

**RIDGEFIELD PARK**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015

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

Matthew J. Paladino  
Business Administrator/Board Secretary

December 21, 2015

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, 2015.

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, 2015, 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, 2015 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 2,379 students, *which is 36 students more than the previous year's enrollment*. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2005-06	1,930	4.08%
2006-07	2,011	4.15%
2007-08	2,093	4.13%
2008-09	2,112	0.91%
2009-10	2,160	2.27%
2010-11	2,224	2.96%

2011-12	2,248	1.08%
2012-13	2,296	2.14%
2013-14	2,343	2.01%
2014-15	2,379	1.54%

## 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:

The Ridgefield Park Board of Education is in the process of completing the renovation of Thomas Jefferson Early Learning Center, a former Catholic school, for September 2015 so that it will house the district's Kindergarten and First Grade students. Plans are being reviewed to assess the possibility of adding additional grade levels in the future. Adding additional grade levels will enable the district to address serious overcrowding issues that have impacted all of the district's schools in recent years.

An exploratory committee has been formed to investigate best practices for middle schools. The committee is researching middle school programs and evaluating district facilities to determine whether a middle school is feasible for the district. The middle school could potentially be housed in Roosevelt School with current Roosevelt School students in the lower grades being dispersed to Lincoln School or Grant School.

### Technology:

The District has significantly upgraded its infrastructure and internet provider resulting in superior service and increased bandwidth at a cost savings to the district. The district has also switched its student information system to Genesis. This switch provides parents with electronic access to report cards, attendance records, progress reports, and grade reports. The switch to Genesis will reduce both printing and mailing costs district wide.

The district technology committee is continuing to explore the possibility of a 1:1 initiative that, if it were to happen, would be phased in over a four to five year period with teachers getting their own devices in year one followed by a student phase-in beginning in year two.

### Academic:

The district is currently in the third year of its three-year Balanced Literacy initiative. This year, Word Work, is being instituted in grades K-6. The program is supported by monthly professional development and consistent teacher support. In addition, teachers continue to be supported in both the Reader's and Writer's Workshop programs with special attention being given to first year teachers. In math, advanced training sessions were held at the beginning of the school year to support the K-6 Go Math series introduced in the 2014-2015 school year.

Additional computer labs have been set up using Chrome Books in the elementary schools to increase resources for instruction and preparation for the PARCC assessments. The objective is to increase student comfort and skill in utilizing technology in the curriculum and as a testing platform.

At Ridgefield Park Junior-Senior High School courses are being reviewed and modified in the areas of Technology, Graphic Design and Business to certify our course sequences as CTE programs. This will enhance career readiness for students and may qualify applicable programs for Perkins funding.

### Professional Development:

The district is making a concerted effort to upgrade the quality of professional development offered in the district. As part of this initiative, the district is utilizing an online professional development program that provides training in many critical and state mandated areas including blood borne pathogens, suicide prevention, and dyslexia.

The district has also instituted Professional Development Communities (PLCs) to promote professional growth. Teachers suggest, develop, and implement PLCs based on areas of professional passion and interest. Throughout the school year, teachers are provided time to collaborate on their PLCs and professional development hours are awarded for all participants.

An additional enhancement to the district's professional development program was the hiring of a part-time professional development facilitator who provides in-house training sessions and workshops in a variety of areas to support district and school goals and classroom instruction. This ensures that the district remains on the cutting edge of the latest instructional strategies while providing continuous support and training for ongoing district initiatives and classroom instruction.

#### 4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

#### 5. BUDGETARY CONTROLS:

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

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

## 6. DEBT ADMINISTRATION:

At June 30, 2015, the District's outstanding debt issues included \$1,535,000 of general obligation bonds.

## 7. CASH MANAGEMENT:

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

## 8. RISK MANAGEMENT:

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

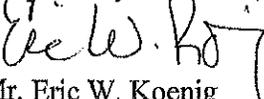
## 9. OTHER INFORMATION:

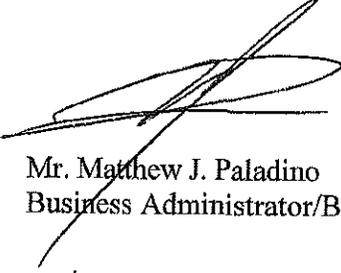
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## 10. ACKNOWLEDGEMENTS:

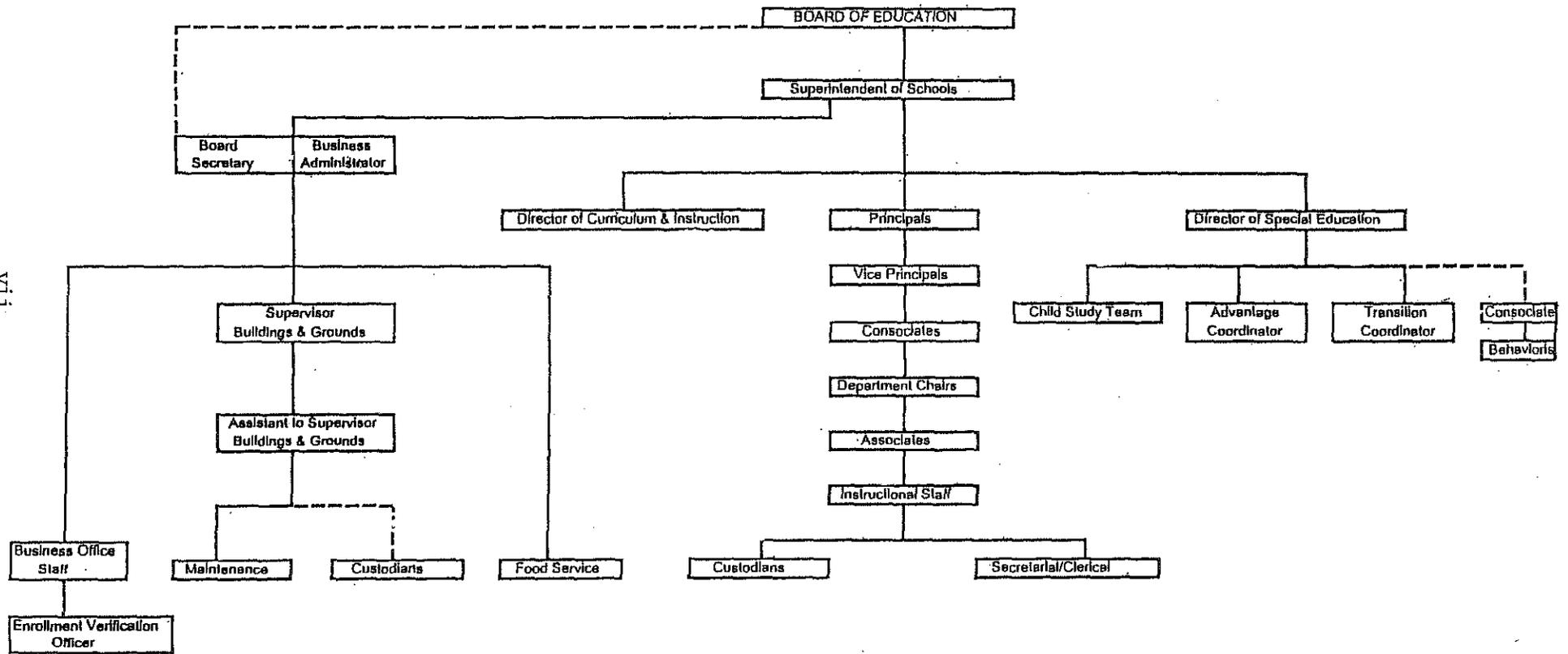
We would like to express our appreciation to the members of the Ridgefield Park School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

  
Mr. Eric W. Koenig  
Superintendent of Schools

  
Mr. Matthew J. Paladino  
Business Administrator/Board Secretary

VII



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

ROSTER OF OFFICIALS  
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>January Term Expires</u>
Edmond DeSantis, President	2017
Robert Thiemann, Vice President	2016
Sandra Cuzzo	2018
Donna Blue	2016
Elsa Martinez	2017
Jayne Kraljic	2018
Anita Miller	2017
Barbara Merritt Butler	2016
Scott Lingle	2018

Other Officials

Dr. John C. Richardson, Interim Superintendent of Schools  
Mr. Matthew Paladino, Business Administrator/Board Secretary  
Mr. Eric Koenig, Assistant Superintendent for Curricular Instruction  
Mr. Thomas A. Kraljic, Assistant Superintendent of Special Education and Guidance

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

Consultants and Advisors

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

TD Bank  
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

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Ridgefield Park Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Park Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations 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.

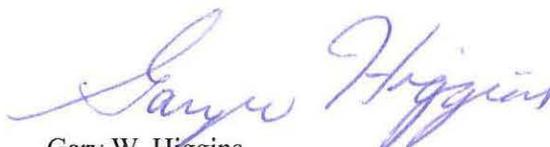
The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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 December 21, 2015 on our consideration of the Ridgefield Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgefield Park Board of Education's internal control over financial reporting and compliance.

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

  
Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 21, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

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, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent year by \$1,887,955 (net position).
- General revenues accounted for \$27,110,204 of revenue or 63 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$15,845,314 or 37 percent of total revenues of \$42,955,518.
- Total assets and deferred outflows of resources of governmental activities amounted to \$13,532,958 as of June 30, 2015.
- The District had \$42,728,316 in expenses related to governmental activities; only \$14,845,700 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$27,110,204 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$36,546,992 in revenues and \$37,788,639 in expenditures. The General Fund's fund balance decreased \$710,373 from the fiscal year ended June 30, 2014.

**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, 2015**

**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, 2015? 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, 2015**

**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.

**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, 2015**

Table 1 provides a summary of the District's net position as of June 30, 2015 and 2014.

**Table 1**  
**Net Position**  
**As of June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current Assets	\$ 1,102,985	\$ 1,373,197	\$ 87,748	\$ 119,077	\$ 1,190,733	\$ 1,492,274
Capital Assets	<u>11,654,864</u>	<u>11,710,859</u>	<u>60,548</u>	<u>14,724</u>	<u>11,715,412</u>	<u>11,725,583</u>
<b>Total Assets</b>	<u>12,757,849</u>	<u>13,084,056</u>	<u>148,296</u>	<u>133,801</u>	<u>12,906,145</u>	<u>13,217,857</u>
Deferred Amount on Net Pension Liability	761,369				761,369	
Deferred Amount on Refunding of Debt	<u>13,740</u>	<u>18,876</u>	<u>-</u>	<u>-</u>	<u>13,740</u>	<u>18,876</u>
<b>Total Deferred Outflows of Resources</b>	<u>775,109</u>	<u>18,876</u>	<u>-</u>	<u>-</u>	<u>775,109</u>	<u>18,876</u>
Long-Term Liabilities	13,171,196	12,954,576			13,171,196	12,954,576
Other Liabilities	<u>1,728,815</u>	<u>1,296,554</u>	<u>110,941</u>	<u>22,237</u>	<u>1,839,756</u>	<u>1,318,791</u>
<b>Total Liabilities</b>	<u>14,900,011</u>	<u>14,251,130</u>	<u>110,941</u>	<u>22,237</u>	<u>15,010,952</u>	<u>14,273,367</u>
Deferred Amount on Net Pension Liability	553,557				553,557	-
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>312</u>
<b>Total Deferred Inflows of Resources</b>	<u>553,557</u>	<u>-</u>	<u>-</u>	<u>312</u>	<u>553,557</u>	<u>312</u>
Net Position						
Net Investment in Capital Assets	9,824,350	9,769,270	60,548	14,724	9,884,898	9,783,994
Restricted	332,870	332,870			332,870	332,870
Unrestricted	<u>(12,077,830)</u>	<u>(11,250,338)</u>	<u>(27,893)</u>	<u>96,528</u>	<u>(12,105,723)</u>	<u>(11,153,810)</u>
<b>Total Net Position</b>	<u>\$ (1,920,610)</u>	<u>\$ (1,148,198)</u>	<u>\$ 32,655</u>	<u>\$ 111,252</u>	<u>\$ (1,887,955)</u>	<u>\$ (1,036,946)</u>

The District's combined net position were \$(1,887,955) and \$(1,036,946) on June 30, 2015 and 2014, respectively. This was a decrease of \$851,009 or 82% percent from the prior year.

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

Table 2 shows changes in net position for fiscal years ended June 30, 2015 and 2014.

**Table 2**  
**Changes in Net Position**  
**For The Years Ended June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4,397,468	\$ 4,259,581	\$ 491,949	\$ 514,671	\$ 4,889,417	\$ 4,774,252
Operating Grants and Contributions	10,448,232	5,992,076	507,665	499,962	10,955,897	6,492,038
General Revenues						
Property Taxes	23,223,467	22,753,755			23,223,467	22,753,755
State Aid	3,736,671	3,662,973			3,736,671	3,662,973
Other	150,066	131,061	-	-	150,066	131,061
<b>Total Revenues</b>	<u>41,955,904</u>	<u>36,799,446</u>	<u>999,614</u>	<u>1,014,633</u>	<u>42,955,518</u>	<u>37,814,079</u>
<b>Expenses</b>						
Instruction						
Regular	19,206,920	16,895,035			19,206,920	16,895,035
Special Education	6,995,549	6,246,015			6,995,549	6,246,015
Other Instruction	1,457,852	847,413			1,457,852	847,413
School Sponsored Activities and Athletics	1,187,907	1,069,457			1,187,907	1,069,457
Support Services						
Student and Instruction Related Services	6,373,111	5,333,528			6,373,111	5,333,528
General Administration Services	783,050	901,014			783,050	901,014
School Administration Services	1,974,276	1,702,674			1,974,276	1,702,674
Business / Central Services	960,210	780,122			960,210	780,122
Plant Operations and Maintenance	3,139,740	2,995,101			3,139,740	2,995,101
Pupil Transportation	571,183	619,927			571,183	619,927
Interest on Debt	78,518	82,669			78,518	82,669
Food Services	-	-	1,078,211	1,104,638	1,078,211	1,104,638
<b>Total Expenses</b>	<u>42,728,316</u>	<u>37,472,955</u>	<u>1,078,211</u>	<u>1,104,638</u>	<u>43,806,527</u>	<u>38,577,593</u>
<b>Change in Net Position</b>	(772,412)	(673,509)	(78,597)	(90,005)	(851,009)	(763,514)
<b>Net Position, Beginning of Year</b>	(1,148,198)	8,451,599	111,252	201,257	(1,036,946)	8,652,856
<b>Prior Period Adjustment</b>	-	(8,926,288)	-	-	-	(8,926,288)
<b>Net Position, End of Year</b>	<u>\$ (1,920,610)</u>	<u>\$ (1,148,198)</u>	<u>\$ 32,655</u>	<u>\$ 111,252</u>	<u>\$ (1,887,955)</u>	<u>\$ (1,036,946)</u>

During the 2014/15 school year, the District implemented Government Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting of Pensions". In conjunction with the implementation, the District was required to restate the June 30, 2014 financial statements.

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. The District's total revenues were \$41,955,904 and \$36,799,446 for the years ended June 30, 2015 and 2014, respectively. Property taxes made up 55 and 62 percent of revenues for governmental activities for the Ridgefield Park Board of Education for fiscal years ended June 30, 2015 and 2014, respectively. Federal, state and local grants aid accounted for another 34 and 26 percent of revenue and tuition revenue accounted for 10 percent and 12 percent for the years ended June 30, 2015 and 2014.

The total cost of all programs and services was \$42,728,316 and \$37,472,955 for the fiscal years ended June 30, 2015 and 2014, respectively. Instruction comprises 68 and 67 percent of governmental program expenses for the fiscal years ended June 30, 2015 and 2014, respectively. Support services expenses make up 32 and 33 percent of governmental expenses for the fiscal years ended June 30, 2015 and 2014, 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.

In the District-wide financial statements, State Aid and program expenses increased significantly in the 2014/15 fiscal year, due to the full accrual of TPAF on-behalf pension revenue/expense to comply with GASB 68.

**Table 3**  
**Total Cost and Net Cost of Governmental Activities Services**  
**for the Years Ended June 30, 2015 and 2014**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	19,206,920	16,895,035	\$ 10,462,020	\$ 10,459,553
Special Education	6,995,549	6,246,015	3,109,613	3,368,147
Other Instruction	1,457,852	847,413	1,096,178	742,541
School Sponsored Activities and Athletics	1,187,907	1,069,457	947,482	972,511
Support Services				
Student and Instruction Related Services	6,373,111	5,333,528	5,348,904	4,934,753
General Administration Services	783,050	901,014	719,431	870,619
School Administration Services	1,974,276	1,702,674	1,644,796	1,557,822
Business / Central Services	960,210	780,122	912,344	760,148
Plant Operations and Maintenance	3,139,740	2,995,101	3,038,579	2,897,866
Pupil Transportation	571,183	619,927	524,751	574,669
Interest on Debt	78,518	82,669	78,518	82,669
<b>Total</b>	<b><u>\$ 42,728,316</u></b>	<b><u>\$ 37,472,955</u></b>	<b><u>\$ 27,882,616</u></b>	<b><u>\$ 27,221,298</u></b>

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues of \$999,614 and \$1,014,633 and expenses of \$1,078,211 and \$1,104,638 in fiscal years ended June 30, 2015 and 2014, respectively. Of the revenues, \$491,949 and \$514,671 was charges for services paid by patrons for daily food service and \$507,665 and \$499,962 was from State and Federal reimbursements in fiscal years ended June 30, 2015 and 2014, 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 \$38,170,077 and \$36,799,446 and expenditures were \$39,411,724 and \$38,231,829 for the fiscal years ended June 30, 2015 and 2014 respectively. The net change in the fund balance for the 2014/2015 year was a decrease of \$710,373.

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, 2015 and 2014.

	<u>Years Ended June 30,</u>		Amount of	Percent
	<u>2015</u>	<u>2014</u>	Increase	Increase
			(Decrease)	(Decrease)
Local Sources	\$ 27,807,968	\$ 27,144,397	\$ 663,571	2%
State Sources	9,216,882	8,552,463	664,419	8%
Federal Sources	<u>1,145,227</u>	<u>1,102,586</u>	<u>42,641</u>	4%
 Total Governmental Revenues	 <u>\$ 38,170,077</u>	 <u>\$ 36,799,446</u>	 <u>\$ 1,370,631</u>	 4%

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

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

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2015 and 2014.

	<u>Years Ended June 30,</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2015</u>	<u>2014</u>		
Current Expense:				
Instruction	\$ 25,408,631	\$ 24,620,825	\$ 787,806	3%
Support Services	12,878,394	12,196,397	681,997	6%
Capital Outlay	437,546	814,904	(377,358)	-46%
Debt Service:				
Principal	597,581	505,381	92,200	18%
Interest	89,572	94,322	(4,750)	-5%
 Total Expenditures	 <u>\$ 39,411,724</u>	 <u>\$ 38,231,829</u>	 <u>\$ 1,179,895</u>	 3%

**General Fund Budgeting Highlights**

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

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

**Capital Assets**

At the end of fiscal years 2015 and 2014, the District had \$11,715,412 and \$11,725,583 invested in land, buildings, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation decreased \$10,171 from fiscal year 2014 to fiscal year 2015. Table 4 shows capital assets net of depreciation at June 30, 2015 and 2014.

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

Table A-4  
**Capital Assets at June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,703,196	\$ 2,703,196			\$ 2,703,196	\$ 2,703,196
Buildings and Building Improvements	16,843,670	16,741,920			16,843,670	16,741,920
Land Improvements	711,170	711,170			711,170	711,170
Machinery and Equipment	2,439,776	2,103,980	\$ 190,578	\$ 142,132	2,630,354	2,246,112
	22,697,812	22,260,266	190,578	142,132	22,888,390	22,402,398
Less Accumulated Depreciation	11,042,948	10,549,407	130,030	127,408	11,172,978	10,676,815
Total	\$ 11,654,864	\$ 11,710,859	\$ 60,548	\$ 14,724	\$ 11,715,412	\$ 11,725,583

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

**Long-Term Liabilities**

At June 30, 2015 and 2014, the District had \$13,171,196 and \$12,954,576 of long-term liabilities, respectively. Of this amount, \$1,734,118 and \$1,805,332 is for compensated absences; \$591,184 and \$262,491 is for leases payable, \$9,288,719 and \$8,926,288 is for net pension liability and \$1,557,175 and \$1,960,465 of bonds payable, net, as of June 30, 2015 and 2014, respectively.

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

**For the Future**

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

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

**Contacting the District's Financial Management**

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

**FINANCIAL STATEMENTS**

**RIDGEFIELD PARK BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 501,662		\$ 501,662
Receivables, net			
Receivables from Other Governments	501,434	\$ 72,654	574,088
Other Receivables	3,813	326	4,139
Inventory		14,768	14,768
Due from Other Funds	812		812
Prepaid Items	95,264		95,264
Capital Assets			
Not Being Depreciated	2,703,196		2,703,196
Being Depreciated, Net	<u>8,951,668</u>	<u>60,548</u>	<u>9,012,216</u>
Total Assets	<u>12,757,849</u>	<u>148,296</u>	<u>12,906,145</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	13,740		13,740
Deferred Amount on Net Pension Liability	<u>761,369</u>	<u>-</u>	<u>761,369</u>
Total Deferred Outflows of Resources	<u>775,109</u>	<u>-</u>	<u>775,109</u>
<b>LIABILITIES</b>			
Cash Overdraft		85,955	85,955
Accounts Payable	1,232,268	24,986	1,257,254
Accrued Interest Payable	32,125		32,125
Unearned Revenue	11,573		11,573
Due to Other Funds	452,849		452,849
Noncurrent Liabilities			
Due Within One Year	1,229,430		1,229,430
Due Beyond One Year	<u>11,941,766</u>	<u>-</u>	<u>11,941,766</u>
Total Liabilities	<u>14,900,011</u>	<u>110,941</u>	<u>15,010,952</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	553,557		553,557
Deferred Commodities Revenue	<u>-</u>	<u>4,700</u>	<u>4,700</u>
Total Deferred Inflows of Resources	<u>553,557</u>	<u>4,700</u>	<u>558,257</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,824,350	60,548	9,884,898
Restricted for:			
Capital Projects	332,870		332,870
Unrestricted	<u>(12,077,830)</u>	<u>(27,893)</u>	<u>(12,105,723)</u>
Total Net Position	<u>\$ (1,920,610)</u>	<u>\$ 32,655</u>	<u>\$ (1,887,955)</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, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 19,206,920	\$ 3,824,819	\$ 4,920,081		\$ (10,462,020)		\$ (10,462,020)
Special Education	6,995,549	572,649	3,313,287		(3,109,613)		(3,109,613)
Other Instruction	1,457,852		361,674		(1,096,178)		(1,096,178)
School Sponsored Activities and Athletics	1,187,907		240,425		(947,482)		(947,482)
Support Services							
Student and Instruction Related Services	6,373,111		1,024,207		(5,348,904)		(5,348,904)
General Administration Services	783,050		63,619		(719,431)		(719,431)
School Administration Services	1,974,276		329,480		(1,644,796)		(1,644,796)
Business / Central Services	960,210		47,866		(912,344)		(912,344)
Plant Operations and Maintenance	3,139,740		101,161		(3,038,579)		(3,038,579)
Pupil Transportation	571,183		46,432		(524,751)		(524,751)
Interest on Long-Term Debt	78,518	-	-	-	(78,518)	-	(78,518)
Total Governmental Activities	<u>42,728,316</u>	<u>4,397,468</u>	<u>10,448,232</u>	<u>-</u>	<u>(27,882,616)</u>	<u>-</u>	<u>(27,882,616)</u>
<b>Business-Type Activities</b>							
Food Service	1,078,211	491,949	507,665	-	-	\$ (78,597)	(78,597)
Total Business-Type Activities	<u>1,078,211</u>	<u>491,949</u>	<u>507,665</u>	<u>-</u>	<u>-</u>	<u>(78,597)</u>	<u>(78,597)</u>
Total Primary Government	<u>\$ 43,806,527</u>	<u>\$ 4,889,417</u>	<u>\$ 10,955,897</u>	<u>\$ -</u>	<u>(27,882,616)</u>	<u>(78,597)</u>	<u>(27,961,213)</u>

Continued

**RIDGEFIELD PARK BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes			
Property Taxes Levied for General Purposes	\$ 22,892,388		\$ 22,892,388
Property Taxes Levied for Debt Service	331,079		331,079
State Aid -Unrestricted	3,600,600		3,600,600
Debt Service Aid	136,071		136,071
Miscellaneous Income	150,066	-	150,066
Total General Revenues	27,110,204	-	27,110,204
Change in Net Position	(772,412)	\$ (78,597)	(851,009)
Net Position, Beginning of Year, (Restated)	(1,148,198)	111,252	(1,036,946)
Net Position, End of Year	\$ (1,920,610)	\$ 32,655	\$ (1,887,955)

**FUND FINANCIAL STATEMENTS**

**RIDGEFIELD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 364,789	\$ 136,873			\$ 501,662
Receivables, Net					
Receivables from Other Governments	501,434				501,434
Other Receivables	3,813				3,813
Due from Other Funds	812				812
Prepays Items	95,264	-	-	-	95,264
	<u>966,112</u>	<u>136,873</u>	<u>-</u>	<u>-</u>	<u>1,102,985</u>
Total Assets	<u>\$ 966,112</u>	<u>\$ 136,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,102,985</u>
<b>LIABILITIES</b>					
Liabilities					
Accounts Payable	\$ 1,106,968	\$ 125,300			1,232,268
Due to Other Funds	452,849				452,849
Unearned Revenue	-	11,573	-	-	11,573
	<u>1,559,817</u>	<u>136,873</u>	<u>-</u>	<u>-</u>	<u>1,696,690</u>
Total Liabilities	<u>1,559,817</u>	<u>136,873</u>	<u>-</u>	<u>-</u>	<u>1,696,690</u>
<b>FUND BALANCES</b>					
Restricted					
Capital Reserve	332,870				332,870
Assigned					
Year End Encumbrances	42,491				42,491
ARRA/SEMI - Designated for					
Subsequent Year's Expenditures	9,727				9,727
Unassigned	(978,793)	-	-	-	(978,793)
	<u>(593,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(593,705)</u>
Total Fund Balances	<u>(593,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(593,705)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 966,112</u>	<u>\$ 136,873</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,697,812 and the accumulated depreciation is \$11,042,948. 11,654,864

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (32,125)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 13,740

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	\$ 761,369	
Deferred Inflows of Resources	<u>(553,557)</u>	207,812

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

Bonds Payable, Including Premium	\$ (1,557,175)	
Leases Payable	(591,184)	
Net Pension Liability	(9,288,719)	
Compensated Absences Payable	<u>(1,734,118)</u>	(13,171,196)

Net position of governmental activities \$ (1,920,610)

**RIDGEFIELD PARK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 22,892,388		\$ 331,079	\$ 23,223,467
Tuition	4,397,468			4,397,468
Miscellaneous	150,066	\$ 36,967	-	187,033
Total - Local Sources	<u>27,439,922</u>	<u>36,967</u>	<u>331,079</u>	<u>27,807,968</u>
State Sources	9,080,811		136,071	9,216,882
Federal Sources	26,259	1,118,968	-	1,145,227
Total Revenues	<u>36,546,992</u>	<u>1,155,935</u>	<u>467,150</u>	<u>38,170,077</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Instruction	16,016,252	581,023		16,597,275
Special Education Instruction	5,930,444	539,764		6,470,208
Other Instruction	1,274,876			1,274,876
School-Sponsored Activities and Athletics	1,066,272			1,066,272
Support Services				
Student and Instruction Related Services	5,776,528			5,776,528
General Administration Services	747,423			747,423
School Administration Services	1,778,220			1,778,220
Business / Central Services	922,305			922,305
Plant Operations and Maintenance	3,087,569			3,087,569
Student Transportation	566,349			566,349
Capital Outlay	402,398	35,148		437,546
Debt Service				
Principal	202,581		395,000	597,581
Interest and Other Charges	17,422	-	72,150	89,572
Total Expenditures	<u>37,788,639</u>	<u>1,155,935</u>	<u>467,150</u>	<u>39,411,724</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,241,647)</u>	<u>-</u>	<u>-</u>	<u>(1,241,647)</u>
Other Financing Sources (Uses)				
Capital Lease Proceeds	531,274	-	-	531,274
Total Other Financing Sources (Uses)	<u>531,274</u>	<u>-</u>	<u>-</u>	<u>531,274</u>
Net change in Fund Balance	(710,373)	-	-	(710,373)
Fund Balance, Beginning of Year	116,668	-	-	116,668
Fund Balance (Deficit), End of Year	<u>\$ (593,705)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (593,705)</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (710,373)**

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

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

Capital Outlay Additions	\$	437,546	
Depreciation Expense		<u>(493,541)</u>	(55,995)

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

Debt Issued			
Leases Payable			(531,274)
Principal Repayments			
Bonds Payable		395,000	
Leases Payable		<u>202,581</u>	597,581

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		(5,136)	
Original Issue Premium		<u>8,290</u>	3,154

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

Decrease in Compensated Absences		71,214	
Increase in Pension Expense		<u>(154,619)</u>	(83,405)

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

Decrease in Accrued Interest		<u>7,900</u>	
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**Change in net position of governmental activities** **\$ (772,412)**

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, 2015**

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

**ASSETS**

## Current Assets

## Intergovernmental Receivable

State	\$	2,080
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Federal		70,574
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Other Accounts Receivable		326
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Inventory		14,768
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Total Current Assets		87,748
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## Capital Assets

Equipment		190,578
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Less: Accumulated Depreciation		(130,030)
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Total Capital Assets		60,548
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Total Assets		148,296
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**LIABILITIES**

## Current Liabilities

Cash Overdraft		85,955
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Accounts Payable		24,986
------------------	--	--------

Total Current Liabilities		110,941
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**DEFERRED INFLOWS OF RESOURCES**

Deferred Commodities Revenue		4,700
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Total Deferred Inflows of Resources		4,700
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**NET POSITION**

Invested in Capital Assets		60,548
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Unrestricted		(27,893)
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Total Net Position	\$	32,655
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**RIDGEFIELD PARK BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ <u>491,949</u>
Total Operating Revenues	<u>491,949</u>
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	445,786
Cost of Sales	478,710
Management Fee	57,315
Insurance	41,154
Depreciation	2,622
Supplies and Materials	48,071
Miscellaneous	<u>4,553</u>
Total Operating Expenses	<u>1,078,211</u>
Operating Loss	<u>(586,262)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State Sources	
School Lunch Program	11,045
Federal Sources	
National School Lunch Program	454,662
National School Breakfast Program	<u>41,958</u>
Total Nonoperating Revenues	<u>507,665</u>
Change in Net Position	(78,597)
Total Net Position, Beginning of Year,	<u>111,252</u>
Total Net Position, End of Year	<u>\$ <u>32,655</u></u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 491,880
Payments for Employees' Salaries and Benefits	(445,786)
Payments to Suppliers for Goods and Services	<u>(558,593)</u>
Net Cash Used by Operating Activities	<u>(512,499)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
State and Federal Subsidy Reimbursements	<u>386,321</u>
Net Cash Provided by Noncapital Financing Activities	<u>386,321</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition of Capital Assets	<u>(48,446)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(48,446)</u>
Net Decrease in Cash and Cash Equivalents	(174,624)
Cash and Cash Equivalents, Beginning of Year	<u>88,669</u>
Cash and Cash Equivalents, (Overdraft) End of Year	<u>\$ (85,955)</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(586,262)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,622
Non-Cash Federal Assistance	
Food Distribution - National School Lunch Programs	74,437
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	2,749
(Increase)/Decrease in Other Accounts Receivable	(69)
(Increase)/Decrease in Inventory	<u>(5,976)</u>
Total Adjustments	<u>73,763</u>
Net Cash Used by Operating Activities	<u>\$ (512,499)</u>
Non-Cash Financing Activities	
National School Lunch Program (Food Distribution)	<u>\$ 78,825</u>

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 91,266	\$ 328,207
Due from Other Funds	<u>452,849</u>	<u>-</u>
Total Assets	<u>544,115</u>	<u>\$ 328,207</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 217,313
Due to Student Groups		110,082
Due to Other Funds	<u>-</u>	<u>812</u>
Total Liabilities	<u>-</u>	<u>\$ 328,207</u>
<b>NET POSITION</b>		
Held in Trust for Scholarships	<u>\$ 544,115</u>	

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>	
Contributions	
Donations	\$ 18,275
Total Contributions	<u>18,275</u>
Investment Earnings	
Interest	<u>3,010</u>
Net Investment Earnings	<u>3,010</u>
Total Additions	<u>21,285</u>
<b>DEDUCTIONS</b>	
Scholarships Awarded	<u>32,000</u>
Total Deductions	<u>32,000</u>
Change in Net Position	(10,715)
Net Position, Beginning of the Year	<u>554,830</u>
Net Position, End of the Year	<u>\$ 544,115</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, 2015**

**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 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**C. Basis of Presentation - Financial Statements**

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**4. *Prepaid Items***

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**5. *Capital Assets***

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

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

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

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

**6. *Deferred Outflows/Inflows of Resources***

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**6. *Deferred Outflows/Inflows of Resources (Continued)***

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

The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**7. *Compensated Absences***

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

**8. *Pensions***

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**9. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or 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 net of the applicable 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, 2015**

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

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

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

**Governmental Fund Statements (Continued)**

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

*ARRA/SEMI – Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***3. Tuition Revenues and Expenditures***

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2013-2014 and 2014-2015 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.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**4. *Proprietary Funds, Operating and Non-Operating 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.

**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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$751,306. The increase was funded by additional grant and aid 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.

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**A. Budgetary Information (Continued)**

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

**B. Excess Expenditures Over Appropriations**

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

<u>General Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Undistributed Expenditures - Instruction			
Tuition to CSSD and Regional Day Schools	216,128	270,178	54,050
Other Support Services - Students -Related Services			
Purchased Professional Educational Services	7,196	66,695	59,499
Support Services - General Administration			
Miscellaneous Purchased Services	51,995	54,219	2,224
Central Services			
Purchased Professional Services	42,356	49,874	7,518
Custodial Services			
General Supplies	100,994	110,710	9,716
Energy (Electricity)	394,817	463,528	68,711
Other Objects	458	2,399	1,941

The above variances were offset with other available resources.

**C. Deficit Fund Equity**

The Food Service Enterprise Fund has an unrestricted deficit in net position of \$27,893 as of June 30, 2015. The District expects to eliminate this deficit through normal operations in the 2015/2016 fiscal year.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Deficit Fund Equity (Continued)**

The District has an unassigned fund deficit of \$978,793 in the General Fund as of June 30, 2015 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 2014/2015 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 \$978,793 in the General Fund is less than the delayed state aid payments.

**D. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 332,870.</u>
Balance, June 30, 2015	<u>\$ 332,870</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$835,180 and bank and brokerage firm balances of the Board's deposits amounted to \$1,314,303. 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>1,314,303</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, 2015 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2015, 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, 2015**

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

**B. Receivables**

Receivables as of June 30, 2015 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Food Service</u>	<u>Total</u>
Receivables:			
Accounts	\$ 3,813	\$ 326	\$ 4,139
Intergovernmental			
Federal		70,574	70,574
State	65,138	2,080	67,218
Other	436,296	-	436,296
Gross Receivables	505,247	72,980	578,227
Less Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 505,247</u>	<u>\$ 72,980</u>	<u>\$ 578,227</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	\$ 4,470
Grant Draw Downs Reserved for Encumbrances	7,103
Total Unearned Revenue for Governmental Funds	<u>\$ 11,573</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, July 1, 2014	Increases	Decreases	Transfers	Balance, June 30, 2015
<b>Governmental activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,703,196	-	-	-	\$ 2,703,196
Total Capital Assets, not being depreciated	<u>2,703,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,703,196</u>
Capital Assets, being depreciated:					
Buildings and Building Improvements	16,741,920	\$ 101,750	-	-	16,843,670
Land Improvements	711,170	-	-	-	711,170
Machinery and Equipment	2,103,980	335,796	-	-	2,439,776
Total Capital Assets being depreciated	<u>19,557,070</u>	<u>437,546</u>	<u>-</u>	<u>-</u>	<u>19,994,616</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(8,480,062)	(402,639)	-	-	(8,882,701)
Land Improvements	(421,148)	(14,773)	-	-	(435,921)
Machinery and Equipment	(1,648,197)	(76,129)	-	-	(1,724,326)
Total Accumulated Depreciation	<u>(10,549,407)</u>	<u>(493,541)</u>	<u>-</u>	<u>-</u>	<u>(11,042,948)</u>
Total Capital Assets, being depreciated, net	<u>9,007,663</u>	<u>(55,995)</u>	<u>-</u>	<u>-</u>	<u>8,951,668</u>
Government Activities capital assets, net	<u>\$ 11,710,859</u>	<u>\$ (55,995)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,654,864</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
<b>Business-Type Activities:</b>				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 142,132	\$ 48,446	-	\$ 190,578
Total Capital Assets being depreciated	<u>142,132</u>	<u>48,446</u>	<u>-</u>	<u>190,578</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(127,408)	(2,622)	-	(130,030)
Total Accumulated Depreciation	<u>(127,408)</u>	<u>(2,622)</u>	<u>-</u>	<u>(130,030)</u>
Total Capital Assets, being depreciated, net	<u>14,724</u>	<u>45,824</u>	<u>-</u>	<u>60,548</u>
Business-Type Activities capital assets, net	<u>\$ 14,724</u>	<u>\$ 45,824</u>	<u>\$ -</u>	<u>\$ 60,548</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 413,462
Special	3,274
Total Instruction	<u>416,736</u>
Support Services	
Students and Instruction Related Services	38,305
School Administration Services	19,936
Operations and maintenance of plant	18,564
Total Support Services	<u>76,805</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 493,541</u>
Business-Type Activities:	
Food Service Fund	\$ 2,622
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,622</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

The composition of interfund balances as of June 30, 2015, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	\$ 812
Private Purpose Scholarship Fund	General Fund	<u>452,849</u>
		<u>\$ 453,661</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.

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

**F. Leases**

**Operating Leases**

The District leases the former Saint Francis of Assisi School building to operate an elementary school for grades Pre-Kindergarten through 8<sup>th</sup> grade. The term of the lease is for 10 years commencing on July 1, 2014 through June 30, 2024. Lease payments for the fiscal year ended June 30, 2015 were \$150,000. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 773,613
2017	601,003
2018	613,023
2019	625,283
2020	637,789
2021-2024	<u>2,681,290</u>
Total	<u>\$ 5,932,001</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. Leases (Continued)**

**Capital Leases**

The District is leasing equipment and vehicles totaling \$929,486 under capital leases. The leases are for terms of 2 to 7 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 214,187
2017	144,451
2018	144,446
2019	98,395
2020	17,544
2021	<u>11,090</u>
Total Minimum Lease Payments	630,113
Less: Amount Representing Interest	<u>38,929</u>
Present Value of Minimum Lease Payments	<u>\$ 591,184</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2015 is comprised of the following issue:

\$4,020,000, 2008 School Refunding Bonds, due in annual installments of \$360,000 to \$395,000 through July 1, 2018, interest at 4.00% to 4.25%	<u>\$1,535,000</u>
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**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

<u>Fiscal Year</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 395,000	\$ 56,350	\$ 451,350
2017	390,000	40,163	430,163
2018	390,000	23,587	413,587
2019	360,000	7,650	367,650
	<u>\$ 1,535,000</u>	<u>\$ 127,750</u>	<u>\$ 1,662,750</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 54,005,505
Less: Net Bonded Debt	<u>1,535,000</u>
Remaining Borrowing Power	<u>\$ 52,470,505</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015, was as follows:

	Balance, July 1, 2014 <u>(Restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2015	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 1,930,000		\$ 395,000	\$ 1,535,000	\$ 395,000
Add:					
Unamortized Premium on Refunding	<u>30,465</u>	<u>-</u>	<u>8,290</u>	<u>22,175</u>	<u>-</u>
	1,960,465	-	403,290	1,557,175	395,000
Net Pension Liability	8,926,288	\$ 362,431		9,288,719	463,701
Leases Payable	262,491	531,274	202,581	591,184	197,317
Compensated Absences Payable	<u>1,805,332</u>	<u>-</u>	<u>71,214</u>	<u>1,734,118</u>	<u>173,412</u>
 Governmental Activity Long-Term Liabilities	 <u>\$ 12,954,576</u>	 <u>\$ 893,705</u>	 <u>\$ 677,085</u>	 <u>\$ 13,171,196</u>	 <u>\$ 1,229,430</u>

For the governmental activities, the liabilities for compensated absences 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 worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, 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, 2015, the District had no estimated arbitrage earnings due to the IRS.

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**Investment Valuation**

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>
2015	\$ 408,994	\$ 886,842
2014	351,914	687,333
2013	358,764	1,089,964

For fiscal years 2014/2015 and 2012/2013, the state contributed \$886,842 and \$1,089,964, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$687,333 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,292,635 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$9,288,719 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .04961 percent, which was an increase of .0029 percent from its proportionate share measured as of June 30, 2013.

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$563,613 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 292,087	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 553,557
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>469,282</u>	<u>-</u>
Total	<u>\$ 761,369</u>	<u>\$ 553,557</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ 1,568
2017	1,568
2018	1,568
2019	1,568
2020	139,958
Thereafter	<u>61,582</u>
	<u>\$ 207,812</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%



**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,672,669 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$86,837,427. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

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

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

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

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

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

**TPAF**

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

\* The municipal bond return rate used is 4.29%. 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 4.68%, 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 (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<b>1% Decrease <u>(3.68%)</u></b>	<b>Current Discount Rate <u>(4.68%)</u></b>	<b>1% Increase <u>(5.68%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 104,442,847</u>	<u>\$ 86,837,427</u>	<u>\$ 72,194,900</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

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

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIDGEFIELD PARK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,407,861, \$1,126,969 and \$1,232,474, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the Ridgefield Park Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Ridgefield Park Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$8,926,288. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$7,778,090 as originally reported to \$(1,148,198) as adjusted for the effects of the change in accounting principle.

**NOTE 6 SUBSEQUENT EVENTS**

A projection of the 2015/16 General Fund revenues and expenditures based upon all present contractual arrangements indicates the District will incur an operating deficit on a budgetary basis of approximately \$2,735,000. The available General Fund budgetary unassigned fund balance at June 30, 2015 is \$467,896. Pursuant to N.J.A.C. 6A:23A-16.10(b), the District's chief school administrator has notified the executive county superintendent of schools of the projected amount of the deficit and conditions that caused the deficit. Additionally, on December 9, 2015, the Board of Trustees approved a corrective action plan to eliminate the deficit.

**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, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 22,892,388		\$ 22,892,388	\$ 22,892,388	
Tuition From Other LEAs Within State	4,507,697		4,507,697	4,397,468	\$ (110,229)
Interest Earned on Capital Reserve Funds	25		25		(25)
Unrestricted Miscellaneous Revenue	247,832		247,832	150,066	(97,766)
State Sources					
Categorical Special Education Aid	1,167,201		1,167,201	1,167,201	
Equalization Aid	3,432,294		3,432,294	3,432,294	
Categorical Security Aid	100,688		100,688	100,688	
Categorical Transportation Aid	46,216		46,216	46,216	
Under Adequacy Aid	114,282		114,282	114,282	
PARCC Readiness Aid	20,580		20,580	20,580	
Per Pupil Growth Aid	20,580		20,580	20,580	
Extraordinary Aid	450,000	\$ 215,000	665,000	993,840	328,840
On-behalf TPAF Pension System Contribution - NCGI (Nonbudgeted)				59,522	59,522
On-behalf TPAF Pension System Contribution - Normal Cost (Nonbudgeted)				827,320	827,320
On-behalf TPAF Pension System Contribution - Post-Retirement Medical (Nonbudgeted)				1,407,861	1,407,861
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,292,635	1,292,635
Federal Sources					
ARRA-Medical Assistance Program (SEMI)				9,727	9,727
Medical Assistance Program (SEMI)	19,168	-	19,168	16,532	(2,636)
<b>Total Revenues</b>	<b>33,018,951</b>	<b>215,000</b>	<b>33,233,951</b>	<b>36,949,200</b>	<b>3,715,249</b>
<b>CURRENT EXPENDITURES</b>					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	597,215	(144,605)	452,610	452,610	
Grades 1-5	2,989,064	109,329	3,098,393	3,098,393	
Grades 6-8	2,304,627	(198,728)	2,105,899	2,105,899	
Grades 9-12	4,822,502	(8,516)	4,813,986	4,813,986	
Regular Programs-Home Instruction					
Salaries of Teachers	100,000	29,250	129,250	129,250	
Purchased Professional-Educational Services	12,500	(9,185)	3,315	3,315	
Regular Programs-Undistributed Instruction					
Purchased Professional-Educational Services	6,639	(5,860)	779	779	
Other Purchased Services		270	270	270	
General Supplies	237,240	73,218	310,458	306,174	4,284
General Supplies Acquired Under Capital Lease (Non-Budget)				161,000	(161,000)
Textbooks	9,226	143,794	153,020	152,726	294
Other Objects	2,699	(1,551)	1,148	1,098	50
<b>Total Regular Programs</b>	<b>11,081,712</b>	<b>(12,584)</b>	<b>11,069,128</b>	<b>11,225,500</b>	<b>(156,372)</b>
Learning and/or Language Disabilities					
Salaries of Teachers	211,797	(53,957)	157,840	157,840	
Other Salaries for Instruction	142,591	(38,067)	104,524	104,074	450
<b>Total Learning and/or Language Disabilities</b>	<b>354,388</b>	<b>(92,024)</b>	<b>262,364</b>	<b>261,914</b>	<b>450</b>
Behavioral Disabilities					
Salaries of Teachers	159,436	4,199	163,635	163,635	
Other Salaries for Instruction	55,821	(28,018)	27,803	27,803	-
<b>Total Behavioral Disabilities</b>	<b>215,257</b>	<b>(23,819)</b>	<b>191,438</b>	<b>191,438</b>	<b>-</b>

**RIDGEFIELD PARK BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Multiple Disabilities					
Salaries of Teachers	\$ 307,189	\$ 60,471	\$ 367,660	\$ 367,660	
Other Salaries for Instruction	278,742	47,978	326,720	326,720	-
Total Multiple Disabilities	585,931	108,449	694,380	694,380	-
Resource Room/Resource Center					
Salaries of Teachers	1,286,616	(86,959)	1,199,657	1,199,607	\$ 50
Other Salaries for Instruction	225,888	(33,667)	192,221	192,221	-
Total Resource Room/Resource Center	1,512,504	(120,626)	1,391,878	1,391,828	50
Autism					
Salaries of Teachers	251,639	63,615	315,254	315,254	
Other Salaries for Instruction	361,814	(3,376)	358,438	358,438	-
Total Autism	613,453	60,239	673,692	673,692	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	193,770	(4,189)	189,581	189,571	10
Other Salaries for Instruction	205,424	(4,366)	201,058	200,973	85
Total Preschool Disabilities - Full-Time	399,194	(8,555)	390,639	390,544	95
Total Special Education	3,680,727	(76,336)	3,604,391	3,603,796	595
Basic Skills/Remedial					
Salaries of Teachers	288,573	266,711	555,284	555,284	-
Total Basic Skills/Remedial	288,573	266,711	555,284	555,284	-
Bilingual Education - Instruction					
Salaries of Teachers	317,924	22,177	340,101	340,101	-
Total Bilingual Education - Instruction	317,924	22,177	340,101	340,101	-
School Sponsored Coextrricular Activities					
Salaries	105,000	7,040	112,040	111,198	842
Transfer to Cover Deficit	30,300	(3,281)	27,019	25,083	1,936
Total School Sponsored Coextrricular Activities	135,300	3,759	139,059	136,281	2,778
School Sponsored Athletics					
Salaries	471,908	12,112	484,020	484,016	4
Purchased Services	90,000	-	90,000	88,320	1,680
Supplies and Materials	70,574	28,825	99,399	69,878	29,521
Other Objects	132,000	(77,071)	54,929	37,502	17,427
Total School Sponsored Athletics	764,482	(36,134)	728,348	679,716	48,632
Community Service Programs					
Salaries	3,000	-	3,000	3,000	-
Total Community Service Programs	3,000	-	3,000	3,000	-
Total Instruction	16,271,718	167,593	16,439,311	16,543,678	(104,367)

**RIDGEFIELD PARK BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	\$ 50,000	\$ (25,710)	\$ 24,290	\$ 24,290	
Tuition to County Vocational Schools-Regular	225,000	(112,580)	112,420	112,420	
Tuition to County Vocational Schools-Special	100,000	5,740	105,740	105,740	
Tuition to CSSD and Regional Day Schools	350,000	(133,872)	216,128	270,178	\$ (54,050)
Tuition to Priv. Sch. for the Handicapped-Within State	500,000	(116,798)	383,202	383,141	61
Tuition - Other	-	66,953	66,953	66,953	-
<b>Total Undistributed Expenditures- Instruction</b>	<b>1,225,000</b>	<b>(316,267)</b>	<b>908,733</b>	<b>962,722</b>	<b>(53,989)</b>
Attendance and Social Work					
Salaries	84,871	1,190	86,061	86,033	28
Purchased Professional and Tech. Services	34,870	(5,126)	29,744	29,744	-
<b>Total Attendance and Social Work</b>	<b>119,741</b>	<b>(3,936)</b>	<b>115,805</b>	<b>115,777</b>	<b>28</b>
Health Services					
Salaries	352,078	3,106	355,184	354,865	319
Purchased Professional and Technical Services	6,700	(2,425)	4,275	4,221	54
Supplies and Materials	5,250	7,071	12,321	12,261	60
<b>Total Health Services</b>	<b>364,028</b>	<b>7,752</b>	<b>371,780</b>	<b>371,347</b>	<b>433</b>
Other Support Services-Students-Related Services					
Salaries	745,731	26,053	771,784	771,784	
Purchased Professional-Educational Services	8,000	(804)	7,196	66,695	(59,499)
<b>Total Other Support Services-Students-Related Serv</b>	<b>753,731</b>	<b>25,249</b>	<b>778,980</b>	<b>838,479</b>	<b>(59,499)</b>
Guidance					
Salaries of Other Professional Staff	629,719	35,319	665,038	665,038	
Salaries of Secretarial and Clerical Assistants	98,941	1,050	99,991	99,991	
Other Purchased Professional and Technical Services	13,300	(4,957)	8,343	8,343	
Other Purchased Services	4,000	59	4,059	4,059	
Supplies and Materials	200	279	479	479	-
<b>Total Guidance</b>	<b>746,160</b>	<b>31,750</b>	<b>777,910</b>	<b>777,910</b>	<b>-</b>
Child Study Teams					
Salaries of Other Professional Staff	863,198	15,937	879,135	879,135	
Salaries of Secretarial and Clerical Assistants	105,453	4,923	110,376	108,604	1,772
<b>Total Child Study Teams</b>	<b>968,651</b>	<b>20,860</b>	<b>989,511</b>	<b>987,739</b>	<b>1,772</b>
Improvement of Instruction Services					
Services-Instructional Staff					
Salaries of Supervisors of Instruction	454,680	7,969	462,649	462,649	
Salaries of Other Professional Staff	321,079	7,759	328,838	328,838	
Salaries of Secretarial and Clerical Assistants	49,414	614	50,028	50,028	-
<b>Total Improvement of Instruction Services</b>	<b>825,173</b>	<b>16,342</b>	<b>841,515</b>	<b>841,515</b>	<b>-</b>
Educational Media/School Library					
Salaries	202,171	(2,231)	199,940	199,940	
Supplies and Materials	3,355	(1,380)	1,975	878	1,097
<b>Total Educational Media/School Library</b>	<b>205,526</b>	<b>(3,611)</b>	<b>201,915</b>	<b>200,818</b>	<b>1,097</b>

**RIDGEFIELD PARK BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Purchased Professional-Educational Services	\$ 25,000	\$ (20,659)	\$ 4,341	\$ 4,341	-
Total Instructional Staff Training Services	<u>25,000</u>	<u>(20,659)</u>	<u>4,341</u>	<u>4,341</u>	<u>-</u>
Support Services- General Administration					
Salaries	278,922	5,011	283,933	283,933	
Legal Services	15,000	(9,439)	5,561	5,561	
Audit Fees	37,000	(1,985)	35,015	35,015	
Other Purchased Professional Services	1,000	(1,000)			
Communications/Telephone	196,100	31,176	227,276	212,026	\$ 15,250
BOE Other Purchased Services	5,300	751	6,051	5,931	120
Miscellaneous Purchased Services	49,500	2,495	51,995	54,219	(2,224)
General Supplies	5,065	(805)	4,260	4,233	27
Miscellaneous Expenditures	12,300	3,054	15,354	15,354	
BOE Membership Dues and Fees	14,410	-	14,410	14,410	-
Total Support Services- General Administration	<u>614,597</u>	<u>29,258</u>	<u>643,855</u>	<u>630,682</u>	<u>13,173</u>
Support Services- School Administration					
Salaries of Principals/Assistant Principals	834,000	(18,316)	815,684	815,684	
Salaries of Secretarial and Clerical Assistants	286,111	60,594	346,705	346,604	101
Other Purchased Services	187,100	52,308	239,408	238,076	1,332
Supplies and Materials	13,450	13,592	27,042	14,425	12,617
Other Objects	12,000	2,265	14,265	14,265	-
Total Support Services- School Administration	<u>1,332,661</u>	<u>110,443</u>	<u>1,443,104</u>	<u>1,429,054</u>	<u>14,050</u>
Central Services					
Salaries	319,959	2,538	322,497	322,496	1
Purchased Professional Services	55,000	(12,644)	42,356	49,874	(7,518)
Miscellaneous Purchased Services	1,500	26	1,526	1,526	
Supplies and Materials	3,000	1,188	4,188	4,188	-
Total Central Services	<u>379,459</u>	<u>(8,892)</u>	<u>370,567</u>	<u>378,084</u>	<u>(7,517)</u>
Admin. Info. Technology					
Salaries	276,126	22,942	299,068	299,068	
Purchased Professional Services	-	-	-	-	-
Total Admin. Info. Technology	<u>276,126</u>	<u>22,942</u>	<u>299,068</u>	<u>299,068</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	156,075	860	156,935	156,935	
Cleaning, Repair and Maintenance Services	102,186	(13,168)	89,018	87,062	1,956
Total Required Maintenance for School Facilities	<u>258,261</u>	<u>(12,308)</u>	<u>245,953</u>	<u>243,997</u>	<u>1,956</u>
Custodial Services					
Salaries	1,112,696	(34,556)	1,078,140	1,078,140	
Cleaning, Repair and Maintenance Service	109,000	66,870	175,870	173,146	2,724
Rental of Land/Bldgs Other Than Lease Purchase Agreement	2,500	152,969	155,469	151,541	3,928
Other Purchased Property Services	60,400	(42,705)	17,695		17,695
Insurance	210,000	20,213	230,213	230,213	
General Supplies	109,400	(8,406)	100,994	110,710	(9,716)
Energy (Natural Gas)	134,700	13,789	148,489	148,085	404
Energy (Electricity)	398,500	(3,683)	394,817	463,528	(68,711)
Energy (Oil)	-	28,081	28,081	28,081	
Other Objects	-	458	458	2,399	(1,941)
Total Custodial Services	<u>2,137,196</u>	<u>193,030</u>	<u>2,330,226</u>	<u>2,385,843</u>	<u>(55,617)</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Transp (Between Home & School)Spec Ed		\$ 177,670	\$ 177,670	\$ 177,670	
Lease Purchase Payments - School Buses		38,874	38,874	38,874	
Contracted Services(Special Ed Students)-Joint Agreements	\$ 700,000	(394,446)	305,554	305,554	
Transportation Supplies	-	14,140	14,140	14,140	-
<b>Total Student Transportation Services</b>	<b>700,000</b>	<b>(163,762)</b>	<b>536,238</b>	<b>536,238</b>	<b>-</b>
Child Study Team					
Tuition Reimbursement	-	262	262	-	\$ 262
<b>Total Child Study Team</b>	<b>-</b>	<b>262</b>	<b>262</b>	<b>-</b>	<b>262</b>
Unallocated Employee Benefits					
Social Security Contributions	430,000	7,672	437,672	437,672	
Other Retirement Contributions - PERS	406,000	2,994	408,994	408,994	
Unemployment Compensation	65,000	14,268	79,268	79,268	
Workers Compensation	180,000	116,892	296,892	296,892	
Health Benefits	4,394,704	429,486	4,824,190	4,714,204	109,986
Tuition Reimbursement	27,500	(2,500)	25,000	25,000	
Other Employee Benefits	106,375	3,501	109,876	109,876	-
<b>Total Unallocated Employee Benefits</b>	<b>5,609,579</b>	<b>572,313</b>	<b>6,181,892</b>	<b>6,071,906</b>	<b>109,986</b>
On-behalf TPAF Pension System Contribution (Nonbudgeted)					
NCGI Cost				59,522	(59,522)
Normal Cost				827,320	(827,320)
Post Retirement Medical				1,407,861	(1,407,861)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,292,635	(1,292,635)
<b>Total Undistributed Expenditures</b>	<b>16,540,889</b>	<b>500,766</b>	<b>17,041,655</b>	<b>20,662,858</b>	<b>(3,621,203)</b>
<b>Total Current Expenditures</b>	<b>32,812,607</b>	<b>668,359</b>	<b>33,480,966</b>	<b>37,206,536</b>	<b>(3,725,570)</b>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	25	-	25	-	25
Equipment					
Undistributed Expenditures	-	5,374	5,374	5,374	-
Assets Acquired Under Capital Lease (Non-Budget)	-	-	-	295,274	(295,274)
<b>Total Equipment</b>	<b>-</b>	<b>5,374</b>	<b>5,374</b>	<b>300,648</b>	<b>(295,274)</b>
Facilities Acquisition and Construction Services					
Construction Services		7,900	7,900	7,900	-
Assets Acquired Under Capital Lease (Non-Budget)				75,000	(75,000)
Assessment for Debt Service on SDA Funding	1,425	-	1,425	1,425	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,425</b>	<b>7,900</b>	<b>9,325</b>	<b>84,325</b>	<b>(75,000)</b>
<b>Total Capital Outlay</b>	<b>1,450</b>	<b>13,274</b>	<b>14,724</b>	<b>384,973</b>	<b>(370,249)</b>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	152,090	(10,145)	141,945	141,945	
Other Salaries for Instruction	33,900	2,550	36,450	36,450	
General Supplies	2,000	(169)	1,831	1,831	-
<b>Total Summer School - Instruction</b>	<b>187,990</b>	<b>(7,764)</b>	<b>180,226</b>	<b>180,226</b>	<b>-</b>
<b>Total Summer School</b>	<b>187,990</b>	<b>(7,764)</b>	<b>180,226</b>	<b>180,226</b>	<b>-</b>
<b>Total Special Schools</b>	<b>187,990</b>	<b>(7,764)</b>	<b>180,226</b>	<b>180,226</b>	<b>-</b>
Transfer of Funds to Charter Schools	16,904	-	16,904	16,904	-
<b>Total Expenditures</b>	<b>33,018,951</b>	<b>673,869</b>	<b>33,692,820</b>	<b>37,788,639</b>	<b>(4,095,819)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(458,869)	(458,869)	(839,439)	(380,570)

**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, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources					
Capital Lease Proceeds (Non-Budget)				\$ 531,274	\$ 531,274
Capital Reserve - Transfer to Capital Projects	\$ (162,378)	-	\$ (162,378)	-	162,378
Total Other Financing Sources	(162,378)	-	(162,378)	531,274	693,652
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Sources (Uses)	(162,378)	\$ (458,869)	(621,247)	(308,165)	313,082
Fund Balances, Beginning of Year	1,161,149	-	1,161,149	1,161,149	-
Fund Balances, End of Year	\$ 998,771	\$ (458,869)	\$ 539,902	\$ 852,984	\$ 313,082

**Recapitulation of Fund Balance**

Restricted					
Capital Reserve				\$ 332,870	
Assigned					
Year End Encumbrances				42,491	
ARRA/SEMI - Designated for Subsequent Year's Expenditures				9,727	
Unassigned				467,896	
				852,984	

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

Less: 2014/2015 Final State Aid Payment Not Recognized on GAAP Basis	\$ 452,849				
2014/2015 Extraordinary Aid Payment Not Recognized on GAAP Basis	993,840				
				(1,446,689)	

Fund Balance Per Governmental Funds (GAAP) \$ (593,705)

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 4,183	\$ (4,183)			
Federal	1,079,439	45,115	\$ 1,124,554	\$ 1,121,911	\$ (2,643)
Local	-	36,505	36,505	36,505	-
Total Revenues	<u>1,083,622</u>	<u>77,437</u>	<u>1,161,059</u>	<u>1,158,416</u>	<u>(2,643)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	282,750	(24,755)	257,995	257,995	-
Other Purchased Services	290,000	-	290,000	290,000	-
General Supplies	46,830	13,932	60,762	58,759	2,003
Textbooks	1,481	(1,481)		-	-
Other Objects	-	1,900	1,900	1,726	174
Total Instruction	<u>621,061</u>	<u>(10,404)</u>	<u>610,657</u>	<u>608,480</u>	<u>2,177</u>
Support Services					
Salaries of Teachers	118,208	(6,858)	111,350	111,350	-
Personal Services - Employee Benefits	83,253	12,070	95,323	95,323	-
Purchased Professional/Educational Services	260,560	14,114	274,674	274,674	-
Cleaning, Repair & Maintenance Services		11,353	11,353	11,353	-
Other Purchased Services		3,523	3,523	3,523	-
Supplies and Materials	540	18,491	19,031	18,565	466
Total Support Services	<u>462,561</u>	<u>52,693</u>	<u>515,254</u>	<u>514,788</u>	<u>466</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	35,148	35,148	35,148	-
Total Facilities Acq. & Construction	<u>-</u>	<u>35,148</u>	<u>35,148</u>	<u>35,148</u>	<u>-</u>
Total Expenditures	<u>1,083,622</u>	<u>77,437</u>	<u>1,161,059</u>	<u>1,158,416</u>	<u>2,643</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
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, 2015**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 36,949,200	\$ 1,158,416
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		
2013/14, Net of Cancellation		4,622
2014/15		(7,103)
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2013/2014) State Aid)	1,044,481	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2014/2015) State Aid)	<u>(1,446,689)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 36,546,992</u>	<u>\$ 1,155,935</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 37,788,639	\$ 1,158,416
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		
2013/14, Net of Cancellation		4,622
2014/15	<u>-</u>	<u>(7,103)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,788,639</u>	<u>\$ 1,155,935</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Two Fiscal Years \***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04961%	0.04671%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 9,288,719</u>	<u>\$ 8,926,288</u>
District's Covered-Employee Payroll	<u>\$ 3,598,717</u>	<u>\$ 3,396,313</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	258%	263%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Two Fiscal Years**

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

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

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

**TEACHERS PENSION AND ANNUITY FUND  
Last Two Fiscal Years \***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	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>86,837,427</u>	<u>85,251,840</u>
Total	<u>\$ 86,837,427</u>	<u>\$ 85,251,840</u>
District's Covered-Employee Payroll	<u>\$ 17,196,615</u>	<u>\$ 16,461,939</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2015**

**Change of Benefit Terms:**                   None.

**Change of Assumptions:**                The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**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, 2015

REVENUES	NCLB				Subtotal Page 2	Total 2015
	Title I	Title IIA	Title III	Title III Immigrant		
Local					\$ 36,505	\$ 36,505
Federal	\$ 472,687	\$ 55,411	\$ 26,828	\$ 19,164	547,821	1,121,911
Total Revenues	\$ 472,687	\$ 55,411	\$ 26,828	\$ 19,164	\$ 584,326	\$ 1,158,416
EXPENDITURES						
Instruction						
Salaries of Teachers	\$ 237,995		\$ 16,667	\$ 3,333		\$ 257,995
Other Purchased Services					\$ 290,000	290,000
General Supplies	36,389		1,239	15,831	5,300	58,759
Other Objects	-	-	-	-	1,726	1,726
Total Instruction	274,384	-	17,906	19,164	297,026	608,480
Support Services						
Salaries of Teachers	111,350					111,350
Personal Services - Employee Benefits	86,428	\$ 152	8,743			95,323
Purchased Prof. Education Services	525	55,008	179		218,962	274,674
Cleaning, Repair & Maintenance Services					11,353	11,353
Other Purchased Services		251			3,272	3,523
Supplies and Materials	-	-	-	-	18,565	18,565
Total Support Services	198,303	55,411	8,922	-	252,152	514,788
Equipment						
Instructional Equipment	-	-	-	-	35,148	35,148
Total Equipment	-	-	-	-	35,148	35,148
Total Expenditures	\$ 472,687	\$ 55,411	\$ 26,828	\$ 19,164	\$ 584,326	\$ 1,158,416

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

REVENUES	IDEA			All Schools Special Needs Donation	Page 2 Total
	IDEA Part B Basic	IDEA Part B Preschool	NJSIG/NJEIF Safety Grant		
Local			\$ 11,353	\$ 25,152	\$ 36,505
Federal	\$ 534,294	\$ 13,527	-	-	547,821
Total Revenues	\$ 534,294	\$ 13,527	\$ 11,353	\$ 25,152	\$ 584,326
EXPENDITURES					
Instruction					
Other Purchased Services	\$ 290,000				\$ 290,000
General Supplies	4,860	\$ 440			5,300
Other Objects	1,726	-	-	-	1,726
Total Instruction	296,586	440	-	-	297,026
Support Services					
Purchased Professional Education Services	218,962				218,962
Other Purchased Services	3,272				3,272
Cleaning, Repair & Maintenance Services			\$ 11,353		11,353
Supplies and Materials	6,823	6,781	-	\$ 4,961	18,565
Total Support Services	229,057	6,781	11,353	4,961	252,152
Equipment					
Instructional Equipment	8,651	6,306		20,191	35,148
Noninstructional Equipment	-	-	-	-	-
Total Equipment	8,651	6,306	-	20,191	35,148
Total Expenditures	\$ 534,294	\$ 13,527	\$ 11,353	\$ 25,152	\$ 584,326

**RIDGEFIELD PARK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**RIDGEFIELD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**RIDGEFIELD PARK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**ENTERPRISE FUND**

**SCHEDULE G-1**

**RIDGEFIELD PARK BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**SCHEDULE G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 110,082	\$ 218,125	\$ 328,207
Total Assets	<u>\$ 110,082</u>	<u>\$ 218,125</u>	<u>\$ 328,207</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 217,313	\$ 217,313
Due to Other Funds		812	812
Due to Student Groups	\$ 110,082	-	110,082
Total Liabilities	<u>\$ 110,082</u>	<u>\$ 218,125</u>	<u>\$ 328,207</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**THIS STATEMENT IS NOT APPLICABLE**

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2015</u>
<b>ELEMENTARY SCHOOLS</b>				
Lincoln School	\$ 7,185	\$ 14,464	\$ 15,783	\$ 5,866
Grant School	8,963	10,957	10,092	9,828
Roosevelt School	11,368	16,679	14,306	13,741
Thomas Jefferson School	<u>-</u>	<u>3,117</u>	<u>2,634</u>	<u>483</u>
Total Elementary Schools	<u>27,516</u>	<u>45,217</u>	<u>42,815</u>	<u>29,918</u>
<b>JUNIOR/SENIOR HIGH SCHOOL</b>				
Student Activities Fund	110,451	353,022	385,706	77,767
Athletic Account	<u>694</u>	<u>72,015</u>	<u>70,312</u>	<u>2,397</u>
Total Junior/Senior High School	<u>111,145</u>	<u>425,037</u>	<u>456,018</u>	<u>80,164</u>
Total All Schools	<u>\$ 138,661</u>	<u>\$ 470,254</u>	<u>\$ 498,833</u>	<u>\$ 110,082</u>

**RIDGEFIELD PARK BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>ASSETS</b>				
Cash	\$ 203,794	\$ 39,796,137	\$ 39,781,806	\$ 218,125
Total Assets	<u>\$ 203,794</u>	<u>\$ 39,796,137</u>	<u>\$ 39,781,806</u>	<u>\$ 218,125</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 203,446	\$ 26,044,415	\$ 26,030,548	\$ 217,313
Accrued Salaries and Wages		13,751,069	13,751,069	
Due to Other Funds	<u>348</u>	<u>653</u>	<u>189</u>	<u>812</u>
Total Liabilities	<u>\$ 203,794</u>	<u>\$ 39,796,137</u>	<u>\$ 39,781,806</u>	<u>\$ 218,125</u>

**LONG-TERM DEBT**

RIDGEFIELD PARK BOARD OF EDUCATION  
 STATEMENT OF BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	5/12/2008	\$4,020,000	7/1/2015	\$ 395,000	4.00%			
			7/1/2016	390,000	4.25%			
			7/1/2017	390,000	4.25%			
			7/1/2018	360,000	4.25%			
						\$ 1,930,000	\$ 395,000	\$ 1,535,000
						\$ 1,930,000	\$ 395,000	\$ 1,535,000

**RIDGEFIELD PARK BOARD OF EDUCATION  
STATEMENT OF LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
Computers - 2010/2011	\$ 73,080	2.75%	\$ 3,208		\$ 3,208	
Computers - 2011/2012	75,812	2.75%	24,536		19,561	\$ 4,975
Computers - 2012/2013	100,000	2.13%	50,973		25,216	25,757
Computers - 2013/2014	223,300	2.10%	183,774		43,561	140,213
Computers - 2014/2015	161,000	3.497%		\$ 161,000	27,840	133,160
Telecommunication/Security	75,000	N/A		75,000	38,155	36,845
(2) 29 Passenger Buses	111,196	2.28%		111,196	19,453	91,743
(1) 54 Passenger Bus	89,000	2.28%		89,000	15,568	73,432
(1) Ford F-250 Truck	31,798	5.95%		31,798	2,516	29,282
(18) Powerheart AED's	62,380	N/A	-	63,280	7,503	55,777
			<u>\$ 262,491</u>	<u>\$ 531,274</u>	<u>\$ 202,581</u>	<u>\$ 591,184</u>

N/A - Not Available

**RIDGEFIELD PARK BOARD OF EDUCATION  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 331,079		\$ 331,079	\$ 331,079	
State Sources					
State Aid Type II	<u>136,071</u>	<u>-</u>	<u>136,071</u>	<u>136,071</u>	<u>-</u>
Total Revenues	<u>467,150</u>	<u>-</u>	<u>467,150</u>	<u>467,150</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	72,150		72,150	72,150	-
Principal	<u>395,000</u>	<u>-</u>	<u>395,000</u>	<u>395,000</u>	<u>-</u>
Total Expenditures	<u>467,150</u>	<u>-</u>	<u>467,150</u>	<u>467,150</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ended June 30.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>							(Restated)		(Restated)	
Net Investment in Capital Assets	\$ 6,194,472	\$ 6,543,123	\$ 6,890,421	\$ 7,404,363	\$ 7,308,131	\$ 7,238,926	\$ 8,045,931	\$ 8,961,153	\$ 9,769,270	\$ 9,824,350
Restricted	570	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870
Unrestricted	(1,725,706)	(323,336)	247,281	(1,282,680)	(2,309,146)	(1,399,604)	(1,332,328)	(1,725,532)	(11,250,338)	(12,077,830)
<b>Total Governmental Activities Net Position</b>	<u>\$ 4,469,336</u>	<u>\$ 6,219,895</u>	<u>\$ 7,592,806</u>	<u>\$ 7,101,592</u>	<u>\$ 6,682,569</u>	<u>\$ 7,259,414</u>	<u>\$ 8,600,851</u>	<u>\$ 8,451,599</u>	<u>\$ (1,148,198)</u>	<u>\$ (1,920,610)</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 20,709	\$ 55,115	\$ 71,572	\$ 63,896	\$ 56,221	\$ 48,546	\$ 13,662	\$ 15,882	\$ 14,724	\$ 60,548
Unrestricted	137,054	144,190	165,117	227,128	293,766	304,372	296,076	185,375	96,528	(27,893)
<b>Total Business-Type Activities Net Position</b>	<u>\$ 157,763</u>	<u>\$ 199,305</u>	<u>\$ 236,689</u>	<u>\$ 291,024</u>	<u>\$ 349,987</u>	<u>\$ 352,918</u>	<u>\$ 309,738</u>	<u>\$ 201,257</u>	<u>\$ 111,252</u>	<u>\$ 32,655</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 6,215,181	\$ 6,598,238	\$ 6,961,993	\$ 7,468,259	\$ 7,364,352	\$ 7,287,472	\$ 8,059,593	\$ 8,977,035	\$ 9,783,994	\$ 9,884,898
Restricted	570	108	455,104	979,909	1,683,584	1,460,092	1,887,248	1,215,978	332,870	332,870
Unrestricted	(1,588,652)	(179,146)	412,398	(1,055,552)	(2,015,380)	(1,095,232)	(1,036,252)	(1,540,157)	(11,153,810)	(12,105,723)
<b>Total District Net Position</b>	<u>\$ 4,627,099</u>	<u>\$ 6,419,200</u>	<u>\$ 7,829,495</u>	<u>\$ 7,392,616</u>	<u>\$ 7,032,556</u>	<u>\$ 7,652,332</u>	<u>\$ 8,910,589</u>	<u>\$ 8,652,856</u>	<u>\$ (1,036,946)</u>	<u>\$ (1,887,955)</u>

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 12,092,775	\$ 13,042,133	\$ 13,438,435	\$ 13,814,413	\$ 14,830,594	\$ 14,289,814	\$ 15,171,855	\$ 16,784,624	\$ 16,895,035	\$ 19,206,920
Special Education	4,810,147	4,752,254	4,634,721	5,096,953	6,079,429	5,596,021	5,701,214	6,413,590	6,246,015	6,995,549
Other Instruction	618,500	1,170,415	847,759	763,391	930,966	628,816	694,429	873,942	847,413	1,457,852
School Sponsored Activities And Athletics	790,552	876,479	1,552,453	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,187,907
Support Services:										
Student & Instruction Related Services	3,667,036	4,186,189	4,174,953	5,245,911	4,465,578	4,913,960	5,129,207	5,149,343	5,333,528	6,373,111
General Administration Services	889,419	858,462	1,123,904	1,044,982	968,038	1,174,493	866,708	847,109	901,014	783,050
School Administration Services	1,331,521	1,406,499	1,707,327	1,440,219	1,592,263	1,579,245	1,630,154	1,694,347	1,702,674	1,974,276
Business / Central Services	591,867	633,831	684,997	688,780	659,642	651,281	618,510	674,922	780,122	960,210
Plant Operations And Maintenance	2,543,548	2,424,662	2,581,609	3,078,487	2,812,013	2,724,797	2,609,146	2,754,932	2,995,101	3,139,740
Pupil Transportation	648,318	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927	571,183
Special Schools										
Interest On Long-Term Debt	255,884	236,172	132,730	134,166	133,724	124,332	111,898	96,849	82,669	78,518
<b>Total Governmental Activities Expenses</b>	<b>28,239,567</b>	<b>30,239,091</b>	<b>31,497,242</b>	<b>32,867,992</b>	<b>34,051,813</b>	<b>33,309,601</b>	<b>34,201,553</b>	<b>37,124,737</b>	<b>37,472,955</b>	<b>42,728,316</b>
<b>Business-Type Activities:</b>										
Food Service	666,676	744,550	744,732	783,571	826,076	924,580	997,792	1,066,896	1,104,638	1,078,211
<b>Total Business-Type Activities Expense</b>	<b>666,676</b>	<b>744,550</b>	<b>744,732</b>	<b>783,571</b>	<b>826,076</b>	<b>924,580</b>	<b>997,792</b>	<b>1,066,896</b>	<b>1,104,638</b>	<b>1,078,211</b>
<b>Total District Expenses</b>	<b>\$ 28,906,243</b>	<b>\$ 30,983,641</b>	<b>\$ 32,241,974</b>	<b>\$ 33,651,563</b>	<b>\$ 34,877,889</b>	<b>\$ 34,234,181</b>	<b>\$ 35,199,345</b>	<b>\$ 38,191,633</b>	<b>\$ 38,577,593</b>	<b>\$ 43,806,527</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Regular	\$ 2,620,698	\$ 2,989,087	\$ 2,874,154	\$ 2,983,236	\$ 3,207,565	\$ 3,901,104	\$ 3,895,957	\$ 3,863,442	\$ 3,992,049	\$ 3,824,819
Special Education	401,474	630,072	494,964	351,683	488,861	490,572	360,744	259,433	267,532	572,649
Special Schools										
Operating Grants And Contributions	4,915,968	6,117,242	5,844,714	4,705,498	5,613,386	4,894,065	5,267,932	6,366,263	5,992,076	10,448,232
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>7,938,140</b>	<b>9,736,401</b>	<b>9,213,832</b>	<b>8,040,417</b>	<b>9,311,812</b>	<b>9,285,741</b>	<b>9,524,633</b>	<b>10,489,138</b>	<b>10,251,657</b>	<b>14,845,700</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	433,321	485,781	497,797	514,178	498,523	499,722	503,906	479,218	514,671	491,949
Operating Grants And Contributions	263,007	300,311	284,319	323,728	386,516	427,789	450,706	479,197	499,962	507,665
<b>Total Business Type Activities Program Revenues</b>	<b>696,328</b>	<b>786,092</b>	<b>782,116</b>	<b>837,906</b>	<b>885,039</b>	<b>927,511</b>	<b>954,612</b>	<b>958,415</b>	<b>1,014,633</b>	<b>999,614</b>
<b>Total District Program Revenues</b>	<b>\$ 8,634,468</b>	<b>\$ 10,522,493</b>	<b>\$ 9,995,948</b>	<b>\$ 8,878,323</b>	<b>\$ 10,196,851</b>	<b>\$ 10,213,252</b>	<b>\$ 10,479,245</b>	<b>\$ 11,447,553</b>	<b>\$ 11,266,290</b>	<b>\$ 15,845,314</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<b>\$ (20,301,427)</b>	<b>\$ (20,502,690)</b>	<b>\$ (22,283,410)</b>	<b>\$ (24,827,575)</b>	<b>\$ (24,740,001)</b>	<b>\$ (24,023,860)</b>	<b>\$ (24,676,920)</b>	<b>\$ (26,635,599)</b>	<b>\$ (27,221,298)</b>	<b>\$ (27,882,616)</b>
<b>Business-Type Activities</b>	<b>29,652</b>	<b>41,542</b>	<b>37,384</b>	<b>54,335</b>	<b>58,963</b>	<b>2,931</b>	<b>(43,180)</b>	<b>(108,481)</b>	<b>(90,005)</b>	<b>(78,597)</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (20,271,775)</b>	<b>\$ (20,461,148)</b>	<b>\$ (22,246,026)</b>	<b>\$ (24,773,240)</b>	<b>\$ (24,681,038)</b>	<b>\$ (24,020,929)</b>	<b>\$ (24,720,100)</b>	<b>\$ (26,744,080)</b>	<b>\$ (27,311,303)</b>	<b>\$ (27,961,213)</b>
<b>General Revenues And Other Changes In Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 18,421,605	\$ 19,431,797	\$ 20,290,000	\$ 20,290,000	\$ 20,445,640	\$ 21,213,466	\$ 21,584,702	\$ 22,005,605	\$ 22,443,517	\$ 22,892,388
Taxes Levied For Debt Service	489,959	416,161	404,264	400,000	415,000	410,000	443,246	357,230	310,238	331,079
State Aid - Unrestricted	2,121,863	2,117,345	2,702,926	3,494,013	3,206,966	2,973,137	3,537,828	3,613,720	3,662,973	3,736,671
Investment Earnings	86,287	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-	-
Miscellaneous Income	49,458	84,032	104,376	68,419	239,730	62,937	394,201	496,192	131,061	150,066
<b>Total Governmental Activities</b>	<b>21,169,172</b>	<b>22,253,249</b>	<b>23,656,321</b>	<b>24,336,361</b>	<b>24,320,977</b>	<b>24,676,527</b>	<b>25,978,357</b>	<b>26,486,347</b>	<b>26,547,789</b>	<b>27,110,204</b>
<b>Business-Type Activities:</b>										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 21,169,172</b>	<b>\$ 22,253,249</b>	<b>\$ 23,656,321</b>	<b>\$ 24,336,361</b>	<b>\$ 24,320,977</b>	<b>\$ 24,676,527</b>	<b>\$ 25,978,357</b>	<b>\$ 26,486,347</b>	<b>\$ 26,547,789</b>	<b>\$ 27,110,204</b>
<b>Change In Net Position</b>										
<b>Governmental Activities</b>	<b>\$ 867,745</b>	<b>\$ 1,750,559</b>	<b>\$ 1,372,911</b>	<b>\$ (491,214)</b>	<b>\$ (419,024)</b>	<b>\$ 652,667</b>	<b>\$ 1,301,437</b>	<b>\$ (149,252)</b>	<b>\$ (673,509)</b>	<b>\$ (772,412)</b>
<b>Business-Type Activities</b>	<b>29,652</b>	<b>41,542</b>	<b>37,384</b>	<b>54,335</b>	<b>58,963</b>	<b>2,931</b>	<b>(43,180)</b>	<b>(108,481)</b>	<b>(90,005)</b>	<b>(78,597)</b>
<b>Total District</b>	<b>\$ 897,397</b>	<b>\$ 1,792,101</b>	<b>\$ 1,410,295</b>	<b>\$ (436,879)</b>	<b>\$ (360,061)</b>	<b>\$ 655,598</b>	<b>\$ 1,258,257</b>	<b>\$ (257,733)</b>	<b>\$ (763,514)</b>	<b>\$ (851,009)</b>

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

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
General Fund										
Reserved	\$ 529,979	\$ 1,430,652	\$ 2,318,230	\$ 1,738,553	\$ 1,664,733					
Unreserved	682,872	510,097	370,834	(44,639)	(92,596)					
Restricted						\$ 1,603,320	\$ 1,538,469	\$ 1,154,265	\$ 332,870	\$ 332,870
Committed						145,294	245,500			
Assigned							300,658	281,266	336,275	52,218
Unassigned						(146,364)	(329,272)	(307,811)	(552,477)	(978,793)
<b>Total General Fund</b>	<u>\$ 1,212,851</u>	<u>\$ 1,940,749</u>	<u>\$ 2,689,064</u>	<u>\$ 1,693,914</u>	<u>\$ 1,572,137</u>	<u>\$ 1,602,250</u>	<u>\$ 1,755,355</u>	<u>\$ 1,127,720</u>	<u>\$ 116,668</u>	<u>\$ (593,705)</u>
All Other Governmental Funds										
Unreserved	\$ (6,335)	\$ (6,799)	\$ (6,803)	\$ 49,805	\$ (56,585)					
Restricted						\$ (74,092)	\$ 595,079	\$ 198,031	\$ -	\$ -
<b>Total All Other Governmental Funds</b>	<u>\$ (6,335)</u>	<u>\$ (6,799)</u>	<u>\$ (6,803)</u>	<u>\$ 49,805</u>	<u>\$ (56,585)</u>	<u>\$ (74,092)</u>	<u>\$ 595,079</u>	<u>\$ 198,031</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$ 18,911,564	\$ 19,847,958	\$ 20,694,264	\$ 20,690,000	\$ 20,860,640	\$ 21,623,466	\$ 22,027,948	\$ 22,362,835	\$ 22,753,755	\$ 23,223,467
Tuition Charges	3,022,172	3,619,159	3,369,118	3,334,919	3,696,426	4,391,676	4,256,701	4,122,875	4,259,581	4,397,468
Interest Earnings	86,287	203,914	154,755	83,929	13,641	16,987	18,380	13,600	-	-
Miscellaneous	74,458	84,032	104,376	68,419	239,730	62,937	407,399	512,223	131,061	187,033
State Sources	6,182,515	7,167,113	7,677,017	7,317,300	6,672,293	6,874,477	7,646,009	8,933,324	8,552,463	9,216,882
Federal Sources	830,316	1,067,474	870,623	882,211	2,150,059	992,725	1,146,553	1,030,628	1,102,586	1,145,227
<b>Total Revenue</b>	<b>29,107,312</b>	<b>31,989,650</b>	<b>32,870,153</b>	<b>32,376,778</b>	<b>33,632,789</b>	<b>33,962,268</b>	<b>35,502,990</b>	<b>36,975,485</b>	<b>36,799,446</b>	<b>38,170,077</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	11,841,482	12,910,603	13,573,576	13,599,235	14,621,042	14,163,843	14,772,783	16,284,086	16,462,126	16,597,275
Special Education Instruction	4,788,588	4,737,947	4,654,199	5,131,186	6,071,193	5,536,686	5,696,757	6,405,781	6,243,283	6,470,208
Vocational Education										
Other Instruction	564,170	1,257,624	862,197	757,389	794,139	795,694	692,300	871,142	845,959	1,274,876
School Sponsored Activities And Athletics	789,211	870,405	918,419	919,451	973,633	968,176	1,038,423	1,122,459	1,069,457	1,066,272
<b>Support Services:</b>										
Student & Inst. Related Services	3,713,365	4,291,673	4,886,482	5,112,892	4,481,054	4,985,817	5,055,892	5,246,957	5,239,866	5,776,528
General Administration Services	875,077	864,472	1,035,394	983,977	1,014,144	1,310,663	857,409	846,757	904,285	747,423
School Administration Services	1,395,529	1,434,687	1,364,133	1,371,493	1,445,104	1,522,500	1,577,132	1,648,423	1,662,772	1,778,220
Business / Central Services	664,084	683,678	667,618	715,856	630,314	717,740	614,634	671,127	811,163	922,305
Plant Operations And Maintenance	2,527,843	2,408,587	2,620,423	3,015,713	2,723,680	2,695,786	2,551,315	2,722,511	2,958,384	3,087,569
Pupil Transportation	648,318	651,995	618,354	641,239	605,933	658,666	630,009	712,620	619,927	566,349
<b>Special Schools</b>										
Charter Schools		263,838	301,071	512,379	50,452	65,876	668,898	960,429	814,904	437,546
<b>Capital Outlay</b>										
<b>Debt Service:</b>										
Principal	495,858	641,135	404,918	450,000	445,968	464,548	477,929	498,893	505,381	597,581
Interest And Other Charges	267,384	245,572	215,058	104,510	147,318	136,747	123,045	108,983	94,322	89,572
Payments to Refunding Escrow Agents			86,347							
Cost of Issuance of Refunding Bonds			98,016							
<b>Total Expenditures</b>	<b>28,570,909</b>	<b>31,262,216</b>	<b>32,306,205</b>	<b>33,315,320</b>	<b>34,003,974</b>	<b>34,022,742</b>	<b>34,756,526</b>	<b>38,100,168</b>	<b>38,231,829</b>	<b>39,411,724</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	536,403	727,434	563,948	(938,542)	(371,185)	(60,474)	746,464	(1,124,683)	(1,432,383)	(1,241,647)
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)	101,876				143,018	73,080	75,812	100,000	223,300	531,274
Refunding Bond Proceeds			4,020,000							
Premium on Refunding Bonds			139,363							
payment to Refunding Escrow Agent			(3,975,000)							
Transfers In							1,201,269	309,584	685,077	-
Transfers Out							(1,201,269)	(309,584)	(685,077)	-
<b>Total Other Financing Sources (Uses)</b>	<b>101,876</b>	<b>-</b>	<b>184,363</b>	<b>-</b>	<b>143,018</b>	<b>73,080</b>	<b>75,812</b>	<b>100,000</b>	<b>223,300</b>	<b>531,274</b>
<b>Net Change In Fund Balances</b>	<b>\$ 638,279</b>	<b>\$ 727,434</b>	<b>\$ 748,311</b>	<b>\$ (938,542)</b>	<b>\$ (228,167)</b>	<b>\$ 12,606</b>	<b>\$ 822,276</b>	<b>\$ (1,024,683)</b>	<b>\$ (1,209,083)</b>	<b>\$ (710,373)</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	2.67%	2.86%	1.94%	1.69%	1.75%	1.77%	1.76%	1.64%	1.60%	1.76%

\* 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)**

<b><u>Fiscal Year Ended June 30,</u></b>	<b><u>Tuition</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
2015	\$ 4,397,468	\$ 4,970	\$ 145,096	\$ 4,547,534
2014	4,259,581	9,830	121,231	4,390,642
2013	4,122,875	13,600	496,192	4,632,667
2012	4,256,701	18,380	394,201	4,669,282
2011	4,391,676	16,987	62,937	4,471,600
2010	3,696,426	13,641	239,730	3,949,797
2009	3,334,919	83,929	68,419	3,487,267
2008	3,369,118	154,755	104,376	3,628,249
2007	3,619,159	203,914	84,032	3,907,105
2006	3,022,172	86,283	49,458	3,157,913

Source: School District records

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

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2006	\$ 21,592,600	\$ 559,868,740	N/A	N/A	\$ 190,884,650	\$ 32,328,400	\$ 70,432,900	\$ 875,107,290	\$ 795,896	\$ 875,903,186	\$ 1,422,455,948	\$ 2.266
2007	21,690,600	561,116,300	N/A	N/A	189,720,250	30,806,600	68,839,300	872,173,050	736,811	872,909,861	1,642,628,848	2.371
2008	26,709,200	1,046,356,100	N/A	N/A	321,408,400	55,895,900	116,228,200	1,566,597,800	708,434	1,567,306,234	1,655,264,678	1.320
2009	26,622,100	1,047,524,300	N/A	N/A	330,612,100	55,895,900	116,228,200	1,576,882,600	1,404,287	1,578,286,887	1,574,882,476	1.323
2010	26,609,000	1,040,332,800	N/A	N/A	328,716,500	49,667,000	114,271,300	1,559,596,600	3,124,731	1,562,721,331	1,470,267,482	1.584
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

Source: County Abstract of Ratables

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

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2015	\$ 3.550	\$ 2.032	\$ 1.272	\$ 0.246
2014	3.458	1.915	1.277	0.266
2013	3.385	1.862	1.274	0.249
2012	3.301	1.822	1.241	0.238
2011 (A)	3.255	1.780	1.254	0.221
2010	2.509	1.384	0.949	0.176
2009	2.402	1.323	0.891	0.188
2008 (B)	2.362	1.320	0.847	0.195
2007	4.090	2.371	1.406	0.313
2006	3.860	2.266	1.297	0.297

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

(B) The Village undertook a revaluation of real property which became effective in calendar year 2008

Source: Village Tax Duplicate

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
55 Challenger, LLC	\$ 31,000,000	2.59%		
Hartz Mountain Industries			\$ 34,180,600	3.90%
85 Challenger Rd LLC	29,000,000	2.42%		
100 Challenger Partners LLC	19,658,000	1.64%		
Bank of America			26,119,050	2.98%
65 Challenger LLC	18,000,000	1.50%		
Marlboro Apt. Corp.	17,760,900	1.48%		
Daekyo America, Inc	16,000,000	1.34%		
Ridgefield Park Lodging Assoc	14,203,600	1.19%		
RP Holdings LLC			24,903,100	2.84%
Mack Cali Realty			20,073,900	2.29%
Pitcairn Skymark, LLC			15,000,000	1.71%
AGFA			14,000,000	1.60%
Pitcairn Skymark, LLC	13,351,000	1.11%		
Marlboro Apt. Corp.			10,490,700	1.20%
Scott Court Apts LLC			7,077,400	0.81%
Landmark E. Corp			6,215,000	0.71%
VY Investment Corp			5,965,300	0.68%
United Rentals North America Inc	12,321,500	1.03%		
Starplex Operating LLC	10,888,600	0.91%		
	<u>\$ 182,183,600</u>	<u>15.21%</u>	<u>\$ 164,025,050</u>	<u>18.73%</u>

Source: Municipal Tax Assessor

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

Calendar Year Ended December 31,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 18,911,564	\$ 18,911,564	100.00%	N/A
2007	19,847,958	19,847,958	100.00%	N/A
2008	20,694,294	20,694,294	100.00%	N/A
2009	20,690,000	20,690,000	100.00%	N/A
2010	20,860,400	20,860,400	100.00%	N/A
2011	21,623,466	21,623,466	100.00%	N/A
2012	22,027,948	22,027,948	100.00%	N/A
2013	22,362,835	22,362,835	100.00%	N/A
2014	22,753,755	22,753,755	100.00%	N/A
2015	23,223,467	23,223,467	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	(1) Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2006	\$ 5,175,000	\$ 246,053		\$ 5,421,053	12,552	\$ 432
2007	4,775,000	4,918		4,779,918	12,419	385
2008	4,420,000			4,420,000	12,376	357
2009	3,970,000			3,970,000	12,345	322
2010	3,555,000	112,050		3,667,050	12,394	296
2011	3,140,000	135,582		3,275,582	12,748	257
2012	2,730,000	143,465		2,873,465	12,835	224
2013	2,330,000	144,572		2,474,572	12,886	192
2014	1,930,000	262,491		2,192,491	12,949	169
2015	1,535,000	591,184		2,126,184	12,996	164

Source: District records

(1) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2006	\$ 5,175,000		\$ 5,175,000	0.59%	412
2007	4,775,000		4,775,000	0.55%	384
2008	4,420,000		4,420,000	0.28%	357
2009	3,970,000		3,970,000	0.25%	322
2010	3,555,000		3,555,000	0.23%	287
2011	3,140,000		3,140,000	0.25%	246
2012	2,730,000		2,730,000	0.22%	213
2013	2,330,000		2,330,000	0.19%	181
2014	1,930,000		1,930,000	0.16%	149
2015	1,535,000		1,535,000	0.13%	118

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, 2014  
(Unaudited)**

	<u>Gross Debt</u>
DIRECT DEBT: (1)	
Ridgefield Park School District	\$ 1,535,000
Village of Ridgefield Park	<u>13,124,292</u>
	<u>\$ 14,659,292</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County:	
County of Bergen(A)	8,024,614
Bergen County Utilities Authority - Water Pollution Control (B)	<u>4,180,514</u>
	<u>12,205,128</u>
Total Direct and Overlapping Outstanding Debt	<u>\$ 26,864,420</u>

## SOURCE:

(1) Village of Ridgefield Park 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to Village of Ridgefield Park by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Village's 2014 billings by the total 2014 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
	2014	\$ 1,283,430,240
	2013	1,398,875,609
	2012	1,368,107,019
		<u>\$ 4,050,412,868</u>
		\$ 1,350,137,623
	Debt Limit (4 % of Average Equalization Value)	54,005,505
	Total Net Debt Applicable to Limit	<u>1,535,000</u>
	Legal Debt Margin	<u>\$ 52,470,505</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 49,845,805	\$ 55,981,992	\$ 61,157,464	\$ 63,223,729	\$ 62,271,686	\$ 59,600,257	\$ 57,083,476	\$ 55,683,763	\$ 55,114,973	\$ 54,005,505
Total Net Debt Applicable to Limit	<u>5,175,000</u>	<u>4,775,000</u>	<u>4,420,000</u>	<u>3,970,000</u>	<u>3,555,000</u>	<u>3,140,000</u>	<u>2,730,000</u>	<u>2,330,000</u>	<u>1,930,000</u>	<u>1,535,000</u>
Legal Debt Margin	<u>\$ 44,670,805</u>	<u>\$ 51,206,992</u>	<u>\$ 56,737,464</u>	<u>\$ 59,253,729</u>	<u>\$ 58,716,686</u>	<u>\$ 56,460,257</u>	<u>\$ 54,353,476</u>	<u>\$ 53,353,763</u>	<u>\$ 53,184,973</u>	<u>\$ 52,470,505</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.38%	8.53%	7.23%	6.28%	5.71%	5.27%	4.78%	4.18%	3.50%	2.84%

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>
2015	N/A	N/A	12,996
2014	6.20%	N/A	12,949
2013	7.00%	\$ 69,495	12,886
2012	8.90%	69,281	12,835
2011	8.70%	67,248	12,748
2010	8.90%	63,885	12,394
2009	8.70%	63,874	12,345
2008	4.80%	67,331	12,376
2007	4.20%	67,544	12,419
2006	4.20%	63,103	12,552

## Source:

Unemployment Rate - New Jersey Department of Labor

Population - US Bureau of the Census, Population Division

(1) Represents County of Bergen's per capita income

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

<u>Employer</u>	<u>2015</u>		<u>2006</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	174	177	179	184	180	161	164	172	180	182
Special education	3	3	3	3	5	32	45	48	53	56
Support Services:										
Student & instruction related services	17	17	17	17	15	14	17	21	21	21
School administration services	15	15	15	15	14	14	14	14	14	15
Other administration services	5	5	5	5	5	5	5	5	5	5
Central services	4	4	4	4	4	4	4	4	4	4
Administrative Information Technology	4	4	4	4	3	3	3	3	3	3
Plant operations and maintenance	21	21	21	21	20	20	20	21	22	22
Pupil transportation	5	5	5	5	4	4	4	4	4	7
Other support services	12	12	12	12	11	12	14	14	14	14
Special Schools										
Total	<u>260</u>	<u>263</u>	<u>265</u>	<u>270</u>	<u>261</u>	<u>269</u>	<u>290</u>	<u>306</u>	<u>320</u>	<u>329</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior/Senior High School				
2006	1,990	\$ 27,916,184	\$ 14,028	2.67%	209	1:12.3	1:10.3	1,930	1,832	0.10%	94.92%
2007	2,075	30,111,671	14,512	3.45%	174	1:12.4	1:11.4	2,011	1,909	4.20%	94.93%
2008	2,106	31,200,795	14,815	2.09%	177	1:11.1	1:12.1	2,093	1,986	4.08%	94.89%
2009	2,123	32,248,431	15,190	2.53%	188	1:10.7	1:11.8	2,112	2,001	0.91%	94.74%
2010	2,160	33,360,236	15,445	1.68%	185	1:12.3	1:14.5	2,160	2,041	2.27%	94.49%
2011	2,232	33,355,571	14,944	-3.24%	190	11:10.6	01:13.0	2,224	2,101	2.96%	94.47%
2012	2,264	33,486,654	14,791	-1.03%	209	1:11.6	1:12.2	2,248	2,134	1.08%	94.93%
2013	2,330	36,531,863	15,679	6.00%	217	1:12.3	1:13.4	2,296	2,171	2.14%	94.56%
2014	2,363	36,817,222	15,581	-0.63%	230	1:13.7	1:15.6	2,343	2,213	2.05%	94.45%
2015	2,386	38,287,025	16,047	2.99%	238	1:14.2	1:16.8	2,379	2,256	1.54%	94.83%

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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
<b>Lincoln School:</b>										
Square Feet	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Capacity (students)	420	420	420	420	420	420	420	420	420	420
Enrollment	329	343	370	371	380	383	387	416	422	359
<b>Grant School:</b>										
Square Feet	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350	27,350
Capacity (students)	330	330	330	330	330	330	330	330	330	330
Enrollment	233	209	190	205	196	220	242	241	230	212
<b>Roosevelt School:</b>										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capacity (students)	510	510	510	510	510	510	510	510	510	510
Enrollment	370	382	387	372	394	400	415	438	454	413
<b>Thomas Jefferson School:</b>										
Square Feet										22,293
Capacity (students)										240
Enrollment										141
<u>High School</u>										
<b>Ridgefield Park Jr./Sr. High School:</b>										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity (students)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,058	1,141	1,159	1,175	1,190	1,229	1,220	1,235	1,257	1,261
<u>Other</u>										
<b>Special Services:</b>										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Fieldhouse:</b>										
Square Feet	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875	4,875
<b>Central Office:</b>										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2015  
 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
*School Facilities	<b>Project # (s)</b>										
Lincoln School	N/A	\$ 32,416	\$ 31,564	\$ 29,760	\$ 30,975	\$ 30,171	\$ 39,232	\$ 85,349	\$ 62,703	\$ 60,917	\$ 48,591
Roosevelt School	N/A	7,906	6,412	6,046	3,707	6,734	4,002	8,706	28,260	27,455	26,875
Grant School	N/A	6,781	5,403	5,094	6,837	6,601	11,197	24,359	24,312	23,620	28,338
Jefferson School	N/A	2,907									
Junior/Senior High School	N/A	<u>193,987</u>	<u>187,273</u>	<u>176,570</u>	<u>173,874</u>	<u>162,658</u>	<u>164,780</u>	<u>358,474</u>	<u>160,193</u>	<u>155,630</u>	<u>136,217</u>
Total School Facilities		<u>243,997</u>	<u>230,652</u>	<u>217,470</u>	<u>215,393</u>	<u>206,164</u>	<u>219,211</u>	<u>476,888</u>	<u>275,468</u>	<u>267,622</u>	<u>240,021</u>
Grand Total		<u>\$ 243,997</u>	<u>\$ 230,652</u>	<u>\$ 217,470</u>	<u>\$ 215,393</u>	<u>\$ 206,164</u>	<u>\$ 219,211</u>	<u>\$ 476,888</u>	<u>\$ 275,468</u>	<u>\$ 267,622</u>	<u>\$ 240,021</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, 2015  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
<b>School Package Policy</b>		
Blanket Building & Contents	\$ 350,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Loss of Business Income/Tuition	4,367,250	
Demolition and Increased Cost of Construction	10,000,000	
Blanket Computers, Media Software	1,200,000	1,000
Comprehensive General Liability	6,000,000	
Comprehensive Auto Liability	6,000,000	1,000
Equipment	100,000,000	5,000
Public Employee Dishonesty with Faithful Performance	100,000	1,000
Loss of Money & Securities	10,000	500
Board Secretary	250,000	1,000
School Leaders Errors and Omissions	2,000,000	5,000

Source: District records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## 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, 2015 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 December 21, 2015.

#### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency in internal control over financial reporting.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ridgefield Park Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

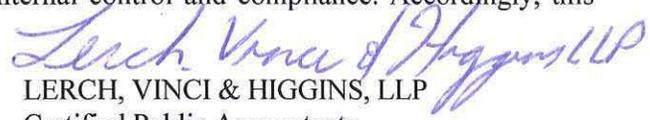
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Park Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2015.

### **Ridgefield Park Board of Education's Responses to Findings**

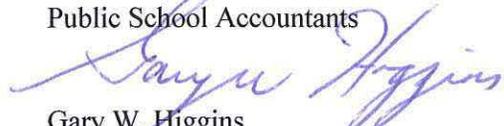
The Ridgefield Park Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Ridgefield Park Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements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

### **Purpose of this Report**

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



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 21, 2015



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY  
OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Ridgefield Park Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Ridgefield Park Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. 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 laws, regulations, contracts, and grants 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; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 1508 and which is described in the accompanying schedule of findings and questioned costs as item 2015-002.

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

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

Management of the Ridgefield Park Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgefield Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-002 that we consider a significant deficiency.

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

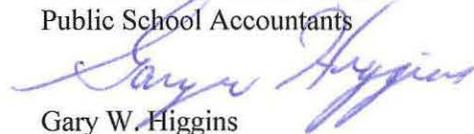
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Park Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 21, 2015, 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 U.S. OMB Circular A-133 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  
December 21, 2015

RIDGEFIELD PARK BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014				Cash Received	Budgetary Expenditures	Cancelled Encumb/A-P Adjustments	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2015			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue	Due to Grantor	Carryover						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>Enterprise Fund:</b>																	
National School Lunch Program	10.555	N/A															
Cash Assistance			7/1/14-6/30/15	\$ 380,225				\$ 316,750	\$ 380,225					\$ (63,475)		\$ (63,475)	
Cash Assistance			7/1/13-6/30/14	386,953	\$ (22,171)			22,171									
Non-Cash Assistance			7/1/14-6/30/15	78,825				78,825	74,125				\$ 4,700				
Non-Cash Assistance			7/1/13-6/30/14	51,412		\$ 312			312								
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	41,958				34,859	41,958					(7,099)		(7,099)	
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	46,904	(2,956)			2,956									
<b>Total Enterprise Fund</b>					<b>(25,127)</b>	<b>312</b>		<b>435,561</b>	<b>496,620</b>					<b>(70,574)</b>	<b>4,700</b>	<b>(70,574)</b>	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>Special Revenue Fund:</b>																	
IDEA Part B - Flow Through	84.027	FT4380-15	7/1/14-6/30/15	534,541			\$ 98	534,541	534,294							545	
IDEA Part B - Flow Through C/O	84.027	FT4380-14	7/1/13-6/30/14	486,500			98	(98)									
IDEA Part B - Preschool	84.173	FT4380-15	7/1/14-6/30/15	14,347			919	14,347	13,527							1,739	
IDEA Part B - Preschool C/O	84.173	FT4380-14	7/1/13-6/30/14	13,983			(919)										
Title I	84.010A	NCLB4380-15	7/1/14-6/30/15	473,237				473,237	472,687	\$ 1						551	
Title II A	84.367A	NCLB4380-15	7/1/14-6/30/15	55,411				55,411	55,411								
Title III	84.365A	NCLB4380-15	7/1/14-6/30/15	26,837				26,837	26,828	79						88	
Title III Immigrant	84.365A	NCLB4380-15	7/1/14-6/30/15	19,164				19,164	19,164								
<b>Total Special Revenue Fund</b>						<b>1,017</b>		<b>1,123,537</b>	<b>1,121,911</b>	<b>80</b>					<b>2,723</b>		
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>General Fund:</b>																	
ARRA- Medical Assistance Program (SEMI)	93.778	N/A	10/1/08-12/31/10	9,727				9,727	9,727								
Medical Assistance Program (SEMI)	93.778	N/A	7/1/14-6/30/15	16,532				16,532	16,532								
<b>Total General Fund</b>								<b>26,259</b>	<b>26,259</b>								
<b>Total Federal Financial Assistance</b>					<b>\$ (25,127)</b>	<b>\$ 1,329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,605,357</b>	<b>\$ 1,644,790</b>	<b>\$ 80</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (70,574)</b>	<b>\$ 7,423</b>	<b>\$ (70,574)</b>	

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	June 30, 2015			MEMO	
				Accounts Receivable	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2015	GAAP Receivable	Combined Total Expenditures
<b>State Department of Education</b>														
<b>General Fund:</b>														
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 1,167,201				\$ 1,059,371	\$ 1,167,201		\$ (107,830)			\$	1,167,201
Categorical Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	1,167,201	\$ (113,315)			113,315							
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	3,432,294				3,115,207	3,432,294		(317,087)				3,432,294
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	3,432,294	(333,216)			333,216							
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	114,282				103,724	114,282		(10,558)				114,282
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	114,282	(11,095)			11,095							-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	100,688				91,386	100,688		(9,302)				100,688
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	100,688	(9,775)			9,775							-
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	20,580				18,679	20,580		(1,901)				20,580
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	20,580				18,679	20,580		(1,901)				20,580
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	46,216				41,946	46,216		(4,270)				46,216
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	46,216	(4,486)			4,486							-
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	993,840					993,840		(993,840)				993,840
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	572,594	(572,594)			572,594							-
TPAF - Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15	1,407,861				1,407,861	1,407,861						1,407,861
TPAF - NCGI	15-495-034-5094-007	7/1/14-6/30/15	59,522				59,522	59,522						59,522
TPAF - Normal Cost	15-495-034-5094-006	7/1/14-6/30/15	827,320				827,320	827,320						827,320
Reimbursed TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	1,292,635				1,227,497	1,292,635		(65,138)			\$ (65,138)	1,292,635
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	1,244,258	(126,431)			126,431							-
<b>Total General Fund</b>				<b>(1,170,912)</b>	<b>-</b>	<b>-</b>	<b>9,142,104</b>	<b>9,483,019</b>	<b>-</b>	<b>(1,511,827)</b>	<b>-</b>	<b>-</b>	<b>(65,138)</b>	<b>9,483,019</b>
<b>Special Revenue Fund</b>														
Nonpublic Textbook	14-100-034-5120-064	7/1/13-6/30/14	1,481			\$ 48			\$ 48					
Nonpublic Technology	14-100-034-5120-373	7/1/13-6/30/14	540			2			2					
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											
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>1,747</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>1,747</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service Fund</b>														
Debt Service Aid	15-495-034-5120-017	7/1/14-6/30/15	136,071				136,071	136,071						136,071
<b>Total Debt Service Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>136,071</b>	<b>136,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,071</b>
<b>State Department of Agriculture</b>														
<b>Enterprise Fund</b>														
National School Lunch	15-100-010-3350-023	7/1/14-6/30/15	11,045				8,965	11,045		(2,080)			(2,080)	11,045
National School Lunch	14-100-010-3350-023	7/1/13-6/30/14	11,233	(620)			620							-
<b>Total Enterprise Fund</b>				<b>(620)</b>	<b>-</b>	<b>-</b>	<b>9,585</b>	<b>11,045</b>	<b>-</b>	<b>(2,080)</b>	<b>-</b>	<b>-</b>	<b>(2,080)</b>	<b>11,045</b>
<b>Total State Financial Assistance</b>				<b>(1,171,532)</b>	<b>1,747</b>	<b>50</b>	<b>9,287,760</b>	<b>9,630,135</b>	<b>50</b>	<b>(1,513,907)</b>	<b>1,747</b>	<b>-</b>	<b>(67,218)</b>	<b>9,630,135</b>
<b>State Financial Assistance</b>														
<b>Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
TPAF - Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15	1,407,861				(1,407,861)	(1,407,861)						(1,407,861)
TPAF - Normal Cost	15-495-034-5094-006	7/1/14-6/30/15	827,320				(827,320)	(827,320)						(827,320)
TPAF - NCGI	15-495-034-5094-007	7/1/14-6/30/15	59,522				(59,522)	(59,522)						(59,522)
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (1,171,532)</b>	<b>\$ 1,747</b>	<b>\$ 50</b>	<b>\$ 6,993,057</b>	<b>\$ 7,335,432</b>	<b>\$ 50</b>	<b>\$ (1,513,907)</b>	<b>\$ 1,747</b>	<b>\$ -</b>	<b>\$ (67,218)</b>	<b>\$ 7,335,432</b>

**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, 2015**

**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 requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" 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 \$402,208 for the general fund and a decrease of \$2,481 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	\$ 26,259	\$ 9,080,811	\$ 9,107,070
Special Revenue Fund	1,118,968		1,118,968
Debt Service Fund		136,071	136,071
Food Service Fund	<u>496,620</u>	<u>11,045</u>	<u>507,665</u>
Total Financial Assistance	<u>\$ 1,641,847</u>	<u>\$ 9,227,927</u>	<u>\$ 10,869,774</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, 2015**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,292,635 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$886,842 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,407,861 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**Financial Statement Section**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?   X   yes            no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?            yes   X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>84.027</u>	<u>IDEA Part B-Basic</u>
<u>84.173</u>	<u>IDEA - Part B - Preschool</u>
<u>84.010A</u>	<u>NCLB - Title I</u>
<u>          </u>	<u>          </u>

Dollar threshold used to distinguish between Type A and Type B programs:           \$300,000          

Auditee qualified as low-risk auditee?   X   yes            no

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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)? \_\_\_\_\_   X   yes    \_\_\_\_\_ 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?

  X   yes    \_\_\_\_\_ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-096	Under Adequacy Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5094-003	TPAF Social Security
15-495-034-5120-017	Debt Service Aid

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

\$300,000

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 2015-001**

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

**Criteria or specific requirement:**

State Department of Education's GAAP Technical Systems Manual.

**Condition:**

Certain liabilities were not recorded at June 30, 2015.

**Context**

- Liabilities for services rendered and goods received at June 30, 2015 totaling \$165,519 were not recorded at June 30, 2015 in the General Fund.

**Effect**

The financial statements did not properly reflect liabilities, expenditures and available balances at year end. The financial statements were adjusted for the exceptions noted during our audit and as a result overexpenditures were incurred.

**Cause**

Unknown.

**Recommendation**

Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered when services/goods are rendered/received in the General Fund.

**Management's Response**

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

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2015-002:**

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

**State program Information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Under Adequacy Aid	495-034-5120-096
Per Pupil Growth Aid	495-034-5120-097
PARCC Readiness Aid	495-034-5120-098

**Criteria or Specific Requirement:**

State of New Jersey State Aid/Grant Compliance Supplement.

**Condition:**

Student counts claimed on the ASSA as On-Roll, Low Income and LEP Non-Low Income did not always agree with student counts reflected on supporting workpapers and applicable documentation.

**Questioned Costs:**

Unknown.

**Context:**

The following variances were noted during our audit of the ASSA:

*On-Roll*

- The District reported 2,355 students on roll. There was a discrepancy of 3 full time and 2 part time students (net 1) when comparing the class registers to the supporting workpapers.

**RIDGEFIELD PARK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2015-002 (Continued):**

**Context (Continued):**

*Low Income*

- There were 3 errors when verifying eligibility for low-income students.
- There were 14 errors when comparing the resident LEP low-income applications from the application to the workpapers.

*Resident LEP Not Low Income*

- There were 8 errors when comparing the resident LEP not low-income applications to the workpapers

**Cause:**

Unknown.

**Effect:**

Student counts reported on the ASSA did not accurately reflect actual student counts as reflected in supporting workpapers and documentation.

**Recommendation:**

Internal controls be enhanced over the reporting of information on the ASSA.

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

Management has reviewed this finding and has indicated that corrective action will be taken.

**RIDGEFIELD PARK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

There were none