$ 5,065
Tuition to County Vocational Schools-Regular	\$ 300,000	25,000	325,000	310,114	14,886
Tuition to County Vocational Schools-Special	175,000	(51,000)	124,000	123,581	419
Tuition to CSSD and Regional Day Schools	861,366	(287,148)	574,218	543,284	30,934
Tuition to Priv. Sch. for the Handicapped-Within State	587,097	(400,435)	186,662	172,294	14,368
Total Undistributed Expenditures- Instruction	1,923,463	(652,379)	1,271,084	1,205,412	65,672
Attendance and Social Work					
Salaries	20,000	-	20,000	20,000	
Purchased Professional and Tech. Services	46,500	(6,100)	40,400	40,303	97
Total Attendance and Social Work	66,500	(6,100)	60,400	60,303	97
Health Services					
Salaries	316,552	37,840	354,392	354,316	76
Purchased Professional and Technical Services	18,500	20,245	38,745	26,883	11,862
Supplies and Materials	10,100	250	10,350	4,762	5,588
Total Health Services	345,152	58,335	403,487	385,961	17,526
Other Support Services-Students-Speech, OT, PT and Related Services					
Salaries	781,782	(1,480)	780,302	778,343	1,959
Purchased Professional-Educational Services	17,500	40,900	58,400	44,845	13,555
Total Other Support Services-Students, Speech, OT, PT and Related Serv	799,282	39,420	838,702	823,188	15,514
Other Support Services-Students-Extra Serv					
Purchased Professional-Educational Services	390,000	19,000	409,000	368,390	40,610
Total Other Support Services-Students-Extra Serv	390,000	19,000	409,000	368,390	40,610
Guidance					
Salaries of Other Professional Staff	882,616	28,021	910,637	906,094	4,543
Salaries of Secretarial and Clerical Assistants	56,876	(47,628)	9,248	9,248	-
Other Purchased Professional and Technical Services	15,000	-	15,000	10,626	4,374
Supplies and Materials	25,480	(5,626)	19,854	16,728	3,126
Total Guidance	979,972	(25,233)	954,739	942,696	12,043
Child Study Teams					
Salaries of Other Professional Staff	718,788	17,536	736,324	734,723	1,601
Salaries of Secretarial and Clerical Assistants	117,338	(97,719)	19,619	19,619	-
Other Purchased Services	220	-	220	67	153
Supplies and Materials	3,300	-	3,300	3,015	285
Total Child Study Teams	839,646	(80,183)	759,463	757,424	2,039
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	239,058	(5,500)	233,558	233,227	331
Salaries of Other Professional Staff	404,823	(243,000)	161,823	161,654	169
Salaries of Secretarial and Clerical Assistants	32,793	(27,959)	4,834	4,834	-
Purchased Professional-Educational Services	-	10,253	10,253	7,503	2,750
Total Improvement of Instruction Services	676,674	(266,206)	410,468	407,218	3,250
Educational Media/School Library					
Salaries	82,329	-	82,329	80,961	1,368
Other Purchased Services		150	150		150
Supplies and Materials	2,750	-	2,750	2,055	695
Total Educational Media/School Library	85,079	150	85,229	83,016	2,213

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, 2019

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 5,000	\$ (238)	\$ 4,762	\$ 4,201	\$ 561
Total Instructional Staff Training Services	5,000	(238)	4,762	4,201	561
Support Services- General Administration					
Salaries	446,664	(224,000)	222,664	222,657	7
Salaries of State Monitors	143,500	(17,500)	126,000	125,856	144
Repayment of Principal-NJDOE Loan	250,000	-	250,000	250,000	-
Legal Services	180,000	(56,075)	123,925	114,446	9,479
Audit Fees	60,000	48,130	108,130	95,054	13,076
Architectural/Engineering Services	50,000	(17,640)	32,360	32,320	40
Other Purchased Professional Services	26,905	(8,840)	18,065	16,881	1,184
Communications/Telophone	229,740	1,105	230,845	187,841	43,004
BOE Other Purchased Services	6,800	700	7,500	5,363	2,137
Miscellaneous Purchased Services	84,390	18,456	102,846	99,493	3,353
General Supplies	16,500	(8,099)	8,401	7,805	596
Miscellaneous Expenditures	8,400	49,496	57,896	36,203	21,693
BOE Membership Dues and Fees	15,000	-	15,000	14,410	590
Total Support Services- General Administration	1,517,899	(214,267)	1,303,632	1,208,329	95,303
Support Services- School Administration					
Salaries of Principals/Assistant Principals	725,140	440,000	1,165,140	1,162,078	3,062
Salaries of Secretarial and Clerical Assistants	343,301	215,800	559,101	557,494	1,607
Purchased Professional-Educational Services		6,000	6,000	1,701	4,299
Other Purchased Services	221,114	27,150	248,264	242,141	6,123
Supplies and Materials	9,650	(2,800)	6,850	5,086	1,764
Other Objects	12,000	-	12,000	8,525	3,475
Total Support Services- School Administration	1,311,205	686,150	1,997,355	1,977,025	20,330
Central Services					
Salaries	321,834	74,595	396,429	386,597	9,832
Purchased Professional Services	64,020	700	64,720	64,698	22
Miscellaneous Purchased Services	3,000	(1,700)	1,300	500	800
Supplies and Materials	1,800	3,887	5,687	5,333	354
Total Central Services	390,654	77,482	468,136	457,128	11,008
Admin. Info. Technology					
Salaries	214,600	(74,943)	139,657	139,396	261
Purchased Professional Services	79,700	(25,000)	54,700	53,033	1,667
Other Purchased Services	-	625	625	-	625
Total Admin. Info. Technology	294,300	(99,318)	194,982	192,429	2,553
Required Maintenance for School Facilities					
Salaries	285,242	(140,500)	144,742	144,505	237
Cleaning, Repair and Maintenance Services	204,059	281,748	485,807	428,526	57,281
Total Required Maintenance for School Facilities	489,301	141,248	630,549	573,031	57,518
Custodial Services					
Salaries	115,000	(19,000)	96,000	88,030	7,970
Purchased Professional and Technical Services	1,226,000	75,615	1,301,615	1,202,603	99,012
Cleaning, Repair and Maintenance Service	175,700	202,042	377,742	328,626	49,116
Other Purchased Property Services	57,600	(31,203)	26,397	19,747	6,650
Insurance	215,365	(80,937)	134,428	134,427	1
General Supplies	120,000	193	120,193	108,530	11,663
Energy (Natural Gas)	180,400	16,785	197,185	128,634	68,551
Energy (Electricity)	349,297	(36,100)	313,197	253,014	60,183
Total Custodial Services	2,439,362	127,395	2,566,757	2,263,611	303,146

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, 2019

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Security					
Salaries	\$ 180,000	\$ (180,000)			
Purchased Professional and Technical Services		165,000	\$ 165,000	\$ 142,493	\$ 22,507
General Supplies	-	240,015	240,015	173,827	66,188
Total Security	180,000	225,015	405,015	316,320	88,695
Student Transportation Services					
Salaries for Pupil Transp (Between Home & School)Spec Ed	585,104	8,386	593,490	592,075	1,415
Lease Purchase Payments - School Buses	133,740	-	133,740	133,740	
Contracted Services(Special Ed Students)-Joint Agreements	50,000	(30,000)	20,000	13,110	6,890
Transportation Supplies	105,500	15,000	120,500	98,733	21,767
Total Student Transportation Services	874,344	(6,614)	867,730	837,658	30,072
Allocated Benefits					
Tuition Reimbursement	40,000	(40,000)	-	-	-
Total Allocated Benefits	40,000	(40,000)	-	-	-
Unallocated Employee Benefits					
Social Security Contributions	270,777	156,000	426,777	415,564	11,213
Other Retirement Contributions - PERS	238,843	288,366	527,209	527,171	38
Other Retirement Contributions - Regular	27,700	27,700	27,700	26,314	1,386
Unemployment Compensation	168,000	(83,000)	85,000	82,770	2,230
Workers Compensation	224,163	59,586	283,749	281,907	1,842
Health Benefits	4,868,192	246,947	5,115,139	5,104,604	10,535
Tuition Reimbursement	-	40,000	40,000	28,345	11,655
Other Employee Benefits	115,528	(18,659)	96,869	96,039	830
Unused Sick Payment to Terminated/Retired Staff	197,000	(95,249)	101,751	88,303	13,448
Total Unallocated Employee Benefits	6,082,503	621,691	6,704,194	6,651,017	53,177
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				68,533	(68,533)
LTDI Cost				2,098	(2,098)
Normal Cost				3,273,984	(3,273,984)
Post Retirement Medical				1,516,161	(1,516,161)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,296,876	(1,296,876)
Total Undistributed Expenditures	19,730,336	605,348	20,335,684	25,672,009	(5,336,325)
Total Current Expenditures	37,534,243	727,925	38,262,168	43,431,373	(5,169,205)
CAPITAL OUTLAY					
Equipment					
Grades 1-5		105,476	105,476	100,867	4,609
Grades 9-12		64,489	64,489	60,075	4,414
School Sponsored Athletics		4,800	4,800	4,794	6
Undistributed Expenditures - Central Services		9,867	9,867	9,867	-
Undistributed Expenditures - Required Maint for School Facilities	-	71,945	71,945	71,864	81
Total Equipment	-	256,577	256,577	247,467	9,110
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		186,644	186,644	179,479	7,165
Construction Services		1,754,618	1,754,618	1,703,858	50,760
Assessment for Debt Service on SDA Funding	1,425	1,425	2,850	1,425	1,425
Total Facilities Acquisition and Construction Services	1,425	1,942,687	1,944,112	1,884,762	59,350
Interest Deposit to Capital Reserve	332	-	332	-	332
Total Capital Outlay	1,757	2,199,264	2,201,021	2,132,229	68,792
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	65,000	10,823	75,823	75,822	1
Other Salaries for Instruction	-	48,470	48,470	48,470	-
Purchased Professional and Technical Services	52,000	(52,000)	-	-	-
Total Summer School - Instruction	117,000	7,293	124,293	124,292	1
Total Summer School	117,000	7,293	124,293	124,292	1
Total Special Schools	117,000	7,293	124,293	124,292	1
Transfer of Funds to Charter Schools	9,626	4,501	14,127	14,068	59
Total Expenditures	37,662,626	2,938,983	40,601,609	45,701,962	(5,100,353)
Excess/(Deficiency) of Revenues	-	-	-	-	-
Over/(Under) Expenditures	-	216,478	216,478	1,374,669	1,158,191

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, 2019

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Fund Balances, Beginning of Year	\$ 4,129,252	\$ -	\$ 4,129,252	\$ 4,129,252	\$ -
Fund Balances, End of Year	\$ 4,129,252	\$ 216,478	\$ 4,345,730	\$ 5,503,921	\$ 1,158,191
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 2,052,573	
Maintenance Reserve				700,000	
Committed					
Year End Encumbrances				27,388	
Assigned					
Year End Encumbrances				130,795	
Designated for Subsequent Year's Expenditures				2,000,000	
Unassigned				593,165	
				5,503,921	
Reconciliation to Governmental Fund Statements (GAAP):					
Less: 2018/2019 Final State Aid Payment Not Recognized on GAAP Basis			\$ 861,244		
2018/2019 Extraordinary Aid Payment Not Recognized on GAAP Basis			173,813		
				(1,035,057)	
Fund Balance Per Governmental Funds (GAAP)				\$ 4,468,864	

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 79,340	\$ 79,340	\$ 56,140	\$ (23,200)
Federal	\$ 894,504	322,976	1,217,480	1,170,961	(46,519)
Local	-	35,778	35,778	15,279	(20,499)
Total Revenues	<u>894,504</u>	<u>438,094</u>	<u>1,332,598</u>	<u>1,242,380</u>	<u>(90,218)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	327,958	55,770	383,728	349,868	33,860
Other Purchased Services	396,868	175,064	571,932	570,932	1,000
General Supplies	55,145	38,352	93,497	63,324	30,173
Other Objects	-	2,000	2,000	2,000	-
Total Instruction	<u>779,971</u>	<u>271,186</u>	<u>1,051,157</u>	<u>986,124</u>	<u>65,033</u>
Support Services					
Salaries of Teachers		11,700	11,700	11,700	-
Personal Services - Employee Benefits	71,406	31,184	102,590	102,570	20
Purchased Professional/Educational Services	40,000	95,408	135,408	112,804	22,604
Cleaning, Repair & Maintenance Services		952	952	-	952
Other Purchased Services		1,678	1,678	1,435	243
Supplies and Materials	3,127	6,811	9,938	8,572	1,366
Total Support Services	<u>114,533</u>	<u>147,733</u>	<u>262,266</u>	<u>237,081</u>	<u>25,185</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	4,896	4,896	4,896	-
Noninstructional Equipment	-	14,279	14,279	14,279	-
Total Facilities Acq. & Construction	<u>-</u>	<u>19,175</u>	<u>19,175</u>	<u>19,175</u>	<u>-</u>
Total Expenditures	<u>894,504</u>	<u>438,094</u>	<u>1,332,598</u>	<u>1,242,380</u>	<u>90,218</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, 2019**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 47,076,631	\$ 1,242,380
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		
2017/18		10,553
2018/19		(2,476)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2017/2018) State Aid)	704,875	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2018/2019) State Aid)	<u>(1,035,057)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 46,746,449</u>	<u>\$ 1,250,457</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 45,701,962	\$ 1,242,380
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		
2017/18		10,553
2018/19	<u>-</u>	<u>(2,476)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 45,701,962</u>	<u>\$ 1,250,457</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 Six Fiscal Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05062%	0.05841%	0.05533%	0.05393%	0.04961%	0.04671%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 9,967,529</u>	<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- Payroll	<u>\$ 1,572,665</u>	<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- Payroll	634%	388%	409%	325%	258%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 503,541	\$ 541,066	\$ 491,506	\$ 474,751	\$ 408,994	\$ 351,914
Contributions in Relation to the Contractually Required Contributions	<u>503,541</u>	<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>	<u>\$ -</u>
District's Covered- Payroll	<u>\$ 2,191,928</u>	<u>\$ 1,572,665</u>	<u>\$ 3,504,209</u>	<u>\$ 4,002,339</u>	<u>\$ 3,724,638</u>	<u>\$ 3,598,717</u>
Contributions as a Percentage of Covered- Payroll	22.97%	34.40%	14.03%	11.86%	10.98%	9.78%

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 Six Fiscal Years *

	<u>2019</u>	<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%	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>114,894,623</u>	<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>\$ 114,894,623</u>	<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- Payroll	<u>\$ 17,668,412</u>	<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- Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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, 2019**

Change of Benefit Terms: None.

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

**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 Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 3,083,635	\$ 3,754,706
Interest on the Total OPEB Liability	2,709,714	2,317,635
Differences Between Expected and Actual Experience	(7,853,147)	
Changes of Assumptions	(7,178,384)	(9,698,131)
Gross Benefit Payments	(1,672,671)	(1,906,194)
Contribution from the Member	<u>57,810</u>	<u>70,191</u>
Net Change in Total OPEB Liability	(10,853,043)	(5,461,793)
Total OPEB Liability - Beginning	<u>73,407,036</u>	<u>78,868,829</u>
Total OPEB Liability - Ending	<u>\$ 62,553,993</u>	<u>\$ 73,407,036</u>
District's Proportionate Share	\$ -	\$ -
State's Proportionate Share	<u>62,553,993</u>	<u>73,407,036</u>
Total OPEB Liability - Ending	<u>\$ 62,553,993</u>	<u>\$ 73,407,036</u>
Covered Payroll	<u>\$ 19,241,077</u>	<u>\$ 21,385,554</u>
Total OPEB Liability as a Percentage of		
Covered Payroll:	325.11%	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, 2019**

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, 2019

REVENUES	ESEA											Subtotal Page 2	Total 2019
	Title I	Title I SIA	Title IIA	Title III	Title III Immigrant	Title IV	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Nursing			
Local												\$ 15,279	\$ 15,279
State							\$ 3,557	\$ 3,240	\$ 6,396	\$ 8,730		34,217	56,140
Federal	\$ 441,999	\$ 15,366	\$ 67,055	\$ 28,264	\$ 1,160	\$ 40,398	-	-	-	-	-	576,719	1,170,961
Total Revenues	\$ 441,999	\$ 15,366	\$ 67,055	\$ 28,264	\$ 1,160	\$ 40,398	\$ 3,557	\$ 3,240	\$ 6,396	\$ 8,730		\$ 626,215	\$ 1,242,380
EXPENDITURES													
Instruction													
Salaries of Teachers	\$ 327,846			\$ 15,002	\$ 1,078	\$ 5,942							\$ 349,868
Other Purchased Services												\$ 570,932	570,932
General Supplies	16,912	\$ 4,209		8,310		27,106						6,787	63,324
Other Objects	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000
Total Instruction	344,758	4,209	-	23,312	1,078	35,048	-	-	-	-	-	577,719	986,124
Support Services													
Salaries of Teachers			\$ 11,700										11,700
Personal Services - Employee Benefits	97,241		895	3,898	82	454							102,570
Purchased Prof. Education Services		10,400	48,875	946				\$ 3,240	\$ 6,396	\$ 8,730		34,217	112,804
Other Purchased Services		757	678									-	1,435
Supplies and Materials	-	-	4,907	108	-	-	\$ 3,557	-	-	-	-	-	8,572
Total Support Services	97,241	11,157	67,055	4,952	82	454	3,557	3,240	6,396	8,730		34,217	237,081
Equipment													
Instructional Equipment						4,896						-	4,896
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-	-	14,279	14,279
Total Equipment	-	-	-	-	-	4,896	-	-	-	-	-	14,279	19,175
Total Expenditures	\$ 441,999	\$ 15,366	\$ 67,055	\$ 28,264	\$ 1,160	\$ 40,398	\$ 3,557	\$ 3,240	\$ 6,396	\$ 8,730		\$ 626,215	\$ 1,242,380

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>IDEA</u>		<u>Chapter 192</u>		<u>Chapter 193</u>			<u>Local Grants</u>	<u>Page 2 Total</u>
	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Compensatory Education</u>	<u>ESL</u>	<u>Initial Exam & Classification</u>	<u>Corrective Speech</u>	<u>Supplementary Instruction</u>		
REVENUES									
Local								\$ 15,279	\$ 15,279
State			\$ 22,081	\$ 4,055	\$ 2,546	\$ 4,821	\$ 714		34,217
Federal	\$ 545,785	\$ 30,934	-	-	-	-	-	-	576,719
Total Revenues	\$ 545,785	\$ 30,934	\$ 22,081	\$ 4,055	\$ 2,546	\$ 4,821	\$ 714	\$ 15,279	\$ 626,215
EXPENDITURES									
Instruction									
Other Purchased Services	\$ 539,998	\$ 30,934							\$ 570,932
General Supplies	5,787	-	-	-	-	-	-	\$ 1,000	6,787
Total Instruction	545,785	30,934	-	-	-	-	-	1,000	577,719
Support Services									
Purchased Professional Education Services			\$ 22,081	\$ 4,055	\$ 2,546	\$ 4,821	\$ 714		34,217
Supplies and Materials	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	22,081	4,055	2,546	4,821	714	-	34,217
Equipment									
Noninstructional Equipment	-	-	-	-	-	-	-	14,279	14,279
Total Equipment	-	-	-	-	-	-	-	14,279	14,279
Total Expenditures	\$ 545,785	\$ 30,934	\$ 22,081	\$ 4,055	\$ 2,546	\$ 4,821	\$ 714	\$ 15,279	\$ 626,215

**RIDGEFIELD PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 161,821	\$ 8,209	\$ 170,030
Total Assets	<u>\$ 161,821</u>	<u>\$ 8,209</u>	<u>\$ 170,030</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 698	\$ 698
Accrued Salaries and Wages		4,012	4,012
Due to Student Groups	\$ 161,821		161,821
Due to Other Funds	<u>-</u>	<u>3,499</u>	<u>3,499</u>
Total Liabilities	<u>\$ 161,821</u>	<u>\$ 8,209</u>	<u>\$ 170,030</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
ELEMENTARY SCHOOLS				
Lincoln School	\$ 6,293	\$ 10,534	\$ 11,074	\$ 5,753
Grant School	12,747	2,411	4,788	10,370
Roosevelt School	17,297	12,898	15,933	14,262
Thomas Jefferson School	<u>3,413</u>	<u>-</u>	<u>3,413</u>	<u>-</u>
Total Elementary Schools	<u>39,750</u>	<u>25,843</u>	<u>35,208</u>	<u>30,385</u>
JUNIOR/SENIOR HIGH SCHOOL				
Student Activities Fund	81,442	296,799	293,820	84,421
Athletic Accounts	<u>52,857</u>	<u>43,068</u>	<u>48,910</u>	<u>47,015</u>
Total Junior/Senior High School	<u>134,299</u>	<u>339,867</u>	<u>342,730</u>	<u>131,436</u>
Total All Schools	<u>\$ 174,049</u>	<u>\$ 365,710</u>	<u>\$ 377,938</u>	<u>\$ 161,821</u>

**RIDGEFIELD PARK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
ASSETS				
Cash	\$ 3,057	\$ 40,208,095	\$ 40,202,943	\$ 8,209
Total Assets	<u>\$ 3,057</u>	<u>\$ 40,208,095</u>	<u>\$ 40,202,943</u>	<u>\$ 8,209</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 193	\$ 26,233,355	\$ 26,232,850	\$ 698
Accrued Salaries and Wages	2,864	13,971,241	13,970,093	4,012
Due to Other Funds	<u>-</u>	<u>3,499</u>	<u>-</u>	<u>3,499</u>
Total Liabilities	<u>\$ 3,057</u>	<u>\$ 40,208,095</u>	<u>\$ 40,202,943</u>	<u>\$ 8,209</u>

LONG-TERM DEBT

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Remaining Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000				\$ 360,000	\$ 360,000	\$ -

**RIDGEFIELD PARK BOARD OF EDUCATION
STATEMENT OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018 (Restated)</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Computers - 2013/2014	\$ 223,300	2.10%	\$ 3,910		\$ 3,910	
Computers - 2014/2015	161,000	3.497%	37,199		34,287	\$ 2,912
(2) 29 Passenger Buses	111,196	2.28%	25,162		23,224	1,938
(1) 54 Passenger Bus	89,000	2.28%	20,148		18,586	1,562
(3) 29 Passenger Buses and (1) Midbus	239,457	2.28%	124,639		40,424	84,215
(3) 54 Passenger Buses	265,173	2.28%	145,381		44,553	100,828
(1) Ford F-250 Truck	31,798	5.95%	5,809		5,809	
(18) Powerheart AED's	63,280	N/A	30,442		9,497	20,945
Technology Equipment	170,320	N/A	125,096	-	40,007	85,089
			<u>\$ 517,786</u>	<u>\$ -</u>	<u>\$ 220,297</u>	<u>\$ 297,489</u>

N/A - Not Available

**RIDGEFIELD PARK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 260,562		\$ 260,562	\$ 260,562	
State Sources					
State Aid Type II	<u>107,088</u>	<u>-</u>	<u>107,088</u>	<u>107,088</u>	<u>-</u>
Total Revenues	<u>367,650</u>	<u>-</u>	<u>367,650</u>	<u>367,650</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	7,650		7,650	7,650	
Principal	<u>360,000</u>	<u>-</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>
Total Expenditures	<u>367,650</u>	<u>-</u>	<u>367,650</u>	<u>367,650</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)

	Fiscal Year Ended June 30,									
	2010	2011	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017	2018 (Restated)	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 7,308,131	\$ 7,238,926	\$ 8,045,931	\$ 8,961,153	\$ 9,769,270	\$ 9,824,350	\$ 9,782,461	\$ 9,798,598	\$ 10,420,332	\$ 12,712,604
Restricted	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778	1,804,225	2,752,574
Unrestricted	(2,309,146)	(1,399,604)	(1,332,328)	(1,725,532)	(11,250,338)	(12,077,830)	(14,310,492)	(15,101,821)	(14,167,800)	(16,343,591)
Total Governmental Activities Net Position	<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>\$ (1,943,243)</u>	<u>\$ (878,413)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724	\$ 60,548	\$ 62,376	\$ 41,777	\$ 31,948	\$ 71,489
Unrestricted	293,766	304,372	296,076	185,375	96,528	(27,893)	81,140	151,632	218,503	213,964
Total Business-Type Activities Net Position	<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>	<u>\$ 285,453</u>
District-Wide										
Net Investment in Capital Assets	\$ 7,364,352	\$ 7,287,472	\$ 8,059,593	\$ 8,977,035	\$ 9,783,994	\$ 9,884,898	\$ 9,844,837	\$ 9,840,375	\$ 10,452,280	\$ 12,784,093
Restricted	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870	332,870	1,552,778	1,804,225	2,752,574
Unrestricted	(2,015,380)	(1,095,232)	(1,036,252)	(1,540,157)	(11,153,810)	(12,105,723)	(14,229,352)	(14,950,189)	(13,949,297)	(16,129,627)
Total District Net Position	<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>\$ (1,692,792)</u>	<u>\$ (592,960)</u>

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

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

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 23,218,391
Special Education	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	8,262,935
Other Instruction	930,966	628,816	694,429	873,942	847,413	1,457,852	1,529,858	886,992	909,133	871,325
School Sponsored Activities And Athletics	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	1,448,704
Support Services:										
Student & Instruction Related Services	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	6,532,714
General Administration Services	968,038	1,174,493	866,708	847,109	901,014	783,050	1,013,397	1,257,093	1,331,067	3,819,201
School Administration Services	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	3,197,910
Business / Central Services	659,642	651,281	618,510	674,922	780,122	960,210	1,162,547	1,264,396	1,360,247	995,746
Plant Operations And Maintenance	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	3,139,854
Pupil Transportation	605,933	658,666	630,009	712,620	619,927	571,183	1,035,240	1,149,250	1,295,539	1,121,297
Special Schools										
Interest On Long-Term Debt	133,724	124,332	111,898	96,849	82,669	78,518	62,610	40,458	20,199	13,114
Total Governmental Activities Expenses	34,051,813	33,309,601	34,201,553	37,124,737	37,472,955	42,728,316	47,874,908	50,437,705	51,610,635	52,621,191
Business-Type Activities:										
Food Service	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211	1,113,399	1,000,552	981,420	987,808
Total Business-Type Activities Expense	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211	1,113,399	1,000,552	981,420	987,808
Total District Expenses	\$ 34,877,889	\$ 34,234,181	\$ 35,199,345	\$ 38,191,633	\$ 38,577,593	\$ 43,806,527	\$ 48,988,307	\$ 51,438,257	\$ 52,592,055	\$ 53,608,999
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 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	\$ 4,335,659
Special Education	488,861	490,572	360,744	259,433	267,532	572,649	569,807	545,881	900,919	802,619
Pupil Transportation	-	-	-	-	-	-	151,000	381,000	375,826	292,490
Operating Grants And Contributions	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	15,076,362
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	9,311,812	9,285,741	9,524,633	10,489,138	10,251,657	14,845,709	17,457,095	21,639,711	23,040,100	20,507,130
Business-Type Activities:										
Charges For Services										
Food Service	498,523	499,722	503,906	479,218	514,671	491,949	524,206	513,657	499,746	522,422
Operating Grants And Contributions	386,516	427,789	450,706	479,197	499,962	507,665	520,054	536,555	538,388	498,094
Total Business-Type Activities Program Revenues	885,039	927,511	954,612	958,415	1,014,633	999,614	1,044,260	1,050,212	1,038,134	1,020,516
Total District Program Revenues	\$ 10,196,851	\$ 10,213,252	\$ 10,479,245	\$ 11,447,553	\$ 11,266,290	\$ 15,845,314	\$ 18,501,355	\$ 22,689,923	\$ 24,078,234	\$ 21,527,646
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (32,114,061)
Business-Type Activities	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	(69,139)	49,660	56,714	32,708
Total District-Wide Net Expense	\$ (24,681,038)	\$ (24,020,929)	\$ (24,720,100)	\$ (26,744,080)	\$ (27,311,303)	\$ (27,961,213)	\$ (30,486,952)	\$ (28,748,334)	\$ (28,513,821)	\$ (32,081,353)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 25,828,679
Taxes Levied For Debt Service	415,000	410,000	443,246	357,230	310,238	331,079	319,881	304,865	293,119	260,562
State Aid - Unrestricted	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	6,788,410
Investment Earnings	13,641	16,987	18,380	13,600	-	-	209,780	456,128	687,212	301,240
Miscellaneous Income	239,730	62,937	394,201	496,192	131,061	150,066	(180,000)	-	-	-
Total Governmental Activities	24,320,977	24,676,527	25,978,357	26,486,347	26,547,789	27,110,204	28,143,262	29,242,710	30,922,349	33,178,891
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	180,000	233	328	2,294
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	180,000	233	328	2,294
Total District-Wide	\$ 24,320,977	\$ 24,676,527	\$ 25,978,357	\$ 26,486,347	\$ 26,547,789	\$ 27,110,204	\$ 28,323,262	\$ 29,242,943	\$ 30,922,677	\$ 33,181,185
Change In Net Position										
Governmental Activities	\$ (419,024)	\$ 652,667	\$ 1,301,437	\$ (149,252)	\$ (673,509)	\$ (772,412)	\$ (2,274,551)	\$ 444,716	\$ 2,351,814	\$ 1,064,830
Business-Type Activities	58,963	2,931	(43,180)	(108,481)	(90,005)	(78,597)	110,861	49,893	57,042	35,002
Total District	\$ (360,061)	\$ 655,598	\$ 1,258,257	\$ (257,733)	\$ (763,514)	\$ (851,009)	\$ (2,163,690)	\$ 494,609	\$ 2,408,856	\$ 1,099,832

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1,664,733									
Unreserved	(92,596)									
Restricted		\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870	\$ 332,870	\$ 332,870	\$ 1,552,778	\$ 1,804,224	\$ 2,752,573
Committed		145,294	245,500					1,447,087	27,388	
Assigned			300,658	281,266	336,275	52,218	54,985	276,417	336,435	2,130,795
Unassigned		(146,364)	(329,272)	(307,811)	(552,477)	(978,793)	(305,607)	(141,280)	(163,369)	(441,892)
Total General Fund	\$ 1,572,137	\$ 1,602,250	\$ 1,755,355	\$ 1,127,720	\$ 116,668	\$ (593,705)	\$ 82,248	\$ 1,687,915	\$ 3,424,377	\$ 4,468,864
All Other Governmental Funds										
Unreserved	\$ (56,585)									
Restricted		\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 1
Total All Other Governmental Funds	\$ (56,585)	\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 1

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 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	\$ 26,089,241
Tuition Charges	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	4,886,736
Interest Earnings	13,641	16,987	18,380	13,600	-	-	-	-	-	-
Miscellaneous	239,730	62,937	407,399	512,223	131,061	187,033	372,022	844,162	1,073,811	618,835
State Sources	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	15,575,499
Federal Sources	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	1,194,245
Total Revenue	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	48,364,556
Expenditures										
Instruction										
Regular Instruction	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	19,778,112
Special Education Instruction	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	7,438,640
Other Instruction	794,139	795,694	692,300	871,142	845,959	1,274,876	1,300,734	678,288	710,701	749,431
School Sponsored Activities And Athletics	973,633	968,176	1,038,423	1,122,459	1,069,457	1,066,272	1,068,535	941,137	1,032,621	1,278,188
Support Services:										
Student & Inst. Related Services	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	5,800,161
General Administration Services	1,014,144	1,310,663	857,409	846,757	904,285	747,423	957,726	1,124,300	1,185,886	1,145,910
School Administration Services	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	2,806,270
Business / Central Services	630,314	717,740	614,634	671,127	811,163	922,305	1,072,053	1,070,653	1,104,194	913,828
Plant Operations And Maintenance	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	3,083,323
Pupil Transportation	605,933	658,666	630,009	712,620	619,927	566,349	945,928	1,002,600	1,061,089	984,322
Capital Outlay	50,452	65,876	668,898	960,429	814,904	437,546	3,400	-	576,650	2,489,283
Debt Service:										
Principal	445,968	464,548	477,929	498,893	505,381	597,581	592,317	773,604	822,817	830,297
Interest And Other Charges	147,318	136,747	123,045	108,983	94,322	89,572	73,187	51,009	30,441	22,304
Payments to Refunding Escrow Agents	-	-	-	-	-	-	-	-	-	-
Cost of Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Total Expenditures	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	47,320,069
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)	(1,241,647)	(1,644,047)	1,605,668	1,566,142	1,044,487
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	\$ (228,167)	\$ 12,606	\$ 822,276	\$ (1,024,683)	\$ (1,209,083)	\$ (710,373)	\$ 675,953	\$ 1,605,668	\$ 1,736,462	\$ 1,044,487
Debt Service As A Percentage Of										
Noncapital Expenditures	1.75%	1.77%	1.76%	1.64%	1.60%	1.76%	1.57%	2.00%	1.98%	1.90%

* 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>
2019	\$ 4,886,736	\$ 62,895	\$ 530,835	\$ 5,480,466
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

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
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
2019	33,181,200	767,518,300	N/A	N/A	246,180,600	46,047,400	105,317,600	1,198,245,100		1,198,245,100	1,598,033,027	2.200

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)**

Calendar Year	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2019	\$ 3.939	\$ 2.200	\$ 1.415	\$ 0.324
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

(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	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 27,733,400	2.31%	Hartz Mountain Industries	\$ 50,000,000	3.20%
85 Challenger Rd LLC	27,637,000	2.31%	Bank of America	32,000,000	2.05%
65 Challenger LLC	17,288,700	1.44%	105 Challenger Rd LLC	28,000,000	1.79%
Marlboro Apt. Corp.	16,500,000	1.38%	AGFA	27,500,000	1.76%
100 Chall Partners LLC C/O KABR	15,910,000	1.33%	85 Challenger Rd LLC	22,500,000	1.44%
Eye Level Hub LLC	15,000,000	1.25%	Marlboro Apt Corp	18,765,000	1.20%
Ridgefield Park Lodging Assoc	14,203,600	1.19%	Pitcain Skymark LLC	16,645,000	1.07%
Pitcain Skymark, LLC	13,351,000	1.11%	Ridgefield Park Lodging Assoc	15,189,300	0.97%
United Rentals North America Inc	12,321,500	1.03%	United Rentals North America Inc	11,300,700	0.72%
American Multi Cinema	9,495,000	0.79%	Landmark E Corp	11,040,000	0.71%
	\$ 169,440,200	14.14%		\$ 232,940,000	14.91%

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	
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
2019	26,089,241	26,089,241	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Population	(1) Per Capita
	General Obligation Bonds	Capital Leases	Total District		
2010	\$ 3,555,000	\$ 112,050	\$ 3,667,050	12,394	\$ 296
2011	3,140,000	135,582	3,275,582	12,737	257
2012	2,730,000	143,465	2,873,465	12,814	224
2013	2,330,000	144,572	2,474,572	12,852	193
2014	1,930,000	262,491	2,192,491	12,887	170
2015	1,535,000	591,184	2,126,184	12,901	165
2016	1,140,000	826,999	1,966,999	12,932	152
2017	750,000	612,958	1,362,958	12,915	106
2018	360,000	517,786	877,786	12,946	68
2019		297,489	297,489	13,009	23

Source: District records

(1) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	\$ 3,555,000		\$ 3,555,000	0.23%	\$ 287
2011	3,140,000		3,140,000	0.25%	247
2012	2,730,000		2,730,000	0.22%	213
2013	2,330,000		2,330,000	0.19%	181
2014	1,930,000		1,930,000	0.16%	150
2015	1,535,000		1,535,000	0.13%	119
2016	1,140,000		1,140,000	0.10%	88
2017	750,000	1	749,999	0.06%	58
2018	360,000	1	359,999	0.03%	28
2019				0.00%	-

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, 2018
(Unaudited)**

	<u>Gross Debt</u>
DIRECT DEBT: (1)	
Ridgefield Park School District	\$ -
Village of Ridgefield Park	<u>9,321,393</u>
	<u>9,321,393</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County:	
County of Bergen(A)	11,093,282
Bergen County Utilities Authority - Water Pollution Control (B)	<u>4,040,896</u>
	<u>15,134,178</u>
Total Direct and Overlapping Outstanding Debt	<u>\$ 24,455,571</u>

SOURCE:

(1) Village of Ridgefield Park 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2018 billings by the total 2018 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis	
2018	\$ 1,580,531,217
2017	1,362,740,796
2016	<u>1,308,420,422</u>
	<u>\$ 4,251,692,435</u>
	<u>\$ 1,417,230,812</u>
Debt Limit (4 % of Average Equalization Value)	\$ 56,689,232
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 56,689,232</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>	<u>2019</u>
Debt Limit	\$ 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	\$ 56,689,232
Total Net Debt Applicable to Limit	<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>	<u>-</u>
Legal Debt Margin	<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>	<u>\$ 56,689,232</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.71%	5.27%	4.78%	4.18%	3.50%	2.84%	2.16%	1.47%	0.69%	0.00%

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>
2019	4.10%	(E)	\$ 81,203	(E)	13,009
2018	4.90%		81,203	(E)	12,946
2017	4.90%		81,203		12,915
2016	4.90%		77,901		12,932
2015	5.30%		76,821		12,901
2014	6.20%		73,637		12,887
2013	7.00%		71,100		12,852
2012	8.90%		71,789		12,814
2011	8.70%		68,865		12,737
2010	8.90%		65,992		12,394

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>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2019</u>
Instruction										
Regular	180	161	164	172	180	182	162	149	139	146
Special education	5	32	45	48	53	56	76	71	28	31
Support Services:										
Student & instruction related services	15	14	17	21	21	21	26	27	26	78
School administration services	14	14	14	14	14	15	16	11	14	13
Other administration services	5	5	5	5	5	5	5	5	5	5
Central services	4	4	4	4	4	4	4	4	3	4
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	20	20	20	21	22	22	22	21	3	3
Pupil transportation	4	4	4	4	4	7	4	4	3	4
Other support services	11	12	14	14	14	14	14	12	11	11
Total	<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>	<u>298</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Pupil/Teacher Ratio				Teaching Staff		Junior/Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
		Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Elementary	Elementary						
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	2,442	2,283	2.65%	93.49%	
2017	2,385	40,352,581	16,919	-1.94%	175	1:12.9	1:13.9	2,401	2,214	-1.68%	92.21%	
2018	2,344	42,173,183	17,992	6.34%	167	1:13.5	1:12.7	2,320	2,199	-3.37%	94.78%	
2019	2,268	43,978,185	19,391	7.77%	146	1:12.8	1:12.8	2,250	2,129	-3.02%	94.62%	

Sources: District records

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
<u>Elementary</u>										
Lincoln School:										
Square Feet	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	420	420	420	420	420	420	420	420	420	420
Enrollment	380	383	387	416	422	359	323	313	330	408
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	196	220	242	241	230	212	198	190	205	237
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	394	400	415	438	454	413	361	338	324	418
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	1,190	1,229	1,220	1,235	1,257	1,261	1,268	1,249	1,226	1,205
<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	4,000	4,000	4,000	4,000

Number of Schools at June 30, 2019
 Elementary = 4
 Junior/Senior High School = 1
 Other = 3

Source: District Records

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

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

		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
*School Facilities	Project # (s)										
Lincoln School	N/A	\$ 76,129	\$ 49,285	\$ 34,883	\$ 33,943	\$ 32,416	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232
Roosevelt School	N/A	18,565	12,019	8,507	8,278	7,906	6,412	6,046	3,707	6,734	4,002
Grant School	N/A	15,927	10,311	7,298	7,101	6,781	5,403	5,094	6,837	6,601	11,197
Jefferson School	N/A	6,828	4,420	3,128	3,044	2,907					
Junior/Senior High School	N/A	<u>455,582</u>	<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>
Total School Facilities		<u>573,031</u>	<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>
Grand Total		<u>\$ 573,031</u>	<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>

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, 2019
(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

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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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, 2019 and the related notes to the financial statements, which collectively comprise the Ridgefield Park Board of Education's basic financial statements and have issued our report thereon dated November 26, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be a material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying s schedule of findings and questioned costs as items 2019-001 and 2019-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Park Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 26, 2019.

Ridgefield Park Board of Education’s Responses to Findings

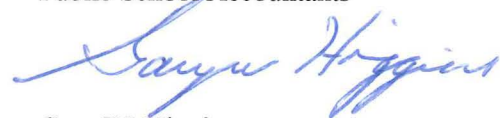
The Ridgefield Park Board of Education’s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Ridgefield Park Board of Education’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 26, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRIS SOHN, CPA

**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, 2019. 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, 2019.

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.

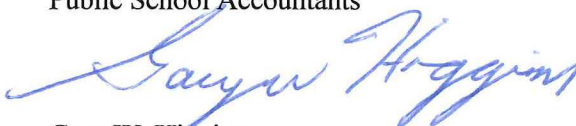
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 26, 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
November 26, 2019

RIDGEFIELD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2018			Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2019			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		191NJ304N1099	N/A	7/1/18-6/30/19	\$ 362,909					\$ 341,075	\$ 362,909			\$ (21,834)				\$ (21,834)
Cash Assistance		181NJ304N1099	N/A	7/1/17-6/30/18	390,229	\$ (71,162)				71,162								
Non-Cash Assistance		191NJ304N1099	N/A	7/1/18-6/30/19	76,125					76,125	73,050				\$ 3,075			
Non-Cash Assistance		181NJ304N1099	N/A	7/1/17-6/30/18	78,411		\$ 2,151				2,151							
School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	49,529					45,548	49,529				(3,981)			(3,981)
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	58,759	(11,471)				11,471								
Total Child Nutrition Cluster						(82,633)	2,151	-	-	545,381	487,639	-	-	(25,815)	3,075	-	-	(25,815)
U.S. Department of Education																		
Passed-through State Department of Education																		
Special Revenue Fund:																		
IDEA Part B - Flow Through	84.027	H027A180100	FT4380-19	7/1/18-6/30/19	545,785			\$ (93,964)		483,674	545,785			(156,075)				(156,075)
IDEA Part B - Flow Through C/O	84.027	H027A170100	FT4380-18	7/1/17-6/30/18	529,158	(93,964)		93,964										
IDEA Part B - Preschool	84.173	H173A180114	FT4380-19	7/1/18-6/30/19	15,812			(15,541)	\$ 15,122	419	30,934			(30,934)				(30,934)
IDEA Part B - Preschool	84.173	H173A170114	FT4380-18	7/1/17-6/30/18	15,122	(15,541)	15,122	15,541	(15,122)									
Total Special Education Cluster (IDEA)											576,719							
Title I	84.010	S010A180030	ESSA4380-19	7/1/18-6/30/19	477,950			(215,577)		464,976	441,999			(228,551)	35,951			(192,600)
Title I Carryover	84.010	S010A170030	ESSA4380-18	7/1/17-6/30/18	486,885	(215,577)		215,577										
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	S010A180030	ESSA4380-19	7/1/18-6/30/19	11,200			(18,546)	4,551	19,247	15,366			(10,499)	385			(10,114)
Title I SIA Part A Carryover	84.010	S010A170030	ESSA4380-18	7/1/17-6/30/18	30,677	(18,546)	4,551	18,546	(4,551)									
Title II A	84.367A	S367A10029	ESSA4380-19	7/1/18-6/30/19	32,907			(40,748)	34,148	39,132	67,055			(34,523)				(34,523)
Title II A Carryover	84.367A	S367A170029	ESSA4380-18	7/1/17-6/30/18	43,711	(40,748)	34,148	40,748	(34,148)									
Title III	84.365	S365A180030	ESSA4380-19	7/1/18-6/30/19	27,384			(13,571)	2,310	23,780	28,264			(17,175)	1,430			(15,745)
Title III Carryover	84.365	S365A170030	ESSA4380-18	7/1/17-6/30/18	22,942	(13,571)	2,310	13,571	(2,310)									
Title III Carryover	84.365	S365A150030	NCLB4380-16	7/1/15-6/30/16	28,039		88											88
Title III Immigrant Carryover	84.365	S365A170030	ESSA4380-18	7/1/17-6/30/18	7,060	(9,772)	1,355			8,418	1,160	\$ 195	\$ (195)	(1,159)				(1,159)
Title IV	84.424	S424A180031	ESSA4380-19	7/1/18-6/30/19	48,698			(7,150)	259	32,707	40,398			(23,141)	8,559			(14,582)
Title IV Carryover	84.424	S424A170031	ESSA4380-18	7/1/17-6/30/18	7,500	(7,150)	259	7,150	(259)									
Total Special Revenue Fund						(414,869)	57,745	639	-	1,072,353	1,170,961	195	(195)	(502,037)	46,325	639	-	(455,732)
U.S. Department of Education																		
Passed-through State Department of Education																		
General Fund:																		
Medical Assistance Program (SEMI)	93.778	190SNJ5MAP	N/A	7/1/18-6/30/19	23,760					23,760	23,760							
Total General Fund						-	-	-	-	23,760	23,760	-	-	-	-	-	-	-
Total Federal Financial Assistance						\$ (497,502)	\$ 59,896	\$ 639	\$ -	\$ -	\$ 1,641,494	\$ 1,682,360	\$ 195	\$ (195)	\$ (527,872)	\$ 49,400	\$ 639	\$ (481,547)

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

RIDGEFIELD PARK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2019			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2019	GAAP Receivable	Combined Total Expenditures
State Department of Education														
General Fund:														
Categorical Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 1,696,661				\$ 1,541,412	\$ 1,696,661		\$ (155,249)			\$	1,696,661
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,188,469	\$ (105,526)			105,526							
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	6,907,061				6,275,049	6,907,061		(632,012)				6,907,061
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	4,424,392	(392,850)			392,850							
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	114,282	(10,147)			10,147							
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	511,781				464,952	511,781		(46,829)				511,781
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	116,399	(10,335)			10,335							
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	20,820	(1,849)			1,849							
Host District Support Aid	18-495-034-5120-102	7/1/17-6/30/18	6	(1)			1							
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	20,580	(1,827)			1,827							
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	20,580	(1,827)			1,827							
Total State Aid Public Cluster								9,115,503						
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	296,758				269,604	296,758		(27,154)				296,758
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	53,329	(4,735)			4,735							
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	173,813					173,813		(173,813)				173,813
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	175,778	(175,778)			175,778							
TPAF - Post Retirement Medical	19-495-034-5094-001	7/1/18-6/30/19	1,516,161				1,516,161	1,516,161						1,516,161
TPAF - NCGI	19-495-034-5094-004	7/1/18-6/30/19	68,533				68,533	68,533						68,533
TPAF - LTDI	19-495-034-5094-004	7/1/18-6/30/19	2,098				2,098	2,098						2,098
TPAF - Normal Cost	19-495-034-5094-002	7/1/18-6/30/19	3,273,984				3,273,984	3,273,984						3,273,984
Reimbursed TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	1,296,876				1,296,321	1,296,876		(555)			\$ (555)	1,296,876
Reimbursed TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	1,247,773	(65,092)			65,092							
Total General Fund				(769,967)			15,478,081	15,743,726		(1,035,612)			(555)	15,743,726
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			1								
Nonpublic Textbook	19-100-034-5120-064	7/1/18-6/30/19	4,806				4,806	3,557			1,249			3,557
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	3,240				3,240	3,240						3,240
Nonpublic Security	19-100-034-5120-509	7/1/18-6/30/19	13,500				13,500	6,396			7,104			6,396
Nonpublic Nursing	19-100-034-5120-070	7/1/18-6/30/19	8,730				8,730	8,730						8,730
Compensatory Education	19-100-034-5120-066	7/1/18-6/30/19	27,581				27,581	22,081			5,500			22,081
ESL	19-100-034-5120-066	7/1/18-6/30/19	7,333				7,333	4,055			3,278			4,055
Initial Exam & Classification	19-100-034-5120-067	7/1/18-6/30/19	5,092				5,092	2,546			2,546			2,546
Corrective Speech	19-100-034-5120-067	7/1/18-6/30/19	8,035				8,035	4,821			3,214			4,821
Supplementary Instruction	19-100-034-5120-067	7/1/18-6/30/19	3,568				3,568	714			2,854			714
Total Special Revenue Fund						1,747	81,885	56,140			27,492			56,140
Debt Service Fund														
Debt Service Aid	19-495-034-5120-017	7/1/18-6/30/19	107,088				107,088	107,088						107,088
Total Debt Service Fund							107,088	107,088						107,088
State Department of Agriculture														
Enterprise Fund														
National School Lunch	19-100-010-3350-023	7/1/18-6/30/19	10,455				9,851	10,455		(604)			(604)	10,455
National School Lunch	18-100-010-3350-023	7/1/17-6/30/18	11,266	(2,033)			2,033							
Total Enterprise Fund				(2,033)			11,884	10,455		(604)			(604)	10,455
Total State Financial Assistance Subject to Major Program Determination				(772,000)			15,678,938	15,917,409		(1,036,216)			(1,159)	15,917,409
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
TPAF - Post Retirement Medical	19-495-034-5094-001	7/1/18-6/30/19	1,516,161				(1,516,161)	(1,516,161)						(1,516,161)
TPAF - Normal Cost	19-495-034-5094-002	7/1/18-6/30/19	3,273,984				(3,273,984)	(3,273,984)						(3,273,984)
TPAF - LTDI	19-495-034-5094-004	7/1/18-6/30/19	2,098				(2,098)	(2,098)						(2,098)
TPAF - NCGI	19-495-034-5094-004	7/1/18-6/30/19	68,533				(68,533)	(68,533)						(68,533)
Total State Financial Assistance Subject to Single Audit				\$ (772,000)	\$ -	\$ 1,747	\$ 10,818,162	\$ 11,056,633	\$ -	\$ (1,036,216)	\$ -	\$ 27,492	\$ (1,159)	\$ 11,056,633

**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, 2019**

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 \$330,182 for the general fund and an increase of \$8,077 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	\$ 23,760	\$ 15,413,544	\$ 15,437,304
Special Revenue Fund	1,170,485	54,867	1,225,352
Debt Service Fund		107,088	107,088
Food Service Fund	<u>487,639</u>	<u>10,455</u>	<u>498,094</u>
Total Financial Assistance	<u>\$ 1,681,884</u>	<u>\$ 15,585,954</u>	<u>\$ 17,267,838</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, 2019**

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, 2019, 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>1,750,000</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 \$1,296,876 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$3,342,517, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,516,161 and TPAF Long-Term Disability Insurance in the amount of \$2,098 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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, 2019**

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>
<u>84.027</u>	<u>H027A180100</u>	<u>IDEA - Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA - Preschool</u>
<u>10.555</u>	<u>181NJ304N1099</u>	<u>National School Lunch</u>
<u>10.553</u>	<u>181NJ304N1099</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>19-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>19-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>19-495-034-5120-084</u>	<u>Security Aid</u>
<u>19-495-034-5094-003</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, 2019**

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 2019-001:

Our audit indicated that the District's cash balances in the Governmental and Food Service Funds general ledgers and monthly reports were not reconciled to the monthly bank reconciliation.

Criteria or specific requirement:

Generally Accepted Accounting Principles

Condition:

The cash balance in the District's general ledgers 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 difference in the June 30, 2019 balance was the result of certain financial transactions not recorded properly in the general ledger as follows:

- Debit/credit memorandum from the State of New Jersey at June 30, 2018 totaling \$266,979 was recorded as a cash disbursement in the 2018/19 school year.
- Debit/credit memorandums from the State of New Jersey for 2018/19 were not properly recorded as a debit totaling \$621,657.
- Interfund transactions in the amount of \$870,311 between the General Fund and Food Service Fund were misposted as a debit to the cash account.
- Other miscellaneous adjustments with a net debit of \$21,407 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, 2019**

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 2019-001: (Continued)

Cause:

The Governmental and Food Service Funds general ledger cash balances were not reconciled to the monthly bank reconciliations.

Recommendation:

The cash balance in the District's Governmental and Food Service Funds general ledgers and monthly reports be reconciled to the bank reconciliation on a monthly basis.

View of Responsible Officials and Planned Corrective Action Plan:

The District has employed an assistant business administrator effective July 1, 2019 who will be appointed the Board designee to perform the monthly bank reconciliations and prepare the monthly cash report to be presented to the Board of Trustees. The employee will also verify that the monthly reports are in agreement with the monthly bank reconciliation balance prior to submission to the Board of Trustees.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2019-002:

Our audit of the District's capital assets revealed certain capital asset additions were not included in the capital assets records.

Criteria or specific requirement:

Generally Accepted Accounting Principles.

Condition:

The District did not update its capital asset records for certain additions for the fiscal year ended June 30, 2019 and certain capital assets not included in the June 30, 2018 report that were recorded in the audit financial statements as adjustments.

Context:

The District's unrecorded additions for governmental activities totaled \$947,605 and \$96,560 at June 30, 2019 and 2018, respectively. The District's unrecorded additions for business-type activities totaled \$54,523 at June 30, 2019.

Effect:

The District capital asset records may not agree with actual values of District owned assets.

Cause:

Certain capital assets acquired during the year were not identified and recorded in the District's capital assets accounting records.

Recommendation:

The District reflect all capital asset additions in the update of its capital assets records.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and indicated it will revise its procedures to ensure all additions are provided to the third party provider of the capital asset inventory.

**RIDGEFIELD PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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 2018-001:

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

Status

See Finding 2019-001.