

**RIDGEFIELD BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Ridgefield, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Ridgefield Board of Education**

**Ridgefield, New Jersey**

**For The Fiscal Year Ended June 30, 2011**

**Prepared by**

**Business Office**

**RIDGEFIELD BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**INTRODUCTORY SECTION**

|                          |      |
|--------------------------|------|
| Letter of Transmittal    | i-iv |
| Organizational Chart     | v    |
| Roster of Officials      | vi   |
| Consultants and Advisors | vii  |

**FINANCIAL SECTION**

|                              |     |
|------------------------------|-----|
| Independent Auditors' Report | 1-2 |
|------------------------------|-----|

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

|                                      |      |
|--------------------------------------|------|
| Management's Discussion and Analysis | 3-15 |
|--------------------------------------|------|

**Basic Financial Statements**

**A. District-wide Financial Statements**

|                             |       |
|-----------------------------|-------|
| A-1 Statement of Net Assets | 16    |
| A-2 Statement of Activities | 17-18 |

**B. Fund Financial Statements**

*Governmental Funds*

|  |       |
|--|-------|
| B-1 Balance Sheet  | 19-20 |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances  | 21    |
| B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements | 22    |

*Proprietary Funds*

|  |    |
|--|----|
| B-4 Statement of Net Assets  | 23 |
| B-5 Combining Statement of Revenues, Expenses, and Changes in Net Assets | 24 |
| B-6 Statement of Cash Flows  | 25 |

*Fiduciary Funds*

|  |    |
|--|----|
| B-7 Statement of Fiduciary Net Assets            | 26 |
| B-8 Statement of Changes in Fiduciary Net Assets | 27 |

|  |       |
|--|-------|
| <b>Notes to the Basic Financial Statements</b> | 28-50 |
|--|-------|

**RIDGEFIELD BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

|     |   |       |
|-----|---|-------|
| C-1 | Budgetary Comparison Schedule – General Fund  | 51-56 |
| C-2 | Budgetary Comparison Schedule – Special Revenue Fund  | 57    |
| C-3 | Required Supplementary Information – Budgetary Comparison Schedule<br>Notes to the Required Supplementary Information | 58    |

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules - Not Applicable**

**E. Special Revenue Fund**

|     |   |       |
|-----|---|-------|
| E-1 | Combining Schedule of Revenues and Expenditures<br>Special Revenue Fund – Budgetary Basis | 59-60 |
| E-2 | Schedule of Preschool Education Aid –<br>Budget vs. Actual – Not Applicable               | 61    |

**F. Capital Projects Fund**

|     |  |    |
|-----|--|----|
| F-1 | Summary Statement of Project Expenditures-Budgetary Basis              | 62 |
| F-2 | Summary Schedule of Revenues, Expenditures and Changes in Fund Balance | 63 |

**G. Proprietary Funds**

*Enterprise Fund*

|     |   |    |
|-----|---|----|
| G-1 | Combining Statement of Net Assets – Not Applicable                                      | 64 |
| G-2 | Combining Statement of Revenues, Expenses and Changes in<br>Net Assets – Not Applicable | 64 |
| G-3 | Combining Statement of Cash Flows – Not Applicable                                      | 64 |

**H. Fiduciary Funds**

|     |   |    |
|-----|---|----|
| H-1 | Combining Statement of Net Assets                                       | 65 |
| H-2 | Combining Statement of Changes in Fiduciary Net Assets – Not Applicable | 66 |
| H-3 | Student Activity Agency Fund Schedule of Receipts and Disbursements     | 67 |
| H-4 | Payroll Agency Fund Schedule of Receipts and Disbursements              | 68 |

**RIDGEFIELD BOARD OF EDUCATION  
TABLE OF CONTENTS**

|   |   | <u>Page</u> |
|---|---|-------------|
| <b>REQUIRED SUPPLEMENTARY INFORMATION – PART II (Continued)</b> |   |             |
| <b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>              |   |             |
| <b>I.</b>   | <b>Long-Term Debt</b>   |             |
| I-1   | Schedule of Serial Bonds  | 69          |
| I-2   | Schedule of Obligations Under Capital Leases, Lease Purchase Agreements and Sale/Leaseback Contracts  | 70          |
| I-3   | Debt Service Fund Budgetary Comparison Schedule   | 71          |
| <b>J.</b>   | <b>STATISTICAL SECTION (Unaudited)</b>  |             |
| J-1   | Net Assets by Component   | 72          |
| J-2   | Changes in Net Assets   | 73-74       |
| J-3   | Fund Balances – Governmental Funds  | 75          |
| J-4   | Changes in Fund Balances - Governmental Funds   | 76          |
| J-5   | General Fund Other Local Revenue by Source  | 77          |
| J-6   | Assessed Value and Actual Value of Taxable Property   | 78          |
| J-7   | Direct and Overlapping Property Tax Rates   | 79          |
| J-8   | Principal Property Taxpayers  | 80          |
| J-9   | Property Tax Levies and Collections   | 81          |
| J-10  | Ratios of Outstanding Debt by Type  | 82          |
| J-11  | Ratios of Net General Bonded Debt Outstanding   | 83          |
| J-12  | Direct and Overlapping Governmental Activities Debt   | 84          |
| J-13  | Legal Debt Margin Information   | 85          |
| J-14  | Demographic and Economic Statistics   | 86          |
| J-15  | Principal Employers   | 87          |
| J-16  | Full-Time Equivalent District Employees by Function/Program   | 88          |
| J-17  | Operating Statistics  | 89          |
| J-18  | School Building Information   | 90          |
| J-19  | Schedule of Required Maintenance for School Facilities  | 91          |
| J-20  | Insurance Schedule  | 92          |
| <b>K.</b>   | <b>SINGLE AUDIT SECTION</b>   |             |
| K-1   | 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                              | 93-94       |
| K-2   | Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04 | 95-96       |
| K-3   | Schedule of Expenditures of Federal Awards  | 97          |
| K-4   | Schedule of Expenditures of State Financial Assistance  | 98          |
| K-5   | Notes to the Schedules of Federal Awards and State Financial Assistance   | 99-100      |
| K-6   | Schedule of Findings and Questioned Costs   | 101-106     |
| K-7   | Summary Schedule of Prior-Year Audit Findings and Questioned Costs  | 107-108     |

## **INTRODUCTORY SECTION**

# Ridgefield Board of Education

DISTRICT ADMINISTRATION BUILDING  
555 CHESTNUT STREET  
RIDGEFIELD, NEW JERSEY 07657



TEL: 201-945-0476  
FAX: 201-313-4582

November 29, 2011

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Ridgefield School District (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner design to 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 District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments," and the state Treasury Circular letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Average Daily Enrollment of learners in the Ridgefield School District has made significant increases over the last decade. The District's Magnet School Program contributes to offsetting costs for the use of the school facilities, sharing staff between magnet school programs and regular education classes. As a result there is significant support for all District programs. Through combined efforts, the music staff has presented numerous public performances. A transition component mandated by New Jersey Department of Education for classified learners aged fourteen and older, has evolved into a recognized program for our magnet school and resident students. Focus is on school to work internships and quality of life independence. Continuum programs provide life span services to the disabled through an initiative funded by state agencies DDD

and DVRS. Expansion of programs continues to undergo constant revision in an effort to enhance educational/life skill opportunities for the disabled through the Magnet School initiative.

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

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include general and a magnet school program for special education students. The District completed the 2010 – 2011 fiscal year with an average daily enrollment of 1881 students.

Average Daily Enrollment  
(ADE)

| <u>Fiscal Year</u> | <u>Student Enrollment</u> |
|--------------------|---------------------------|
| 2010-2011          | 1881                      |
| 2009-2010          | 1938                      |
| 2008-2009          | 1972                      |
| 2007-2008          | 2060                      |
| 2006-2007          | 1990                      |
| 2005-2006          | 2021                      |
| 2004-2005          | 2088                      |
| 2003-2004          | 2091                      |
| 2002-2003          | 2176                      |
| 2001-2002          | 2048                      |
| 2000-2001          | 1969                      |
| 1999-2000          | 1868                      |

**2) ECONOMIC CONDITIONS AND OUTLOOK:** In the introduction of the New Jersey Department of Education 2003 Comparative Spending Guide, as in past years, it was stated: “It was impossible for the department to identify and limit the impact of unique circumstances in school districts that may increase per pupil cost calculations (i.e. the magnet school run by Ridgefield Borough in Bergen County which provides high cost special education programs, including one for students with autism). These additional costs are often supported by tuition and other such miscellaneous revenues and represent consolidated service efforts, which provide economical services to all parties involved. Such efforts are encouraged by the department. The Ridgefield School District receives tuition from more than sixty-three (63) Districts and in providing Special Education for all children needing specific programs. The Ridgefield school tax levy has had either no increase or a slight decrease in the past five years.

**3) MAJOR INITIATIVES UNDERTAKEN DURING 2009 – 2010:** The following items were part of the Ridgefield School District's goals and objectives during the 2010-2011 school year. In the area of computer technology, the Superintendent is proud to report that the District's technological infrastructure has been upgraded through the acquisition and implementation of the Optimum Light Path System, which has substantially increased both the speed and capacity of entire computer network – from a one megabyte, to a one hundred megabyte system. Also, we have replaced seven of the District's older file servers and consolidated our data storage on two new, mega servers, which are secured in the high school administrative offices. In addition, we have made substantial progress using technology to respond to the needs of our parents in terms of student evaluation. Ridgefield Memorial High School now posts their progress and report cards on-line, along with the capacity to view student test grades and academic

averages throughout the school year. The school district's curriculum guides are currently being re-written by teaching staff members using an Understanding by Design Format. Approximately thirty-five curricula already have been completed, and we anticipated that another twenty guides will be completed by the end of the 2010-2011 academic school year. At the middle school level, our teaching staff members continue to display proficiency in curriculum mapping exercises, which is available to them through our affiliation with Atlas Software Corporation.

**4) INTERNAL ACCOUNTING GOALS:** 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 generally accepted accounting principles (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 benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

As 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 the 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 voters of the Municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

**7) DEBT ADMINISTRATION:** At June 30, 2011 the District had \$7,023,000 in serial bonds.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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").

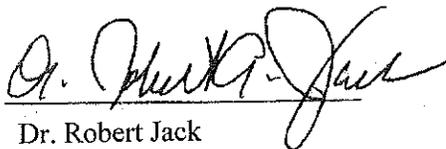
GUDPA was enacted in 1970 to protect Governmental Unit from a loss of funds on deposit with a failed banking institution on New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

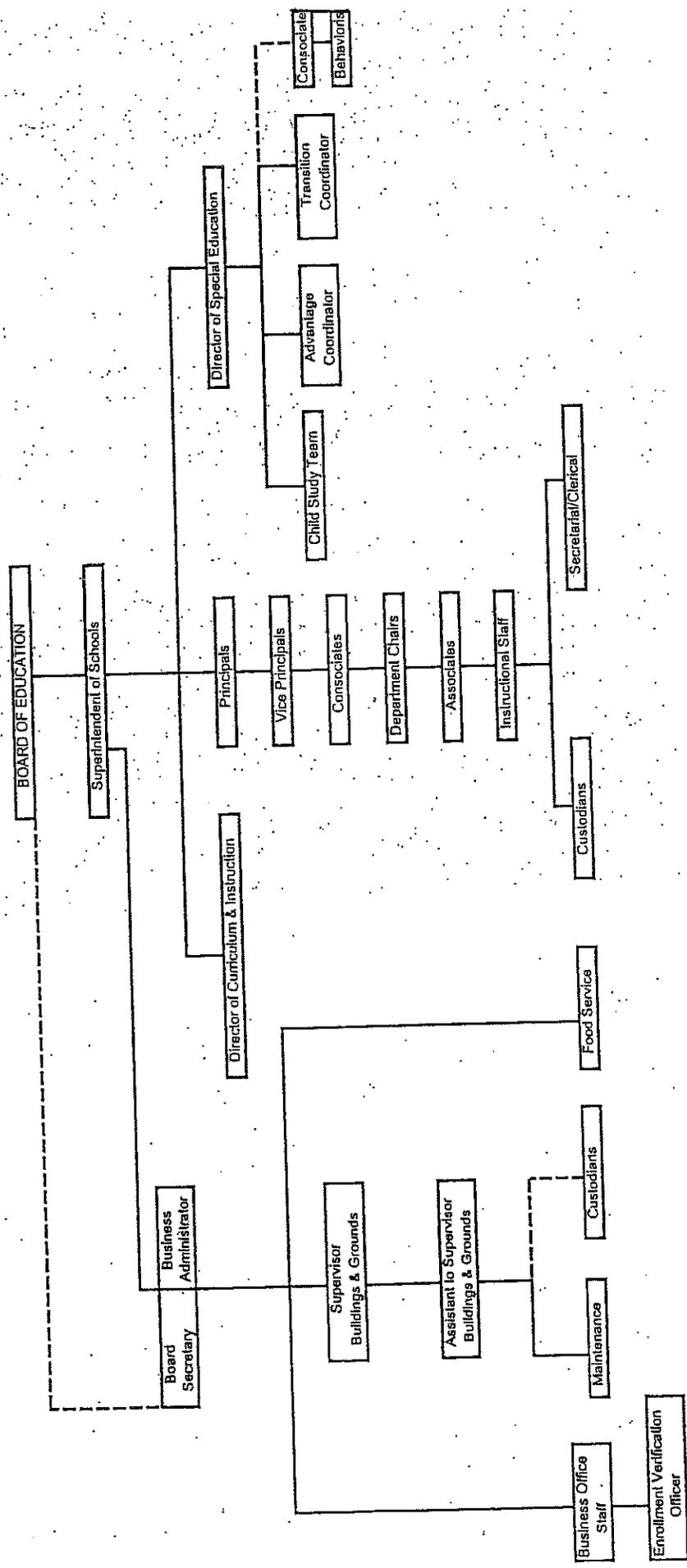
10) **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, 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 OMB 04-04. 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.

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

Respectfully submitted,



Dr. Robert Jack  
Superintendent of Schools



**RIDGEFIELD BOARD OF EDUCATION  
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2011**

| <b>President</b>  | <b><u>Term Expires</u></b> |
|---|----------------------------|
| Deborah Fugnitti  | 2014                       |
| <b>Vice President</b>                                     |                            |
| Lisa Bicocchi   | 2013                       |
| <b>Members of Board of Education</b>                      |                            |
| Ingrid Barbosa  | 2014                       |
| Giovanni Calabrese  | 2012                       |
| Andrew Grippa   | 2014                       |
| Caonabo Reyes   | 2012                       |
| <b><u>Other Officials</u></b>                             |                            |
| <b>Superintendent</b>                                     | Dr. Robert A. Jack         |
| <b>School Business Administrator/<br/>Board Secretary</b> | Richard A. Guarini         |
| <b>Solicitors</b>   | Stanley Turitz, Esq.       |

**Borough of Ridgefield  
Board of Education  
Consultants and Advisors  
as of June 30, 2011**

**Architect/Engineering**

Ronald Schmidt & Associates, P.A.  
222 Grand Avenue  
Englewood, NJ 07631

**Audit Firm**

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

**Attorney**

Ferrara, Turitz, Harraka & Goldberg, P.C.  
505 Main Street  
Hackensack, NJ 07601

Schwenck, Price, Smith & King, LLP  
220 Park Avenue  
P.O. Box 991  
Florham Park, NJ 08876

**Office Depository**

Valley National Bank  
868 Broad Avenue  
Ridgefield, NJ 07657

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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FAIR LAWN, NJ 07410  
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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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITORS' REPORT

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

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 Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. 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 Division of Finance and Regulatory Compliance, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

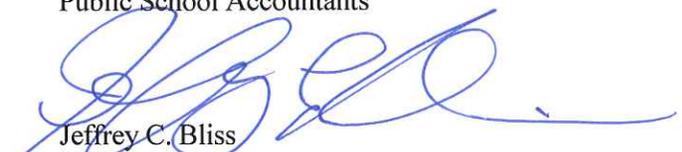
In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2011 on our consideration of the Ridgefield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Board of Education's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and 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. The 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 information is 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.

*Lerch, Vinci & Higgins, LLP*

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

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 29, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

This section of the Ridgefield Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2010-2011 fiscal year include the following:

- The assets of the Ridgefield Board of Education exceeded its liabilities at the close of the fiscal year by \$2,289,877 (net assets).
- The district's overall net assets decreased \$1,009,982.
- Overall district revenues were \$34,423,218. General revenues accounted for \$17,877,073 or 52% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,546,145 or 48% of total revenues.
- The school district had \$34,491,581 in expenses for governmental activities; \$15,616,954 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$17,876,189 were adequate to provide for these programs.
- As of the close of the current fiscal year, the district's governmental funds reported a combined ending fund balance of \$4,207,152.
- The General Fund unassigned fund balance at June 30, 2011 was \$197,371 an increase of \$840,101 when compared to the previous year's unassigned fund deficit of \$642,730.
- The General Fund unassigned budgetary fund balance at June 30, 2011 was \$835,283, which represents an increase of \$748,348 when compared to the ending unassigned budgetary fund balance at June 30, 2010 of \$86,935.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

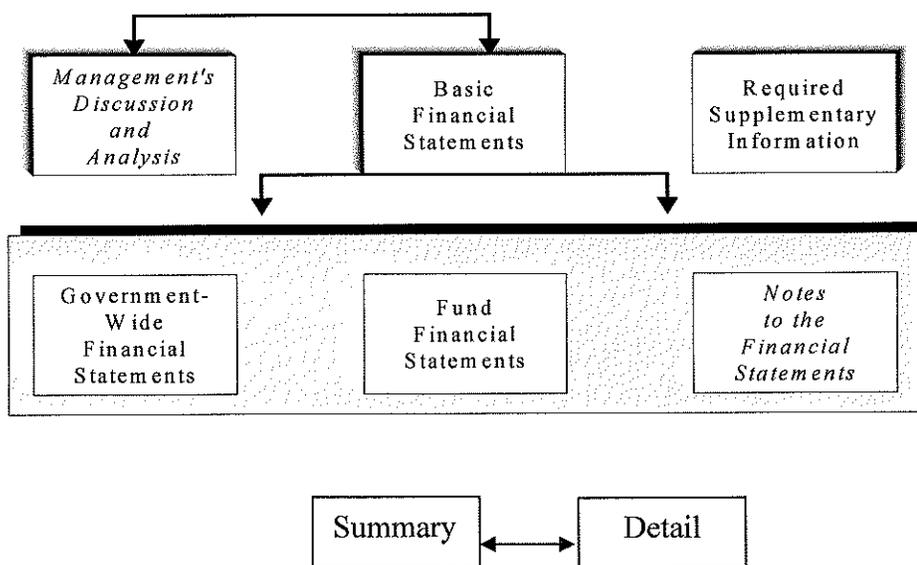
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
  - The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
  - *Proprietary funds statements* offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
  - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain the information in the statements and provide more detailed data. The illustration below shows how the various parts of this annual report are arranged and related to one another.



**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Major Features of the District-Wide and Fund Financial Statements**

|  | District-Wide Statements   | Fund Financial Statements  |   |   |
|--|--|--|---|---|
|  |  | Governmental Funds   | Proprietary Funds   | Fiduciary Funds   |
| Scope                                  | Entire district (except fiduciary funds)   | The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance                                   | Activities the district operates similar to private businesses: Enterprise Fund   | Instances in which the district administers resources held in trust, Such as Scholarship Funds, Payroll Agency and Student Activities |
| Required financial statements          | Statements of net assets<br>Statement of activities                                | Balance Sheet<br>Statement of Revenues,<br>Expenditures and changes in fund balances   | Statement of Net Assets<br>Statement of revenue,<br>expenses, and changes in fund net assets<br>Statement of cash flows | Statements of Fiduciary net assets<br>Statement of changes in fiduciary net assets  |
| Accounting Basis and Measurement focus | Accrual accounting and economic resources focus                                    | Modified accrual accounting and current financial focus  | Accrual accounting and economic resources focus   | Accrual accounting and economic resources Focus   |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, short-term and long-term   | Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included                     | All assets and liabilities, both financial and capital, and short-term and long-term                                    | All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.                              |
| Type of inflow/outflow information     | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid.                                 | All additions and dedications during the year, regardless of when cash is received or paid.   |

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**District-Wide Financial Statements (continued)**

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state and federal aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service and Saturday Happenings Program Funds are included under this category.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

*Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two active enterprise funds.

- Food Service (Cafeteria)
- Saturday Happenings Program

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Fund Financial Statements (continued)**

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general and special revenue funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,289,877 and \$3,299,859 as of June 30, 2011 and 2010, respectively.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Net Assets  
As of June 30, 2011 and 2010**

|  | <u>Governmental</u><br><u>Activities</u> |                     | <u>Business-Type</u><br><u>Activities</u> |                   | <u>Total</u>        |                     |
|--|--|---------------------|---|-------------------|---------------------|---------------------|
|  | <u>2011</u>                              | <u>2010</u>         | <u>2011</u>                               | <u>2010</u>       | <u>2011</u>         | <u>2010</u>         |
| Current Assets                                     | \$ 6,196,684                             | \$ 7,505,704        | \$ 163,295                                | \$ 199,053        | \$ 6,359,979        | \$ 7,704,757        |
| Capital Assets                                     | <u>6,598,020</u>                         | <u>6,996,255</u>    | <u>59,088</u>                             | <u>47,354</u>     | <u>6,657,108</u>    | <u>7,043,609</u>    |
| <b>Total Assets</b>                                | <u>12,794,704</u>                        | <u>14,501,959</u>   | <u>222,383</u>                            | <u>246,407</u>    | <u>13,017,087</u>   | <u>14,748,366</u>   |
| Long-Term Liabilities                              | 8,772,004                                | 9,330,437           |   |                   | 8,772,004           | 9,330,437           |
| Other Liabilities                                  | <u>1,903,319</u>                         | <u>2,053,703</u>    | <u>51,887</u>                             | <u>64,367</u>     | <u>1,955,206</u>    | <u>2,118,070</u>    |
| <b>Total Liabilities</b>                           | <u>10,675,323</u>                        | <u>11,384,140</u>   | <u>51,887</u>                             | <u>64,367</u>     | <u>10,727,210</u>   | <u>11,448,507</u>   |
| Net Assets:  |  |                     |   |                   |                     |                     |
| Invested in capital assets, net<br>of related debt | 2,371,360                                | 2,771,021           | 59,088                                    | 47,354            | 2,430,448           | 2,818,375           |
| Restricted   | 870,002                                  | 1,848,072           |   |                   | 870,002             | 1,848,072           |
| Unrestricted                                       | <u>(1,121,981)</u>                       | <u>(1,501,274)</u>  | <u>111,408</u>                            | <u>134,686</u>    | <u>(1,010,573)</u>  | <u>(1,366,588)</u>  |
| <b>Total Net Assets</b>                            | <u>\$ 2,119,381</u>                      | <u>\$ 3,117,819</u> | <u>\$ 170,496</u>                         | <u>\$ 182,040</u> | <u>\$ 2,289,877</u> | <u>\$ 3,299,859</u> |

The District's total net assets of \$2,289,877 at June 30, 2011 represents a \$1,009,982 or 31% decrease from the prior year. The following presents the changes in net assets for the years ended June 30, 2011 and 2010.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Changes in Net Assets  
For the Fiscal Years Ended June 30, 2011 and 2010**

| Revenues                              | Governmental<br>Activities |                     | Business-Type<br>Activities |                   | Total               |                     |
|---------------------------------------|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
|                                       | 2011                       | 2010                | 2011                        | 2010              | 2011                | 2010                |
| Program Revenues                      |                            |                     |                             |                   |                     |                     |
| Charges for Services                  | \$ 11,154,859              | \$ 12,417,211       | \$ 713,446                  | \$ 691,855        | \$ 11,868,305       | \$ 13,109,066       |
| Operating Grants and Contributions    | 4,425,879                  | 4,762,237           | 215,745                     | 200,305           | 4,641,624           | 4,962,542           |
| Capital Grants and Contributions      | 36,216                     |                     |                             |                   | 36,216              |                     |
| General Revenues                      |                            |                     |                             |                   |                     |                     |
| Property Taxes                        | 16,906,430                 | 15,807,804          |                             |                   | 16,906,430          | 15,807,804          |
| State Aid - Unrestricted              | 867,729                    | 2,097,125           |                             |                   | 867,729             | 2,097,125           |
| Other                                 | 102,030                    | 166,624             | 884                         | 447               | 102,914             | 167,071             |
| <b>Total Revenues</b>                 | <b>33,493,143</b>          | <b>35,251,001</b>   | <b>930,075</b>              | <b>892,607</b>    | <b>34,423,218</b>   | <b>36,143,608</b>   |
| Expenses                              |                            |                     |                             |                   |                     |                     |
| Instruction                           |                            |                     |                             |                   |                     |                     |
| Regular                               | 11,629,767                 | 12,229,676          |                             |                   | 11,629,767          | 12,229,676          |
| Special Education                     | 9,477,065                  | 10,102,596          |                             |                   | 9,477,065           | 10,102,596          |
| Other Instruction                     | 504,255                    | 506,281             |                             |                   | 504,255             | 506,281             |
| School Sponsored Activities and Ath.  | 827,881                    | 919,972             |                             |                   | 827,881             | 919,972             |
| Support Services                      |                            |                     |                             |                   |                     |                     |
| Student and Instruction Related Serv. | 4,996,536                  | 5,175,075           |                             |                   | 4,996,536           | 5,175,075           |
| General Administrative Services       | 974,315                    | 866,824             |                             |                   | 974,315             | 866,824             |
| School Administrative Services        | 1,170,561                  | 1,166,252           |                             |                   | 1,170,561           | 1,166,252           |
| Central and Other Support Services    | 648,492                    | 640,569             |                             |                   | 648,492             | 640,569             |
| Plant Operations and Maintenance      | 3,158,703                  | 3,389,902           |                             |                   | 3,158,703           | 3,389,902           |
| Pupil Transportation                  | 762,056                    | 820,703             |                             |                   | 762,056             | 820,703             |
| Interest on Long Term Debt            | 341,950                    | 347,694             |                             |                   | 341,950             | 347,694             |
| Food Services                         |                            |                     | 642,297                     | 647,835           | 642,297             | 647,835             |
| Saturday Happenings Program           | -                          | -                   | 299,322                     | 276,291           | 299,322             | 276,291             |
| <b>Total Expenses</b>                 | <b>34,491,581</b>          | <b>36,165,544</b>   | <b>941,619</b>              | <b>924,126</b>    | <b>35,433,200</b>   | <b>37,089,670</b>   |
| <b>Change in Net Assets</b>           | <b>(998,438)</b>           | <b>(914,543)</b>    | <b>(11,544)</b>             | <b>(31,519)</b>   | <b>(1,009,982)</b>  | <b>(946,062)</b>    |
| <b>Net Assets, Beginning of Year</b>  | <b>3,117,819</b>           | <b>4,032,362</b>    | <b>182,040</b>              | <b>213,559</b>    | <b>3,299,859</b>    | <b>4,245,921</b>    |
| <b>Net Assets, End of Year</b>        | <b>\$ 2,119,381</b>        | <b>\$ 3,117,819</b> | <b>\$ 170,496</b>           | <b>\$ 182,040</b> | <b>\$ 2,289,877</b> | <b>\$ 3,299,859</b> |

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

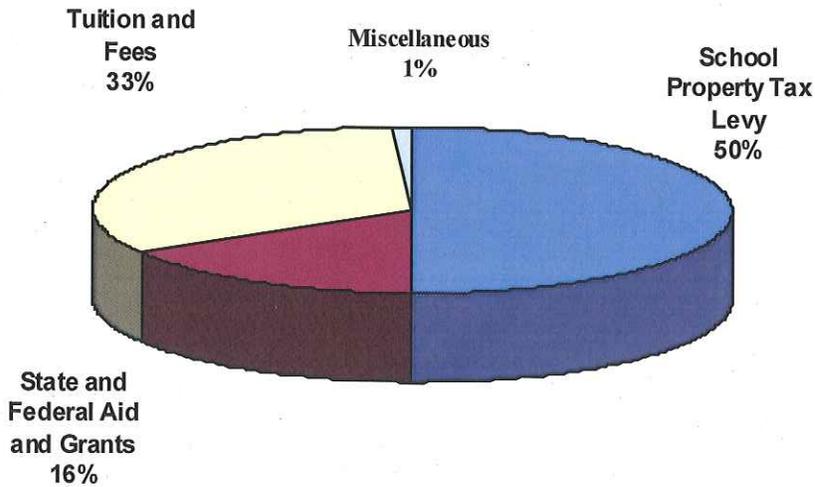
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$33,493,143 for the year ended June 30, 2011, property taxes of \$16,906,430 represented 50% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$5,329,824 represented 16% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$11,154,859 was earned during the year representing 33% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items and represent 1% of revenues.

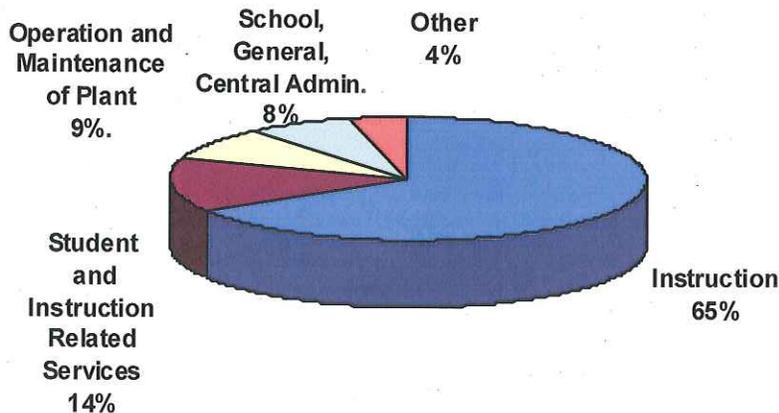
The total cost of all governmental activities programs and services was \$34,491,581 for the year ended June 30, 2011. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$22,438,968 (65%) of total expenditures. Support services totaled \$11,710,663 (34%) of total expenditures. Interest charges for long-term debt represent the remaining 1% of governmental expenditures.

Total governmental activities expenses exceeded revenues decreasing net assets \$998,438 from the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2011**



**Expenditures by Type- Governmental Activities  
For Fiscal Year 2011**



**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Net Cost of Governmental Activities.** The District's total cost of services was \$34,491,581 for the year ended June 30, 2011. After applying program revenues, derived from charges for services of \$11,154,859; operating grants and contributions of \$4,425,879 and capital grants and contributions of \$36,216; the net cost of services of the District is \$18,874,627.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2011 and 2010**

|   | <u>Total Cost of<br/>Services</u> |                             | <u>Net Cost (Income)<br/>of Services</u> |                             |
|---|-----------------------------------|-----------------------------|--|-----------------------------|
|   | <u>2011</u>                       | <u>2010</u>                 | <u>2011</u>                              | <u>2010</u>                 |
| Instruction                               |                                   |                             |  |                             |
| Regular                                   | \$ 11,629,767                     | \$ 12,229,676               | \$ 10,395,118                            | \$ 11,027,708               |
| Special Education                         | 9,477,065                         | 10,102,596                  | (2,863,795)                              | (3,292,712)                 |
| Other Instruction                         | 504,255                           | 506,281                     | 416,395                                  | 441,591                     |
| School Sponsored Activities and Athletics | 827,881                           | 919,972                     | 827,881                                  | 919,972                     |
| Support Services                          |                                   |                             |  |                             |
| Student and Instruction Related Svcs.     | 4,996,536                         | 5,175,075                   | 3,271,006                                | 3,091,688                   |
| General Administrative Services           | 974,315                           | 866,824                     | 947,242                                  | 842,231                     |
| School Administrative Services            | 1,170,561                         | 1,166,252                   | 1,098,794                                | 1,097,986                   |
| Central and Other Support Services        | 648,492                           | 640,569                     | 637,665                                  | 596,204                     |
| Plant Operations and Maintenance          | 3,158,703                         | 3,389,902                   | 3,146,324                                | 3,264,679                   |
| Pupil Transportation                      | 762,056                           | 820,703                     | 757,274                                  | 772,801                     |
| Interest on Long Term Debt                | 341,950                           | 347,694                     | 240,723                                  | 223,948                     |
| <b>Total</b>                              | <b><u>\$ 34,491,581</u></b>       | <b><u>\$ 36,165,544</u></b> | <b><u>\$ 18,874,627</u></b>              | <b><u>\$ 18,986,096</u></b> |

**Business-Type Activities** – The District's total business-type activities revenues were \$930,075 for the year ended June 30, 2011. Charges for services accounted for 77% or \$713,446 of total revenues for the year. Operating grants and contributions accounted for 23% or \$215,745 of total revenues for the year. In addition, miscellaneous revenue was earned from interest income which represented less than one percent of revenues for the year.

The total cost of all business-type activities programs and services was \$941,619. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District at a total cost of \$642,297 (68%) and the Saturday Happenings Programs offered to all District students and residents at a total cost of \$299,322 (32%).

Total business-type activities expenses surpassed revenues decreasing net assets by \$11,544 over the previous year.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,207,152. The prior year fund balance at June 30, 2010 was \$4,976,846. The decrease for the year ended June 30, 2011 was \$769,694.

Revenues for the District's governmental funds were \$33,886,869, while total expenses were \$34,656,563 for the year ended June 30, 2011.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

|                             | <u>Year Ended</u><br><u>June 30, 2011</u> | <u>Year Ended</u><br><u>June 30, 2010</u> | <u>Amount of</u><br><u>Increase</u><br><u>(Decrease)</u> | <u>Percent</u><br><u>Increase</u><br><u>(Decrease)</u> |
|-----------------------------|---|---|--|--|
| Local Sources:              |   |   |  |  |
| Property Tax Levy           | \$ 16,830,993                             | \$ 15,765,032                             | \$ 1,065,961   | 7%   |
| Tuition                     | 10,385,049                                | 10,659,427                                | (274,378)  | -3%  |
| Interest Earnings           | 21,377                                    | 12,723                                    | 8,654  | 68%  |
| Miscellaneous               | 1,231,719                                 | 1,436,012                                 | (204,293)  | -14%   |
| State Sources               | 4,319,835                                 | 5,159,249                                 | (839,414)  | -16%   |
| Federal Sources             | -   | 362,953                                   | (362,953)  | -100%  |
| <br>                        |   |   |  |  |
| Total General Fund Revenues | <u>\$ 32,788,973</u>                      | <u>\$ 33,395,396</u>                      | <u>\$ (606,423)</u>                                      | -2%  |

Total General Fund Revenues decreased by \$606,423 or 2% over the previous year. Local property taxes increased by \$1,065,961 or 7% over the previous year primarily to offset reductions in State and Federal aid. The District realized a decrease in tuition revenue during the current school year. In addition, State aid revenues decreased \$839,414 or 16% and the District did not receive revenue from Federal sources under the American Recovery and Reinvestment Act (ARRA) as the funding was discontinued for the current year.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

The following schedule presents a summary of General Fund expenditures.

|                    | <u>Year Ended</u><br><u>June 30, 2011</u> | <u>Year Ended</u><br><u>June 30, 2010</u> | <u>Amount of</u><br><u>Increase</u><br><u>(Decrease)</u> | <u>Percent</u><br><u>Increase</u><br><u>(Decrease)</u> |
|--------------------|---|---|--|--|
| Instruction        | \$ 21,905,163                             | \$ 23,046,372                             | \$ (1,141,209)   | -5%  |
| Support Services   | 11,063,044                                | 11,191,478                                | (128,434)  | -1%  |
| Debt Services      | 217,777                                   | 59,146                                    | 158,631  | 268%   |
| Capital Outlay     | <u>10,153</u>                             | <u>353,009</u>                            | <u>(342,856)</u>   | -97%   |
| Total Expenditures | <u>\$ 33,196,137</u>                      | <u>\$ 34,650,005</u>                      | <u>\$ (1,453,868)</u>                                    | -4%  |

Total General Fund expenditures decreased \$1,435,868 or 4% from the previous year. These decreases were for the most part attributable to reductions in staffing that resulted in decreases in contractual salary and related employee benefit costs. For the year ended June 30, 2011 General Fund expenditures exceeded revenues and other financing sources by \$394,694. As a result, total fund balance decreased to \$1,461,256 at June 30, 2011. However, after deducting restricted, committed and assigned fund balances, the unassigned fund balance increased by \$840,101 to a fund balance of \$197,371 at June 30, 2011 from a deficit balance of \$642,730 at June 30, 2011.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$784,668, for the year ended June 30, 2011. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 90% or \$707,914 of the total revenue for the year. State sources accounted for 6% or \$45,724 of the total revenue for the year. The remaining 4% of revenue came from local sources.

Total Special Revenue Fund revenues decreased \$287,510 or 27% from the previous year. State sources decreased \$8,526 or 16%, Federal sources decreased \$277,758 or 28% all due to the absence of funding provided under ARRA in the previous year. Local grants decreased \$1,226 over the prior year.

Expenditures of the Special Revenue Fund were \$784,668. Instructional expenditures were \$552,554 or 70% and expenditures for support services were \$185,898 or 24% of the total amount expended for the year ended June 30, 2011. The remaining \$46,216 of expenditures was for the payment of debt service and capital outlay.

**Capital Projects** - The capital projects other financing uses exceeded revenues by \$375,000 resulting in a fund balance of \$2,745,895 at June 30, 2011 all of which is reserved for the payment of outstanding serial bonds. There were no expenditures during the current year.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Proprietary Funds**

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

**Enterprise Fund** - The District uses an Enterprise Fund to report activities related to the Food Services and Saturday Happenings programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis of accounting. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget. The budget revisions were due to the following:

- Reappropriation of prior year encumbrances of \$104,779.
- Increase budget appropriations by \$143,227 from restricted fund balance.

For fiscal year 2011 General Fund budgetary basis expenditures were greater than revenues and other financing sources by \$486,447. Therefore budgetary fund balance decreased to \$2,099,168 at June 30, 2011. However, after deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance at June 30, 2011 was \$835,283, an increase of \$748,348 when compared to the previous year's unassigned budgetary fund balance of \$86,935 at June 30, 2010. The amount restricted for tuition refund reserves decreased by \$694,995 to \$870,000 at June 30, 2011.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$6,657,108 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, leasehold improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2010-2011 amounted to \$444,604 for governmental activities and \$16,562 for business-type activities.

**Capital Assets at June 30, 2011 and 2010  
(Net of Accumulated Depreciation)**

|                                     | <b>Governmental</b> |                     | <b>Business-Type</b> |                  | <b>Total</b>        |                     |
|-------------------------------------|---------------------|---------------------|----------------------|------------------|---------------------|---------------------|
|                                     | <b>Activities</b>   |                     | <b>Activities</b>    |                  |                     |                     |
|                                     | <b>2011</b>         | <b>2010</b>         | <b>2011</b>          | <b>2010</b>      | <b>2011</b>         | <b>2010</b>         |
| Land                                | \$ 288,751          | \$ 288,751          |                      |                  | \$ 288,751          | \$ 288,751          |
| Land Improvements                   | 58,292              | 61,839              |                      |                  | 58,292              | 61,839              |
| Buildings and Building Improvements | 6,085,605           | 6,448,733           |                      |                  | 6,085,605           | 6,448,733           |
| Leasehold Improvements              | 36,706              | 39,237              |                      |                  | 36,706              | 39,237              |
| Machinery and Equipment             | 128,666             | 157,695             | \$ 59,088            | \$ 47,354        | 187,754             | 205,049             |
| <b>Total Capital Assets, Net</b>    | <b>\$ 6,598,020</b> | <b>\$ 6,996,255</b> | <b>\$ 59,088</b>     | <b>\$ 47,354</b> | <b>\$ 6,657,108</b> | <b>\$ 7,043,609</b> |

Additional information on the District's capital assets are presented in the Notes of this report.

**RIDGEFIELD BOARD OF EDUCATION  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**LONG TERM LIABILITIES**

At June 30, 2011, the District's long-term liabilities consisted of serial bonds payable of \$7,023,000, capital leases payable of \$12,537, lease purchase agreements outstanding of \$347,766, sale/leaseback contracts of \$500,000, compensated absences payable of \$698,040, and the deferred pension obligation of \$190,661 compared to serial bonds payable of \$7,398,000, capital leases payable of \$15,918, lease purchase agreements outstanding of \$535,704, sale/leaseback contracts of \$500,000, compensated absences payable of \$704,479 and the deferred pension obligation of \$176,336 at June 30, 2010.

Additional information of the District's long-term liabilities is presented in the Notes of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2011-2012 budget. The primary factors were the District's projected student population, anticipated state and federal aid, special education tuition and related service fees, special education costs, prior year tuition refunds as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2011-2012. Budgeted expenditures in the General Fund decreased 4% to \$30,774,461 in fiscal year 2011-2012.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Ridgefield Board of Education, 555 Chestnut Street, Ridgefield, NJ 07657

**BASIC FINANCIAL STATEMENTS**

**RIDGEFIELD BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                   |                                    |                                     |                     |
| Cash  | \$ 5,016,328                       | \$ 122,530                          | \$ 5,138,858        |
| Receivables, Net                                | 1,117,374                          | 33,206                              | 1,150,580           |
| Inventory                                       |                                    | 7,559                               | 7,559               |
| Deferred Charges                                | 62,982                             |                                     | 62,982              |
| Capital Assets, Not Being Depreciated           | 288,751                            |                                     | 288,751             |
| Capital Assets, Being Depreciated, Net          | <u>6,309,269</u>                   | <u>59,088</u>                       | <u>6,368,357</u>    |
| Total Assets                                    | <u>12,794,704</u>                  | <u>222,383</u>                      | <u>13,017,087</u>   |
| <b>LIABILITIES</b>                              |                                    |                                     |                     |
| Accounts Payable and Other Current Liabilities  | 722,997                            | 22,627                              | 745,624             |
| Payable to Other Governments                    | 1,106,929                          |                                     | 1,106,929           |
| Accrued Interest Payable                        | 68,922                             |                                     | 68,922              |
| Unearned Revenue                                | 4,471                              | 29,260                              | 33,731              |
| Noncurrent Liabilities                          |                                    |                                     |                     |
| Due within one year                             | 714,876                            |                                     | 714,876             |
| Due beyond one year                             | <u>8,057,128</u>                   | <u>-</u>                            | <u>8,057,128</u>    |
| Total Liabilities                               | <u>10,675,323</u>                  | <u>51,887</u>                       | <u>10,727,210</u>   |
| <b>NET ASSETS</b>                               |                                    |                                     |                     |
| Invested in Capital Assets, Net of Related Debt | 2,371,360                          | 59,088                              | 2,430,448           |
| Restricted for                                  |                                    |                                     |                     |
| Tuition Adjustments                             | 870,000                            |                                     | 870,000             |
| Other Purposes                                  | 2                                  |                                     | 2                   |
| Unrestricted                                    | <u>(1,121,981)</u>                 | <u>111,408</u>                      | <u>(1,010,573)</u>  |
| Total Net Assets                                | <u>\$ 2,119,381</u>                | <u>\$ 170,496</u>                   | <u>\$ 2,289,877</u> |

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

**RIDGEFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| Functions/Programs                        | Program Revenues     |                      |                                    | Net (Expense) Revenue and Changes in Net Assets |                         |                          |                     |
|---|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|---------------------|
|   | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                | Governmental Activities | Business-type Activities | Total               |
| <b>Governmental Activities</b>            |                      |                      |                                    |   |                         |                          |                     |
| Instruction                               |                      |                      |                                    |   |                         |                          |                     |
| Regular                                   | \$ 11,629,767        |                      | \$ 1,206,811                       | \$ 27,838                                       | \$ (10,395,118)         | \$                       | \$ (10,395,118)     |
| Special Education                         | 9,477,065            | 9,979,380            | 2,353,102                          | 8,378   | 2,863,795               |                          | 2,863,795           |
| Other Instruction                         | 504,255              |                      | 87,860                             |   | (416,395)               |                          | (416,395)           |
| School Sponsored Activities and Athletics | 827,881              |                      |                                    |   | (827,881)               |                          | (827,881)           |
| Support Services                          |                      |                      |                                    |   |                         |                          |                     |
| Student and Instruction Related Services  | 4,996,536            | 1,175,479            | 550,051                            |   | (3,271,006)             |                          | (3,271,006)         |
| General Administrative Services           | 974,315              |                      | 27,073                             |   | (947,242)               |                          | (947,242)           |
| School Administrative Services            | 1,170,561            |                      | 71,767                             |   | (1,098,794)             |                          | (1,098,794)         |
| Central and Other Support Services        | 648,492              |                      | 10,827                             |   | (637,665)               |                          | (637,665)           |
| Plant Operations and Maintenance          | 3,158,703            |                      | 12,379                             |   | (3,146,324)             |                          | (3,146,324)         |
| Pupil Transportation                      | 762,056              |                      | 4,782                              |   | (757,274)               |                          | (757,274)           |
| Interest on Long-Term Debt                | 341,950              |                      | 101,227                            |   | (240,723)               |                          | (240,723)           |
| <b>Total Governmental Activities</b>      | <b>34,491,581</b>    | <b>11,154,859</b>    | <b>4,425,879</b>                   | <b>36,216</b>                                   | <b>(18,874,627)</b>     | <b>-</b>                 | <b>(18,874,627)</b> |
| <b>Business-Type Activities</b>           |                      |                      |                                    |   |                         |                          |                     |
| Food Service                              | 642,297              | 431,919              | 215,745                            | -   | -                       | \$ 5,367                 | 5,367               |
| Saturday Happenings                       | 299,522              | 281,527              | -                                  | -   | -                       | (17,795)                 | (17,795)            |
| <b>Total Business-Type Activities</b>     | <b>941,619</b>       | <b>713,446</b>       | <b>215,745</b>                     | <b>-</b>  | <b>-</b>                | <b>(12,428)</b>          | <b>(12,428)</b>     |
| <b>Total Primary Government</b>           | <b>\$ 35,433,200</b> | <b>\$ 11,868,305</b> | <b>\$ 4,641,624</b>                | <b>\$ 36,216</b>                                | <b>(18,874,627)</b>     | <b>(12,428)</b>          | <b>(18,887,055)</b> |

Continued

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

**RIDGEFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <b>Net (Expense) Revenue and<br/>Changes in Net Assets</b> |                                     |                     |
|--|--|-------------------------------------|---------------------|
|  | <b>Governmental<br/>Activities</b>                         | <b>Business-type<br/>Activities</b> | <b>Total</b>        |
| <b>General Revenues</b>                    |  |                                     |                     |
| Taxes                                      |  |                                     |                     |
| Property Taxes Levied for General Purposes | \$ 16,830,993  |                                     | \$ 16,830,993       |
| Property Taxes Levied for Debt Service     | 75,437   |                                     | 75,437              |
| State Aid -Unrestricted                    | 742,691  |                                     | 742,691             |
| State Aid for Debt Service Principal       | 125,038  |                                     | 125,038             |
| Investment Earnings                        | 33,847   | \$ 884                              | 34,731              |
| Miscellaneous Income                       | 68,183   | -                                   | 68,183              |
|  | <u>17,876,189</u>  | <u>884</u>                          | <u>17,877,073</u>   |
| <b>Total General Revenues</b>              |  |                                     |                     |
|  | (998,438)  | (11,544)                            | (1,009,982)         |
| <b>Change in Net Assets</b>                |  |                                     |                     |
| Net Assets, Beginning of Year              | 3,117,819  | 182,040                             | 3,299,859           |
| Net Assets, End of Year                    | <u>\$ 2,119,381</u>  | <u>\$ 170,496</u>                   | <u>\$ 2,289,877</u> |

**FUND FINANCIAL STATEMENTS**

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b>ASSETS</b>  |                         |                                     |                                      |                                  |   |
| Cash   | \$ 2,267,950            |                                     | \$ 2,748,377                         | \$ 1                             | \$ 5,016,328                            |
| Receivables from Other Governments, Net                                | 717,662                 | \$ 381,780                          |                                      |                                  | 1,099,442                               |
| Other Accounts Receivable, Net   |                         | 7,233                               |                                      |                                  | 7,233                                   |
| Due from Other funds   | 344,205                 | -                                   | -                                    | -                                | 344,205                                 |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| Total Assets   | \$ 3,329,817            | \$ 389,013                          | \$ 2,748,377                         | \$ 1                             | \$ 6,467,208                            |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| <b>LIABILITIES AND FUND BALANCES</b>                                   |                         |                                     |                                      |                                  |   |
| Liabilities  |                         |                                     |                                      |                                  |   |
| Accounts Payable   | \$ 651,939              | \$ 34,967                           |                                      |                                  | \$ 686,906                              |
| Accrued Salaries and Wages   | 36,091                  |                                     |                                      |                                  | 36,091                                  |
| Payable to State Government  |                         | 18,551                              |                                      |                                  | 18,551                                  |
| Payables to Local Governments  | 1,088,378               |                                     |                                      |                                  | 1,088,378                               |
| Due to Other Funds   |                         | 331,024                             | \$ 2,482                             |                                  | 333,506                                 |
| Deferred Revenue   | 92,153                  | 4,471                               | -                                    | -                                | 96,624                                  |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| Total Liabilities  | 1,868,561               | 389,013                             | 2,482                                | -                                | 2,260,056                               |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| Fund Balances  |                         |                                     |                                      |                                  |   |
| Restricted   |                         |                                     |                                      |                                  |   |
| Capital Reserve  | 1                       |                                     |                                      |                                  | 1                                       |
| Tuition Adjustments  | 845,000                 |                                     |                                      |                                  | 845,000                                 |
| Tuition Adjustments - Designated for<br>Subsequent Year's Expenditures | 25,000                  |                                     |                                      |                                  | 25,000                                  |
| Debt Service   |                         |                                     | 2,745,895                            | \$ 1                             | 2,745,896                               |
| Committed  |                         |                                     |                                      |                                  |   |
| Year End Encumbrances  | 74,570                  |                                     |                                      |                                  | 74,570                                  |
| Assigned   |                         |                                     |                                      |                                  |   |
| Year End Encumbrances  | 94,314                  |                                     |                                      |                                  | 94,314                                  |
| Designed for Subsequent Year's Expenditures                            | 225,000                 |                                     |                                      |                                  | 225,000                                 |
| Unassigned   | 197,371                 | -                                   | -                                    | -                                | 197,371                                 |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| Total Fund Balances  | 1,461,256               | -                                   | 2,745,895                            | 1                                | 4,207,152                               |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |
| Total Liabilities and Fund Balances                                    | \$ 3,329,817            | \$ 389,013                          | \$ 2,748,377                         | \$ 1                             | \$ 6,467,208                            |
|  | <hr/>                   | <hr/>                               | <hr/>                                | <hr/>                            | <hr/>                                   |

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

|   |                             |                     |
|---|-----------------------------|---------------------|
| <b>Total Fund Balances (Exhibit B-1)</b>  |                             | \$ 4,207,152        |
| Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:   |                             |                     |
| Deferred Charges for bond issuance costs are amortized over the life of the debt and therefore are not reported as a deferred charge in the funds.  |                             | 62,982              |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,781,585 and the accumulated depreciation is \$6,183,565. |                             | 6,598,020           |
| Deferred revenues in the funds that do not provide current financial resources are realized as revenues in the statement of activities.   |                             | 92,153              |
| The District has financed capital assets through the issuance of long-term lease obligations. The interest accrual at year end is:  |                             | (68,922)            |
| 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               | \$ (7,023,000)      |
|   | Capital Leases Payable      | (12,537)            |
|   | Lease Purchase Agreements   | (347,766)           |
|   | Sale/Leaseback Contracts    | (500,000)           |
|   | Compensated Absences        | (698,040)           |
|   | Deferred Pension Obligation | (190,661)           |
|   |                             | (8,772,004)         |
| <b>Net assets of governmental activities (Exhibit A-1)</b>  |                             | <b>\$ 2,119,381</b> |

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b>REVENUES</b>  |                         |                                     |                                      |                                  |   |
| Local Sources  |                         |                                     |                                      |                                  |   |
| Property Tax Levy  | \$ 16,830,993           |                                     |                                      | \$ 75,437                        | \$ 16,906,430                           |
| Tuition  | 10,385,049              |                                     |                                      |                                  | 10,385,049                              |
| Interest   | 21,377                  |                                     | \$ 12,470                            |                                  | 33,847                                  |
| Miscellaneous - Restricted                                   | 1,163,536               |                                     |                                      |                                  | 1,163,536                               |
| Miscellaneous - Unrestricted                                 | 68,183                  | \$ 31,030                           | -                                    | -                                | 99,213                                  |
| Total - Local Sources  | 28,469,138              | 31,030                              | 12,470                               | 75,437                           | 28,588,075                              |
| State Sources  | 4,319,835               | 45,724                              |                                      | 225,321                          | 4,590,880                               |
| Federal Sources  | -                       | 707,914                             | -                                    | -                                | 707,914                                 |
| Total Revenues   | 32,788,973              | 784,668                             | 12,470                               | 300,758                          | 33,886,869                              |
| <b>EXPENDITURES</b>  |                         |                                     |                                      |                                  |   |
| Current  |                         |                                     |                                      |                                  |   |
| Instruction  |                         |                                     |                                      |                                  |   |
| Regular Instruction  | 11,525,240              | 117,000                             |                                      |                                  | 11,642,240                              |
| Special Education Instruction                                | 9,084,678               | 397,303                             |                                      |                                  | 9,481,981                               |
| Other Special Instruction                                    | 467,364                 | 38,251                              |                                      |                                  | 505,615                                 |
| School-Sponsored Activities and Athletics                    | 827,881                 |                                     |                                      |                                  | 827,881                                 |
| Support Services   |                         |                                     |                                      |                                  |   |
| Student and Instruction Related Services                     | 4,811,649               | 185,898                             |                                      |                                  | 4,997,547                               |
| General Administrative Services                              | 965,461                 |                                     |                                      |                                  | 965,461                                 |
| School Administrative Services                               | 1,152,742               |                                     |                                      |                                  | 1,152,742                               |
| Central and Other Support Service                            | 648,492                 |                                     |                                      |                                  | 648,492                                 |
| Plant Operations and Maintenance                             | 2,755,895               |                                     |                                      |                                  | 2,755,895                               |
| Student Transportation                                       | 728,805                 |                                     |                                      |                                  | 728,805                                 |
| Debt Service   |                         |                                     |                                      |                                  |   |
| Principal  | 182,263                 | 9,056                               |                                      | 375,000                          | 566,319                                 |
| Interest and Other Charges                                   | 35,514                  | 944                                 |                                      | 300,758                          | 337,216                                 |
| Capital Outlay   | 10,153                  | 36,216                              | -                                    | -                                | 46,369                                  |
| Total Expenditures   | 33,196,137              | 784,668                             | -                                    | 675,758                          | 34,656,563                              |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (407,164)               | -                                   | 12,470                               | (375,000)                        | (769,694)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                                     |                                      |                                  |   |
| Transfers In   | 12,470                  |                                     |                                      | 375,000                          | 387,470                                 |
| Transfers Out  | -                       | -                                   | (387,470)                            | -                                | (387,470)                               |
| Total Other Financing Sources and Uses                       | 12,470                  | -                                   | (387,470)                            | 375,000                          | -                                       |
| Net Change in Fund Balances                                  | (394,694)               | -                                   | (375,000)                            | -                                | (769,694)                               |
| Fund Balance, Beginning of Year                              | 1,855,950               | -                                   | 3,120,895                            | 1                                | 4,976,846                               |
| Fund Balance, End of Year                                    | \$ 1,461,256            | \$ -                                | \$ 2,745,895                         | \$ 1                             | \$ 4,207,152                            |

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

**RIDGEFIELD 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, 2011**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ (769,694)

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 outlays in the current period.

|                      |                  |           |
|----------------------|------------------|-----------|
| Capital Outlays      | \$ 46,369        |           |
| Depreciation Expense | <u>(444,604)</u> |           |
|                      |                  | (398,235) |

The issuance of long-term debt provides current financial resources to governmental funds, however these transactions have no effect in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

|                                |                |         |
|--------------------------------|----------------|---------|
| Amortization of Issuance Costs | <u>(4,807)</u> |         |
|                                |                | (4,807) |

Repayment of long-term debt is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the Statement of Net Assets.

|                                    |                |         |
|------------------------------------|----------------|---------|
| Serial Bonds                       | 375,000        |         |
| Capital Lease Principal            | 3,381          |         |
| Lease Purchase Agreement Principal | <u>187,938</u> |         |
|                                    |                | 566,319 |

In the statement of activities, certain operating 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 |  | 6,439 |
|----------------------------------|--|-------|

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

|                                      |  |           |
|--------------------------------------|--|-----------|
| Decrease in Deferred Tuition Revenue |  | (393,726) |
|--------------------------------------|--|-----------|

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.

|  |              |                |
|--|--------------|----------------|
| Increase in Deferred Pension Obligations | (14,325)     |                |
| Decrease in Accrued Interest             | <u>9,591</u> |                |
|  |              | <u>(4,734)</u> |

**Change in net assets of governmental activities (Exhibit A-2)** **\$ (998,438)**

**RIDGEFIELD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2011**

|                                   | Business-Type Activities<br>Enterprise Funds |  |                   |
|-----------------------------------|--|--|-------------------|
|                                   | <u>Food<br/>Service</u>                      | <u>Saturday<br/>Happenings<br/>Program</u> | <u>Total</u>      |
| <b>ASSETS</b>                     |  |  |                   |
| Cash                              | \$ 103,128                                   | \$ 19,402                                  | \$ 122,530        |
| Intergovernmental Receivable, Net |  |  |                   |
| State                             | 1,052  |  | 1,052             |
| Federal                           | 14,437                                       |  | 14,437            |
| Accounts Receivable, Net          |  | 17,717                                     | 17,717            |
| Inventory                         | 7,559  | -  | 7,559             |
| Total Current Assets              | <u>126,176</u>                               | <u>37,119</u>                              | <u>163,295</u>    |
| Capital Assets                    |  |  |                   |
| Equipment                         | 196,058                                      | 24,222                                     | 220,280           |
| Accumulated Depreciation          | <u>(148,699)</u>                             | <u>(12,493)</u>                            | <u>(161,192)</u>  |
| Total Capital Assets, Net         | <u>47,359</u>                                | <u>11,729</u>                              | <u>59,088</u>     |
| Total Assets                      | <u>173,535</u>                               | <u>48,848</u>                              | <u>222,383</u>    |
| <b>LIABILITIES</b>                |  |  |                   |
| Current Liabilities               |  |  |                   |
| Accounts Payable                  | 22,627                                       |  | 22,627            |
| Unearned Revenue                  | <u>5,299</u>                                 | <u>23,961</u>                              | <u>29,260</u>     |
| Total Current Liabilities         | <u>27,926</u>                                | <u>23,961</u>                              | <u>51,887</u>     |
| <b>NET ASSETS</b>                 |  |  |                   |
| Invested in Capital Assets        | 47,359                                       | 11,729                                     | 59,088            |
| Unrestricted                      | <u>98,250</u>                                | <u>13,158</u>                              | <u>111,408</u>    |
| Total Net Assets                  | <u>\$ 145,609</u>                            | <u>\$ 24,887</u>                           | <u>\$ 170,496</u> |

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

**RIDGEFIELD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                                     | Business-Type Activities<br>Enterprise Funds |  |                   |
|-------------------------------------|--|--|-------------------|
|                                     | <u>Food<br/>Service</u>                      | <u>Saturday<br/>Happenings<br/>Program</u> | <u>Total</u>      |
| <b>OPERATING REVENUES</b>           |  |  |                   |
| Local Sources                       |  |  |                   |
| Daily Sales                         |  |  |                   |
| School Lunch Program                | \$ 426,069                                   |  | \$ 426,069        |
| Other                               | 5,850  |  | 5,850             |
| Program Fees                        | -  | \$ 281,527                                 | 281,527           |
|                                     | <u>431,919</u>                               | <u>281,527</u>                             | <u>713,446</u>    |
| Total Operating Revenues            |  |  |                   |
| <b>OPERATING EXPENSES</b>           |  |  |                   |
| Cost of Sales                       | 303,160                                      |  | 303,160           |
| Salaries and Benefits               | 249,890                                      | 241,105                                    | 490,995           |
| Purchased Management Services       | 24,924                                       |  | 24,924            |
| General Supplies                    | 27,064                                       | 8,217                                      | 35,281            |
| Miscellaneous                       | 6,415  |  | 6,415             |
| Repair and Maintenance              | 14,282                                       |  | 14,282            |
| Rent                                |  | 50,000                                     | 50,000            |
| Depreciation                        | 16,562                                       | -  | 16,562            |
|                                     | <u>642,297</u>                               | <u>299,322</u>                             | <u>941,619</u>    |
| Total Operating Expenses            |  |  |                   |
| Operating Loss                      | <u>(210,378)</u>                             | <u>(17,795)</u>                            | <u>(228,173)</u>  |
| Nonoperating Revenues               |  |  |                   |
| State Sources                       |  |  |                   |
| State School Lunch Program          | 8,112  |  | 8,112             |
| Federal Sources                     |  |  |                   |
| National School Breakfast Program   | 6,891  |  | 6,891             |
| National School Lunch Program       | 200,742                                      |  | 200,742           |
| Interest Income                     | 241  | 643  | 884               |
|                                     | <u>215,986</u>                               | <u>643</u>                                 | <u>216,629</u>    |
| Total Nonoperating Revenues         |  |  |                   |
| Changes in Net Assets               | 5,608  | (17,152)                                   | (11,544)          |
| Total Net Assets, Beginning of Year | <u>140,001</u>                               | <u>42,039</u>                              | <u>182,040</u>    |
| Total Net Assets, End of Year       | <u>\$ 145,609</u>                            | <u>\$ 24,887</u>                           | <u>\$ 170,496</u> |

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

**RIDGEFIELD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Business-Type Activities |                                   |              |
|--|--------------------------|-----------------------------------|--------------|
|  | Enterprise Funds         |                                   |              |
|  | Food<br>Service          | Saturday<br>Happenings<br>Program | Total        |
| Cash Flows from Operating Activities   |                          |                                   |              |
| Cash Received from Customers   | \$ 432,238               | \$ 277,167                        | \$ 709,405   |
| Cash Payments for Employees  |                          |                                   |              |
| Salaries and Benefits  | (249,890)                | (241,105)                         | (490,995)    |
| Cash Payments to Suppliers for Goods<br>and Services                                 | (351,800)                | (58,217)                          | (410,017)    |
| Net Cash Used for Operating Activities   | (169,452)                | (22,155)                          | (191,607)    |
| Cash Flows from Noncapital Financing Activities                                      |                          |                                   |              |
| Cash Received from State and Federal<br>Subsidy Reimbursements                       | 186,398                  | -                                 | 186,398      |
| Net Cash Provided by Noncapital<br>Financing Activities                              | 186,398                  | -                                 | 186,398      |
| Cash Flows from Capital and Related Financing Activities                             |                          |                                   |              |
| Purchase of Capital Assets   | (16,567)                 | (11,729)                          | (28,296)     |
| Net Cash Used for Capital and<br>Related Financing Activities                        | (16,567)                 | (11,729)                          | (28,296)     |
| Cash Flows from Investing Activities   |                          |                                   |              |
| Interest Received  | 241                      | 643                               | 884          |
| Net Cash Provided by Investing Activities  | 241                      | 643                               | 884          |
| Net Increase (Decrease) in Cash  | 620                      | (33,241)                          | (32,621)     |
| Cash, Beginning of Year  | 102,508                  | 52,643                            | 155,151      |
| Cash, End of Year  | \$ 103,128               | \$ 19,402                         | \$ 122,530   |
| Reconciliation of Operating Loss to Net Cash   |                          |                                   |              |
| Used for Operating Activities  |                          |                                   |              |
| Operating Loss   | \$ (210,378)             | \$ (17,795)                       | \$ (228,173) |
| Adjustments to Reconcile Operating Loss<br>to Net Cash Used for Operating Activities |                          |                                   |              |
| Depreciation   | 16,562                   |                                   | 16,562       |
| Non-Cash Federal Assistance-Food Distribution Program                                | 28,921                   |                                   | 28,921       |
| Change in Assets and Liabilities   |                          |                                   |              |
| (Increase)/Decrease in Other Accounts Receivable                                     |                          | 2,436                             | 2,436        |
| (Increase)/Decrease in Inventory   | 1,127                    |                                   | 1,127        |
| Increase/(Decrease) in Accounts Payable  | (5,012)                  |                                   | (5,012)      |
| Increase/(Decrease) in Unearned Revenue  | (672)                    | (6,796)                           | (7,468)      |
| Total Adjustments  | 40,926                   | (4,360)                           | 36,566       |
| Net Cash Used For Operating Activities   | \$ (169,452)             | \$ (22,155)                       | \$ (191,607) |
| Non-Cash Investing, Capital and Financing Activities:                                |                          |                                   |              |
| Value Received - Food Distribution Program   | \$ 27,930                |                                   | \$ 27,930    |

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

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

|                                      | <u>Private Purpose<br/>Scholarship Fund</u> | <u>Agency Fund</u> |
|--------------------------------------|---|--------------------|
| <b>ASSETS</b>                        |   |                    |
| Cash                                 | \$ 54,986                                   | \$ 206,474         |
| Total Assets                         | <u>54,986</u>                               | <u>\$ 206,474</u>  |
| <b>LIABILITIES</b>                   |   |                    |
| Payroll Deductions and Withholdings  |   | \$ 164,043         |
| Due to Other Funds                   |   | 10,699             |
| Due to Student Groups                | <u>-</u>                                    | <u>31,732</u>      |
| Total Liabilities                    | <u>-</u>                                    | <u>\$ 206,474</u>  |
| <b>NET ASSETS</b>                    |   |                    |
| Held in Trust for Scholarship Awards | <u>\$ 54,986</u>                            |                    |

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                                   | <u>Private Purpose<br/>Scholarship Fund</u> |
|-----------------------------------|---|
| <b>ADDITIONS</b>                  |   |
| Contributions                     |   |
| Donations - Private               | \$ 21,710                                   |
| Investment Earnings               |   |
| Interest                          | <u>202</u>                                  |
| Total Additions                   | 21,912                                      |
| <b>DEDUCTIONS</b>                 |   |
| Scholarship Awards                | <u>24,268</u>                               |
| Change in Net Assets              | (2,356)                                     |
| Net Assets, Beginning of the Year | <u>57,342</u>                               |
| Net Assets, End of the Year       | <u>\$ 54,986</u>                            |

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Ridgefield Board of Education this includes general operations, food service, before and after school child care 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. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. 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 assets, 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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**B. Basic Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. 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 except for tuition and related service fees which are considered revenue if collected within 90 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.

Property taxes, tuition, related service fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

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

The *Saturday Happenings program fund* accounts for the activities of the District's Lathkey, Pre-K, Saturday Happenings and Summer Happenings operations which provides before and after school child care, Pre-K curriculum and community education programs for District students and residents.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

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.

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.

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 and the Saturday happenings enterprise funds 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.

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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**D. Assets, Liabilities and Net Assets or Equity**

***1. Deposits 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 and Payables***

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".

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

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 2009-2010 and 2010-2011 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is 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 revenues. 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. 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. 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 unearned revenue.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**4. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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.

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               | 50           |
| Building Improvements   | 10-40        |
| Leasehold Improvements  | 20           |
| Equipment and Furniture | 5            |

**5. Compensated Absences**

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**6. *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 assets. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period.

**7. *Fund Equity***

Beginning with fiscal year 2011, the District implemented GASB Statement 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.

**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 2B.)

*Tuition Adjustments* – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief. The District has reserved \$415,000 for the 2009/2010 contract year and \$430,000 for the 2010/2011 contract year.

*Tuition Adjustments – Designated for Subsequent Year's Expenditures* – This reserve was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2009/2010 contract year that is appropriated in the 2011/2012 original budget certified for taxes.

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

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**7. Fund Equity (Continued)**

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

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

**Designated for Subsequent Year's Expenditures** – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

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

**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 and is voted upon at the annual school election on the third Tuesday in April. 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 2010/2011. During 2010/2011 the Board increased the original budget by \$419,150. The increase was funded by additional appropriation of restricted fund balance, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**B. Capital Reserve**

A capital reserve account was established by the District on October 11, 2000. 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 balance of the capital reserve account was \$1 on June 30, 2010. There was no activity in the capital reserve account for the fiscal year ending June 30, 2011.

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$13,105,893.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**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 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, 2011, the book value of the Board's deposits was \$5,400,318 and bank balances of the Board's cash and deposits amounted to \$5,687,544. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" are categorized as:

| <u>Depository Account</u> | <u>Bank<br/>Balance</u> |
|---------------------------|-------------------------|
| Insured                   | \$ <u>5,687,544</u>     |

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, 2011 the Board's bank balance was not exposed to custodial credit risk.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

**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, 2011, the Board had no outstanding investments.

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

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

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

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

**B. Receivables**

Receivables as of June 30, 2011 for the district’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|                                       | <u>General</u>    | <u>Special<br/>Revenue</u> | <u>Food<br/>Service</u> | <u>Saturday<br/>Happenings</u> | <u>Total</u>        |
|---------------------------------------|-------------------|----------------------------|-------------------------|--------------------------------|---------------------|
| Receivables:                          |                   |                            |                         |                                |                     |
| Intergovernmental                     | \$ 833,110        | \$ 381,780                 | \$ 15,489               |                                | \$ 1,230,379        |
| Accounts                              | <u>21,442</u>     | <u>7,233</u>               | <u>-</u>                | <u>\$ 30,531</u>               | <u>59,206</u>       |
| Gross Receivables                     | 854,552           | 389,013                    | 15,489                  | 30,531                         | 1,289,585           |
| Less: Allowance for<br>Uncollectibles | <u>(136,890)</u>  | <u>-</u>                   | <u>-</u>                | <u>(12,814)</u>                | <u>(149,704)</u>    |
| Net Total Receivables                 | <u>\$ 717,662</u> | <u>\$ 389,013</u>          | <u>\$ 15,489</u>        | <u>\$ 17,717</u>               | <u>\$ 1,139,881</u> |

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**B. Receivables (Continued)**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

|   | <u>Unavailable</u> | <u>Unearned</u> |
|---|--------------------|-----------------|
| General Fund                                  |                    |                 |
| Tuition Charges Receivable                    | \$66,878           |                 |
| Related Service Fees Receivable               | 25,275             |                 |
| Special Revenue Fund                          |                    |                 |
| Unencumbered grant draw downs                 |                    | \$ 531          |
| Grant drawdowns reserved for encumbrances     |                    | <u>3,940</u>    |
| Total deferred revenue for governmental funds | <u>\$92,153</u>    | <u>\$4,471</u>  |

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

|  | <u>Balance,<br/>July 1, 2010</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Balance,<br/>June 30, 2011</u> |
|--|----------------------------------|---------------------|------------------|-----------------------------------|
| <b>Governmental Activities:</b>              |                                  |                     |                  |                                   |
| Capital Assets, Not Being Depreciated:       |                                  |                     |                  |                                   |
| Land   | \$ 288,751                       | -                   | -                | \$ 288,751                        |
| Total Capital Assets, Not Being Depreciated  | <u>288,751</u>                   | <u>-</u>            | <u>-</u>         | <u>288,751</u>                    |
| Capital Assets, Being Depreciated:           |                                  |                     |                  |                                   |
| Land Improvements                            | 526,180                          |                     |                  | 526,180                           |
| Buildings and Building Improvements          | 10,995,471                       | \$ 8,600            |                  | 11,004,071                        |
| Leasehold Improvements                       | 50,627                           |                     |                  | 50,627                            |
| Machinery and Equipment                      | 874,187                          | 37,769              | -                | 911,956                           |
| Total Capital Assets Being Depreciated       | <u>12,446,465</u>                | <u>46,369</u>       | <u>-</u>         | <u>12,492,834</u>                 |
| Less Accumulated Depreciation for:           |                                  |                     |                  |                                   |
| Land Improvements                            | (464,341)                        | (3,547)             |                  | (467,888)                         |
| Buildings and Building Improvements          | (4,546,738)                      | (371,728)           |                  | (4,918,466)                       |
| Leasehold Improvements                       | (11,390)                         | (2,531)             |                  | (13,921)                          |
| Machinery and Equipment                      | (716,492)                        | (66,798)            | -                | (783,290)                         |
| Total Accumulated Depreciation               | <u>(5,738,961)</u>               | <u>(444,604)</u>    | <u>-</u>         | <u>(6,183,565)</u>                |
| Total Capital Assets, Being Depreciated, Net | <u>6,707,504</u>                 | <u>(398,235)</u>    | <u>-</u>         | <u>6,309,269</u>                  |
| Governmental Activities Capital Assets, Net  | <u>\$ 6,996,255</u>              | <u>\$ (398,235)</u> | <u>\$ -</u>      | <u>\$ 6,598,020</u>               |

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

|  | Balance,<br>July 1, 2010 | Increases        | Decreases   | Balance,<br>June 30, 2011 |
|--|--------------------------|------------------|-------------|---------------------------|
| <b>Business-Type Activities:</b>             |                          |                  |             |                           |
| Capital Assets, Being Depreciated:           |                          |                  |             |                           |
| Machinery and Equipment                      | \$ 191,984               | \$ 28,296        | -           | \$ 220,280                |
| Total Capital Assets Being Depreciated       | <u>191,984</u>           | <u>28,296</u>    | <u>-</u>    | <u>220,280</u>            |
| Less Accumulated Depreciation for:           |                          |                  |             |                           |
| Machinery and Equipment                      | (144,630)                | (16,562)         | -           | (161,192)                 |
| Total Accumulated Depreciation               | <u>(144,630)</u>         | <u>(16,562)</u>  | <u>-</u>    | <u>(161,192)</u>          |
| Total Capital Assets, Being Depreciated, Net | <u>47,354</u>            | <u>11,734</u>    | <u>-</u>    | <u>59,088</u>             |
| Business-Type Activities Capital Assets, Net | <u>\$ 47,354</u>         | <u>\$ 11,734</u> | <u>\$ -</u> | <u>\$ 59,088</u>          |

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

**Governmental Activities:**

|  |                   |
|--|-------------------|
| Instruction  | \$ 11,031         |
| Regular  | 1,675             |
| Special Education                                    | <u>12,706</u>     |
| Total Instruction                                    |                   |
| Support Services                                     | 2,047             |
| Students and Instruction Related Services            | 6,103             |
| School Administration                                | 390,497           |
| Operations and Maintenance of Plant                  | <u>33,251</u>     |
| Student Transportation                               |                   |
| Total Support Services                               | <u>431,898</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 444,604</u> |
| <b>Business-Type Activities:</b>                     | \$ 16,562         |
| Food Service   |                   |
| Total Depreciation Expense-Business-Type Activities  | <u>\$ 16,562</u>  |

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

The composition of interfund balances as of June 30, 2011, is as follows:

**Due To/From Other Funds**

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>     |
|------------------------|-----------------------|-------------------|
| General Fund           | Special Revenue Fund  | \$ 331,024        |
| General Fund           | Capital Projects Fund | 2,482             |
| General Fund           | Payroll Agency Fund   | <u>10,699</u>     |
|                        |                       | <u>\$ 344,205</u> |

The above balances are the result of revenues earned in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

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

**Interfund Transfers**

|                       | <u>Transfer In:</u> |                          | <u>Total</u>      |
|-----------------------|---------------------|--------------------------|-------------------|
|                       | <u>General Fund</u> | <u>Debt Service Fund</u> |                   |
| Transfer Out:         |                     |                          |                   |
| Capital Projects Fund | \$ 12,470           | \$ 375,000               | <u>\$ 387,470</u> |
| Total                 | <u>\$ 12,470</u>    | <u>\$ 375,000</u>        | <u>\$ 387,470</u> |

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

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**E. Leases**

**Operating Leases**

The District leases a school building and copiers under noncancelable operating leases. Lease payments for the year ended June 30, 2011 were \$689,186. The future minimum lease payments for these operating leases are as follows:

| <u>Year Ending June 30</u> | <u>Amount</u>       |
|----------------------------|---------------------|
| 2012                       | \$ 617,991          |
| 2013                       | 613,300             |
| 2014                       | 614,900             |
| 2015                       | 616,100             |
| 2016                       | 616,900             |
| 2017-2021                  | 2,577,600           |
| 2022-2026                  | 2,361,200           |
| 2027-2031                  | <u>326,400</u>      |
| Total                      | <u>\$ 8,344,391</u> |

**Capital Leases, Lease Purchase Agreements and Sale/Leaseback Contracts**

The District is leasing a telecommunications system totaling \$21,047 under a capital lease. The lease is for a term of 5 years. In addition, the District is leasing computers (general supplies) and textbooks totaling \$612,318 under lease purchase agreements for terms of 3 to 5 years. The District has also entered into a contract for the sale and leaseback of textbooks totaling \$500,000. The contract is for a term of 5 years. The sale/leaseback contract was issued to finance District operating costs in the 2009/2010 budget.

The capital assets acquired through capital leases are as follows:

|                         |                                   |
|-------------------------|-----------------------------------|
|                         | Governmental<br><u>Activities</u> |
| Machinery and Equipment | <u>\$ 21,047</u>                  |

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**E. Leases (Continued)**

**Capital Leases, Lease Purchase Agreements and Sale/Leaseback Contracts (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

| <u>Year Ending June 30</u>              | <u>Governmental Activities</u> |                                  |                                | <u>Total</u>      |
|---|--------------------------------|----------------------------------|--------------------------------|-------------------|
|   | <u>Capital Leases</u>          | <u>Lease-Purchase Agreements</u> | <u>Sale/Leaseback Contract</u> |                   |
| 2012                                    | \$ 5,129                       | \$ 129,649                       | \$ 135,125                     | \$ 269,903        |
| 2013                                    | 5,129                          | 81,270                           | 135,125                        | 221,524           |
| 2014                                    | 5,129                          | 81,270                           | 135,125                        | 221,524           |
| 2015                                    | -                              | 81,270                           | 135,125                        | 216,395           |
| Total minimum lease payments            | 15,387                         | 373,459                          | 540,500                        | 929,346           |
| Less: amount representing interest      | (2,850)                        | (25,693)                         | (40,500)                       | (69,043)          |
| Present value of minimum lease payments | <u>\$ 12,537</u>               | <u>\$ 347,766</u>                | <u>\$ 500,000</u>              | <u>\$ 860,303</u> |

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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, 2011 are comprised of the following issues:

|   |                    |
|---|--------------------|
| \$3,240,000, 2006 Bonds, due in annual installments of \$190,000 to \$280,000 through February 15, 2022, interest at 4.15% to 4.20% | \$2,580,000        |
| \$5,168,000, 2007 Bonds, due in annual installments of \$200,000 to \$340,000 through June 1, 2027, interest at 4.00% to 4.125%     | <u>4,443,000</u>   |
|   | <u>\$7,023,000</u> |

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

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

**Governmental Activities:**

| Year Ended<br>June 30, | Serial Bonds        |                     | Total               |
|------------------------|---------------------|---------------------|---------------------|
|                        | Principal           | Interest            |                     |
| 2012                   | \$ 390,000          | \$ 285,488          | \$ 675,488          |
| 2013                   | 405,000             | 269,603             | 674,603             |
| 2014                   | 425,000             | 253,110             | 678,110             |
| 2015                   | 445,000             | 235,803             | 680,803             |
| 2016                   | 465,000             | 217,680             | 682,680             |
| 2017-2021              | 2,630,000           | 787,838             | 3,417,838           |
| 2022-2026              | 1,925,000           | 282,071             | 2,207,071           |
| 2027-2031              | <u>338,000</u>      | <u>13,943</u>       | <u>351,943</u>      |
|                        | <u>\$ 7,023,000</u> | <u>\$ 2,345,536</u> | <u>\$ 9,368,536</u> |

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

|   |                      |
|---|----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 81,651,052        |
| Less: Net Debt                              | <u>7,023,000</u>     |
| Remaining Borrowing Power                   | <u>\$ 74,628,052</u> |

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

|                                 | Balance,<br><u>July 1, 2010</u> | <u>Additions</u>  | <u>Reductions</u> | Balance,<br><u>June 30, 2010</u> | Due<br>Within<br><u>One Year</u> |
|---------------------------------|---------------------------------|-------------------|-------------------|----------------------------------|----------------------------------|
| <b>Governmental activities:</b> |                                 |                   |                   |                                  |                                  |
| Bonds Payable                   | \$ 7,398,000                    |                   | \$ 375,000        | \$ 7,023,000                     | \$ 390,000                       |
| Capital Leases Payable          | 15,918                          |                   | 3,381             | 12,537                           | 3,752                            |
| Lease Purchase Agreements       | 535,704                         |                   | 187,933           | 347,766                          | 118,720                          |
| Sale/Leaseback Contracts        | 500,000                         |                   |                   | 500,000                          | 119,175                          |
| Compensated Absences            | 704,479                         | \$ 103,552        | 109,991           | 698,040                          | 60,000                           |
| Deferred Pension Obligation     | 176,336                         | 14,325            | -                 | 190,661                          | 23,229                           |
|                                 | <u>          </u>               | <u>          </u> | <u>          </u> | <u>          </u>                | <u>          </u>                |
| Governmental activity           |                                 |                   |                   |                                  |                                  |
| Long-term liabilities           | <u>\$ 9,330,437</u>             | <u>\$ 117,877</u> | <u>\$ 676,305</u> | <u>\$ 8,772,004</u>              | <u>\$ 714,876</u>                |

For the governmental activities, compensated absences 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 some of 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 School Alliance Insurance Fund. The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation, property, auto and general liability 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 BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

**B. Contingent Liabilities**

The District is a party defendant in 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, 2011, 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, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

**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 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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.

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation (Continued)**

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, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

**Significant Legislation**

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**Funding Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2009 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 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 5.5% for PERS, 5.5% 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 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 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:

| Year Ended<br>June 30, | <u>PERS</u> | On-behalf<br><u>TPAF</u> | <u>DCRP</u> |
|------------------------|-------------|--------------------------|-------------|
| 2011                   | \$ 525,897  | \$ 47,210                | None        |
| 2010                   | 416,490     | 50,058                   | None        |
| 2009                   | 208,171     | 48,689                   | None        |

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC) (Continued)**

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$47,210, \$50,058 and \$48,689 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only. During 2008/2009 school year, the Board contributed only 50% of its normal and accrued liability components of the PERS obligation and deferred the remaining 50%. The deferred amount will be paid back with interest over 15 years beginning in the 2012/2013 fiscal year. The District is permitted to payoff the deferred PERS pension obligation at any time. A long-term liability of the deferred pension obligation for PERS has been recorded in the governmental activities in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,168,064 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**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 cost sharing multiple employer defined benefit plans.

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, PDP-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 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 514 state and local participating employers and contributing entities for Fiscal Year 2010.

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 free 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 free 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 employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**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 June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 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 is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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 contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

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 years ended June 30, 2011, 2010 and 2009 were \$1,002,734, \$940,155 and \$928,857, 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.

**BUDGETARY COMPARISON SCHEDULES**

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final To<br>Actual |
|--|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| <b>REVENUES</b>  |                    |                     |                   |                   |                                |
| Local Sources  |                    |                     |                   |                   |                                |
| Property Tax Levy  | \$ 16,830,993      |                     | \$ 16,830,993     | \$ 16,830,993     |                                |
| Tuition  | 10,842,476         | \$ (682,995)        | 10,159,481        | 10,385,049        | \$ 225,568                     |
| Interest Income  |                    |                     |                   | 21,377            | 21,377                         |
| Miscellaneous - Restricted                                     | 1,300,000          |                     | 1,300,000         | 1,163,536         | (136,464)                      |
| Miscellaneous - Unrestricted                                   | 50,000             | -                   | 50,000            | 68,183            | 18,183                         |
| Total Local  | <u>29,023,469</u>  | <u>(682,995)</u>    | <u>28,340,474</u> | <u>28,469,138</u> | <u>128,664</u>                 |
| State Sources  |                    |                     |                   |                   |                                |
| Special Education Aid  |                    |                     |                   | 925,199           |                                |
| Equalization Aid   | 1,523,443          |                     | 1,523,443         | 598,244           |                                |
| Extraordinary Aid  | 240,000            |                     | 240,000           | 486,631           | 246,631                        |
| On-behalf TPAF Pension Contribution(Nonbudgeted)               |                    |                     |                   |                   |                                |
| Pension Benefit Contribution - NCGI                            |                    |                     |                   | 47,210            | 47,210                         |
| Post Retirement Medical Benefit Contribution                   |                    |                     |                   | 1,002,734         | 1,002,734                      |
| Reimbursed TPAF Social Security Contributions<br>(Nonbudgeted) | -                  | -                   | -                 | 1,168,064         | 1,168,064                      |
| Total State  | <u>1,763,443</u>   | <u>-</u>            | <u>1,763,443</u>  | <u>4,228,082</u>  | <u>2,464,639</u>               |
| Total Revenues   | <u>30,786,912</u>  | <u>(682,995)</u>    | <u>30,103,917</u> | <u>32,697,220</u> | <u>2,593,303</u>               |
| <b>CURRENT EXPENDITURES</b>                                    |                    |                     |                   |                   |                                |
| Regular Programs-Instruction                                   |                    |                     |                   |                   |                                |
| Salaries of Teachers:  |                    |                     |                   |                   |                                |
| Kindergarten   | 618,140            | (33,591)            | 584,549           | 575,692           | 8,857                          |
| Grades 1-5   | 2,452,000          | 35,592              | 2,487,592         | 2,471,320         | 16,272                         |
| Grades 6-8   | 1,437,201          | (125,274)           | 1,311,927         | 1,306,986         | 4,941                          |
| Grades 9-12  | 3,293,867          | 118,024             | 3,411,891         | 3,407,056         | 4,835                          |
| Regular Programs-Home Instruction                              |                    |                     |                   |                   |                                |
| Salaries of Teachers   |                    |                     |                   |                   |                                |
| Purchased Professional Educational Services                    | 14,800             | (1,941)             | 12,859            | 12,859            | -                              |
| Purchased Professional Educational Services                    | 2,600              | 7,190               | 9,790             | 9,789             | 1                              |
| Regular Programs-Undistributed Instruction                     |                    |                     |                   |                   |                                |
| Other Salaries for Instruction                                 |                    |                     |                   |                   |                                |
| Purchased Professional Educational Services                    | 136,724            | (1,553)             | 135,171           | 106,269           | 28,902                         |
| Other Purchased Services                                       | 31,875             | (31,875)            | -                 | -                 | -                              |
| Other Purchased Services                                       | 142,783            | (4,170)             | 138,613           | 98,791            | 39,822                         |
| General Supplies   | 257,135            | 11,468              | 268,603           | 171,402           | 97,201                         |
| Textbooks  |                    | 157,406             | 157,406           | 157,406           | -                              |
| Textbooks - Acquired Under Lease Purchase (Nonbudgeted)        |                    | -                   | -                 | 139,848           | (139,848)                      |
| Other Objects  | 74,605             | (3,532)             | 71,073            | 41,615            | 29,458                         |
| Total Regular Programs   | <u>8,461,730</u>   | <u>127,744</u>      | <u>8,589,474</u>  | <u>8,499,033</u>  | <u>90,441</u>                  |
| Behavioral Disabilities  |                    |                     |                   |                   |                                |
| Salaries of Teachers   |                    |                     |                   |                   |                                |
| Other Salaries for Instruction                                 | 205,350            | -                   | 205,350           | 183,557           | 21,793                         |
| Purchased Professional Educational Service                     | 42,102             | -                   | 42,102            | 39,703            | 2,399                          |
| Other Purchased Services                                       | 6,741              | (1,935)             | 4,806             | 4,806             | -                              |
| General Supplies   | 6,939              | -                   | 6,939             | 6,939             | -                              |
| Other Objects  | 9,431              | 5,762               | 15,193            | 10,725            | 4,468                          |
| Total Behavioral Disabilities                                  | <u>281,807</u>     | <u>3,827</u>        | <u>285,634</u>    | <u>234,129</u>    | <u>51,505</u>                  |
| Multiple Disabilities  |                    |                     |                   |                   |                                |
| Salaries of Teachers   |                    |                     |                   |                   |                                |
| Other Salaries for Instruction                                 | 1,178,290          | -                   | 1,178,290         | 1,042,647         | 135,643                        |
| Purchased Professional Educational Service                     | 712,198            | -                   | 712,198           | 691,325           | 20,873                         |
| Other Purchased Services                                       | 23,283             | (2,791)             | 20,492            | 209               | 20,283                         |
| General Supplies   | 6,939              | -                   | 6,939             | 3,017             | 3,922                          |
| Other Objects  | 44,033             | 39,922              | 83,955            | 65,894            | 18,061                         |
| Total Multiple Disabilities                                    | <u>1,994,821</u>   | <u>38,021</u>       | <u>2,032,842</u>  | <u>1,830,263</u>  | <u>202,579</u>                 |

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final To<br>Actual |
|---|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| <b>CURRENT EXPENDITURES (Continued)</b>               |                    |                     |                   |                   |                                |
| Resource Room/Resource Center                         |                    |                     |                   |                   |                                |
| Salaries of Teachers                                  | \$ 923,167         | \$ 18,015           | \$ 941,182        | \$ 941,182        |                                |
| Other Salaries for Instruction                        | 158,464            | (21,125)            | 137,339           | 111,640           | \$ 25,699                      |
| General Supplies                                      | 2,876              | 3,110               | 5,986             | 1,513             | 4,473                          |
| <b>Total Resource Room/Resource Center</b>            | <b>1,084,507</b>   | <b>-</b>            | <b>1,084,507</b>  | <b>1,054,335</b>  | <b>30,172</b>                  |
| Autism  |                    |                     |                   |                   |                                |
| Salaries of Teachers                                  | 2,119,509          | -                   | 2,119,509         | 2,065,803         | 53,706                         |
| Other Salaries for Instruction                        | 1,182,026          | (137,285)           | 1,044,741         | 896,143           | 148,598                        |
| Purchased Professional Educational Services           | 46,316             | (17,250)            | 29,066            | 3,969             | 25,097                         |
| Other Purchased Services                              | 15,523             | -                   | 15,523            | 2,900             | 12,623                         |
| General Supplies                                      | 53,396             | 9,505               | 62,901            | 59,329            | 3,572                          |
| Other Objects   | 48,468             | 8,850               | 57,318            | 56,784            | 534                            |
| <b>Total Autism</b>                                   | <b>3,465,238</b>   | <b>(136,180)</b>    | <b>3,329,058</b>  | <b>3,084,928</b>  | <b>244,130</b>                 |
| Preschool Disabilities - Full-Time                    |                    |                     |                   |                   |                                |
| Salaries of Teachers                                  | 106,754            | 69,706              | 176,460           | 166,695           | 9,765                          |
| Other Salaries for Instruction                        | 77,540             | 67,579              | 145,119           | 137,488           | 7,631                          |
| Purchased Professional Educational Services           | 9,798              | (2,300)             | 7,498             | 7,498             | -                              |
| Other Purchased Services                              | 757                | (261)               | 496               | 275               | 221                            |
| General Supplies                                      | 1,097              | 7,373               | 8,470             | 8,415             | 55                             |
| Other Objects   | -                  | 1,950               | 1,950             | 1,946             | 4                              |
| <b>Total Preschool Disabilities - Full-Time</b>       | <b>195,946</b>     | <b>144,047</b>      | <b>339,993</b>    | <b>314,819</b>    | <b>25,174</b>                  |
| Home Instruction                                      |                    |                     |                   |                   |                                |
| Purchased Professional Educational Services           | -                  | 1,560               | 1,560             | 1,560             | -                              |
| <b>Total Home Instruction</b>                         | <b>-</b>           | <b>1,560</b>        | <b>1,560</b>      | <b>1,560</b>      | <b>-</b>                       |
| <b>Total Special Education</b>                        | <b>7,022,319</b>   | <b>51,275</b>       | <b>7,073,594</b>  | <b>6,520,034</b>  | <b>553,560</b>                 |
| Basic Skills/Remedial                                 |                    |                     |                   |                   |                                |
| Salaries of Teachers                                  | 91,977             | -                   | 91,977            | 89,445            | 2,532                          |
| <b>Total Basic Skills/Remedial</b>                    | <b>91,977</b>      | <b>-</b>            | <b>91,977</b>     | <b>89,445</b>     | <b>2,532</b>                   |
| Bilingual Education - Instruction                     |                    |                     |                   |                   |                                |
| Salaries of Teachers                                  | 263,140            | (50)                | 263,090           | 243,812           | 19,278                         |
| General Supplies                                      | 854                | 465                 | 1,319             | 760               | 559                            |
| <b>Total Bilingual Education - Instruction</b>        | <b>263,994</b>     | <b>415</b>          | <b>264,409</b>    | <b>244,572</b>    | <b>19,837</b>                  |
| School Sponsored Cocurricular Activities              |                    |                     |                   |                   |                                |
| Salaries  | 231,000            | -                   | 231,000           | 192,947           | 38,053                         |
| Supplies and Materials                                | 17,710             | -                   | 17,710            | 2,962             | 14,748                         |
| Other Objects   | 48,665             | 13,697              | 62,362            | 36,527            | 25,835                         |
| <b>Total School Sponsored Cocurricular Activities</b> | <b>297,375</b>     | <b>13,697</b>       | <b>311,072</b>    | <b>232,436</b>    | <b>78,636</b>                  |
| School Sponsored Athletics                            |                    |                     |                   |                   |                                |
| Salaries  | 347,536            | -                   | 347,536           | 284,950           | 62,586                         |
| Purchased Services                                    | 8,600              | (6,758)             | 1,842             | 1,842             | -                              |
| Supplies and Materials                                | 57,282             | 3,521               | 60,803            | 23,714            | 37,089                         |
| Other Objects   | 84,082             | 6,670               | 90,752            | 88,965            | 1,787                          |
| <b>Total School Sponsored Athletics</b>               | <b>497,500</b>     | <b>3,433</b>        | <b>500,933</b>    | <b>397,629</b>    | <b>103,304</b>                 |
| <b>Total Instruction</b>                              | <b>16,634,895</b>  | <b>196,564</b>      | <b>16,831,459</b> | <b>15,983,149</b> | <b>848,310</b>                 |
| Undistributed Expenditures                            |                    |                     |                   |                   |                                |
| Instruction:  |                    |                     |                   |                   |                                |
| Tuition to County Vocational Schools-Regular          | 291,670            | (42,797)            | 248,873           | 244,075           | 4,798                          |
| Tuition to County Vocational Schools-Special          | 109,950            | 13,840              | 123,790           | 113,300           | 10,490                         |
| Tuition to Priv. Sch. for the Disabled -Within State  | 61,662             | (19,850)            | 41,812            | 30,267            | 11,545                         |
| <b>Total Undistributed Expenditures- Instruction</b>  | <b>463,282</b>     | <b>(48,807)</b>     | <b>414,475</b>    | <b>387,642</b>    | <b>26,833</b>                  |

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final To<br>Actual |
|--|--------------------|---------------------|------------------|------------------|--------------------------------|
| <b>CURRENT EXPENDITURES (Continued)</b>                  |                    |                     |                  |                  |                                |
| <b>Attendance and Social Work</b>                        |                    |                     |                  |                  |                                |
| Salaries   | \$ 16,000          | \$ 4,800            | \$ 20,800        | \$ 20,550        | \$ 250                         |
| Total Attendance and Social Work                         | <u>16,000</u>      | <u>4,800</u>        | <u>20,800</u>    | <u>20,550</u>    | <u>250</u>                     |
| <b>Health Services</b>                                   |                    |                     |                  |                  |                                |
| Salaries   | 388,629            | (15,076)            | 373,553          | 319,838          | 53,715                         |
| Purchased Professional/Technical Services                | 1,125              | 1,500               | 2,625            | 1,980            | 645                            |
| Supplies and Materials                                   | 7,918              | -                   | 7,918            | 4,558            | 3,360                          |
| Total Health Services                                    | <u>397,672</u>     | <u>(13,576)</u>     | <u>384,096</u>   | <u>326,376</u>   | <u>57,720</u>                  |
| <b>Speech, OT, PT, &amp; Related Services</b>            |                    |                     |                  |                  |                                |
| Salaries   | 1,366,299          | -                   | 1,366,299        | 1,357,706        | 8,593                          |
| Purchased Professional/Educational Services              | 53,666             | (20,019)            | 33,647           | 2,392            | 31,255                         |
| Supplies and Materials                                   | 318                | 19                  | 337              | 337              | -                              |
| Total Speech, OT, PT & Related Services                  | <u>1,420,283</u>   | <u>(20,000)</u>     | <u>1,400,283</u> | <u>1,360,435</u> | <u>39,848</u>                  |
| <b>Other Support Services -Students- Extra Services</b>  |                    |                     |                  |                  |                                |
| Salaries   | 778,972            | -                   | 778,972          | 766,188          | 12,784                         |
| Total Other Support Services - Students - Extra Services | <u>778,972</u>     | <u>-</u>            | <u>778,972</u>   | <u>766,188</u>   | <u>12,784</u>                  |
| <b>Guidance</b>  |                    |                     |                  |                  |                                |
| Salaries of Other Professional Staff                     | 386,880            | -                   | 386,880          | 378,769          | 8,111                          |
| Salaries of Secretarial and Clerical Assistants          | 76,326             | (10,553)            | 65,773           | 61,720           | 4,053                          |
| Purchased Professional/Educational Services              | 10,752             | 172                 | 10,924           | 7,124            | 3,800                          |
| Other Purchased Professional/Technical Services          | 2,386              | -                   | 2,386            | -                | 2,386                          |
| Supplies and Materials                                   | 8,345              | 420                 | 8,765            | 5,585            | 3,180                          |
| Other Objects  | 4,352              | 370                 | 4,722            | -                | 4,722                          |
| Total Guidance   | <u>489,041</u>     | <u>(9,591)</u>      | <u>479,450</u>   | <u>453,198</u>   | <u>26,252</u>                  |
| <b>Child Study Team</b>                                  |                    |                     |                  |                  |                                |
| Salaries of Other Professional Staff                     | 349,963            | 4,018               | 353,981          | 352,781          | 1,200                          |
| Salaries of Secretarial and Clerical Assistants          | -                  | 5,204               | 5,204            | 5,204            | -                              |
| Other Purchased Professional/Technical Services          | 9,540              | 12,902              | 22,442           | 11,586           | 10,856                         |
| Miscellaneous Purchased Services                         | -                  | 30                  | 30               | -                | 30                             |
| Supplies and Materials                                   | 2,970              | -                   | 2,970            | 1,971            | 999                            |
| Other Object   | 30                 | (30)                | -                | -                | -                              |
| Total Child Study Team                                   | <u>362,503</u>     | <u>22,124</u>       | <u>384,627</u>   | <u>371,542</u>   | <u>13,085</u>                  |
| <b>Educational Media/School Library</b>                  |                    |                     |                  |                  |                                |
| Salaries   | 143,703            | 11,604              | 155,307          | 155,253          | 54                             |
| Purchased Professional / Educational Services            | 2,860              | 2,665               | 5,525            | 2,000            | 3,525                          |
| Supplies and Materials                                   | 31,496             | (4,575)             | 26,921           | 16,535           | 10,386                         |
| Total Educational Media/School Library                   | <u>178,059</u>     | <u>9,694</u>        | <u>187,753</u>   | <u>173,788</u>   | <u>13,965</u>                  |
| <b>Instructional Staff Training</b>                      |                    |                     |                  |                  |                                |
| Purchased Professional-Educational Services              | 11,482             | -                   | 11,482           | 2,200            | 9,282                          |
| Other Purchased Services                                 | 650                | -                   | 650              | 133              | 517                            |
| Total Instructional Staff Training                       | <u>12,132</u>      | <u>-</u>            | <u>12,132</u>    | <u>2,333</u>     | <u>9,799</u>                   |

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final To<br>Actual |
|--|--------------------|---------------------|------------------|------------------|--------------------------------|
| <b>CURRENT EXPENDITURES (Continued)</b>                  |                    |                     |                  |                  |                                |
| General Administration                                   |                    |                     |                  |                  |                                |
| Salaries   | \$ 252,288         | \$ 4,492            | \$ 256,780       | \$ 256,780       |                                |
| Legal Services   | 109,644            | 111,740             | 221,384          | 221,384          |                                |
| Audit Fees   | 39,830             | 16,826              | 56,656           | 56,656           |                                |
| Other Purchased Professional Services                    | 153,350            | 14,208              | 167,558          | 165,106          | \$ 2,452                       |
| Communications/Telephone                                 | 135,029            | (1,084)             | 133,945          | 113,459          | 20,486                         |
| BOE Other Purchased Services                             | 780                | (55)                | 725              |                  | 725                            |
| Miscellaneous Purchased Services                         | 23,978             | (10,685)            | 13,293           | 12,946           | 347                            |
| General Supplies   | 8,628              | (5,693)             | 2,935            | 2,928            | 7                              |
| BOE In-House Training / Meeting Supplies                 | 4,472              | 138                 | 4,610            | 4,535            | 75                             |
| Judgements Against School District                       | 19,467             | (19,467)            |                  |                  | -                              |
| Miscellaneous Expenditures                               | 35,560             | (12,883)            | 22,677           | 22,642           | 35                             |
| BOE Membership Dues and Fees                             | 17,815             | (1,791)             | 16,024           | 16,022           | 2                              |
| <b>Total General Administration</b>                      | <b>800,841</b>     | <b>95,746</b>       | <b>896,587</b>   | <b>872,458</b>   | <b>24,129</b>                  |
| School Administration                                    |                    |                     |                  |                  |                                |
| Salaries of Principals/Assistant Principals              | 513,485            | 12,066              | 525,551          | 518,267          | 7,284                          |
| Salaries of Secretarial and Clerical Assistants          | 240,140            | 53,025              | 293,165          | 290,828          | 2,337                          |
| Other Purchased Services                                 | 10,942             | (3,389)             | 7,553            | 7,089            | 464                            |
| Supplies and Materials                                   | 63,578             | (41,359)            | 22,219           | 15,853           | 6,366                          |
| Other Objects  | 11,696             | -                   | 11,696           | 7,418            | 4,278                          |
| <b>Total School Administration</b>                       | <b>839,841</b>     | <b>20,343</b>       | <b>860,184</b>   | <b>839,455</b>   | <b>20,729</b>                  |
| Central Services   |                    |                     |                  |                  |                                |
| Salaries   | 321,290            | 39,924              | 361,214          | 361,214          | -                              |
| Purchased Professional Services                          | 36,144             | (35,971)            | 173              | -                | 173                            |
| Sales / Lease-back Payments                              | 37,500             | (20,899)            | 16,601           | 15,950           | 651                            |
| Supplies and Materials                                   | 9,758              | -                   | 9,758            | 6,641            | 3,117                          |
| Interest on Lease Purchase Agreements                    | 2,352              | -                   | 2,352            | 2,352            | -                              |
| Miscellaneous Expenditures                               | 1,634              | -                   | 1,634            | 842              | 792                            |
| <b>Total Central Services</b>                            | <b>408,678</b>     | <b>(16,946)</b>     | <b>391,732</b>   | <b>384,647</b>   | <b>7,085</b>                   |
| Admin. Info. Technology                                  |                    |                     |                  |                  |                                |
| Salaries   | 59,953             | 972                 | 60,925           | 60,924           | 1                              |
| Purchased Professional Services                          | 34,750             | -                   | 34,750           | 29,617           | 5,133                          |
| Supplies and Materials                                   | 21,428             | 2,000               | 23,428           | 17,780           | 5,648                          |
| Other Objects  | 3,087              | (2,000)             | 1,087            | -                | 1,087                          |
| <b>Total Admin. Info. Technology</b>                     | <b>119,218</b>     | <b>972</b>          | <b>120,190</b>   | <b>108,321</b>   | <b>11,869</b>                  |
| Required Maintenance for School Facilities               |                    |                     |                  |                  |                                |
| Salaries   | 174,689            | 11,562              | 186,251          | 183,714          | 2,537                          |
| Cleaning, Repair and Maintenance Services                | 224,971            | (28,820)            | 196,151          | 170,592          | 25,559                         |
| General Supplies   | 38,450             | 10,594              | 49,044           | 46,796           | 2,248                          |
| <b>Total Required Maintenance for School Facilities</b>  | <b>438,110</b>     | <b>(6,664)</b>      | <b>431,446</b>   | <b>401,102</b>   | <b>30,344</b>                  |
| Custodial Services                                       |                    |                     |                  |                  |                                |
| Salaries   | 721,276            | (9,032)             | 712,244          | 709,701          | 2,543                          |
| Rental of Land/Bldgs Other Than Lease Purchase Agreement | 611,900            | -                   | 611,900          | 611,900          |                                |
| Other Purchased Property Services                        | 61,490             | (2,399)             | 59,091           | 57,860           | 1,231                          |
| Insurance  | 21,700             | (21,700)            |                  |                  |                                |
| General Supplies   | 93,020             | (3,041)             | 89,979           | 87,741           | 2,238                          |
| Energy (Electricity)                                     | 544,434            | 19,819              | 564,253          | 517,779          | 46,474                         |
| <b>Total Custodial Services</b>                          | <b>2,053,820</b>   | <b>(16,353)</b>     | <b>2,037,467</b> | <b>1,984,981</b> | <b>52,486</b>                  |

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Variance<br>Final To<br>Actual |
|--|--------------------|---------------------|-------------------|-------------------|--------------------------------|
| <b>CURRENT EXPENDITURES (Continued)</b>                        |                    |                     |                   |                   |                                |
| Student Transportation Services                                |                    |                     |                   |                   |                                |
| Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.          | \$ 310,828         | \$ (34,870)         | \$ 275,958        | \$ 252,820        | \$ 23,138                      |
| Cleaning, Repair & Maint. Services                             | 43,500             | 34,955              | 78,455            | 78,455            |                                |
| Lease Purchase Payments - School Buses                         | 13,701             | (13,701)            |                   |                   |                                |
| Contr. Serv. (Oth. Than Bet Home & Sch)-Vendors                |                    | 1,705               | 1,705             | 1,705             |                                |
| Contr. Serv. (Spec. Ed. Students)-Vendor                       | 230,000            | 37,120              | 267,120           | 263,008           | 4,112                          |
| General Supplies   | 41,000             | 5,930               | 46,930            | 28,167            | 18,763                         |
| <b>Total Student Transportation Services</b>                   | <b>639,029</b>     | <b>31,139</b>       | <b>670,168</b>    | <b>624,155</b>    | <b>46,013</b>                  |
| Unallocated Employee Benefits                                  |                    |                     |                   |                   |                                |
| Social Security Contributions                                  | 539,177            | (13,306)            | 525,871           | 424,134           | 101,737                        |
| Other Retirement Contributions - Regular                       | 416,490            | 109,407             | 525,897           | 525,897           |                                |
| Unemployment Compensation                                      | 64,380             | 9,468               | 73,848            | 71,279            | 2,569                          |
| Workers Compensation   | 198,124            | (42,291)            | 155,833           | 127,274           | 28,559                         |
| Health Benefits  | 4,828,500          | (186,471)           | 4,642,029         | 4,606,621         | 35,408                         |
| Tuition Reimbursement  | 30,000             | -                   | 30,000            | 24,725            | 5,275                          |
| Other Employee Benefits  | 60,695             | 67,031              | 127,726           | 127,726           | -                              |
| <b>Total Unallocated Employee Benefits</b>                     | <b>6,137,366</b>   | <b>(56,162)</b>     | <b>6,081,204</b>  | <b>5,907,656</b>  | <b>173,548</b>                 |
| On-behalf TPAF Pension Contribution (Nonbudgeted)              |                    |                     |                   |                   |                                |
| Pension Benefit Contribution - NCGI                            |                    |                     |                   | 47,210            | (47,210)                       |
| Post Retirement Medical Benefit Contribution                   |                    |                     |                   | 1,002,734         | (1,002,734)                    |
| Reimbursed TPAF Social Security Contributions<br>(Nonbudgeted) | -                  | -                   | -                 | 1,168,064         | (1,168,064)                    |
| <b>Total TPAF On-Behalf</b>                                    | <b>-</b>           | <b>-</b>            | <b>-</b>          | <b>2,218,008</b>  | <b>(2,218,008)</b>             |
| <b>Total Undistributed Expenditures</b>                        | <b>15,554,847</b>  | <b>(3,281)</b>      | <b>15,551,566</b> | <b>17,202,835</b> | <b>(1,651,269)</b>             |
| <b>Total Current Expenditures</b>                              | <b>32,189,742</b>  | <b>193,283</b>      | <b>32,383,025</b> | <b>33,185,984</b> | <b>(802,959)</b>               |
| <b>CAPITAL OUTLAY</b>  |                    |                     |                   |                   |                                |
| Equipment  |                    |                     |                   |                   |                                |
| Grades 6-8   | -                  | 1,553               | 1,553             | 1,553             |                                |
| Undistributed Expenditures                                     |                    |                     |                   |                   |                                |
| General Administration   |                    | 8,600               | 8,600             | 8,600             |                                |
| School Buses - Special Education                               | -                  | 44,570              | 44,570            | -                 | 44,570                         |
| <b>Total Equipment</b>   | <b>-</b>           | <b>54,723</b>       | <b>54,723</b>     | <b>10,153</b>     | <b>44,570</b>                  |
| <b>Total Capital Outlay</b>                                    | <b>-</b>           | <b>54,723</b>       | <b>54,723</b>     | <b>10,153</b>     | <b>44,570</b>                  |
| <b>Total Expenditures</b>                                      | <b>32,189,742</b>  | <b>248,006</b>      | <b>32,437,748</b> | <b>33,196,137</b> | <b>(758,389)</b>               |
| Excess/(Deficiency) of Revenues<br>Over/(Under) Expenditures   | (1,402,830)        | (931,001)           | (2,333,831)       | (498,917)         | 1,834,914                      |

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual       | Variance<br>Final To<br>Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| Other Financing Sources/(Uses)   |                    |                     |                 |              |                                |
| Transfer In-Capital Projects Fund  | -                  | -                   | -               | \$ 12,470    | \$ 12,470                      |
| Total Other Financing Sources/(Uses)   | -                  | -                   | -               | 12,470       | 12,470                         |
| Excess/(Deficiency) of Revenues & Other Financing<br>Sources Over/(Under) Expenditures & Other<br>Financing Uses | \$ (1,402,830)     | \$ (931,001)        | \$ (2,333,831)  | (486,447)    | 1,847,384                      |
| Fund Balances, Beginning of Year   | 2,585,615          | -                   | 2,585,615       | 2,585,615    | -                              |
| Fund Balances, End of Year   | \$ 1,182,785       | \$ (931,001)        | \$ 251,784      | \$ 2,099,168 | \$ 1,847,384                   |
| <b>Recapitulation of Fund Balance</b>  |                    |                     |                 |              |                                |
| Restricted Fund Balance  |                    |                     |                 |              |                                |
| Capital Reserve  |                    |                     |                 | 1            |                                |
| Tuition Adjustments 2009/2010  |                    |                     |                 | 415,000      |                                |
| Tuition Adjustments 2009/2010 - Designated for<br>Subsequent Year's Expenditures                                 |                    |                     |                 | 25,000       |                                |
| Tuition Adjustments 2010/2011  |                    |                     |                 | 430,000      |                                |
| Committed Fund Balance   |                    |                     |                 |              |                                |
| Year End Encumbrances  |                    |                     |                 | 74,570       |                                |
| Assigned Fund Balance  |                    |                     |                 |              |                                |
| Year End Encumbrances  |                    |                     |                 | 94,314       |                                |
| Designated for Subsequent Year's Expenditures  |                    |                     |                 | 225,000      |                                |
| Unassigned Fund Balance  |                    |                     |                 | 835,283      |                                |
| Reconciliation to Governmental Funds Statements (GAAP):  |                    |                     |                 | 2,099,168    |                                |
| Less: State Aid Revenue Not Recognized on GAAP Basis   |                    |                     |                 | (637,912)    |                                |
| Fund Balance Per Governmental Funds (GAAP)   |                    |                     |                 | \$ 1,461,256 |                                |

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>Original<br/>Budget</u> | <u>Adjustments/<br/>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to Actual</u> |
|--|----------------------------|--|-------------------------|----------------|-------------------------------------|
| <b>REVENUES</b>  |                            |  |                         |                |                                     |
| Intergovernmental  |                            |  |                         |                |                                     |
| State  | \$ 55,211                  | \$ 3,908                                     | \$ 59,119               | \$ 45,724      | \$ 13,395                           |
| Federal  | 620,485                    | 172,678                                      | 793,163                 | 704,271        | 88,892                              |
| Local  | 36,568                     | (5,442)                                      | 31,126                  | 30,376         | 750                                 |
| Total Revenues   | <u>712,264</u>             | <u>171,144</u>                               | <u>883,408</u>          | <u>780,371</u> | <u>103,037</u>                      |
| <b>EXPENDITURES</b>  |                            |  |                         |                |                                     |
| Instruction  |                            |  |                         |                |                                     |
| Salaries of Teachers   | 110,411                    | 65,563                                       | 175,974                 | 154,085        | 21,889                              |
| Purchased Professional / Technical Services                  | 1,200                      | (1,200)                                      |                         |                | -                                   |
| Purchased Professional Educational Services                  | 6,968                      | 8,091  | 15,059                  | 4,086          | 10,973                              |
| Purchased Property Services                                  |                            | 6,295  | 6,295                   | -              | 6,295                               |
| Other Purchased Services                                     | 341,178                    | (2,151)                                      | 339,027                 | 339,027        | -                                   |
| General Supplies   | 6,140                      | 12,289                                       | 18,429                  | 11,289         | 7,140                               |
| Textbooks  | 3,581                      | (1,364)                                      | 2,217                   | 2,209          | 8                                   |
| Total Instruction  | <u>469,478</u>             | <u>87,523</u>                                | <u>557,001</u>          | <u>510,696</u> | <u>46,305</u>                       |
| Support Services   |                            |  |                         |                |                                     |
| Salaries   | 34,527                     | 35,544                                       | 70,071                  | 40,691         | 29,380                              |
| Other Salaries   | 36,040                     | (5,157)                                      | 30,883                  | 30,348         | 535                                 |
| Purchased Professional Educational Services                  | 4,246                      | 6  | 4,252                   | 4,251          | 1                                   |
| Purchased Professional / Technical Services                  | 111,039                    | (63,108)                                     | 47,931                  | 42,014         | 5,917                               |
| Purchased Property Services                                  |                            | 9,078  | 9,078                   | 561            | 8,517                               |
| Other Purchased Services                                     | 12,100                     | 3,230  | 15,330                  | 14,559         | 771                                 |
| Travel   | 9,992                      | (9,992)                                      |                         | -              | -                                   |
| Supplies and Materials                                       | 4,754                      | 45,504                                       | 50,258                  | 39,991         | 10,267                              |
| Other Objects  | 4,000                      | 1,000  | 5,000                   | 5,000          | -                                   |
| Total Support Services                                       | <u>216,698</u>             | <u>16,105</u>                                | <u>232,803</u>          | <u>177,415</u> | <u>55,388</u>                       |
| Unallocated Benefits   |                            |  |                         |                |                                     |
| Personal Services - Employee Benefits                        | 26,088                     | 45,973                                       | 72,061                  | 56,044         | 16,017                              |
| Total Unallocated Benefits                                   | <u>26,088</u>              | <u>45,973</u>                                | <u>72,061</u>           | <u>56,044</u>  | <u>16,017</u>                       |
| Facilities Acquisition and Construction                      |                            |  |                         |                |                                     |
| Instructional Equipment                                      | -                          | 21,543                                       | 21,543                  | 36,216         | (14,673)                            |
| Total Facilities Acq. & Construction                         | <u>-</u>                   | <u>21,543</u>                                | <u>21,543</u>           | <u>36,216</u>  | <u>(14,673)</u>                     |
| Total Expenditures   | <u>712,264</u>             | <u>171,144</u>                               | <u>883,408</u>          | <u>780,371</u> | <u>103,037</u>                      |
| Excess (Deficiency) of Revenues<br>Over/(Under) Expenditures | -                          | -  | -                       | -              | -                                   |
| Fund Balance, Beginning of Year                              | -                          | -  | -                       | -              | -                                   |
| Ending Balance, End of Year                                  | <u>\$ -</u>                | <u>\$ -</u>                                  | <u>\$ -</u>             | <u>-</u>       | <u>\$ -</u>                         |

**RIDGEFIELD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

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

|  | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> |
|--|-------------------------|-------------------------------------|
| <b>Sources/inflows of resources</b>  |                         |                                     |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule (Exhibits C-1, C-2)   | \$ 32,697,220           | \$ 780,371                          |
| Difference - Budget to GAAP:   |                         |                                     |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.   |                         |                                     |
| Encumbrances - June 30, 2011   |                         | (3,940)                             |
| Encumbrances - June 30, 2010- Net  |                         | 8,237                               |
| State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2009/10 State Aid)  | 729,665                 |                                     |
| State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2010/11 State Aid)   | <u>(637,912)</u>        | <u>-</u>                            |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.   | <u>\$ 32,788,973</u>    | <u>\$ 784,668</u>                   |
| <b>Uses/outflows of resources</b>  |                         |                                     |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule   | \$ 33,196,137           | \$ 780,371                          |
| 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. |                         |                                     |
| Encumbrances - June 30, 2011   |                         | (3,940)                             |
| Encumbrances - June 30, 2010- Net  | <u>-</u>                | <u>8,237</u>                        |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds   | <u>\$ 33,196,137</u>    | <u>\$ 784,668</u>                   |

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**RIDGEFIELD BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUE AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|   | Nonpublic<br>Nursing | Respite       | Nonpublic<br>Textbook | Chapter 192/193 |                      | Bergen<br>County<br>Workforce | Subtotal<br>Page 2 | Total          |
|---|----------------------|---------------|-----------------------|-----------------|----------------------|-------------------------------|--------------------|----------------|
|   |                      |               |                       | Comp<br>Ed      | Corrective<br>Speech |                               |                    |                |
| REVENUES  |                      |               |                       |                 |                      |                               |                    |                |
| Intergovernmental                               |                      |               |                       |                 |                      |                               |                    |                |
| State   | 2,627                | 36,802        | 2,209                 | 3,851           | 235                  |                               | \$ 704,271         | \$ 45,724      |
| Federal   | -                    | -             | -                     | -               | -                    | 30,376                        |                    | 704,271        |
| Local   | -                    | -             | -                     | -               | -                    | -                             |                    | 30,376         |
| <b>Total Revenues</b>                           | <b>2,627</b>         | <b>36,802</b> | <b>2,209</b>          | <b>3,851</b>    | <b>235</b>           | <b>30,376</b>                 | <b>704,271</b>     | <b>780,371</b> |
| EXPENDITURES                                    |                      |               |                       |                 |                      |                               |                    |                |
| Instruction                                     |                      |               |                       |                 |                      |                               |                    |                |
| Salaries of Teachers                            |                      |               |                       |                 |                      | 10,779                        | 143,306            | 154,085        |
| Purchased Professional Educational Services     |                      |               |                       | 3,851           | 235                  |                               |                    | 4,086          |
| Other Purchased Services                        |                      |               |                       |                 |                      |                               | 339,027            | 339,027        |
| Supplies and Materials                          |                      |               |                       |                 |                      |                               | 11,289             | 11,289         |
| Textbooks                                       |                      |               | 2,209                 |                 |                      |                               |                    | 2,209          |
| <b>Total Instruction</b>                        |                      |               | <b>2,209</b>          | <b>3,851</b>    | <b>235</b>           | <b>10,779</b>                 | <b>493,622</b>     | <b>510,696</b> |
| Support Services                                |                      |               |                       |                 |                      |                               |                    |                |
| Salaries  |                      | 14,844        |                       |                 |                      |                               | 25,847             | 40,691         |
| Other Salaries                                  |                      | 13,225        |                       |                 |                      | 17,123                        |                    | 30,348         |
| Personal Services - Employee Benefits           |                      | 2,147         |                       |                 |                      | 2,134                         | 51,763             | 56,044         |
| Purchased Professional Educational Services     |                      |               |                       |                 |                      |                               | 1,624              | 4,251          |
| Purchased Prof. / Technical Services            | 2,627                |               |                       |                 |                      |                               | 42,014             | 42,014         |
| Purchased Property Services                     |                      |               |                       |                 |                      |                               | 561                | 561            |
| Other Purchased Services                        |                      | 1,586         |                       |                 |                      |                               | 14,559             | 14,559         |
| Supplies and Materials                          |                      | 5,000         |                       |                 |                      | 340                           | 38,065             | 39,991         |
| Other Objects                                   |                      |               |                       |                 |                      |                               |                    | 5,000          |
| <b>Total Support Services</b>                   | <b>2,627</b>         | <b>36,802</b> |                       |                 |                      | <b>19,597</b>                 | <b>174,433</b>     | <b>233,459</b> |
| Facilities Acquisition and Construction         |                      |               |                       |                 |                      |                               |                    |                |
| Instructional Equipment                         |                      |               |                       |                 |                      |                               | 36,216             | 36,216         |
| <b>Total Facilities Acq. &amp; Construction</b> |                      |               |                       |                 |                      |                               | <b>36,216</b>      | <b>36,216</b>  |
| <b>Total Expenditures</b>                       | <b>2,627</b>         | <b>36,802</b> | <b>2,209</b>          | <b>3,851</b>    | <b>235</b>           | <b>30,376</b>                 | <b>704,271</b>     | <b>780,371</b> |

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|   | IDEA<br>Basic     | IDEA<br>Preschool | Title I           | ARRA<br>Title I<br>Part A | Title II A       | Title II D      | Title III        | Title IV        | ARRA<br>IDEA<br>Basic | ARRA<br>IDEA<br>Preschool | Page 2<br>Total   |
|---|-------------------|-------------------|-------------------|---------------------------|------------------|-----------------|------------------|-----------------|-----------------------|---------------------------|-------------------|
| <b>REVENUES</b>                                 |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Intergovernmental                               |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| State   | \$ 341,133        | \$ 19,542         | \$ 183,585        | \$ 1,417                  | \$ 33,521        | \$ 1,143        | \$ 41,523        | \$ 1,864        | \$ 79,899             | \$ 644                    | \$ 704,271        |
| Federal   |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Local   |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| <b>Total Revenues</b>                           | <u>\$ 341,133</u> | <u>\$ 19,542</u>  | <u>\$ 183,585</u> | <u>\$ 1,417</u>           | <u>\$ 33,521</u> | <u>\$ 1,143</u> | <u>\$ 41,523</u> | <u>\$ 1,864</u> | <u>\$ 79,899</u>      | <u>\$ 644</u>             | <u>\$ 704,271</u> |
| <b>EXPENDITURES</b>                             |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Instruction                                     |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Salaries of Teachers                            |                   | \$ 14,887         | \$ 85,432         |                           |                  | \$ 25,000       |                  |                 | \$ 17,987             |                           | \$ 143,306        |
| Purchased Professional Educational Services     |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Other Purchased Services                        | \$ 339,027        |                   | 473               |                           |                  | 10,710          |                  |                 |                       |                           | 339,027           |
| Supplies and Materials                          | 106               |                   |                   |                           |                  |                 |                  |                 |                       |                           | 11,289            |
| Textbooks                                       |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| <b>Total Instruction</b>                        | <u>339,133</u>    | <u>14,887</u>     | <u>85,905</u>     | <u>-</u>                  | <u>-</u>         | <u>35,710</u>   | <u>-</u>         | <u>-</u>        | <u>17,987</u>         | <u>-</u>                  | <u>493,622</u>    |
| Support Services                                |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Salaries  |                   |                   | 11,820            |                           | \$ 3,374         | \$ 1,062        | 2,000            | 1,590           | 6,001                 |                           | 25,847            |
| Other Salaries                                  |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Personal Services - Employee Benefits           |                   |                   | 13,411            | \$ 1,417                  | 258              | 81              | 3,813            | 274             | 28,834                | \$ 644                    | 51,763            |
| Purchased Prof. / Technical Services            | 1,861             |                   | 21,250            |                           | 18,903           |                 |                  |                 |                       |                           | 42,014            |
| Purchased Property Services                     |                   | 1,624             |                   |                           |                  |                 |                  |                 |                       |                           | 1,624             |
| Other Purchased Services                        | 139               |                   | 10,000            |                           | 4,420            |                 |                  |                 | 561                   |                           | 14,559            |
| Supplies and Materials                          |                   |                   | 13,361            |                           | 6,566            |                 |                  |                 | 18,138                |                           | 38,065            |
| Other Objects                                   |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| <b>Total Support Services</b>                   | <u>2,000</u>      | <u>4,655</u>      | <u>69,842</u>     | <u>1,417</u>              | <u>33,521</u>    | <u>1,143</u>    | <u>5,813</u>     | <u>1,864</u>    | <u>53,534</u>         | <u>644</u>                | <u>174,433</u>    |
| Facilities Acquisition and Construction         |                   |                   |                   |                           |                  |                 |                  |                 |                       |                           |                   |
| Instructional Equipment                         |                   |                   | 27,838            |                           |                  |                 |                  |                 | 8,378                 |                           | 36,216            |
| <b>Total Facilities Acq. &amp; Construction</b> | <u>-</u>          | <u>-</u>          | <u>27,838</u>     | <u>-</u>                  | <u>-</u>         | <u>-</u>        | <u>-</u>         | <u>-</u>        | <u>8,378</u>          | <u>-</u>                  | <u>36,216</u>     |
| <b>Total Expenditures</b>                       | <u>341,133</u>    | <u>19,542</u>     | <u>183,585</u>    | <u>1,417</u>              | <u>33,521</u>    | <u>1,143</u>    | <u>41,523</u>    | <u>1,864</u>    | <u>79,899</u>         | <u>644</u>                | <u>704,271</u>    |

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**RIDGEFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| <u>Issue/Project Title</u>                              | <u>Appropriation</u> | <u>Prior Years Expenditures</u> | <u>Current Year Expenditures</u> | <u>Prior Years Transferred to Debt Service Reserve</u> | <u>Unexpended Balance</u>                                    |
|---|----------------------|---------------------------------|----------------------------------|--|--|
| Roof Replacement - High School and Elementary Schools   | \$ 3,240,298         | \$ 2,561,440                    |                                  | \$ (678,858)   |  |
| Boiler Replacement - High School and Elementary Schools | <u>5,168,381</u>     | <u>2,366,344</u>                | <u>-</u>                         | <u>(2,802,037)</u>                                     | <u>-</u>   |
|   | <u>\$ 8,408,679</u>  | <u>\$ 4,927,784</u>             | <u>\$ -</u>                      | <u>\$ (3,480,895)</u>                                  | <u>\$ -</u>  |
|   |                      |                                 |                                  |  | Project Balance, June 30 2011 \$ -                           |
|   |                      |                                 |                                  |  | Add: Reserve for Debt Service <u>2,745,895</u>               |
|   |                      |                                 |                                  |  | Fund Balance, June 30, 2011 (GAAP Basis) <u>\$ 2,745,895</u> |

Analysis of Reserve for Debt Service

| <u>Issue</u>   | <u>Unexpended Bond Proceeds</u> |  |                               |
|--|---------------------------------|--|-------------------------------|
|  | <u>Balance, July 1, 2010</u>    | <u>Transfers Out Debt Service Fund</u> | <u>Balance, June 30, 2011</u> |
| 2006 Bonds - Roof Replacement - High School and Elementary Schools | \$ 503,858                      | \$ (180,000)                           | \$ 323,858                    |
| 2007 Bonds - Boiler Replacement High School and Elementary Schools | <u>2,617,037</u>                | <u>(195,000)</u>                       | <u>2,422,037</u>              |
|  | <u>\$ 3,120,895</u>             | <u>\$ (375,000)</u>                    | <u>\$ 2,745,895</u>           |

**RIDGEFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Revenues and Other Financing Sources**

|  |               |
|--|---------------|
| Revenues:                                  |               |
| Interest                                   | \$ 12,470     |
|  | <u>12,470</u> |
| Total Revenues and Other Financing sources | <u>12,470</u> |

**Expenditures and Other Financing Uses**

|   |                |
|---|----------------|
| Other Financing Uses                        |                |
| Transfer Out General Fund                   | 12,470         |
| Transfer Out Debt Service Fund              | <u>375,000</u> |
| Total Expenditures and Other Financing Uses | <u>387,470</u> |

|   |           |
|---|-----------|
| Excess (Deficiency) of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | (375,000) |
|---|-----------|

|                                 |                     |
|---------------------------------|---------------------|
| Fund Balance, Beginning of Year | <u>3,120,895</u>    |
| Fund Balance, End of Year       | <u>\$ 2,745,895</u> |

**ENTERPRISE FUND**

**SCHEDULE G-1**

**RIDGEFIELD BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**SCHEDULE G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011**

|                                     | <u>Student<br/>Activity</u> | <u>Payroll</u>    | <u>Total<br/>Agency Funds</u> |
|-------------------------------------|-----------------------------|-------------------|-------------------------------|
| <b>ASSETS</b>                       |                             |                   |                               |
| Cash                                | \$ 31,732                   | \$ 174,742        | \$ 206,474                    |
| Total Assets                        | <u>\$ 31,732</u>            | <u>\$ 174,742</u> | <u>\$ 206,474</u>             |
| <b>LIABILITIES</b>                  |                             |                   |                               |
| Payroll Deductions and Withholdings |                             | \$ 164,043        | 164,043                       |
| Due to Other Funds                  |                             | 10,699            | 10,699                        |
| Due to Student Groups               | <u>\$ 31,732</u>            | <u>-</u>          | <u>31,732</u>                 |
| Total Liabilities                   | <u>\$ 31,732</u>            | <u>\$ 174,742</u> | <u>\$ 206,474</u>             |

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**THIS SCHEDULE IS NOT APPLICABLE**

**RIDGEFIELD BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                           | <u>Balance,<br/>July 1, 2010</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance,<br/>June 30, 2011</u> |
|---------------------------|----------------------------------|--------------------------|-------------------------------|-----------------------------------|
| <b>ELEMENTARY SCHOOLS</b> |                                  |                          |                               |                                   |
| Slocum Avenue             | \$ 23,135                        | \$ 106,057               | \$ 114,834                    | \$ 14,358                         |
| <b>HIGH SCHOOL</b>        |                                  |                          |                               |                                   |
| Student Activities Fund   | 17,854                           | 146,608                  | 147,946                       | 16,516                            |
| Athletic Account          | 469                              | 35,130                   | 34,741                        | 858                               |
| Total High School         | <u>18,323</u>                    | <u>181,738</u>           | <u>182,687</u>                | <u>17,374</u>                     |
| Total All Schools         | <u>\$ 41,458</u>                 | <u>\$ 287,795</u>        | <u>\$ 297,521</u>             | <u>\$ 31,732</u>                  |

**RIDGEFIELD BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                                     | <u>Balance,<br/>July 1,<br/>2010</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance,<br/>June 30,<br/>2011</u> |
|-------------------------------------|--------------------------------------|--------------------------|-------------------------------|---------------------------------------|
| <b>ASSETS</b>                       |                                      |                          |                               |                                       |
| Cash                                | \$ 196,025                           | \$ 23,787,316            | \$ 23,808,599                 | \$ 174,742                            |
| Total Assets                        | <u>\$ 196,025</u>                    | <u>\$ 23,787,316</u>     | <u>\$ 23,808,599</u>          | <u>\$ 174,742</u>                     |
| <b>LIABILITIES</b>                  |                                      |                          |                               |                                       |
| Accrued Salaries and Wages          |                                      | \$ 13,542,871            | \$ 13,542,871                 |                                       |
| Payroll Deductions and Withholdings | \$ 178,577                           | 10,235,087               | 10,249,621                    | \$ 164,043                            |
| Due to Other Funds                  | <u>17,448</u>                        | <u>9,358</u>             | <u>16,107</u>                 | <u>10,699</u>                         |
| Total Liabilities                   | <u>\$ 196,025</u>                    | <u>\$ 23,787,316</u>     | <u>\$ 23,808,599</u>          | <u>\$ 174,742</u>                     |

**LONG-TERM DEBT**

**RIDGEFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Annual Maturities Amount</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2010</u> | <u>Matured</u>    | <u>Balance, June 30, 2011</u> |
|----------------|----------------------|------------------------|-------------------------------|---------------------------------|----------------------|------------------------------|-------------------|-------------------------------|
| School Bonds   | 8/15/2006            | \$ 3,240,000           | 2/15/2012                     | \$ 190,000                      | 4.15%                | \$ 2,760,000                 | \$ 180,000        | \$ 2,580,000                  |
|                |                      |                        | 2/15/2013                     | 195,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2014                     | 205,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2015                     | 215,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2016                     | 225,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2017                     | 235,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2018                     | 245,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2019                     | 255,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2020                     | 265,000                         | 4.15%                |                              |                   |                               |
|                |                      |                        | 2/15/2021                     | 270,000                         | 4.20%                |                              |                   |                               |
|                |                      |                        | 2/15/2022                     | 280,000                         | 4.20%                |                              |                   |                               |
|                |                      |                        | School Bonds                  | 6/1/2007                        | 5,168,000            |                              |                   |                               |
| 6/1/2013       | 210,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2014       | 220,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2015       | 230,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2016       | 240,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2017       | 250,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2018       | 260,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2019       | 270,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2020       | 285,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2021       | 295,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2022       | 310,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2023       | 320,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2024       | 335,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2025       | 340,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2026       | 340,000              | 4.00%                  |                               |                                 |                      |                              |                   |                               |
| 6/1/2027       | 338,000              | 4.125%                 |                               |                                 |                      |                              |                   |                               |
|                |                      |                        |                               |                                 |                      | <u>\$ 7,398,000</u>          | <u>\$ 375,000</u> | <u>\$ 7,023,000</u>           |

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES, LEASE PURCHASE AGREEMENTS AND SALE/LEASEBACK CONTRACTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| <u>Series</u>                          | <u>Interest<br/>Rate<br/>Payable</u> | <u>Amount of<br/>Original<br/>Issue</u> | <u>Balance<br/>June 30, 2010</u> | <u>Issued<br/>Current<br/>Year</u> | <u>Retired<br/>Current<br/>Year</u> | <u>Balance<br/>June 30, 2011</u> |
|--|--------------------------------------|---|----------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| <b>Capital Leases:</b>                 |                                      |   |                                  |                                    |                                     |                                  |
| 2009/10 H.S. Telecommunications System | 10.98%                               | \$ 21,047                               | \$ 15,918                        | -                                  | \$ 3,381                            | \$ 12,537                        |
| Total Capital Leases                   |                                      |   | <u>15,918</u>                    | <u>-</u>                           | <u>3,381</u>                        | <u>12,537</u>                    |
| <b>Lease Purchase Agreements:</b>      |                                      |   |                                  |                                    |                                     |                                  |
| 2008/2009 Dell Computers               | 5.080%                               | 65,551                                  | 40,408                           |                                    | 19,674                              | 20,734                           |
| 2008/2009 Apple Computers              | 3.190%                               | 102,817                                 | 51,346                           |                                    | 25,037                              | 26,309                           |
| 2009/2010 Textbooks                    |                                      | 443,950                                 | 443,950                          | -                                  | 143,227                             | 300,723                          |
| Total Lease Purchase Agreements        |                                      |   | <u>535,704</u>                   | <u>-</u>                           | <u>187,938</u>                      | <u>347,766</u>                   |
| <b>Sale/Leaseback Contracts</b>        |                                      |   |                                  |                                    |                                     |                                  |
| 2009/10 Textbook Sale/Leaseback        | 3.19%                                | 500,000                                 | 500,000                          | -                                  | -                                   | 500,000                          |
| Grand Total                            |                                      |   | <u>\$ 1,051,622</u>              | <u>\$ -</u>                        | <u>\$ 191,319</u>                   | <u>\$ 860,303</u>                |

**RIDGEFIELD BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|-------------------------------------|
| <b>REVENUES</b>  |                            |                             |                         |                |                                     |
| Local Sources  |                            |                             |                         |                |                                     |
| Local Tax Levy   | \$ 75,437                  | \$ -                        | \$ 75,437               | \$ 75,437      |                                     |
| State Sources  |                            |                             |                         |                |                                     |
| State Aid Type II  | <u>225,321</u>             | <u>-</u>                    | <u>225,321</u>          | <u>225,321</u> | <u>-</u>                            |
| Total Revenues   | <u>300,758</u>             | <u>-</u>                    | <u>300,758</u>          | <u>300,758</u> | <u>-</u>                            |
| <b>EXPENDITURES</b>  |                            |                             |                         |                |                                     |
| Regular Debt Service   |                            |                             |                         |                |                                     |
| Interest on Bonds  | 300,758                    |                             | 300,758                 | 300,758        |                                     |
| Redemption of Bond Principal   | <u>375,000</u>             | <u>-</u>                    | <u>375,000</u>          | <u>375,000</u> | <u>-</u>                            |
| Total Expenditures   | <u>675,758</u>             | <u>-</u>                    | <u>675,758</u>          | <u>675,758</u> | <u>-</u>                            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures                             | (375,000)                  | -                           | (375,000)               | (375,000)      | -                                   |
| Other Financing Sources (Uses)<br>Transfers In   | <u>375,000</u>             | <u>-</u>                    | <u>375,000</u>          | <u>375,000</u> | <u>-</u>                            |
| Excess (Deficiency) of Revenues and Other Financing<br>Sources Over (Under) Expenditures | -                          | -                           | -                       | -              | -                                   |
| Fund Balance, Beginning of Year  | <u>1</u>                   | <u>-</u>                    | <u>1</u>                | <u>1</u>       | <u>-</u>                            |
| Fund Balance, End of Year  | <u>\$ 1</u>                | <u>\$ -</u>                 | <u>\$ 1</u>             | <u>\$ 1</u>    | <u>\$ -</u>                         |

## STATISTICAL SECTION

This part of the Ridgefield 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 BOARD OF EDUCATION**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
*(Unaudited)*  
*(accrual basis of accounting)*

|   | Fiscal Year Ended June 30, |              |              |              |              |              |              |              |              |
|---|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2003                       | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         |
| <b>Governmental activities</b>                  |                            |              |              |              |              |              |              |              |              |
| Invested in Capital Assets, Net Of Related Debt | \$ 715,275                 | \$ 841,678   | \$ 1,311,244 | \$ 1,755,618 | \$ 2,009,581 | \$ 2,598,118 | \$ 2,864,260 | \$ 2,771,021 | \$ 2,371,360 |
| Restricted                                      | (11,752)                   | 80,001       | 1            | 511,001      | 740,343      | 1,789,015    | 1,721,668    | 1,848,072    | 870,002      |
| Unrestricted                                    | (111,591)                  | (127,072)    | (966,371)    | (129,808)    | 848,034      | 914,854      | (553,566)    | (1,501,274)  | (1,121,981)  |
| Total Governmental Activities Net Assets        | \$ 591,932                 | \$ 794,607   | \$ 344,874   | \$ 2,136,811 | \$ 3,597,958 | \$ 5,301,987 | \$ 4,032,362 | \$ 3,117,819 | \$ 2,119,381 |
| <b>Business-Type Activities</b>                 |                            |              |              |              |              |              |              |              |              |
| Invested in Capital Assets, Net Of Related Debt | \$ 51,439                  | \$ 46,123    | \$ 37,227    | \$ 36,180    | \$ 40,988    | \$ 29,426    | \$ 61,717    | \$ 47,354    | \$ 59,088    |
| Restricted                                      | 143,802                    | 201,669      | 163,454      | 256,965      | 302,476      | 185,199      | 151,842      | 134,686      | 111,408      |
| Unrestricted                                    | (195,241)                  | (247,792)    | (200,681)    | (293,145)    | (343,464)    | (214,625)    | (213,559)    | (182,040)    | (170,496)    |
| Total Business-Type Activities Net Assets       | \$                         | \$           | \$           | \$           | \$           | \$           | \$           | \$           | \$           |
| <b>District-Wide</b>                            |                            |              |              |              |              |              |              |              |              |
| Invested in Capital Assets, Net Of Related Debt | \$ 766,714                 | \$ 887,801   | \$ 1,348,471 | \$ 1,791,798 | \$ 2,050,569 | \$ 2,627,544 | \$ 2,925,977 | \$ 2,818,375 | \$ 2,450,448 |
| Restricted                                      | (11,752)                   | 80,001       | 1            | 511,001      | 740,343      | 1,789,015    | 1,721,668    | 1,848,072    | 870,002      |
| Unrestricted                                    | 32,211                     | 74,597       | (802,917)    | 127,885      | 1,150,510    | 1,100,053    | (401,724)    | (1,366,588)  | (1,010,573)  |
| Total District Net Assets                       | \$ 787,173                 | \$ 1,042,399 | \$ 545,555   | \$ 2,430,684 | \$ 3,941,422 | \$ 5,516,612 | \$ 4,243,921 | \$ 3,299,859 | \$ 2,289,877 |

## Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**RIDGEFIELD BOARD OF EDUCATION  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

|   | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2003                       | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          |
| <b>Expenses</b>                                 |                            |               |               |               |               |               |               |               |               |
| <b>Governmental Activities</b>                  |                            |               |               |               |               |               |               |               |               |
| Instruction                                     |                            |               |               |               |               |               |               |               |               |
| Regular   | \$ 6,720,048               | \$ 7,091,839  | \$ 7,729,442  | \$ 10,235,060 | \$ 10,381,117 | \$ 11,183,823 | \$ 11,539,699 | \$ 12,229,676 | \$ 11,629,767 |
| Special Education                               | 11,138,746                 | 11,984,163    | 12,934,890    | 11,336,723    | 10,379,912    | 9,403,687     | 9,648,755     | 10,102,596    | 9,477,065     |
| Other Special Education                         | 832,080                    | 891,702       | 383,752       | 331,081       | 389,110       | 348,026       | 511,354       | 506,271       | 504,255       |
| School Sponsored Activities And Athletics       |                            |               | 577,489       | 833,484       | 946,344       | 1,037,381     | 1,021,802     | 919,972       | 827,881       |
| Support Services:                               |                            |               |               |               |               |               |               |               |               |
| Tuition   | 73,151                     | 69,415        | 1,571,998     | 1,885,831     | 4,143,045     | 4,787,597     | 4,744,142     | 5,175,075     | 4,996,536     |
| Student & Instruction Related Services          | 1,643,687                  | 1,518,434     | 789,217       | 829,527       | 1,012,135     | 900,734       | 900,900       | 866,824       | 974,315       |
| General Administration                          | 1,109,863                  | 1,195,435     | 1,440,610     | 1,253,410     | 1,245,287     | 1,289,729     | 1,326,009     | 1,166,252     | 1,170,561     |
| School Administrative Services                  | 833,567                    | 1,270,519     | 567,816       | 574,169       | 563,875       | 625,734       | 652,208       | 640,569       | 648,492       |
| Central and Other Support Services              | 2,458,834                  | 2,311,538     | 2,397,650     | 2,939,241     | 2,822,954     | 3,120,271     | 3,316,921     | 3,389,902     | 3,158,703     |
| Plant Operations And Maintenance                | 154,186                    | 243,285       | 239,355       | 312,662       | 592,762       | 787,212       | 820,703       | 762,056       | 762,056       |
| Pupil Transportation                            |                            |               | 76,362        | 52,932        | 172,334       | 361,344       | 332,069       | 347,694       | 341,950       |
| Interest on long-term debt                      |                            |               | 28,708,581    | 30,584,120    | 32,649,075    | 33,825,987    | 34,781,071    | 36,165,534    | 34,491,581    |
| Total Governmental Activities Expenses          | 24,966,162                 | 26,576,330    | 28,708,581    | 30,584,120    | 32,649,075    | 33,825,987    | 34,781,071    | 36,165,534    | 34,491,581    |
| <b>Business-Type Activities:</b>                |                            |               |               |               |               |               |               |               |               |
| Food service                                    | 557,221                    | 584,685       | 617,648       | 620,288       | 632,663       | 748,060       | 681,243       | 647,835       | 642,297       |
| Saturday Happenings                             | 761,432                    | 739,176       | 339,768       | 261,265       | 271,207       | 314,875       | 299,513       | 276,291       | 299,322       |
| OT/PT Services                                  |                            |               | 532,516       | 542,587       | -             | -             | -             | -             | -             |
| Total Business-Type Activities Expense          | 1,318,653                  | 1,323,861     | 1,489,932     | 1,424,140     | 903,870       | 1,062,935     | 980,756       | 924,126       | 941,619       |
| Total District Expenses                         | \$ 26,284,815              | \$ 27,900,191 | \$ 30,198,513 | \$ 32,008,260 | \$ 33,552,945 | \$ 34,888,922 | \$ 35,761,827 | \$ 37,089,660 | \$ 35,433,200 |
| <b>Program Revenues</b>                         |                            |               |               |               |               |               |               |               |               |
| <b>Governmental Activities:</b>                 |                            |               |               |               |               |               |               |               |               |
| Charges for services:                           |                            |               |               |               |               |               |               |               |               |
| Instruction                                     | \$ 11,185,900              | \$ 12,342,610 | \$ 13,100,043 | \$ 15,575,370 | \$ 13,768,221 | \$ 12,396,054 | \$ 10,452,020 | \$ 11,125,220 | \$ 9,979,380  |
| Support Services                                | 3,385,773                  | 3,443,178     | 3,401,660     | 3,606,499     | 4,649,095     | 4,811,487     | 4,204,766     | 4,762,237     | 4,425,879     |
| Operating grants and contributions              |                            |               |               |               |               |               |               |               |               |
| Capital grants and contributions                |                            |               |               |               |               |               |               |               |               |
| Total Governmental Activities Program Revenues  | 14,571,673                 | 15,785,788    | 16,501,703    | 19,181,869    | 19,780,582    | 18,498,918    | 16,010,572    | 17,179,448    | 15,616,954    |
| <b>Business-Type Activities:</b>                |                            |               |               |               |               |               |               |               |               |
| Charges for services:                           |                            |               |               |               |               |               |               |               |               |
| Food Service                                    | 440,174                    | 437,694       | 469,170       | 470,038       | 469,163       | 471,974       | 463,676       | 459,671       | 431,919       |
| Saturday Happenings                             | 755,305                    | 779,683       | 303,801       | 300,902       | 344,793       | 277,649       | 256,181       | 232,184       | 281,527       |
| OT/PT Services                                  |                            |               | 510,281       | 580,075       | 580,075       | 580,075       | 580,075       | 580,075       | 580,075       |
| Operating grants and contributions              | 142,953                    | 158,668       | 156,956       | 158,282       | 162,460       | 172,195       | 184,598       | 200,305       | 215,745       |
| Capital grants and contributions                |                            |               |               |               |               |               |               |               |               |
| Total Business-Type Activities Program Revenues | 1,338,432                  | 1,376,045     | 1,440,208     | 1,509,297     | 1,506,491     | 1,423,993     | 1,484,630     | 1,472,235     | 1,419,266     |
| Total District Program Revenues                 | \$ 15,910,105              | \$ 17,161,833 | \$ 17,941,911 | \$ 20,691,166 | \$ 20,756,998 | \$ 19,420,756 | \$ 16,915,027 | \$ 18,071,608 | \$ 16,546,145 |

**RIDGEFIELD BOARD OF EDUCATION  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS**  
(Unaudited)  
(accrual basis of accounting)

|   | Fiscal Year Ended June 30, |                 |                 |                 |                 |                 |                 |                 |                 |
|---|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2003                       | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            | 2010            | 2011            |
| <b>Net (Expense)/Revenue</b>                            |                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities                                 | \$ (10,394,489)            | \$ (10,790,542) | \$ (12,206,878) | \$ (11,402,251) | \$ (12,868,493) | \$ (15,327,069) | \$ (18,770,499) | \$ (18,986,086) | \$ (18,874,627) |
| Business-Type Activities                                | 19,779                     | 52,184          | (49,724)        | 85,157          | 72,546          | (141,117)       | (76,301)        | (31,966)        | (12,428)        |
| Total District-Wide Net Expense                         | \$ (10,374,710)            | \$ (10,738,358) | \$ (12,256,602) | \$ (11,317,094) | \$ (12,795,947) | \$ (15,468,186) | \$ (18,846,800) | \$ (19,018,052) | \$ (18,887,055) |
| <b>General Revenues And Other Changes In Net Assets</b> |                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                                |                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes levied for general purposes, net         | \$ 9,030,853               | \$ 9,030,853    | \$ 10,046,838   | \$ 11,802,039   | \$ 12,826,957   | \$ 14,585,870   | \$ 15,327,225   | \$ 15,765,032   | \$ 16,830,993   |
| Taxes levied for debt service                           |                            |                 |                 |                 |                 | 590,070         | 256,775         | 42,772          | 75,437          |
| Unrestricted aid and contributions                      | 887,513                    | 1,073,077       | 1,237,673       | 1,190,484       | 1,251,045       | 1,389,727       | 1,826,986       | 2,097,125       | 867,729         |
| Investment earnings                                     | 8,350                      | 3,685           | 40,171          | 90,519          | 200,404         | 220,762         | 81,471          | 37,028          | 33,847          |
| Miscellaneous income                                    | 602,781                    | 801,876         | 432,463         | 111,126         | 162,993         | 244,669         | 83,013          | 129,596         | 68,183          |
| Transfers   | -                          | -               | -               | -               | 15,253          | -               | (74,596)        | -               | -               |
| Special Items   | -                          | -               | -               | -               | (127,012)       | -               | -               | -               | -               |
| Total Governmental Activities                           | \$ 10,529,497              | \$ 10,909,491   | \$ 11,757,145   | \$ 13,194,188   | \$ 14,329,640   | \$ 17,031,098   | \$ 17,500,874   | \$ 18,071,553   | \$ 17,876,189   |
| Business-Type Activities:                               |                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment earnings                                     | 798                        | 367             | 2,613           | 7,307           | 7,532           | 12,278          | 639             | 447             | 884             |
| Transfers   | -                          | -               | -               | -               | (15,253)        | -               | 74,596          | -               | -               |
| Special Items   | -                          | -               | -               | -               | (14,506)        | -               | -               | -               | -               |
| Total Business-Type Activities                          | \$ 798                     | \$ 367          | \$ 2,613        | \$ 7,307        | \$ (7,221)      | \$ 12,278       | \$ 75,235       | \$ 447          | \$ 884          |
| Total District-Wide                                     | \$ 10,530,295              | \$ 10,909,858   | \$ 11,759,758   | \$ 13,201,495   | \$ 14,307,413   | \$ 17,043,376   | \$ 17,576,109   | \$ 18,072,000   | \$ 17,877,073   |
| <b>Change In Net Assets</b>                             |                            |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities                                 | \$ 155,008                 | \$ 118,949      | \$ (449,733)    | \$ 1,791,937    | \$ 1,461,147    | \$ 1,704,029    | \$ (1,269,625)  | \$ (914,533)    | \$ (998,438)    |
| Business-Type Activities                                | 20,577                     | 52,551          | (47,111)        | 92,464          | 50,319          | (128,839)       | (1,066)         | (31,519)        | (11,544)        |
| Total District  | \$ 155,585                 | \$ 171,500      | \$ (496,844)    | \$ 1,884,401    | \$ 1,511,466    | \$ 1,575,190    | \$ (1,270,691)  | \$ (946,052)    | \$ (1,009,982)  |

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**RIDGEFIELD BOARD OF EDUCATION  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS**  
(Unaudited)

*(modified accrual basis of accounting)*

|   | Fiscal Year Ended June 30, |                     |                   |                     |                     |                     |                     |                     |                     |
|---|----------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2003                       | 2004                | 2005              | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                |
| General Fund                              |                            |                     |                   |                     |                     |                     |                     |                     |                     |
| Reserved                                  | \$ 1                       | \$ 87,961           | \$ 47,256         | \$ 601,653          | \$ 1,341,791        | \$ 1,798,000        | \$ 2,205,137        | \$ 1,952,850        | \$ 870,001          |
| Unreserved                                | 1,169,555                  | 1,253,047           | 180,346           | 450,672             | 764,418             | 1,402,397           | (83,880)            | (96,900)            | 74,570              |
| Restricted                                | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | 319,314             |
| Committed                                 | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | 197,371             |
| Assigned                                  | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total General Fund</b>                 | <b>\$ 1,169,556</b>        | <b>\$ 1,341,008</b> | <b>\$ 227,602</b> | <b>\$ 1,052,325</b> | <b>\$ 2,106,209</b> | <b>\$ 3,200,397</b> | <b>\$ 2,121,257</b> | <b>\$ 1,855,950</b> | <b>\$ 1,461,256</b> |
| All Other Governmental Funds              |                            |                     |                   |                     |                     |                     |                     |                     |                     |
| Reserved                                  |                            |                     |                   |                     |                     |                     |                     |                     |                     |
| Unreserved                                | \$ (11,753)                | \$ (7,960)          | \$ 147,525        | \$ 2,326,000        | \$ 1,945,460        | \$ 28,731           | \$ 3,488,562        | \$ 3,120,895        | \$ 2,745,896        |
| Restricted                                | -                          | -                   | -                 | (2,254,714)         | 3,777,661           | 3,442,818           | -                   | -                   | 1                   |
| Committed                                 | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| Assigned                                  | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| Unassigned                                | -                          | -                   | -                 | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total All Other Governmental Funds</b> | <b>\$ (11,753)</b>         | <b>\$ (7,960)</b>   | <b>\$ 147,525</b> | <b>\$ 71,286</b>    | <b>\$ 5,723,121</b> | <b>\$ 3,471,549</b> | <b>\$ 3,488,562</b> | <b>\$ 3,120,896</b> | <b>\$ 2,745,896</b> |

Note:  
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

**RIDGEFIELD BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS**

(Unaudited)  
(modified accrual basis of accounting)

Fiscal Year Ended June 30,

|  | 2003         | 2004         | 2005           | 2006          | 2007          | 2008           | 2009           | 2010          | 2011          |
|--|--------------|--------------|----------------|---------------|---------------|----------------|----------------|---------------|---------------|
| <b>Revenues</b>  |              |              |                |               |               |                |                |               |               |
| Tax Levy   | \$ 9,030,853 | \$ 9,030,853 | \$ 10,046,838  | \$ 11,802,059 | \$ 12,826,957 | \$ 15,175,940  | \$ 15,584,000  | \$ 15,807,804 | \$ 16,906,430 |
| Tuition Charges  | 11,185,900   | 12,342,610   | 12,450,781     | 14,584,341    | 13,711,452    | 12,587,185     | 10,478,751     | 10,659,427    | 10,385,049    |
| Interest Earnings  | 8,350        | 3,685        | 40,171         | 90,519        | 200,404       | 220,762        | 81,471         | 37,028        | 33,847        |
| Miscellaneous  | 688,250      | 801,876      | 1,138,057      | 959,253       | 1,496,072     | 1,446,235      | 1,590,702      | 1,468,268     | 1,262,749     |
| State Sources  | 3,699,345    | 3,944,133    | 4,019,051      | 4,307,700     | 5,306,365     | 5,437,833      | 5,333,710      | 5,478,481     | 4,590,880     |
| Federal Sources  | 488,472      | 572,122      | 563,951        | 460,776       | 571,865       | 745,626        | 679,607        | 1,348,625     | 707,914       |
| Total Revenue  | 25,101,170   | 26,695,279   | 28,258,849     | 32,204,648    | 34,113,115    | 35,613,581     | 33,748,241     | 34,799,633    | 33,886,869    |
| <b>Expenditures</b>  |              |              |                |               |               |                |                |               |               |
| Instruction  |              |              |                |               |               |                |                |               |               |
| Regular Instruction  | 5,250,330    | 5,419,400    | 7,724,634      | 10,172,090    | 10,612,628    | 11,254,872     | 11,525,984     | 12,175,896    | 11,642,240    |
| Special Education Instruction                                | 8,581,482    | 9,089,752    | 12,908,683     | 11,268,848    | 10,299,324    | 9,391,724      | 9,571,510      | 10,080,512    | 9,481,981     |
| Other Special Instruction                                    | 680,872      | 706,166      | 383,978        | 329,035       | 397,919       | 341,051        | 507,951        | 504,636       | 505,615       |
| School Sponsored Activities And Athletics                    |              |              | 580,467        | 829,184       | 965,900       | 1,037,381      | 1,003,167      | 919,972       | 827,881       |
| Support Services:  |              |              |                |               |               |                |                |               |               |
| Tuition  | 73,151       | 69,415       |                |               |               |                |                |               |               |
| Student & Inst. Related Services                             | 1,341,093    | 1,206,428    | 1,564,383      | 1,865,105     | 4,531,735     | 4,764,558      | 4,715,888      | 5,177,410     | 4,997,547     |
| General Administration                                       | 1,077,906    | 1,105,808    | 791,457        | 827,467       | 1,018,610     | 900,734        | 906,105        | 845,869       | 965,461       |
| School Administrative Services                               | 705,532      | 901,676      | 1,449,299      | 1,245,492     | 1,261,352     | 1,279,096      | 1,300,642      | 1,158,827     | 1,152,742     |
| Central and Other Support Services                           | 2,189,378    | 2,029,059    | 2,406,928      | 2,651,841     | 2,584,379     | 2,863,855      | 2,916,653      | 2,998,364     | 2,755,895     |
| Plant Operations And Maintenance                             | 144,134      | 209,628      | 229,662        | 273,417       | 587,070       | 759,347        | 732,629        | 798,217       | 728,805       |
| Pupil Transportation   | 5,087,853    | 5,673,324    |                |               |               |                |                |               |               |
| Employee Benefits  | 57,098       | 2,509,379    | 2,236,105      | 319,704       | 2,761,436     | 2,196,322      | 317,012        | 353,009       | 46,369        |
| Capital Outlay   |              |              |                |               |               |                |                |               |               |
| Debt Service:  |              |              |                |               |               |                |                |               |               |
| Principal  |              |              | 639,204        | 607,172       | 622,568       | 951,322        | 418,147        | 421,563       | 566,319       |
| Interest And Other Charges                                   |              |              | 75,235         | 52,337        | 36,941        | 427,432        | 331,069        | 322,759       | 337,216       |
| Bond Issuance Costs  |              |              |                |               | 84,635        |                |                |               |               |
| Total Expenditures   | 25,188,829   | 28,920,035   | 31,560,906     | 31,012,682    | 36,341,619    | 36,770,965     | 34,919,516     | 36,397,603    | 34,656,563    |
| Excess (Deficiency) Of Revenues<br>Over (Under) Expenditures | (87,659)     | (2,224,756)  | (3,302,057)    | 1,191,966     | (2,228,504)   | (1,157,384)    | (1,171,275)    | (1,597,970)   | (769,694)     |
| <b>Other Financing Sources (Uses)</b>                        |              |              |                |               |               |                |                |               |               |
| Capital Leases (Non-Budgeted)                                |              | 2,400,000    | 73,683         | 66,888        |               |                | 183,744        | 21,047        |               |
| Lease Purchase Proceeds (Non-Budgeted)                       |              |              |                |               |               |                |                | 443,950       |               |
| Sale and Lease Back Proceeds                                 |              |              |                |               |               |                |                | 500,000       |               |
| Bond Proceeds  |              |              |                |               | 8,408,000     |                |                |               |               |
| Transfers In   |              |              | 12,531         | 7,516         | 47,246        | 308,541        | 40,843         | 384,305       | 387,470       |
| Transfers Out  |              |              | (12,531)       | (7,516)       | (32,023)      | (308,541)      | (115,439)      | (384,305)     | (387,470)     |
| Total Other Financing Sources (Uses)                         |              | 2,400,000    | 73,683         | 66,888        | 8,423,223     |                | 109,148        | 964,997       |               |
| Net Change In Fund Balances                                  | \$ (87,659)  | \$ 175,244   | \$ (3,228,374) | \$ 1,258,854  | \$ 6,194,719  | \$ (1,157,384) | \$ (1,062,127) | \$ (632,973)  | \$ (769,694)  |
| Debt Service As A Percentage Of<br>Noncapital Expenditures   | 0.00%        | 0.00%        | 2.44%          | 2.15%         | 1.96%         | 3.99%          | 2.17%          | 2.07%         | 2.61%         |

\* Noncapital expenditures are total expenditures less capital outlay.

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b>Interest<br/>Earned</b> | <b>Tuition</b> | <b>One<br/>to One Aides</b> | <b>Rentals</b> | <b>OT/PT Fees</b> | <b>Insurance<br/>Refunds</b> | <b>Voided<br/>Payroll Checks</b> | <b>Miscellaneous</b> | <b>Total</b>  |
|---|----------------------------|----------------|-----------------------------|----------------|-------------------|------------------------------|----------------------------------|----------------------|---------------|
| 2002                                      | \$ 11,138                  | \$ 10,789,972  | \$ 400,079                  | \$ 110,000     | \$ 8,239          |                              | \$                               | 14,808               | \$ 11,334,236 |
| 2003                                      | 8,350                      | 11,185,900     | 378,536                     | 20,000         | 103,897           |                              |                                  | 100,348              | 11,797,031    |
| 2004                                      | 3,685                      | 12,342,610     | 72,019                      | 20,000         | 592,847           |                              |                                  | 60,121               | 13,091,282    |
| 2005                                      | 27,640                     | 12,450,781     | 649,262                     | 100,000        |                   |                              |                                  | 332,463              | 13,560,146    |
| 2006                                      | 83,003                     | 14,584,341     | 819,619                     |                |                   |                              |                                  | 111,126              | 15,598,089    |
| 2007                                      | 167,702                    | 13,711,452     | 830,497                     |                | 480,672           |                              |                                  | 162,993              | 15,353,316    |
| 2008                                      | 66,205                     | 12,587,185     | 733,546                     |                | 450,265           |                              |                                  | 244,669              | 14,081,870    |
| 2009                                      | 40,628                     | 10,478,751     | 981,074                     |                | 508,180           |                              |                                  | 69,719               | 12,078,352    |
| 2010                                      | 12,723                     | 10,659,427     | 730,926                     | 50,000         | 575,490           | \$ 25,163                    | \$ 11,164                        | 43,269               | 12,108,162    |
| 2011                                      | 21,377                     | 10,385,049     | 598,658                     | 50,000         | 564,878           |                              |                                  | 18,183               | 11,638,145    |

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

| Fiscal Year Ended June 30, | Vacant Land   | Residential    | Farm Reg. | Q.farm. | Commercial     | Industrial     | Apartment     | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate (%) |
|----------------------------|---------------|----------------|-----------|---------|----------------|----------------|---------------|----------------------|------------------|-----------------------|---|----------------------------------|
| 2002                       | \$ 23,685,800 | \$ 534,060,000 |           |         | \$ 110,569,800 | \$ 106,754,800 | \$ 30,138,400 | \$ 805,268,800       | \$ 1,059,465     | \$ 806,268,265        | \$ 1,146,764,857                          | 1.1130                           |
| 2003                       | 23,385,200    | 536,209,500    |           |         | 110,641,900    | 106,449,800    | 30,138,400    | 806,824,800          | 1,030,085        | 807,854,885           | 1,185,030,606                             | 1.1800                           |
| 2004                       | 23,619,100    | 536,556,100    |           |         | 109,557,000    | 107,365,200    | 30,138,400    | 807,235,800          | 817,633          | 808,053,433           | 1,425,238,294                             | 1.8890                           |
| 2005                       | 67,089,500    | 1,242,774,600  |           |         | 245,342,100    | 232,995,500    | 66,588,800    | 1,852,790,500        | 1,378,656        | 1,854,169,156         | 1,583,367,817                             | 0.6650                           |
| 2006                       | 67,575,500    | 1,242,297,800  |           |         | 241,539,500    | 231,860,300    | 66,588,800    | 1,842,861,600        | 1,284,360        | 1,851,145,960         | 1,721,495,199                             | 0.7600                           |
| 2007                       | 66,466,100    | 1,246,090,800  |           |         | 241,130,900    | 231,860,300    | 66,588,800    | 1,852,046,900        | 1,296,169        | 1,853,343,069         | 1,900,536,662                             | 0.8250                           |
| 2008                       | 66,440,200    | 1,252,327,000  |           |         | 242,269,400    | 228,205,600    | 62,330,800    | 1,851,573,000        | 1,231,740        | 1,852,804,740         | 2,082,286,935                             | 0.8520                           |
| 2009                       | 64,801,500    | 1,259,231,000  |           |         | 237,511,900    | 216,484,900    | 62,292,100    | 1,840,321,400        | 1,264,127        | 1,841,585,527         | 2,192,384,129                             | 0.8890                           |
| 2010                       | 62,805,500    | 1,262,032,700  |           |         | 235,509,900    | 215,463,800    | 62,292,100    | 1,838,124,000        | 1,408,405        | 1,839,532,405         | 2,118,852,225                             | 0.8890                           |
| 2011                       | 63,036,300    | 1,260,507,200  |           |         | 235,839,600    | 228,370,500    | 61,959,800    | 1,849,713,400        | 2,485,633        | 1,852,199,033         | 1,861,734,898                             | 0.9310                           |

Source: County Abstract of Ratables

N/A = Not Available

(A) The Borough undertook a revaluation of real property which became effective for the 2005 year.

\* Tax rates are per \$100

**RIDGEFIELD BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

| Calendar<br>Year | Total Direct<br>School Tax<br>Rate     |                               | Overlapping Rates   |  | Total Direct and<br>Overlapping Tax<br>Rate |
|------------------|--|-------------------------------|---------------------|--|---|
|                  | Ridgefield<br>Local School<br>District | Municipality<br>of Ridgefield | County of<br>Bergen |  |   |
| 2002             | 1.113                                  | 0.464                         | 0.313               |  | 1.890                                       |
| 2003             | 1.118                                  | 0.473                         | 0.309               |  | 1.900                                       |
| 2004             | 1.180                                  | 0.630                         | 0.360               |  | 2.170                                       |
| 2005 (A)         | 0.589                                  | 0.409                         | 0.172               |  | 1.170                                       |
| 2006             | 0.665                                  | 0.351                         | 0.174               |  | 1.190                                       |
| 2007             | 0.760                                  | 0.424                         | 0.186               |  | 1.370                                       |
| 2008             | 0.825                                  | 0.458                         | 0.208               |  | 1.491                                       |
| 2009             | 0.852                                  | 0.486                         | 0.225               |  | 1.563                                       |
| 2010             | 0.889                                  | 0.501                         | 0.225               |  | 1.615                                       |
| 2011             | 0.931                                  | 0.508                         | 0.208               |  | 1.647                                       |

Source: County Abstract of Ratables

(A) The Borough undertook a revaluation of real property which became effective for the 2005 year.

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

| Taxpayer                          | 2011                         |  | 2003                         |  |
|-----------------------------------|------------------------------|--|------------------------------|--|
|                                   | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value |
| PSEG Power LLC                    | \$ 34,678,500                | 1.87%  |                              |  |
| Ratner/NY Urban LLC               | 32,200,000                   | 1.74%  | \$ 15,489,600                | 1.92%  |
| CSX                               | 24,668,000                   | 1.33%  | 10,381,000                   | 1.29%  |
| Genzyme Biosurgery                | 23,170,000                   | 1.25%  |                              |  |
| FNL Realty LP                     | 20,089,500                   | 1.08%  | 9,181,700                    | 1.14%  |
| Ridgefield Industrial LLC         | 18,500,000                   | 1.00%  | 10,961,400                   | 1.36%  |
| Ridgefield Holding Corp.          | 18,000,000                   | 0.97%  | 11,000,000                   | 1.36%  |
| PSEG Fossil LLC                   | 18,000,000                   | 0.97%  | 9,609,300                    | 1.19%  |
| Plastic Specialties & Tech. Inc.  | 15,868,000                   | 0.86%  | 9,400,200                    | 1.17%  |
| Ridgefield Gardens                | 15,500,000                   | 0.84%  | 7,525,700                    | 0.93%  |
| Public Service Electric & Gas Co. |                              |  | 14,011,100                   | 1.74%  |
| Safeguard Capital Fund            | 7,000,000                    | 0.38%  | 6,261,800                    | 0.78%  |
|                                   | <b>\$ 185,995,500</b>        | <b>11.79%</b>                                | <b>\$ 103,821,800</b>        | <b>12.88%</b>                                |

Source: Municipal Tax Assessor

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

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal Year of the Levy |                    | Collections in<br>Subsequent<br>Years |
|-------------------------------------|-------------------------------------|--|--------------------|---------------------------------------|
|                                     |                                     | Amount                                       | Percentage of Levy |                                       |
| 2002                                | \$ 8,920,853                        | \$ 8,920,853                                 | 100.00%            | N/A                                   |
| 2003                                | 9,030,853                           | 9,030,853                                    | 100.00%            | N/A                                   |
| 2004                                | 9,030,853                           | 9,030,853                                    | 100.00%            | N/A                                   |
| 2005                                | 10,046,838                          | 10,046,838                                   | 100.00%            | N/A                                   |
| 2006                                | 11,802,059                          | 11,802,059                                   | 100.00%            | N/A                                   |
| 2007                                | 12,826,957                          | 12,826,957                                   | 100.00%            | N/A                                   |
| 2008                                | 15,175,940                          | 15,175,940                                   | 100.00%            | N/A                                   |
| 2009                                | 15,584,000                          | 15,584,000                                   | 100.00%            | N/A                                   |
| 2010                                | 15,807,804                          | 15,807,804                                   | 100.00%            | N/A                                   |
| 2010                                | 16,906,430                          | 16,906,430                                   | 100.00%            | N/A                                   |

Source: District records

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

| Fiscal Year Ended June 30, | Governmental Activities  |                |                           |                          |                |        | Population | Per Capita |
|----------------------------|--------------------------|----------------|---------------------------|--------------------------|----------------|--------|------------|------------|
|                            | General Obligation Bonds | Capital Leases | Lease Purchase Agreements | Sale/Leaseback Contracts | Total District |        |            |            |
| 2005                       |                          | \$ 1,846,765   |                           |                          | \$ 1,846,765   | 10,835 | \$ 170     |            |
| 2006                       |                          | 1,306,481      |                           |                          | 1,306,481      | 10,767 | 121        |            |
| 2007                       | \$ 8,408,000             | 683,913        |                           |                          | 9,091,913      | 10,782 | 843        |            |
| 2008                       | 8,098,000                | 42,591         |                           |                          | 8,140,591      | 10,807 | 753        |            |
| 2009                       | 7,758,000                | 13,939         | \$ 134,249                |                          | 7,906,188      | 10,880 | 727        |            |
| 2010                       | 7,398,000                | 15,918         | 535,704                   | \$ 500,000               | 8,449,622      | 10,880 | 777        |            |
| 2011                       | 7,023,000                | 12,537         | 347,766                   | 500,000                  | 7,883,303      | 10,880 | 725        |            |

E - Estimate

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

| Fiscal<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            | Net General<br>Bonded Debt<br>Outstanding | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per Capita |
|-------------------------------------|---------------------------------|------------|---|---|------------|
|                                     | General<br>Obligation<br>Bonds  | Deductions |   |   |            |
| 2005                                | -                               | -          | -   | 0.00%   | -          |
| 2006                                | -                               | -          | -   | 0.00%   | -          |
| 2007                                | \$ 8,408,000                    |            | \$ 8,408,000                              | 0.45%   | \$ 780     |
| 2008                                | 8,098,000                       | \$ 11,908  | 8,086,092                                 | 0.44%   | 748        |
| 2009                                | 7,758,000                       | 7,667      | 7,750,333                                 | 0.42%   | 712        |
| 2010                                | 7,398,000                       | 3,120,896  | 4,277,104                                 | 0.23%   | 393        |
| 2011                                | 7,023,000                       | 2,745,896  | 4,277,104                                 | 0.23%   | 393        |

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**RIDGEFIELD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2010  
(Unaudited)**

|  | <b><u>Total<br/>Debt</u></b> |
|--|------------------------------|
| Municipal Debt: (1)  |                              |
| Ridgefield Board of Education                              | \$ 7,023,000                 |
| Borough of Ridgefield                                      | <u>16,041,770</u>            |
|  | <u>23,064,770</u>            |
| Overlapping Debt Apportioned to the Municipality:          |                              |
| Bergen County: (As of December 31, 2010)                   |                              |
| County of Bergen (A)                                       | 7,789,590                    |
| Bergen County Utilities Authority -<br>Water Pollution (B) | <u>7,379,323</u>             |
|  | <u>15,168,913</u>            |
| Total Direct and Overlapping Debt                          | <u>\$ 38,233,683</u>         |

## Source:

(1) Borough's SFY 2011 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2010 billings by the total 2010 billings of the Borough.

**RIDGEFIELD BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST SEVEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2011**

|   |                         |
|---|-------------------------|
| Equalized valuation basis                       |                         |
| 2008  | \$ 2,188,103,285        |
| 2009  | 2,103,464,853           |
| 2010  | 1,832,260,766           |
|   | <u>\$ 6,123,828,904</u> |
| <br>  |                         |
| Average equalized valuation of taxable property | <u>\$ 2,041,276,301</u> |
| <br>  |                         |
| Debt limit (4% of average equalization)         | \$ 81,651,052           |
| Total Net Debt Applicable to Limit              | <u>7,023,000</u>        |
| Legal debt margin                               | <u>\$ 74,628,052</u>    |

|   | 2005                 | 2006                 | 2007                 | Fiscal Year<br>2008  | 2009                 | 2010                 | 2011                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit  | \$ 55,038,743        | \$ 62,261,674        | \$ 68,568,911        | \$ 75,369,383        | \$ 81,781,841        | \$ 84,759,616        | \$ 81,651,052        |
| Total net debt applicable to limit                                      | <u>-</u>             | <u>3,240,298</u>     | <u>8,408,000</u>     | <u>8,098,000</u>     | <u>7,758,000</u>     | <u>7,398,000</u>     | <u>7,023,000</u>     |
| Legal debt margin   | <u>\$ 55,038,743</u> | <u>\$ 59,021,376</u> | <u>\$ 60,160,911</u> | <u>\$ 67,271,383</u> | <u>\$ 74,023,841</u> | <u>\$ 77,361,616</u> | <u>\$ 74,628,052</u> |
| <br>  |                      |                      |                      |                      |                      |                      |                      |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.00%                | 5.20%                | 12.26%               | 10.74%               | 9.49%                | 8.73%                | 8.60%                |

Source: Annual Debt Statements

Note:  
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-14

**RIDGEFIELD BOARD OF EDUCATION  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

| <u>Year</u> | <u>Population</u> | <u>County Per<br/>Capita Personal<br/>Income</u> | <u>Unemployment<br/>Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2001        | 10,858            | \$ 52,102  | 3.10%                        |
| 2002        | 10,864            | 51,931   | 4.30%                        |
| 2003        | 10,829            | 51,291   | 4.20%                        |
| 2004        | 10,855            | 54,669   | 3.40%                        |
| 2005        | 10,835            | 56,963   | 3.50%                        |
| 2006        | 10,767            | 63,021   | 3.70%                        |
| 2007        | 10,782            | 67,113   | 3.30%                        |
| 2008        | 10,807            | 68,541   | 4.40%                        |
| 2009        | 10,880            | 64,388   | 7.80%                        |
| 2010        | 10,880 (E)        | N/A  | 8.00%                        |
| 2011        | 10,880 (E)        | N/A  | N/A                          |

E - Estimate

N/A - Not Available

Source: New Jersey State Department of Education

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

|                 | 2010             |   | 2001             |   |
|-----------------|------------------|---|------------------|---|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of<br/>Total Municipal<br/>Employment</u> | <u>Employees</u> | <u>Percentage of<br/>Total Municipal<br/>Employment</u> |

INFORMATION NOT AVAILABLE

**RIDGEFIELD BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST SIX 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> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction                            | 392         | 326         | 290         | 293         | 287         | 240         |
| Support Services:                      |             |             |             |             |             |             |
| Student & instruction related services | 18          | 48          | 58          | 58          | 58          | 53          |
| General administration                 | 2           | 2           | 2           | 2           | 2           | 2           |
| School administrative services         | 9           | 13          | 10          | 10          | 9           | 10          |
| Central and other support services     | 8           | 9           | 7           | 7           | 6           | 7           |
| Plant operations and maintenance       | 19          | 21          | 20          | 20          | 19          | 17          |
| Pupil transportation                   | 9           | 9           | 9           | 9           | 8           | 7           |
| Saturday Happenings                    | 34          | 34          | 34          | 34          | 34          | 34          |
| OT/PT Services                         | 6           | -           | -           | -           | -           | -           |
| <b>Total</b>                           | <u>497</u>  | <u>462</u>  | <u>431</u>  | <u>433</u>  | <u>423</u>  | <u>370</u>  |

Source: District Personnel Records

**Note:**

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

| Fiscal Year | Enrollment <sup>a</sup> | Operating Expenditures <sup>b</sup> | Cost Per Pupil <sup>c</sup> | Percentage Change | Teaching Staff | Teacher/Pupil Ratio |             | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|----------------|---------------------|-------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
|             |                         |                                     |                             |                   |                | Elementary          | High School |                                |                                |                                      |                               |
| 2002        | 2,047.6                 | \$ 23,156,483                       | \$ 11,309                   | 2.44%             | 187            | 1:10                | 1:10        | 2,047.6                        | 1,934.2                        | 3.98%                                | 94.46%                        |
| 2003        | 2,175.9                 | 25,131,731                          | 11,550                      | 2.13%             | 199            | 1:16                | 1:11        | 2,175.9                        | 2,066.2                        | 6.27%                                | 94.96%                        |
| 2004        | 2,090.8                 | 26,410,656                          | 12,632                      | 9.37%             | 222            | 1:16                | 1:9         | 2,090.8                        | 1,982.6                        | -3.91%                               | 94.82%                        |
| 2005        | 2,087.6                 | 28,610,362                          | 13,705                      | 8.49%             | 210            | 1:10                | 1:10        | 2,087.6                        | 1,968.6                        | -0.15%                               | 94.30%                        |
| 2006        | 2,124.0                 | 30,033,469                          | 14,140                      | 3.18%             | 210            | 1:10                | 1:10        | 2,124.0                        | 2,000.0                        | 1.74%                                | 94.16%                        |
| 2007        | 2,183.0                 | 32,836,039                          | 15,042                      | 6.38%             | 210            | 1:11                | 1:7         | 1,989.7                        | 1,878.9                        | -6.32%                               | 94.43%                        |
| 2008        | 2,003.0                 | 33,195,889                          | 16,573                      | 10.18%            | 210            | 1:10                | 1:10        | 1,990.6                        | 1,884.5                        | 0.05%                                | 94.67%                        |
| 2009        | 1,946.0                 | 33,853,288                          | 17,396                      | 4.97%             | 216            | 1:9                 | 1:10        | 1,971.6                        | 1,864.3                        | -0.95%                               | 94.56%                        |
| 2010        | 1,912.5                 | 35,300,272                          | 18,458                      | 6.10%             | 221            | 1:9                 | 1:10        | 1,938.0                        | 1,832.8                        | -1.70%                               | 94.57%                        |
| 2011        | 1,832.5                 | 33,706,659                          | 18,394                      | -0.35%            | 272            | 1:7.9               | 1:9.8       | 1,881.0                        | 1,776.5                        | -2.94%                               | 94.44%                        |

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.

Note:  
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only certain information is available for all ten years.

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

| <u>District Building</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Elementary</u>        |             |             |             |             |             |             |
| Shaler Academy (Leased)  |             |             |             |             |             |             |
| Square Feet              | 17,708      | 17,708      | 17,708      | 17,708      | 33,042      | 33,042      |
| Capacity (students)      | 225         | 225         | 225         | 225         | 225         | 225         |
| Enrollment               | 186         | 222         | 174         | 182         | 181         | 168         |
| Bergen Boulevard School  |             |             |             |             |             |             |
| Square Feet              | 28,125      | 28,125      | 28,125      | 28,125      | 28,125      | 28,125      |
| Capacity (students)      | 325         | 325         | 325         | 325         | 325         | 325         |
| Enrollment               | 263         | 230         | 246         | 208         | 190         | 200         |
| Siocum/Skewes School     |             |             |             |             |             |             |
| Square Feet              | 80,107      | 80,107      | 80,107      | 80,107      | 80,107      | 80,107      |
| Capacity (students)      | 875         | 875         | 875         | 875         | 875         | 875         |
| Enrollment <sup>a</sup>  | 946         | 990         | 915         | 891         | 875         | 828         |
| <u>High School</u>       |             |             |             |             |             |             |
| Square Feet              | 87,850      | 87,850      | 87,850      | 87,850      | 87,850      | 87,850      |
| Capacity (students)      | 725         | 725         | 725         | 725         | 725         | 725         |
| Enrollment               | 685         | 741         | 668         | 665         | 666.5       | 636.5       |

Number of Schools at June 30, 2011

Elementary = 3

High School = 1

Source: District Records

N/A = Not Available

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

RIDGEFIELD BOARD OF EDUCATION  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 (Unaudited)

| UNDISTRIBUTED EXPENDITURES -<br>REQUIRED MAINTENANCE FOR SCHOOL FACILITIES<br>11-000-261-XXX |               | 2002              | 2003              | 2004              | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011              |
|--|---------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| *School Facilities   | Project # (s) |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Ridgefield Memorial High   | N/A           | 87,850            | \$ 170,811        | \$ 160,594        | \$ 103,543        | \$ 111,882        | \$ 113,285        | \$ 169,518        | \$ 195,648        | \$ 197,218        | \$ 153,789        |
| Bergen Boulevard School  | N/A           | 28,125            | 55,514            | 57,649            | 35,345            | 39,159            | 35,920            | 54,271            | 62,636            | 63,139            | 49,235            |
| Shaler Academy   | N/A           | 33,042            | 34,162            | 32,942            | 20,968            | 22,376            | 24,867            | 34,170            | 39,437            | 39,753            | 57,843            |
| Slocum/Skewes School   | N/A           | 80,107            | 166,540           | 156,476           | 100,582           | 106,287           | 102,234           | 154,576           | 178,403           | 179,834           | 140,235           |
| <b>Grand Total</b>   |               | <b>\$ 427,027</b> | <b>\$ 407,661</b> | <b>\$ 260,438</b> | <b>\$ 279,704</b> | <b>\$ 276,306</b> | <b>\$ 412,535</b> | <b>\$ 476,124</b> | <b>\$ 479,944</b> | <b>\$ 519,052</b> | <b>\$ 401,102</b> |

Source: District Records

**RIDGEFIELD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(Unaudited)**

|  | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Property - Blanket Buildings & Contents  | \$ 30,158,368   | \$ 1,000          |
| Boiler & Machinery                       | 100,000,000     | 1,000             |
| Flood                                    | 10,000,000      |                   |
| Earthquake                               | 25,000,000      |                   |
| Comprehensive General Liability          | 5,000,000       |                   |
| Auto Liability                           | 5,000,000       |                   |
| School Leaders Liability                 | 5,000,000       | 25,000            |
| Excess Liability                         | 5,000,000       |                   |
| Excess Liability (CAP)                   | 50,000,000      |                   |
| Environmental Liability                  |                 |                   |
| Cash Claim                               | 1,000,000       |                   |
| Legal Defense                            | 25,000,000      |                   |
| Athletic Accident Insurance              |                 |                   |
| Voluntary Participation Student Plan     | 500,000         |                   |
| Employee Dishonesty Faithful Performance |                 |                   |
| Each Loss                                | 500,000         | 1,000             |
| Surety Bonds:                            |                 |                   |
| Business Administrator                   | 250,000         |                   |
| Treasurer of School Moneys               | 250,000         |                   |

Source: School District records

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
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DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

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

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 Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Ridgefield Board of Education's basic financial statements and have issued our report thereon dated November 29, 2011. 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 Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

Management of the Ridgefield Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Ridgefield Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting.

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 Ridgefield Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

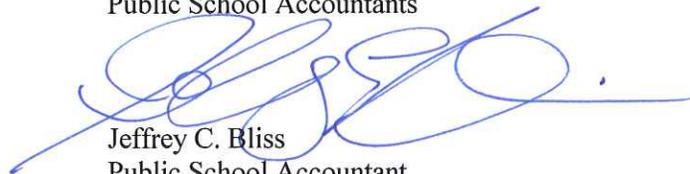
As part of obtaining reasonable assurance about whether the Ridgefield Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a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

We also noted certain matters that we reported to management of the Ridgefield Board of Education in a separate report entitled, Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 29, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
 Public School Accountant  
 PSA Number CS00932

Fair Lawn, New Jersey  
 November 29, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

### Independent Auditor's Report

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

### Compliance

We have audited the Ridgefield 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 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Ridgefield Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. Ridgefield 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Ridgefield Board of Education's management. Our responsibility is to express an opinion on Ridgefield Board of Education's compliance based on our audit.

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 Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, 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 Ridgefield 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. Our audit does not provide a legal determination on Ridgefield Board of Education's compliance with those requirements.

In our opinion, Ridgefield Board of Education complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item 2011-1.

### Internal Control Over Compliance

Management of Ridgefield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Ridgefield Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Board's internal control over compliance.

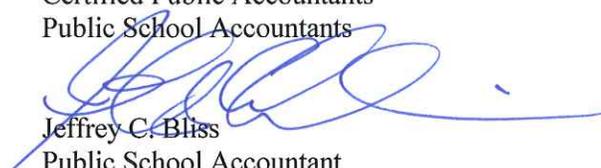
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-1. 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.

The Board of Education's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

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

  
 Jeffrey C. Bliss  
 Public School Accountant  
 PSA Number CS00932

Fair Lawn, New Jersey  
 November 29, 2011

RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant or State Project Number | Grant Period   | Award Amount | Balance, July 1, 2010 |                  | Due to Grantor | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustment (A) | Refund of Prior Years Balances | (Account Receivable) | Deferred Revenue | Due to Grantor | Memo GAAP Receivable |
|--|---------------------|-------------------------------|----------------|--------------|-----------------------|------------------|----------------|------------------|---------------|------------------------|----------------|--------------------------------|----------------------|------------------|----------------|----------------------|
|  |                     |                               |                |              | (Accounts Receivable) | Deferred Revenue |                |                  |               |                        |                |                                |                      |                  |                |                      |
| U.S. Department of Agriculture                     |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
| Passed-through State Department of Agriculture     |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
| National School Breakfast Program                  | 10.550              | N/A                           | 7/1/10-6/30/11 | \$ 6,890     | \$ (660)              | \$ 6,280         | \$ 6,891       |                  | \$ 660        | \$ (611)               |                |                                |                      | \$ (611)         |                |                      |
| Cash Assistance                                    |                     |                               | 7/1/09-6/30/10 | 530          |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
| National School Lunch Program                      | 10.550              | N/A                           | 7/1/10-6/30/11 | 27,930       |                       | 27,930           | 22,949         |                  | 27,930        |                        |                |                                |                      | 4,981            |                |                      |
| Non-Cash Assistance                                |                     |                               | 7/1/09-6/30/10 | 23,672       |                       | 5,971            | 5,971          |                  | 5,971         |                        |                |                                |                      |                  |                |                      |
| Cash Assistance                                    |                     |                               | 7/1/10-6/30/11 | 171,822      |                       | 157,996          | 171,822        |                  | 157,996       |                        |                |                                |                      | (15,826)         |                | (15,826)             |
| Cash Assistance                                    |                     |                               | 7/1/09-6/30/10 | 163,042      |                       | 13,514           |                |                  | 13,514        |                        |                |                                |                      |                  |                |                      |
| Total U.S. Department of Agriculture               |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
|  |                     |                               |                |              | (14,174)              | 5,971            |                |                  | 206,380       | 207,633                |                |                                | (14,437)             | 4,981            |                | (14,437)             |
| SPECIAL REVENUE FUND                               |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
| NCLB   |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
| Title I  | 84.010A             | NCLBCV-110300                 | 9/1/10-8/31/11 | 165,345      |                       | 51,903           | 182,107        |                  | 61,892        | 182,107                | (51,903)       |                                |                      | 35,141           |                | (120,215)            |
| Title I  | 84.010A             | NCLBCV-100300                 | 9/1/09-8/31/10 | 168,165      | (177,293)             | 45,881           | 1,478          |                  | 132,891       | 1,478                  | 44,402         |                                |                      |                  |                |                      |
| Title I  | 84.010A             | NCLBCV-090300                 | 9/1/09-8/31/09 | 151,461      | (12,101)              | 212              |                |                  | 12,101        |                        |                |                                |                      |                  |                |                      |
| Title I S/A  | 84.010A             | NCLBCV-090300                 | 9/1/09-8/31/09 | 7,778        | (7,567)               |                  |                |                  | 7,566         |                        | 1              |                                |                      |                  |                |                      |
| Title II, Part A                                   | 84.281A             | NCLBCV-110300                 | 9/1/10-8/31/11 | 67,475       | (71,675)              | 7,041            | 32,947         |                  | 18,065        | 32,947                 | 1,033          |                                |                      | 33,495           |                | (14,882)             |
| Title II, Part A                                   | 84.281A             | NCLBCV-100300                 | 9/1/09-8/31/10 | 67,622       |                       |                  | 574            |                  | 65,652        | 574                    | 6,023          |                                |                      |                  |                |                      |
| Title II, Part D                                   | 84.281A             | NCLBCV-110300                 | 9/1/10-8/31/11 | 418          |                       |                  | 1,143          |                  | 1,143         |                        | (1,233)        |                                |                      | 508              |                | (1,143)              |
| Title II, Part D                                   | 84.281A             | NCLBCV-100300                 | 9/1/09-8/31/10 | 1,611        | (2,868)               | 1,233            |                |                  | 1,635         |                        | 1,233          |                                |                      |                  |                |                      |
| Title III  | 84.365A             | NCLBCV-110300                 | 9/1/10-8/31/11 | 45,164       | (20,086)              | 2,338            | 41,523         |                  | 11,660        | 41,523                 | (2,338)        |                                |                      | 3,999            |                | (29,863)             |
| Title III  | 84.365A             | NCLBCV-100300                 | 9/1/09-8/31/10 | 18,390       | (791)                 | 2,338            |                |                  | 17,728        |                        | 2,338          |                                |                      |                  |                |                      |
| Title IV   | 84.186A             | NCLBCV-110300                 | 9/1/10-8/31/11 | 24,182       |                       |                  | 1,227          |                  | 1,227         |                        |                |                                |                      |                  |                |                      |
| Title IV   | 84.186A             | NCLBCV-100300                 | 9/1/09-8/31/10 | 4,561        | (9,174)               | 6,173            |                |                  | 4,296         | 1,864                  | (4,296)        |                                |                      | 436              |                | 436                  |
| I.D.E.A. Part B, Basic Regular                     | 84.027A             | FT-100002                     | 9/1/10-8/31/11 | 341,133      |                       | 3,325            | 1,587          |                  | 4,296         | 1,864                  | (4,296)        |                                |                      | 436              |                |                      |
| I.D.E.A. Part B, Basic Regular                     | 84.027A             | FT-100002                     | 9/1/09-8/31/10 | 341,178      | (126,879)             | 3,325            |                |                  | 216,947       | 341,133                | (3,469)        |                                |                      | 3,469            |                | (124,186)            |
| I.D.E.A. Part B, Basic Regular                     | 84.027A             | FT-090002                     | 9/1/08-8/31/09 | 343,559      |                       |                  |                |                  | 125,554       |                        | 3,469          |                                |                      |                  |                |                      |
| I.D.E.A. Part B, Preschool                         | 84.175A             | PS-100005                     | 9/1/10-8/31/11 | 19,489       | (11,114)              | 3,391            | 815            |                  | 17,006        | 17,006                 | (1,055)        |                                | 815                  |                  |                | (9,107)              |
| I.D.E.A. Part B, Preschool                         | 84.175A             | PS-100005                     | 9/1/09-8/31/10 | 18,958       |                       |                  |                |                  | 10,061        | 2,536                  | 1,055          |                                |                      | 3,238            |                |                      |
| I.D.E.A. Part B, Preschool                         | 84.175A             | PS-090005                     | 9/1/08-8/31/09 | 18,984       |                       |                  |                |                  | 772           |                        |                |                                |                      |                  |                |                      |
| IDEA ARRA Basic                                    | 84.391              | ARRA                          | 9/1/09-8/31/10 | 396,726      | (387,291)             | 80,629           | 79,899         |                  | 274,155       | 79,899                 | 41             |                                |                      | 771              |                | (82,383)             |
| IDEA ARRA Basic                                    | 84.391              | ARRA                          | 9/1/08-8/31/09 | 14,321       | (11,634)              | 643              | 644            |                  | 11,924        | 644                    | 1              |                                |                      |                  |                |                      |
| ARRA Title I                                       | 84.389              | ARRA                          | 9/1/09-8/31/10 | 46,728       | (46,728)              | 1,417            | 1,417          |                  | 46,728        | 1,417                  |                |                                |                      |                  |                |                      |
| ARRA Title I                                       | 84.389              | ARRA                          | 9/1/09-8/31/10 | 5,690        | (5,690)               | 25               |                |                  | 3,662         |                        |                |                                |                      | 25               |                |                      |
| Total Special Revenue Fund                         |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
|  |                     |                               |                |              | (861,403)             | 152,528          | 1,587          |                  | 1,032,211     | 704,271                | (410)          | 1,587                          | (467,235)            | 85,890           |                | (381,345)            |
| Total U.S. Department of Education                 |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
|  |                     |                               |                |              | (861,403)             | 152,528          | 1,587          |                  | 1,032,211     | 704,271                | (410)          | 1,587                          | (467,235)            | 85,890           |                | (381,345)            |
| Total Federal Awards                               |                     |                               |                |              |                       |                  |                |                  |               |                        |                |                                |                      |                  |                |                      |
|  |                     |                               |                |              | (825,577)             | 158,499          | 1,587          |                  | 1,238,591     | 911,904                | (410)          | 1,587                          | (481,672)            | 90,871           |                | (293,782)            |

(A) Represent account receivable carry-overs and prior year expenditure adjustments.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

| State Grantor/Program Title                              | Grant or State Project Number | Grant Period   | Award Amount | Balance, July 1, 2010 | Cash Received | Budgetary Expenditures | Adjustment | Refund of Prior Years' Balances | Balance, June 30, 2011              |                                | Due to Grantor June 30, 2011 | Memo            |                               |
|--|-------------------------------|----------------|--------------|-----------------------|---------------|------------------------|------------|---------------------------------|-------------------------------------|--------------------------------|------------------------------|-----------------|-------------------------------|
|  |                               |                |              |                       |               |                        |            |                                 | (Accounts Receivable) June 30, 2011 | Deferred Revenue June 30, 2011 |                              | GAAP Receivable | Cumulative Total Expenditures |
| <b>State Department of Education</b>                     |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Current Expense:   |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Transportation Aid                                       | 10-495-034-5120-014           | 7/1/09-6/30/10 | \$ 72,195    | \$ (4,782)            | \$ 4,782      |                        |            |                                 |                                     |                                |                              |                 | \$ -                          |
| Special Education Aid                                    | 11-495-034-5120-089           | 7/1/10-6/30/11 | 925,199      | 833,325               | 925,199       |                        |            |                                 |                                     |                                |                              |                 | 925,199                       |
| Special Education Aid                                    | 10-495-034-5120-089           | 7/1/09-6/30/10 | 963,910      | (98,232)              | 98,232        |                        |            |                                 |                                     |                                |                              |                 | 486,631                       |
| Extraordinary Aid  | 11-100-034-5120-473           | 7/1/10-6/30/11 | 486,631      | (410,418)             | 410,418       |                        |            |                                 |                                     |                                |                              |                 | 486,631                       |
| Extraordinary Aid  | 10-100-034-5120-473           | 7/1/09-6/30/10 | 410,418      | (410,418)             | 410,418       |                        |            |                                 |                                     |                                |                              |                 | 598,244                       |
| Equalization Aid   | 11-495-034-5120-078           | 7/1/10-6/30/11 | 598,244      | (203,854)             | 203,854       |                        |            |                                 |                                     |                                |                              |                 | 598,244                       |
| Equalization Aid   | 10-495-034-5120-078           | 7/1/09-6/30/10 | 2,000,335    | (12,379)              | 12,379        |                        |            |                                 |                                     |                                |                              |                 | 1,168,064                     |
| Security Aid   | 10-495-034-5120-084           | 7/1/09-6/30/10 | 164,071      | (12,379)              | 12,379        |                        |            |                                 |                                     |                                |                              |                 | 1,168,064                     |
| Reimbursed TPAF Social Security Contribution             | 11-495-034-5095-002           | 7/1/10-6/30/11 | 1,182,857    | (56,809)              | 56,809        |                        |            |                                 |                                     |                                |                              |                 | 1,168,064                     |
| Reimbursed TPAF Social Security Contribution             | 10-495-034-5095-002           | 7/1/09-6/30/10 | 1,182,857    | (56,809)              | 56,809        |                        |            |                                 |                                     |                                |                              |                 | 1,168,064                     |
| On-Behalf TPAF Pension Benefit Cost (NCCG)               | 11-495-034-5096-007           | 7/1/10-6/30/11 | 47,210       |                       | 47,210        |                        |            |                                 |                                     |                                |                              |                 | 47,210                        |
| Post Retire. Medical                                     | 11-495-034-5095-001           | 7/1/10-6/30/11 | 1,002,734    |                       | 1,002,734     |                        |            |                                 |                                     |                                |                              |                 | 1,002,734                     |
| Total General Fund                                       |                               |                |              | (786,474)             | 4,264,247     | 4,228,082              |            |                                 |                                     | (750,392)                      |                              |                 | 4,228,082                     |
| <b>Special Revenue:</b>                                  |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| New Jersey Nonpublic Aid:                                |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Textbook Aid   | 11-100-034-5120-064           | 7/1/10-6/30/11 | 2,217        |                       | 2,217         |                        |            |                                 |                                     |                                |                              |                 | 2,209                         |
| Textbook Aid   | 10-100-034-5120-064           | 7/1/09-6/30/10 | 3,581        | 640                   | 2,627         |                        |            | \$ 640                          |                                     |                                |                              |                 | 2,627                         |
| Nursing Services   | 11-100-034-5120-070           | 7/1/10-6/30/11 | 2,627        |                       | 2,627         |                        |            |                                 |                                     |                                |                              |                 | 2,627                         |
| Technology Initiative                                    | 09-100-034-5120-373           | 7/1/08-6/30/09 | 1,200        | 120                   |               |                        |            |                                 |                                     |                                |                              |                 | 120                           |
| Auxiliary Services:                                      |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Compensatory Education                                   | 11-100-034-5120-067           | 7/1/10-6/30/11 | 9,126        |                       | 9,126         |                        |            |                                 |                                     |                                |                              |                 | 3,851                         |
| Compensatory Education                                   | 10-100-034-5120-067           | 7/1/09-6/30/10 | 6,430        | 1,453                 | 4,269         |                        |            |                                 |                                     |                                |                              |                 | 5,275                         |
| English as a Second Language                             | 11-100-034-5120-067           | 7/1/10-6/30/11 | 4,269        | 2,936                 |               |                        |            |                                 |                                     |                                |                              |                 | 1,453                         |
| English as a Second Language                             | 10-100-034-5120-067           | 7/1/09-6/30/10 | 2,836        | 2,936                 |               |                        |            |                                 |                                     |                                |                              |                 | 4,269                         |
| Handicapped Services:                                    |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Examination and Classification                           | 11-100-034-5120-066           | 7/1/10-6/30/11 | 1,116        |                       | 1,116         |                        |            |                                 |                                     |                                |                              |                 | 3,851                         |
| Corrective Speech  | 11-100-034-5120-066           | 7/1/10-6/30/11 | 548          |                       | 548           |                        |            |                                 |                                     |                                |                              |                 | 5,275                         |
| Corrective Speech  | 10-100-034-5120-066           | 7/1/09-6/30/10 | 1,793        | 26                    | 39,216        |                        |            |                                 |                                     |                                |                              |                 | 1,453                         |
| Respite (NIDHS/DDD)                                      | 01BURN                        | 7/1/10-6/30/11 | 39,216       | 621                   |               |                        |            |                                 |                                     |                                |                              |                 | 2,936                         |
| Respite (NIDHS/DDD)                                      | 01BURN                        | 7/1/09-6/30/10 | 39,216       | 621                   |               |                        |            |                                 |                                     |                                |                              |                 | 1,116                         |
| Total Special Revenue Fund                               |                               |                | 5,796        | 59,119                | 45,724        |                        |            | 640                             |                                     |                                |                              |                 | 18,551                        |
| Debt Service Fund  |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Type II Debt Service Aid                                 | 11-495-034-5120-125           | 7/1/10-6/30/11 | 225,321      |                       | 225,321       |                        |            |                                 |                                     |                                |                              |                 | 225,321                       |
| <b>State Department of Agriculture</b>                   |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Enterprise Funds:  |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| School Breakfast Program                                 | 10-100-010-3350-021           | 7/1/09-6/30/10 | 530          | (58)                  | 58            |                        |            |                                 |                                     |                                |                              |                 | 8,112                         |
| State School Lunch Program                               | 11-100-010-3350-023           | 7/1/10-6/30/11 | 8,112        | 7,060                 | 8,112         |                        |            |                                 |                                     | (1,052)                        |                              |                 | 8,112                         |
| State School Lunch Program                               | 10-100-010-3350-023           | 7/1/09-6/30/10 | 10,418       | (831)                 | 831           |                        |            |                                 |                                     |                                |                              |                 | (1,032)                       |
| Total Enterprise Funds                                   |                               |                | (889)        | 7,949                 | 8,112         |                        |            |                                 |                                     | (1,052)                        |                              |                 | 8,112                         |
| Total State Financial Assistance                         |                               |                | (781,567)    | 4,556,636             | 4,507,239     |                        |            | 640                             |                                     | (751,361)                      |                              |                 | (113,449)                     |
| <b>State Financial Assistance</b>                        |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| Not Subject to Single Audit Determination                |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| General Fund   |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 |                               |
| On-Behalf TPAF Pension System Contributions (NCCG)       | 11-100-034-5095-007           | 7/1/10-6/30/11 | 50,058       | (47,210)              | (47,210)      |                        |            |                                 |                                     |                                |                              |                 | (47,210)                      |
| On-Behalf TPAF Post-Retirement Medical Contribution      | 11-100-034-5095-001           | 7/1/10-6/30/11 | 940,155      | (1,002,734)           | (1,002,734)   |                        |            |                                 |                                     |                                |                              |                 | (1,002,734)                   |
| Total State Financial Assistance Subject to Single Audit |                               |                | (781,567)    | 3,506,692             | 3,457,295     |                        |            | 640                             |                                     | (751,361)                      |                              |                 | (113,449)                     |
|  |                               |                |              |                       |               |                        |            |                                 |                                     |                                |                              |                 | 3,457,295                     |

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Ridgefield Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic 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 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 bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$91,753 for the general fund and \$4,927 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 basic financial statements on a GAAP basis as presented as follows:

|                            | <u>Federal</u>    | <u>State</u>        | <u>Total</u>        |
|----------------------------|-------------------|---------------------|---------------------|
| General Fund               |                   | \$ 4,319,835        | \$ 4,319,835        |
| Special Revenue Fund       | \$ 707,914        | 45,724              | 753,638             |
| Debt Service Fund          |                   | 225,321             | 225,321             |
| Food Service Fund          | <u>207,683</u>    | <u>8,112</u>        | <u>215,795</u>      |
| Total Financial Assistance | <u>\$ 915,597</u> | <u>\$ 4,598,992</u> | <u>\$ 5,514,589</u> |

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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 \$1,168,064 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$47,210 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,002,734 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments 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 basic financial statements and the amount subject to State single audit and major program determination.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

**Financial Statement Section**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial  
statements noted? \_\_\_\_\_ yes       X  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 Unqualified

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>84.027A</u>        | <u>IDEA Part B Basic</u>                  |
| <u>84.173A</u>        | <u>IDEA Part B - Preschool</u>            |
| <u>84.391</u>         | <u>ARRA IDEA Part B - Basic</u>           |
| <u>84.392</u>         | <u>ARRA IDEA Part B - Preschool</u>       |
| _____                 | _____                                     |
| _____                 | _____                                     |

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

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

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*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  Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04?  X  yes    \_\_\_\_\_ no

Identification of major state programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program or Cluster</u> |
|-----------------------|---|
| 11-495-034-5120-089   | Special Education Aid                   |
| 11-495-034-5120-078   | Equalization Aid                        |
| 11-495-034-5095-002   | TPAF Social Security                    |
| 11-100-034-5120-473   | Extraordinary Aid                       |
|                       |   |
|                       |   |
|                       |   |
|                       |   |

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

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

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Part 2 – Schedule of Financial Statement Findings*

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

THERE ARE NONE.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*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 04-04.

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*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 04-04.

**CURRENT YEAR STATE AWARDS**

**Finding 2011-1**

A review of Students' Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive service included in their IEP. A minimum of one intensive service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid application.

**State program information:**

Extraordinary Special Education Aid                      10-100-034-5120-473

**Criteria or specific requirement:**

State Grant Compliance Supplement

**Condition:**

Certain students included on the Extraordinary Aid application received intensive services however their IEP's did not specifically indicate they were required to receive such services.

**Questioned Costs:**

Unknown.

**Context:**

Six (6) students tested out of nineteen (19) sampled did not have an intensive service included in their IEP. The Extraordinary Aid application listed twenty-two (22) eligible students.

**Cause:**

Students classified as autistic are required to receive 3 to 1 ratio intensive services, however these services are not explicitly stated in the IEP.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*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 04-04.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2011-1(Continued)**

**Effect:**

Certain students included on the Extraordinary Aid application may not have met eligibility requirements of the program.

**Recommendation:**

Internal control procedures be reviewed and revised to ensure student IEP's specifically identify intensive related services required to be provided to the respective classified students reported on the application for State Extraordinary Aid.

**Management's Response**

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

**RIDGEFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the 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**

**Finding 2010-1**

**Condition**

Certain open purchase orders were not properly classified as encumbrances or accounts payable or were deemed invalid.

**Current Status**

Corrective action was taken.

**Finding 2010-2**

**Condition**

The travel and expense reimbursements revealed the following:

- Written reports were not submitted by individuals after incurring travel expenses describing primary purpose, key issues and relevance of event.
- The District did not establish a travel maximum for the 2009/2010 school year.

**Current Status**

Corrective action was taken

**Finding 2010-3**

**Condition**

Purchases and procedures related to compliance with the Public Contracts Law revealed the following:

- Contracts awarded through State and County contracts and Educational Data Services (Ed Data) were not always approved by Board resolution.
- Vendor political contribution disclosure forms were not on file in many instances.
- Business Registration Certificates were not on file in some instances.
- One professional service contract award was not advertised.

**Current Status**

Corrective action was taken

**RIDGEFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the 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**

**Finding 2010-4**

**Condition**

The calculations for certain students' qualified costs on the extraordinary aid application were not consistently and uniformly calculated. We noted certain support costs which may not be considered qualified costs for State Extraordinary Aid.

**Current Status**

Corrective action was taken.