

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

Ridgefield, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Ridgefield Board of Education

Ridgefield, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION



Ridgefield Public Schools

...valuing each and every student

*Frank Romano, III, Ed.D.
Superintendent of Schools*

555 Chestnut Street, Ridgefield, NJ 07657
Phone: 201-945-7747 Fax: 201-945-7830

*Richard Guarini
Business Administrator*

November 27, 2015

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 ending June 30, 2015 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, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles 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-133, "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 continued to show a slight decline over the last decade; however, the District's Learning Center Program has grown and contributes to offsetting costs to the District for the use of the school facilities and the sharing of staff and services between Learning Center Programs and regular education classes. The District maintains a comprehensive academic curricula as well as a renowned extra-curricular program, featuring an acclaimed music program. 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 Learning Center Program and resident students. Focus is on school-to-work internships and quality of life independence. Continuum programs provide lifespan 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 Learning Center initiative.

In accordance with NJAC 23A, the District acquired human resource software to maintain personnel records and position control roster and process its payroll. The District also uses a unique monthly report that monitors and delivers the proper services to all education programs that assists in maintaining cash balances.

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 Financial Statement."

7) DEBT ADMINISTRATION: On June 30, 2015 the District had \$9,730,000 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 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.

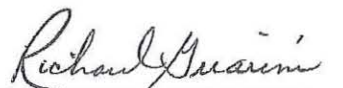
10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, 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 15-08. 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 Board of Education 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,

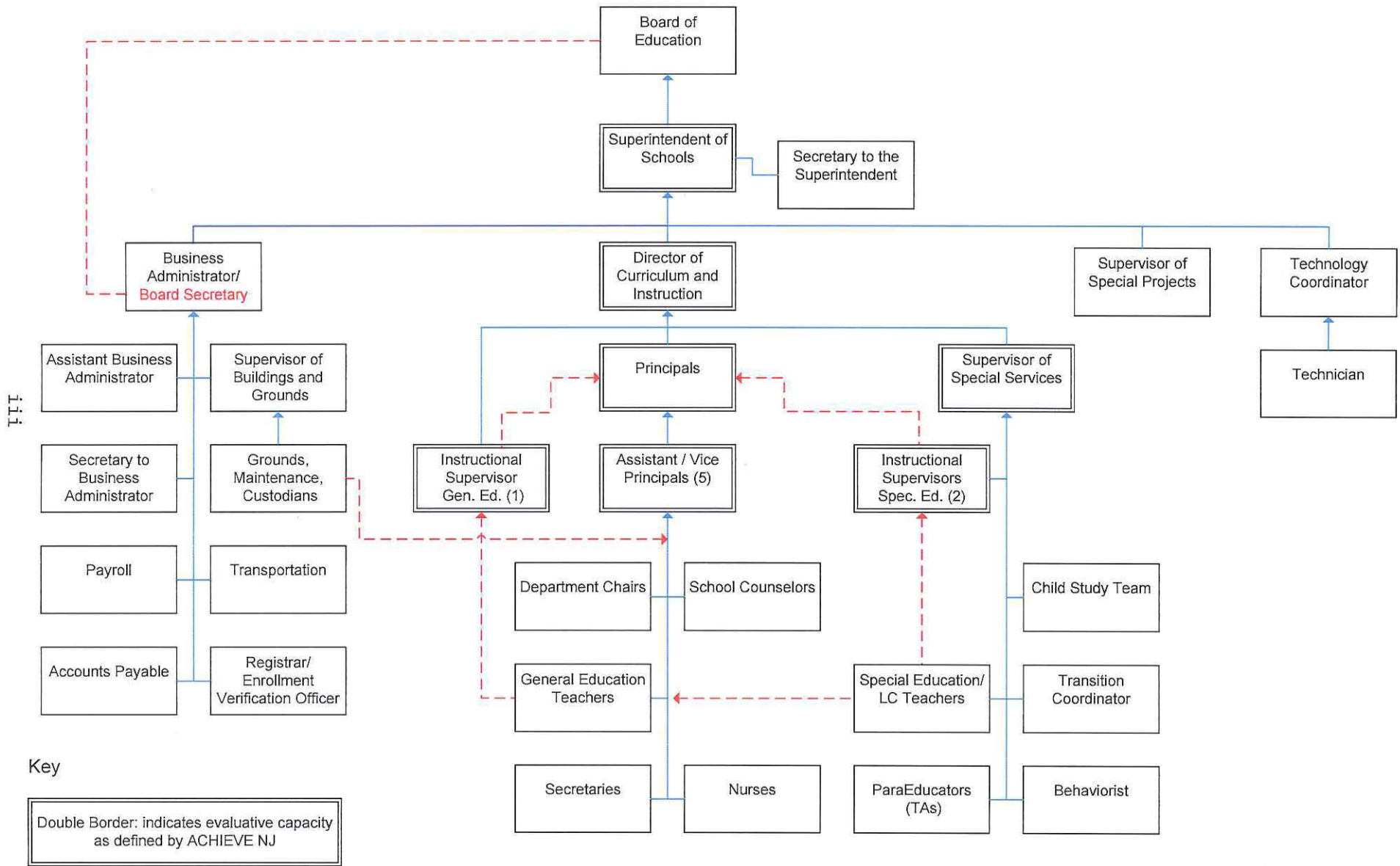


Dr. Frank Romano
Superintendent of Schools



Richard Guarini
Business Administrator

Exhibit: Organizational Chart



--- Dashed Red Line: indicates dual report ---

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

**ROSTER OF OFFICIALS
June 30, 2015**

President		<u>Term Expires</u>
	Kathleen Payerle	2015
Vice President		
	Joseph D'Amico	2015
Members of Board of Education		
	Ingrid Barbosa	2017
	Andrew Grippa	2017
	Claudia Navarez	2016
	Ralph Morilla	2017
	Jose (Ray) Salazar	2016
<u>Other Officials</u>		
Interim Superintendent	Dr. Frank Romano	
School Business Administrator/ Board Secretary	Richard A. Guarini	
Solicitor	Stanley Turitz, Esq.	

**Ridgefield Board of Education
Consultants and Advisors
as of June 30, 2015**

Architect/Engineering

DMR Architects
777 Terrace Avenue
Hasbrouck Heights, NJ 07604

Audit Firm

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

Attorney

Winne, Banta, Hetherington, Basralia & Kahn, P.C.
Court Plaza South
East Wing – Suite 101
211 Main Street
Hackensack, NJ 07601

Office Depository

Valley National Bank
868 Broad Avenue
Ridgefield, NJ 07657

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

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

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Adoption of New Accounting Pronouncement

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Ridgefield Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgefield Board of Education's internal control over financial reporting and compliance.

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 27, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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, 2015. 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 (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Ridgefield Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$6,542,838 (net position).
- The District's overall net position increased \$572,625.
- Overall District revenues were \$43,576,906. General revenues accounted for \$20,830,833 or 48% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,746,073 or 52% of total revenues.
- The School District had \$42,036,588 in expenses for governmental activities; \$21,770,124 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$20,830,141 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 \$6,135,262.
- The General Fund unassigned fund balance at June 30, 2015 was \$124,418, a decrease of \$40,526 when compared to the previous year's unassigned fund balance of \$164,944.
- The General Fund unassigned budgetary fund balance at June 30, 2015 was \$775,635 which represents a decrease of \$345,332 when compared to the ending unassigned budgetary fund balance at June 30, 2014 of \$1,120,967.
- The District's total outstanding long-term liabilities increased \$1,176,563 during the current fiscal year.

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

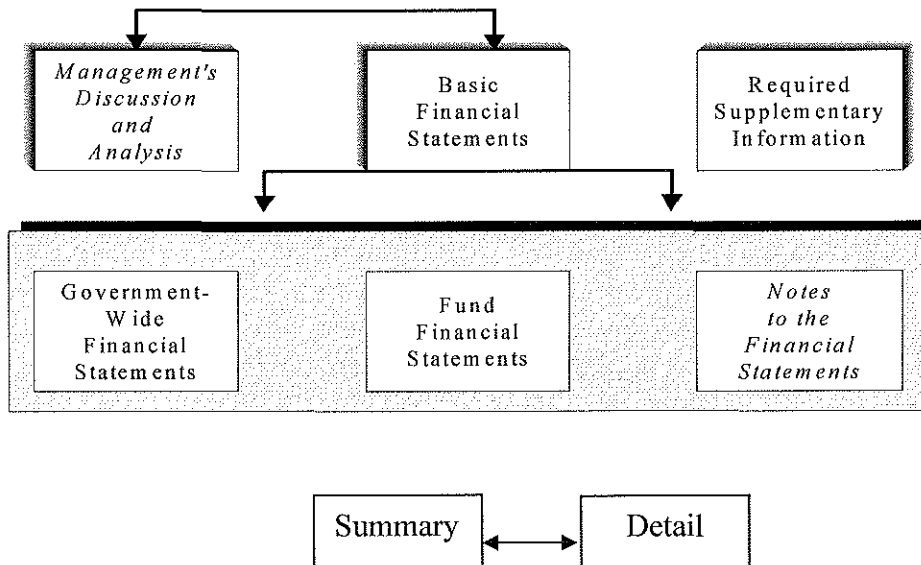
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's 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 *district 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 basic 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, 2015**

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 Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows	Statements of Fiduciary net position Statement of changes in fiduciary net position
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; deferred outflow and inflow of resources information	All assets, liabilities, and deferred outflows/inflows of resources 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 thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred outflows/inflows of resources 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 position includes all of the District's assets, deferred outflows, liabilities and deferred inflows. 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 position* and how they have changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – 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, 2015**

District-Wide Financial Statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial condition 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 operations 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 (Before/After School Programs)

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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 position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the 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 financial statements can be found following the financial statements.

Other Information

In addition to the 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. Information regarding the District's employee retirement systems and pension plans has also been provided 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 and pension information, including the budgetary comparison statement for the Debt Service Fund.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$6,542,838 and \$7,115,463 as of June 30, 2015 and 2014, respectively.

By far the largest portion of the District's net position 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. Restricted net position represent amounts reserved for specific purposes by outside parties or statutory requirements. Unrestricted net position represent amounts available to the government that are neither restricted nor invested in capital assets.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current Assets	\$ 8,985,411	\$ 6,468,153	\$ 338,155	\$ 329,697	\$ 9,323,566	\$ 6,797,850
Capital Assets	<u>8,948,396</u>	<u>8,538,612</u>	<u>52,441</u>	<u>67,051</u>	<u>9,000,837</u>	<u>8,605,663</u>
Total Assets	<u>17,933,807</u>	<u>15,006,765</u>	<u>390,596</u>	<u>396,748</u>	<u>18,324,403</u>	<u>15,403,513</u>
Deferred Outflows of Resources	<u>688,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>688,360</u>	<u>-</u>
Liabilities						
Long-Term Liabilities	21,951,025	20,774,462			21,951,025	20,774,462
Other Liabilities	<u>2,859,802</u>	<u>1,667,723</u>	<u>60,818</u>	<u>76,791</u>	<u>2,920,620</u>	<u>1,744,514</u>
Total Liabilities	<u>24,810,827</u>	<u>22,442,185</u>	<u>60,818</u>	<u>76,791</u>	<u>24,871,645</u>	<u>22,518,976</u>
Deferred Inflows of Resources	<u>683,083</u>	<u>-</u>	<u>873</u>	<u>-</u>	<u>683,956</u>	<u>-</u>
Net Position:						
Net Investment in Capital Assets	2,212,623	2,098,963	52,441	67,051	2,265,064	2,166,014
Restricted	2,192,589	1,851,025			2,192,589	1,851,025
Unrestricted	<u>(11,276,955)</u>	<u>(11,385,408)</u>	<u>276,464</u>	<u>252,906</u>	<u>(11,000,491)</u>	<u>(11,132,502)</u>
Total Net Position	<u>\$ (6,871,743)</u>	<u>\$ (7,435,420)</u>	<u>\$ 328,905</u>	<u>\$ 319,957</u>	<u>\$ (6,542,838)</u>	<u>\$ (7,115,463)</u>

The District's total net position deficit of \$6,542,836 at June 30, 2015 represents a \$572,625 or 9% increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2015 and 2014, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	Governmental		Business-Type		Total	
	Activities		Activities			
Revenues	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for Services	\$ 12,037,165	\$ 12,164,934	\$ 693,693	\$ 745,812	\$ 12,730,858	\$ 12,910,746
Operating Grants and Contributions	9,530,959	5,111,328	282,256	274,770	9,813,215	5,386,098
Capital Grants and Contributions	202,000	73,769			202,000	73,769
General Revenues						
Property Taxes	19,034,897	18,668,473			19,034,897	18,668,473
State Aid - Unrestricted	1,697,776	1,656,830			1,697,776	1,656,830
Other	97,468	235,741	692	862	98,160	236,603
Total Revenues	<u>42,600,265</u>	<u>37,911,075</u>	<u>976,641</u>	<u>1,021,444</u>	<u>43,576,906</u>	<u>38,932,519</u>
Expenses						
Instruction						
Regular	13,905,168	12,122,395			13,905,168	12,122,395
Special Education	11,413,437	10,821,587			11,413,437	10,821,587
Other Instruction	578,320	480,261			578,320	480,261
School Sponsored Activities and Ath.	728,119	742,480			728,119	742,480
Support Services						
Student and Instruction Related Serv.	7,140,043	5,324,929			7,140,043	5,324,929
General Administrative Services	1,121,078	929,529			1,121,078	929,529
School Administrative Services	2,003,753	1,447,400			2,003,753	1,447,400
Central and Other Support Services	882,660	796,983			882,660	796,983
Plant Operations and Maintenance	3,343,003	3,476,968			3,343,003	3,476,968
Pupil Transportation	605,601	632,085			605,601	632,085
Interest on Long Term Debt	315,406	303,418			315,406	303,418
Food Services	-	-	689,261	718,142	689,261	718,142
Saturday Happenings Program	-	-	278,432	271,238	278,432	271,238
Total Expenses	<u>42,036,588</u>	<u>37,078,035</u>	<u>967,693</u>	<u>989,380</u>	<u>43,004,281</u>	<u>38,067,415</u>
Change in Net Position	563,677	833,040	8,948	32,064	572,625	865,104
Net Position, Beginning of Year (Restated)	(7,435,420)	3,043,809	319,957	287,893	(7,115,463)	3,331,702
Prior Period Adjustment	-	(11,312,269)	-	-	-	(11,312,269)
Net Position, End of Year	<u>\$ (6,871,743)</u>	<u>\$ (7,435,420)</u>	<u>\$ 328,905</u>	<u>\$ 319,957</u>	<u>(6,542,838)</u>	<u>(7,115,463)</u>

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

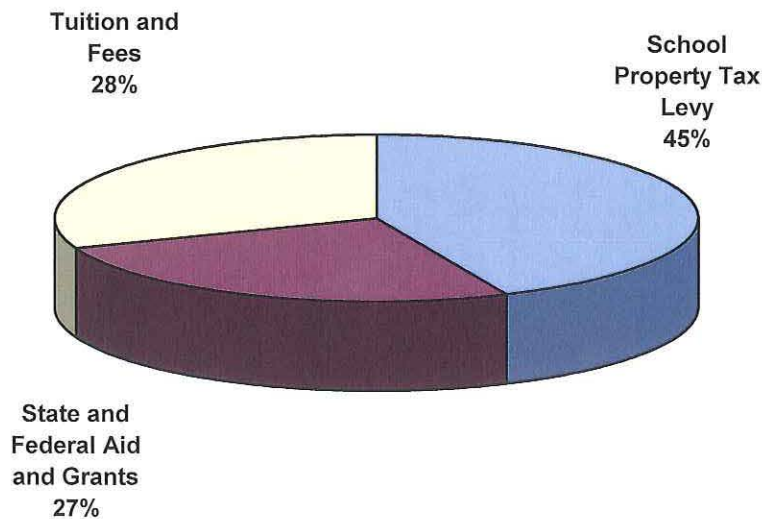
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$42,600,265 for the fiscal year ended June 30, 2015, property taxes of \$19,034,897 represented 45% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$11,430,735 represented 27% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$12,037,165 was earned during the year representing 28% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items.

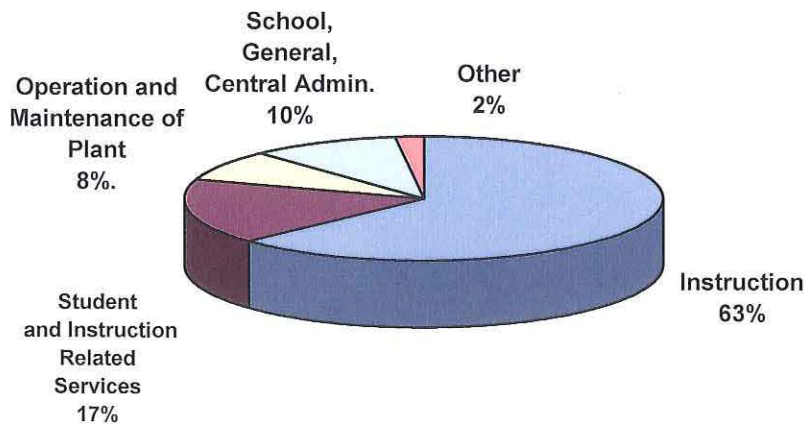
The total cost of all governmental activities programs and services was \$42,036,588 for the fiscal year ended June 30, 2015. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$26,625,044 (63%) of total expenses. Support services totaled \$15,096,138 (36%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

Total governmental activities revenues exceeded expenses increasing net position \$563,677 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2015**



**Expenses by Type- Governmental Activities
For Fiscal Year 2015**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$42,036,588 for the fiscal year ended June 30, 2015. After applying program revenues, derived from charges for services of \$12,037,165; operating and capital grants and contributions of \$9,732,959; the net cost of services of the District is \$20,266,464. For the fiscal year ended June 30, 2015, the total cost of governmental activities reflects the implementation of the new accounting standard GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The effect of implementing GASB 68 was to recognize additional pension expenses of \$3,756,944 for PERS and on-behalf TPAF pension systems and additional state aid revenues for on-behalf TPAF pension contributions of \$3,612,315 for fiscal year 2015.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Total Cost of Services</u>		<u>Net Cost (Income) of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 13,905,168	\$ 12,122,395	\$ 10,460,112	\$ 10,525,536
Special Education	11,413,437	10,821,587	(2,810,541)	(2,241,411)
Other Instruction	578,320	480,261	385,066	395,796
School Sponsored Activities and Athletics	728,119	742,480	728,119	742,480
Support Services				
Student and Instruction Related Svcs.	7,140,043	5,324,929	4,059,270	3,027,132
General Administrative Services	1,121,078	929,529	1,057,353	929,529
School Administrative Services	2,003,753	1,447,400	1,610,295	1,315,968
Central and Other Support Services	882,660	796,983	824,127	758,343
Plant Operations and Maintenance	3,343,003	3,476,968	3,122,907	3,434,926
Pupil Transportation	605,601	632,085	587,824	614,594
Interest on Long Term Debt	315,406	303,418	241,932	225,111
	<u>315,406</u>	<u>303,418</u>	<u>241,932</u>	<u>225,111</u>
Total	<u>\$ 42,036,588</u>	<u>\$ 37,078,035</u>	<u>\$ 20,266,464</u>	<u>\$ 19,728,004</u>

Business-Type Activities – The District's total business-type activities revenues were \$976,641 for the fiscal year ended June 30, 2015. Charges for services accounted for 71% or \$693,693 of total revenues for the year. Operating grants and contributions accounted for 29% or \$282,256 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 \$967,693. 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 \$689,261 (71%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$278,432 (29%).

Total business-type activities revenues surpassed expenses increasing net position by \$8,948 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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 \$6,135,262. The prior year fund balance at June 30, 2014 was \$4,700,322. The net increase for the year ended June 30, 2015 was \$1,434,940 and was largely attributable to the serial bond proceeds received related to the voter approved referendum project.

Revenues for the District's governmental funds were \$39,040,050, while total expenses were \$39,412,110 for the year ended June 30, 2015. The District also had other financing sources from serial bond proceeds in the amount of \$1,807,000 for the 2014/2015 school year.

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, operation and maintenance of plant and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 18,734,606	\$ 18,367,261	\$ 367,345	2%
Tuition	10,385,640	10,519,040	(133,400)	-1%
Interest Earnings	11,343	21,200	(9,857)	-46%
Miscellaneous	1,826,581	1,785,282	41,299	2%
State Sources	6,617,464	5,785,051	832,413	14%
Federal Sources	<u>4,704</u>	<u>-</u>	<u>4,704</u>	100%
 Total General Fund Revenues	 <u>\$ 37,580,338</u>	 <u>\$ 36,477,834</u>	 <u>\$ 1,102,504</u>	 3%

Total General Fund Revenues increased by \$1,102,504 or 3% over the previous year. Local property taxes increased by \$367,345 or 2% over the previous year primarily to offset increases in operating costs. The District realized a 1% decrease in tuition revenue during the current school year due to a slight decline in the number of out of district students received for special education services. In addition, State aid revenues increased \$832,413 or 3% largely due to an increase in on-behalf State aid for teachers' pension and post retirement medical benefit contributions paid by the State on behalf of the District.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 23,151,631	\$ 23,412,494	\$ (260,863)	-1%
Support Services	13,510,331	11,838,815	1,671,516	14%
Debt Services	64,412	69,541	(5,129)	-7%
Capital Outlay	<u>321,293</u>	<u>623,524</u>	<u>(302,231)</u>	-48%
Total Expenditures	<u>\$ 37,047,667</u>	<u>\$ 35,944,374</u>	<u>\$ 1,103,293</u>	3%

Total General Fund expenditures increased \$1,103,293 or approximately 3% from the previous year. The increase was for the most part attributable to an increase in support services for special education student services, for occupational therapy, physical therapy, one to one aides and other related services.

For the fiscal year ended June 30, 2015 General Fund revenues and other financing sources exceeded expenditures by \$539,064. As a result, total fund balance increased to \$3,141,034 at June 30, 2015. After deducting restricted and assigned fund balances, the unassigned fund balance decreased by \$40,526 to a fund balance of \$124,418 at June 30, 2015 from a fund balance of \$164,944 at June 30, 2014. However, restricted fund balances for capital reserve, maintenance reserve, tuition adjustments and reserved excess surplus increased \$326,950 from the previous year.

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 \$791,615 for the year ended June 30, 2015. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 84% or \$661,635 of the total revenue for the year. State sources accounted for 4% or \$28,515 of the total revenue for the year. The remaining 12% or \$101,765 of revenue came from local sources.

Total Special Revenue Fund revenues decreased \$39,152 or 5% from the previous year. State sources decreased \$6,573 or 19%, Federal sources decreased \$79,742 or 11%. Local grants increased \$47,163 or 86% from the prior year.

Expenditures of the Special Revenue Fund were \$791,615. Instructional expenditures were \$605,198 or 76% and expenditures for support services were \$162,042 or 20% of the total amount expended for the year ended June 30, 2015. The remaining expenditures of \$24,375 were for capital outlay expenditures

Capital Projects Fund - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$895,876 resulting in a fund balance of \$2,994,227 at June 30, 2015. \$1,238,835 of the fund balance at year end is restricted for the payment of outstanding serial bonds and represents funds no longer needed for completed projects. The remaining fund balance of \$1,755,392 is restricted for the expenditures related to capital projects approved by the District voters.

Proprietary Funds

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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 for revenues, expenditures and encumbrances. The most significant budgetary fund is the General Fund.

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

- Reappropriation of prior year encumbrances of \$370,279.
- Increase in budget appropriations of \$150,000 funded by additional tuition revenues.
- Appropriation of \$60,000 of restricted fund balance to fund required facility maintenance projects.
- Appropriation of \$350,000 of restricted fund balance to fund local capital projects.
- Appropriation of \$459,771 of unrestricted fund balance for various purposes.

For fiscal year 2015 General Fund budgetary basis revenues and other financing sources were greater than expenditures by \$234,258. Therefore budgetary fund balance increased to \$3,792,251 at June 30, 2015. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2015 was \$775,635, a decrease of \$345,332 when compared to the previous year's unassigned budgetary fund balance of \$1,120,967 at June 30, 2014. The amount restricted for tuition refund reserves remained the same and the District increased its capital and maintenance reserve by \$341,564 at June 30, 2015.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$9,000,837 (net of accumulated depreciation). The capital assets consist of land, land improvements, construction in progress, buildings, building improvements, leasehold improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2014-2015 amounted to \$642,633 for governmental activities and \$23,479 for business-type activities.

**Capital Assets at June 30, 2015 and 2014
(Net of Accumulated Depreciation)**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 288,751	\$ 288,751			\$ 288,751	\$ 288,751
Construction in Progress	663,525	-			663,525	-
Land Improvements	104,053	81,970			104,053	81,970
Buildings and Building Improvements	6,695,837	6,893,001			6,695,837	6,893,001
Leasehold Improvements	26,582	29,113			26,582	29,113
Machinery and Equipment	1,169,648	1,245,777	\$ 52,441	\$ 67,051	1,222,089	1,312,828
Total Capital Assets, Net	\$ 8,948,396	\$ 8,538,612	\$ 52,441	\$ 67,051	\$ 9,000,837	\$ 8,605,663

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, 2015**

LONG TERM LIABILITIES

At June 30, 2015, the District's long-term liabilities totaled \$21,951,025 and consisted of serial bonds payable of \$9,730,000, lease purchase agreements outstanding of \$60,987, compensated absences payable of \$544,822, deferred pension obligation of \$153,041, and net pension liability of \$11,462,175. At June 30, 2014, the District's long-term liabilities totaled \$20,774,462 and consisted of serial bonds payable of \$8,538,000, lease purchase agreements outstanding of \$118,733, compensated absences payable of \$640,648, deferred pension obligation of \$164,812 and net pension liability of \$11,312,269 at June 30, 2014. The District's total outstanding long term liabilities increased \$1,176,563 during the 2014/2015 fiscal year.

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 2015-2016 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 2015-2016. Budgeted expenditures in the General Fund increased 3% to \$34,850,261 in fiscal year 2015-2016.

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 6,986,533	\$ 289,884	\$ 7,276,417
Receivables, Net	1,998,878	38,731	2,037,609
Inventory		9,540	9,540
Capital Assets, Not Being Depreciated	952,276		952,276
Capital Assets, Being Depreciated, Net	<u>7,996,120</u>	<u>52,441</u>	<u>8,048,561</u>
Total Assets	<u>17,933,807</u>	<u>390,596</u>	<u>18,324,403</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>688,360</u>	<u>-</u>	<u>688,360</u>
Total Deferred Outflow of Resources	<u>688,360</u>	<u>-</u>	<u>688,360</u>
Total Assets and Deferred Outflows of Resources	<u>18,622,167</u>	<u>390,596</u>	<u>19,012,763</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,342,298	37,485	1,379,783
Payable to Other Governments	329,638		329,638
Accrued Interest Payable	73,456		73,456
Unearned Revenue	1,114,410	23,333	1,137,743
Noncurrent Liabilities			
Due within one year	1,346,434		1,346,434
Due beyond one year	<u>20,604,591</u>	<u>-</u>	<u>20,604,591</u>
Total Liabilities	<u>24,810,827</u>	<u>60,818</u>	<u>24,871,645</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	683,083		683,083
Deferred Commodities Revenue	<u>-</u>	<u>873</u>	<u>873</u>
Total Deferred Inflows of Resources	<u>683,083</u>	<u>873</u>	<u>683,956</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,493,910</u>	<u>61,691</u>	<u>25,555,601</u>
NET POSITION			
Net Investment in Capital Assets	2,212,623	52,441	2,265,064
Restricted for			
Tuition Adjustments	1,200,000		1,200,000
Capital Projects	618,688		618,688
Plant Maintenance	373,900		373,900
Debt Service	1		1
Unrestricted	<u>(11,276,955)</u>	<u>276,464</u>	<u>(11,000,491)</u>
Total Net Position	<u>\$ (6,871,743)</u>	<u>\$ 328,905</u>	<u>\$ (6,542,838)</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 13,905,168		\$ 3,445,056		\$ (10,460,112)		\$ (10,460,112)
Special Education	11,413,437	\$ 10,313,918	3,910,060		2,810,541		2,810,541
Other Instruction	578,320		168,879	\$ 24,375	(385,066)		(385,066)
School Sponsored Activities and Athletics	728,119				(728,119)		(728,119)
Support Services							
Student and Instruction Related Services	7,140,043	1,723,247	1,357,526		(4,059,270)		(4,059,270)
General Administrative Services	1,121,078		63,725		(1,057,353)		(1,057,353)
School Administrative Services	2,003,753		393,458		(1,610,295)		(1,610,295)
Central and Other Support Services	882,660		58,533		(824,127)		(824,127)
Plant Operations and Maintenance	3,343,003		42,471	177,625	(3,122,907)		(3,122,907)
Pupil Transportation	605,601		17,777		(587,824)		(587,824)
Interest on Long-Term Debt	315,406	-	73,474	-	(241,932)	-	(241,932)
Total Governmental Activities	42,036,588	12,037,165	9,530,959	202,000	(20,266,464)	-	(20,266,464)
Business-Type Activities							
Food Service	689,261	368,269	282,256	-	-	\$ (38,736)	(38,736)
Saturday Happenings	278,432	325,424	-	-	-	46,992	46,992
Total Business-Type Activities	967,693	693,693	282,256	-	-	8,256	8,256
Total Primary Government	\$ 43,004,281	\$ 12,730,858	\$ 9,813,215	\$ 202,000	(20,266,464)	8,256	(20,258,208)

Continued

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 18,734,606		\$ 18,734,606
Property Taxes Levied for Debt Service	300,291		300,291
State Aid -Unrestricted	1,544,238		1,544,238
State Aid for Debt Service Principal	153,538		153,538
Investment Earnings	17,736	\$ 692	18,428
Miscellaneous Income	<u>79,732</u>	<u>-</u>	<u>79,732</u>
Total General Revenues	<u>20,830,141</u>	<u>692</u>	<u>20,830,833</u>
Change in Net Position	563,677	8,948	572,625
Net Position, Beginning of Year (Restated)	<u>(7,435,420)</u>	<u>319,957</u>	<u>(7,115,463)</u>
Net Position, End of Year	<u>\$ (6,871,743)</u>	<u>\$ 328,905</u>	<u>\$ (6,542,838)</u>

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 3,825,057		\$ 3,161,475	\$ 1	\$ 6,986,533
Receivables from Other Governments, Net	434,221	\$ 353,348	1,205,026		1,992,595
Other Receivables	1,005				1,005
Due from Other Funds	228,996	-	-	-	228,996
	<u>228,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,996</u>
Total Assets	<u>\$ 4,489,279</u>	<u>\$ 353,348</u>	<u>\$ 4,366,501</u>	<u>\$ 1</u>	<u>\$ 9,209,129</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 897,210	\$ 79,210	\$ 295,256		\$ 1,271,676
Accrued Salaries and Wages	42,088				42,088
Compensated Absences Payable	28,534				28,534
Payable to Federal Government		10,139			10,139
Payable to State Government		2,889			2,889
Payables to Local Governments	316,610				316,610
Due to Other Funds		217,325	6,393		223,718
Unearned Revenue	-	43,785	1,070,625	-	1,114,410
	<u>-</u>	<u>43,785</u>	<u>1,070,625</u>	<u>-</u>	<u>1,114,410</u>
Total Liabilities	<u>1,284,442</u>	<u>353,348</u>	<u>1,372,274</u>	<u>-</u>	<u>3,010,064</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Tuition	63,803	-	-	-	63,803
	<u>63,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,803</u>
Total Deferred Inflows of Resources	<u>63,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,803</u>
FUND BALANCES					
Fund Balances					
Restricted					
Capital Reserve	618,688				618,688
Maintenance Reserve	373,900				373,900
Tuition Adjustments	600,000				600,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	600,000				600,000
Excess Surplus - Designed for Subsequent Year's Expenditures	83,723				83,723
Capital Projects			1,755,392		1,755,392
Debt Service			1,238,835	\$ 1	1,238,836
Assigned					
Year End Encumbrances	692,028				692,028
Designed for Subsequent Year's Expenditures	48,277				48,277
Unassigned	124,418	-	-	-	124,418
	<u>124,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,418</u>
Total Fund Balances	<u>3,141,034</u>	<u>-</u>	<u>2,994,227</u>	<u>1</u>	<u>6,135,262</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,489,279</u>	<u>\$ 353,348</u>	<u>\$ 4,366,501</u>	<u>\$ 1</u>	<u>\$ 9,209,129</u>

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

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

Total Fund Balances (Exhibit B-1)		\$ 6,135,262
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,430,245 and the accumulated depreciation is \$8,481,849.		8,948,396
Deferred revenues in the funds that are unavailable and do not provide current financial resources are realized as revenues in the statement of activities.		63,803
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
	Deferred Outflows of Resources	\$ 688,360
	Deferred Inflows of Resources	<u>(683,083)</u>
		5,277
The District has financed capital assets through the issuance of long-term bonds. The interest accrual at year end is:		(73,456)
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	(9,730,000)
	Lease Purchase Agreements	(60,987)
	Compensated Absences	(544,822)
	Deferred Pension Obligation	(153,041)
	Net Pension Liability	<u>(11,462,175)</u>
		<u>(21,951,025)</u>
Net Position of Governmental Activities (Exhibit A-1)		\$ <u>(6,871,743)</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 18,734,606			\$ 300,291	\$ 19,034,897
Tuition	10,385,640				10,385,640
Interest	11,343		\$ 6,393		17,736
Miscellaneous - Restricted	1,746,849				1,746,849
Miscellaneous - Unrestricted	79,732	\$ 101,765	-	-	181,497
Total - Local Sources	30,958,170	101,765	6,393	300,291	31,366,619
State Sources	6,617,464	28,515	134,401	227,012	7,007,392
Federal Sources	4,704	661,335	-	-	666,039
Total Revenues	37,580,338	791,615	140,794	527,303	39,040,050
EXPENDITURES					
Current					
Instruction					
Regular Instruction	11,873,117	256,420			12,129,537
Special Education Instruction	10,078,806	322,315			10,401,121
Other Special Instruction	479,240	26,463			505,703
School-Sponsored Activities and Athletics	720,468				720,468
Support Services					
Student and Instruction Related Services	6,334,472	162,042			6,496,514
General Administrative Services	1,081,292				1,081,292
School Administrative Services	1,757,901				1,757,901
Central and Other Support Service	845,270				845,270
Plant Operations and Maintenance	2,911,056				2,911,056
Student Transportation	580,340				580,340
Debt Service					
Principal	57,746			615,000	672,746
Interest and Other Charges	6,666			294,303	300,969
Capital Outlay	321,293	24,375	663,525	-	1,009,193
Total Expenditures	37,047,667	791,615	663,525	909,303	39,412,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	532,671	-	(522,731)	(382,000)	(372,060)
OTHER FINANCING SOURCES (USES)					
Transfers In	6,393			382,000	388,393
Transfers Out	-	-	(388,393)	-	(388,393)
Serial Bond Proceeds	-	-	1,807,000	-	1,807,000
Total Other Financing Sources and Uses	6,393	-	1,418,607	382,000	1,807,000
Net Change in Fund Balances	539,064	-	895,876	-	1,434,940
Fund Balance, Beginning of Year	2,601,970	-	2,098,351	1	4,700,322
Fund Balance, End of Year	\$ 3,141,034	\$ -	\$ 2,994,227	\$ 1	\$ 6,135,262

The accompanying Notes to the 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, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,434,940

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 of net position and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.

Capital Outlays	\$ 1,009,193	
Depreciation Expense	<u>(642,633)</u>	366,560

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources

43,224

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Serial Bond Proceeds		(1,807,000)
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Repayment of long-term debt is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities

Serial Bonds	615,000	
Lease Purchase Agreement Principal	<u>57,746</u>	672,746

In the statement of activities, certain operating expenses are measured by the amounts earned or accrued 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	95,826	
Decrease in Deferred Pension Obligations	11,771	
Increase in Pension Expense	<u>(144,629)</u>	(37,032)

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		(95,324)
--------------------------------------	--	----------

Interest on long-term debt in the governmental funds is recorded as an expenditure 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 Accrued Interest		<u>(14,437)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 563,677

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

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Saturday Happenings Program</u>	<u>Total</u>
ASSETS			
Cash	\$ 24,303	\$ 265,581	\$ 289,884
Intergovernmental Receivable, Net	17,986		17,986
Accounts Receivable, Net	6,895	13,850	20,745
Inventory	<u>9,540</u>	<u>-</u>	<u>9,540</u>
Total Current Assets	<u>58,724</u>	<u>279,431</u>	<u>338,155</u>
Capital Assets			
Equipment	285,153	24,222	309,375
Accumulated Depreciation	<u>(235,058)</u>	<u>(21,876)</u>	<u>(256,934)</u>
Total Capital Assets, Net	<u>50,095</u>	<u>2,346</u>	<u>52,441</u>
Total Assets	<u>108,819</u>	<u>281,777</u>	<u>390,596</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	37,285	200	37,485
Unearned Revenue	<u>5,795</u>	<u>17,538</u>	<u>23,333</u>
Total Current Liabilities	<u>43,080</u>	<u>17,738</u>	<u>60,818</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>873</u>	<u>-</u>	<u>873</u>
Total Liabilities and Deferred Inflow of Resources	<u>43,953</u>	<u>17,738</u>	<u>61,691</u>
NET POSITION			
Investment in Capital Assets	50,095	2,346	52,441
Unrestricted	<u>14,771</u>	<u>261,693</u>	<u>276,464</u>
Total Net Position	<u>\$ 64,866</u>	<u>\$ 264,039</u>	<u>\$ 328,905</u>

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

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

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
OPERATING REVENUES			
Local Sources			
Daily Sales			
School Lunch Program	\$ 368,269		\$ 368,269
Other		-	-
Program Fees	-	\$ 325,424	325,424
	<u>368,269</u>	<u>325,424</u>	<u>693,693</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales	313,363		313,363
Salaries and Benefits	259,239	242,931	502,170
Purchased Management Services	27,165		27,165
Other Purchased Services	28,482		28,482
General Supplies	24,176	5,888	30,064
Miscellaneous	11,468	5,267	16,735
Repair and Maintenance	4,235		4,235
Rent		22,000	22,000
Depreciation	21,133	2,346	23,479
	<u>689,261</u>	<u>278,432</u>	<u>967,693</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(320,992)</u>	<u>46,992</u>	<u>(274,000)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	7,510		7,510
Federal Sources			
National School Breakfast Program	37,760		37,760
National School Lunch Program	236,986		236,986
Interest Income	-	692	692
	<u>282,256</u>	<u>692</u>	<u>282,948</u>
Total Nonoperating Revenues			
Changes in Net Position	(38,736)	47,684	8,948
Total Net Position, Beginning of Year	<u>103,602</u>	<u>216,355</u>	<u>319,957</u>
Total Net Position, End of Year	<u>\$ 64,866</u>	<u>\$ 264,039</u>	<u>\$ 328,905</u>

The accompanying Notes to the 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, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 369,778	\$ 321,890	\$ 691,668
Cash Payments for Employees Salaries and Benefits	(259,239)	(242,931)	(259,239)
Cash Payments to Suppliers for Goods and Services	(393,741)	(33,179)	(426,920)
Net Cash Provided by (Used for) Operating Activities	<u>(283,202)</u>	<u>45,780</u>	<u>(237,422)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	254,023	-	254,023
Net Cash Provided by Noncapital Financing Activities	<u>254,023</u>	<u>-</u>	<u>254,023</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(8,869)	-	(8,869)
Net Cash Used for Capital and Related Financing Activities	<u>(8,869)</u>	<u>-</u>	<u>(8,869)</u>
Cash Flows from Investing Activities			
Interest Received	-	692	692
Net Cash Provided by Investing Activities	<u>-</u>	<u>692</u>	<u>692</u>
Net Increase (Decrease) in Cash	(38,048)	46,472	8,424
Cash, Beginning of Year	62,351	219,109	281,460
Cash, End of Year	<u>\$ 24,303</u>	<u>\$ 265,581</u>	<u>\$ 289,884</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (320,992)	\$ 46,992	\$ (274,000)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	21,133	2,346	23,479
Non-Cash Federal Assistance-Food Distribution Program	27,508		27,508
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	(443)	3,325	2,882
(Increase)/Decrease in Inventory	(2,190)		(2,190)
Increase/(Decrease) in Accounts Payable	(11,044)	(24)	(11,068)
Increase/(Decrease) in Unearned Revenue	1,953	(6,859)	(4,906)
Increase/(Decrease) in Deferred Commodities Revenue	873	-	873
Total Adjustments	<u>37,790</u>	<u>(1,212)</u>	<u>36,578</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (283,202)</u>	<u>\$ 45,780</u>	<u>\$ (237,422)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 28,381		

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

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

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ <u>52,275</u>	\$ <u>286,602</u>
Total Assets	<u>52,275</u>	<u>\$ 286,602</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 210,753
Due to Other Funds		5,278
Due to Student Groups	<u>-</u>	<u>70,571</u>
Total Liabilities	<u>-</u>	<u>\$ 286,602</u>
NET POSITION		
Held in Trust for Scholarship Awards	<u>\$ 52,275</u>	

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

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

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations - Private	\$ 6,700
Investment Earnings	
Interest	<u>102</u>
Total Additions	<u>6,802</u>
DEDUCTIONS	
Scholarship Awards	<u>16,600</u>
Change in Net Position	(9,798)
Net Position, Beginning of the Year	<u>62,073</u>
Net Position, End of the Year	<u>\$ 52,275</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ridgefield 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. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

C. Basis of Presentation - Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

The District reports the following major proprietary 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 Latchkey, Pre-K, Saturday Happening and Summer Happenings operations which provides before and after school child care, Pre-K curriculum and community education programs for District students.

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	10-40
Leasehold Improvements	20
Office Equipment and Furniture	5
Computer Equipment	5

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred amounts on net pension liability reported in the district-wide statement of net position that result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, one type which arises only under a modified accrual basis of accounting, and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, unavailable revenue, is reported only in the governmental funds balance sheet for tuition. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Another type of deferred inflows is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. 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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognizes the face amount of debt issued as other financing sources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2014/2015 contract year 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.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2013/2014 contract year that is appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

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

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

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 2015/2016 District budget certified for taxes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service and 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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$1,745,960. The increase was funded by additional unrestricted and restricted fund balances appropriated, tuition revenues, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year authorized and approved additional unrestricted fund balance appropriations of \$459,771 from the general fund were made on August 14, 2014.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Deficit Fund Equity

The District has a budgetary deficit in the 2014 referendum project accounts in the Capital Projects Fund of \$144,761 as of June 30, 2015. This deficit is the result of the District awarding contracts in excess of available project appropriations. The District anticipates eliminating this deficit through a withdrawal of capital reserve in the 2016/2017 budget.

C. Capital Reserve

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

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

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

Balance, July 1, 2014		\$ 500,053
Increased by		
Interest Earned	\$ 635	
Deposits Approved by Board Resolution	300,000	
Unexpended Appropriated Funds Returned	<u>168,000</u>	
Total Increases		<u>468,635</u>
		968,688
Withdrawals		
Approved by Board Resolution		<u>(350,000)</u>
Balance, June 30, 2015		<u>\$ 618,688</u>

The withdrawals from the capital reserve were for use in a department approved facilities project consistent with the District's Long Range Facilities Plan.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Balance, July 1, 2014		\$ 150,971
Increased by		
Interest Earned	\$ 146	
Deposits Approved by Board Resolution	247,858	
Unexpended Appropriated Funds Returned	<u>34,925</u>	
Total Increases		<u>282,929</u>
		433,900
Withdrawals		
Approved by Board Resolution		<u>(60,000)</u>
Balance, June 30, 2015		<u>\$ 373,900</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,310,589. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

E. Transfers to Capital Outlay

During the 2014/2015 school year, the district transferred \$350,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the Board in the long range facility plan for a state approved school facilities project.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$83,723. This amount was designated and appropriated in the 2015/2016 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$7,615,294 and bank and brokerage firm balances of the Board's deposits amounted to \$7,757,933. The Board's deposits which are displayed on the various fund balance sheets as "cash" is categorized as:

Depository Account

Insured	\$ <u>7,757,933</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2015, the Board had no outstanding investments.

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

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Saturday Happenings</u>	<u>Total</u>
Receivables:						
Intergovernmental						
Local	\$ 447,415	\$ 38,652				\$ 486,067
State	54,516		\$ 1,205,026	\$ 466		1,260,008
Federal		314,696		17,520		332,216
Accounts	<u>1,005</u>	<u>-</u>	<u>-</u>	<u>6,895</u>	<u>\$ 24,082</u>	<u>31,982</u>
Gross Receivables	502,936	353,348	1,205,026	24,881	24,082	2,110,273
Less: Allowance for Uncollectibles	<u>(67,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,232)</u>	<u>(77,942)</u>
Net Total Receivables	<u>\$ 435,226</u>	<u>\$ 353,348</u>	<u>\$ 1,205,026</u>	<u>\$ 24,881</u>	<u>\$ 13,850</u>	<u>\$ 2,032,331</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 13,126
Grant Draw Downs Reserved for Encumbrances	30,659
Capital Projects Fund	
Unrealized School Facilities Grant	<u>1,070,625</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 1,114,410</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 288,751			\$ 288,751
Construction in Progress	-	\$ 663,525	-	663,525
Total Capital Assets, Not Being Depreciated	<u>288,751</u>	<u>663,525</u>	<u>-</u>	<u>952,276</u>
Capital Assets, Being Depreciated:				
Land Improvements	562,305	28,875		591,180
Buildings and Building Improvements	13,049,413	195,953		13,245,366
Leasehold Improvements	50,627			50,627
Machinery and Equipment	<u>2,426,732</u>	<u>164,064</u>	<u>-</u>	<u>2,590,796</u>
Total Capital Assets Being Depreciated	<u>16,089,077</u>	<u>388,892</u>	<u>-</u>	<u>16,477,969</u>
Less Accumulated Depreciation for:				
Land Improvements	(480,335)	(6,792)		(487,127)
Buildings and Building Improvements	(6,156,412)	(393,117)		(6,549,529)
Leasehold Improvements	(21,514)	(2,531)		(24,045)
Machinery and Equipment	<u>(1,180,955)</u>	<u>(240,193)</u>	<u>-</u>	<u>(1,421,148)</u>
Total Accumulated Depreciation	<u>(7,839,216)</u>	<u>(642,633)</u>	<u>-</u>	<u>(8,481,849)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,249,861</u>	<u>(253,741)</u>	<u>-</u>	<u>7,996,120</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,538,612</u>	<u>\$ 409,784</u>	<u>\$ -</u>	<u>\$ 8,948,396</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	<u>\$ 300,506</u>	<u>\$ 8,869</u>	<u>-</u>	<u>\$ 309,375</u>
Total Capital Assets Being Depreciated	<u>300,506</u>	<u>8,869</u>	<u>-</u>	<u>309,375</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(233,455)</u>	<u>(23,479)</u>	<u>-</u>	<u>(256,934)</u>
Total Accumulated Depreciation	<u>(233,455)</u>	<u>(23,479)</u>	<u>-</u>	<u>(256,934)</u>
Total Capital Assets, Being Depreciated, Net	<u>67,051</u>	<u>(14,610)</u>	<u>-</u>	<u>52,441</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,051</u>	<u>\$ (14,610)</u>	<u>\$ -</u>	<u>\$ 52,441</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 148,822
Special Education	<u>818</u>
Total Instruction	<u>149,640</u>
Support Services	
Students and Instruction Related Services	8,738
General Administration	3,358
School Administration	41,319
Central and Other Support Services	
Operations and Maintenance of Plant	416,468
Student Transportation	<u>23,110</u>
Total Support Services	<u>492,993</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 642,633</u>
Business-Type Activities:	
Food Service	\$ 21,133
Saturday Happenings Program	<u>2,346</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 23,479</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments (Modify)

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Upgrade to Science Labs at High School and Slocum Skewes School	\$ 2,750,007	\$ 105,820
Various Upgrades and Improvements at the High School, Slocum Skewes and Bergen Boulevard School	336,002	<u>2,821,785</u>
		<u>\$ 2,927,605</u>

The District has other significant commitments at June 30, 2015 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
Acquisition of School Buses	\$ 102,060
Additional Window Upgrades	<u>182,000</u>
Total	<u>\$ 284,060</u>

E. Interfund Receivables, Payables, and Transfers

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

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 217,325
General Fund	Capital Projects Fund	6,393
General Fund	Payroll Agency Fund	<u>5,278</u>
		<u>\$ 228,996</u>

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	
Transfer Out:			
Capital Projects Fund	\$ 6,393	\$ 382,000	\$ 388,393
Total	<u>\$ 6,393</u>	<u>\$ 382,000</u>	<u>\$ 388,393</u>

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

F. Leases

Operating Leases

The District leases a school building under a noncancelable operating lease. Lease payments for the fiscal year ended June 30, 2015 were \$616,100. The future minimum lease payments for this operating lease is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 616,900
2017	517,300
2018	517,300
2019	516,900
2020	516,100
2021-2025	2,382,000
2026-2028	<u>665,600</u>
Total	<u>\$ 5,732,100</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Lease Purchase Agreements

The District is leasing computers (supplies) totaling \$211,662 under lease purchase agreements. The leases are for terms of 3 years.

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

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental Activities</u>
	<u>Lease- Purchase Agreements</u>
2016	\$ 64,412
Total minimum lease payments	64,412
Less: amount representing interest	<u>(3,425)</u>
Present value of minimum lease payments	<u>\$ 60,987</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$3,240,000, 2006 Bonds, due in annual installments of \$225,000 to \$280,000 through February 15, 2022, interest at 4.15% to 4.20%	\$1,775,000
\$5,168,000, 2007 Bonds, due in annual installments of \$240,000 to \$340,000 through June 1, 2027, interest at 4.00% to 4.125%	3,583,000

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

\$2,900,000, 2013 Bonds, due in annual installments of \$175,000 to \$220,000 through February 1, 2028, interest at 1.50% to 3.00%	\$2,565,000
\$1,807,000, 2015 Bonds, due in annual installments of \$100,000 to \$150,000 through February 15, 2030, interest at 2.00% to 3.00%	<u>1,807,000</u>
Total	<u>\$9,730,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 740,000	\$ 318,389	\$ 1,058,389
2017	765,000	292,828	1,057,828
2018	790,000	267,925	1,057,925
2019	815,000	241,658	1,056,658
2020	840,000	214,475	1,054,475
2021-2025	3,800,000	663,247	4,463,247
2026-2030	<u>1,980,000</u>	<u>135,393</u>	<u>2,115,393</u>
	<u>\$ 9,730,000</u>	<u>\$ 2,133,915</u>	<u>\$ 11,863,915</u>

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 71,457,620
Less: Net Debt Issued	\$ 9,730,000
Net Debt Authorized But Not Issued	<u>538</u>
Total Net Debt	<u>9,730,538</u>
Remaining Borrowing Power	<u>\$ 61,727,082</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Deferred Pension Obligation

During the 2009/2010 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$414,490 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.90% effective July 1, 2013 and 8.25% prior to July 1, 2013) at June 30, 2015 is \$153,041.

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014	Additions	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 8,538,000	\$ 1,807,000	\$ 615,000	\$ 9,730,000	\$ 740,000
Lease Purchase Agreements	118,733		57,746	60,987	60,987
Compensated Absences	640,648		95,826	544,822	54,482
Deferred Pension Obligation	164,812	13,020	24,791	153,041	24,791
Net Pension Liability	<u>11,312,269</u>	<u>149,906</u>	<u>-</u>	<u>11,462,175</u>	<u>466,174</u>
Governmental activity					
Long-term liabilities	<u>\$ 20,774,462</u>	<u>\$ 1,969,926</u>	<u>\$ 793,363</u>	<u>\$ 21,951,025</u>	<u>\$ 1,346,434</u>

For the governmental activities, the liabilities for lease purchase agreements, compensated absences, deferred pension obligations, and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

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

Annual Pension Costs (APC)

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

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 499,478	\$ 845,201	None
2014	451,196	655,687	None
2013	465,593	1,051,774	None

For fiscal years 2014/2015 and 2012/2013, the state contributed \$845,201 and \$1,051,774, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$655,687 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,146,596 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$11,462,175 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .06122 percent, which was an increase of .00203 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$644,107 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 360,432	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	327,928	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>-</u>	<u>\$ 683,083</u>
Total	<u>\$ 688,360</u>	<u>\$ 683,083</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (104,515)
2017	(104,515)
2018	(104,515)
2019	(104,515)
2020	66,256
Thereafter	<u>357,081</u>
	<u>\$ 5,277</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,457,516 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$82,839,005. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

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

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

TPAF

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

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 99,633,785</u>	<u>\$ 82,839,005</u>	<u>\$ 68,870,692</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

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

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

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,341,760, \$1,075,079 and \$1,189,290 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Ridgefield Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Ridgefield Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$11,312,269. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from a net position balance of \$3,876,849 as originally reported to a net position deficit of \$7,435,420 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 18,734,606		\$ 18,734,606	\$ 18,734,606	
Tuition	9,736,394	\$ 150,000	9,886,394	10,385,640	\$ 499,246
Interest Income				11,343	11,343
Miscellaneous - Restricted	1,525,000	-	1,525,000	1,746,849	221,849
Miscellaneous - Unrestricted	101,764	-	101,764	79,732	(22,032)
Total Local	30,097,764	150,000	30,247,764	30,958,170	710,406
State Sources					
Special Education Aid	965,221		965,221	965,221	-
Equalization Aid	1,498,795		1,498,795	1,498,795	-
Extraordinary Aid	312,000		312,000	413,353	101,353
Security Aid	42,414		42,414	42,414	-
Transportation Aid	17,753		17,753	17,753	-
Under Adequacy Aid	11,745		11,745	11,745	-
PARCC Readiness Aid	14,910		14,910	14,910	-
Per Pupil Growth Aid	14,910		14,910	14,910	-
On-behalf TPAF Pension Contribution(Nonbudgeted)					
Pension Benefit Contribution				788,474	788,474
Pension - NCGI Premium				56,727	56,727
Post Retirement Medical Benefit Contribution				1,341,760	1,341,760
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,146,596	1,146,596
Total State	2,877,748	-	2,877,748	6,312,658	3,434,910
Federal Sources					
Medicaid Reimbursement	4,760	-	4,760	4,704	(56)
Total Federal Sources	4,760	-	4,760	4,704	(56)
Total Revenues	32,980,272	150,000	33,130,272	37,275,532	4,145,260
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	638,634	(34,075)	604,559	604,559	-
Grades 1-5	2,262,076	(64,689)	2,197,387	2,193,201	4,186
Grades 6-8	1,846,411	(15,734)	1,830,677	1,830,677	-
Grades 9-12	3,152,839	(102,791)	3,050,048	3,047,403	2,645
Regular Programs-Home Instruction					
Salaries of Teachers	15,000	(7,000)	8,000	854	7,146
Purchased Professional Educational Services	3,000	7,000	10,000	9,371	629
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	59,685	(10,000)	49,685	49,040	645
Purchased Professional-Educational Services	60,000	(60,000)			-
Other Purchased Services	184,542	33,009	217,551	200,701	16,850
General Supplies	214,275	331,932	546,207	435,362	110,845
Textbooks	-	8,678	8,678	8,163	515
Other Objects	30,600	(18,252)	12,348	9,862	2,486
Total Regular Programs	8,467,062	68,078	8,535,140	8,389,193	145,947
Behavioral Disabilities					
Salaries of Teachers	214,096	(5,254)	208,842	208,842	-
Other Salaries for Instruction	94,021	(21,454)	72,567	72,567	-
Purchased Professional Educational Services	5,093	(3,573)	1,520	320	1,200
Other Purchased Services	5,552	2,881	8,433	7,552	881
General Supplies	8,995	29	9,024	7,983	1,041
Other Objects	3,085	-	3,085	3,015	70
Total Behavioral Disabilities	330,842	(27,371)	303,471	300,279	3,192

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 1,226,331	\$ (100,758)	\$ 1,125,573	\$ 1,125,305	\$ 268
Other Salaries for Instruction	626,728	42,977	669,705	669,705	-
Purchased Professional Educational Service	16,394	(2,867)	13,527	13,527	-
Other Purchased Services	5,093	(413)	4,680	4,680	-
General Supplies	67,164	3,680	70,844	38,636	32,208
Other Objects	24,775	(6,605)	18,170	18,170	-
Total Multiple Disabilities	1,966,485	(63,986)	1,902,499	1,870,023	32,476
Resource Room/Resource Center					
Salaries of Teachers	1,427,529	118,270	1,545,799	1,544,172	1,627
Other Salaries for Instruction	179,867	(24,621)	155,246	155,246	-
Total Resource Room/Resource Center	1,607,396	93,649	1,701,045	1,699,418	1,627
Autism					
Salaries of Teachers	1,983,165	(248,305)	1,734,860	1,734,442	418
Other Salaries for Instruction	1,012,475	165,847	1,178,322	1,178,009	313
Purchased Professional Educational Services	61,000	(21,492)	39,508	39,508	-
Other Purchased Services	12,418	(3,268)	9,150	9,000	150
General Supplies	50,321	44,278	94,599	62,754	31,845
Other Objects	45,854	(24,001)	21,853	21,853	-
Total Autism	3,165,233	(86,941)	3,078,292	3,045,566	32,726
Preschool Disabilities - Full-Time					
Salaries of Teachers	100,161	(7,992)	92,169	92,169	-
Other Salaries for Instruction	94,141	70,543	164,684	164,684	-
Purchased Professional Educational Services	3,000	(2,068)	932	932	-
Other Purchased Services	3,500	(1,910)	1,590	1,590	-
General Supplies	6,779	4,083	10,862	10,862	-
Other Objects	1,505	(83)	1,422	1,136	286
Total Preschool Disabilities - Full-Time	209,086	62,573	271,659	271,373	286
Total Special Education	7,279,042	(22,076)	7,256,966	7,186,659	70,307
Basic Skills/Remedial - Instruction					
Salaries of Teachers	65,514	3,428	68,942	65,105	3,837
Total Basic Skills/Remedial - Instruction	65,514	3,428	68,942	65,105	3,837
Bilingual Education - Instruction					
Salaries of Teachers	304,995	(30,064)	274,931	273,336	1,595
Total Bilingual Education - Instruction	304,995	(30,064)	274,931	273,336	1,595
School Sponsored Co/Extra Curricular Activities					
Salaries	170,395	(17,980)	152,415	152,392	23
Supplies and Materials	20,650	(85)	20,565	14,713	5,852
Other Objects	67,182	(7,058)	60,124	60,049	75
Total School Sponsored Co/Extra Curricular Activities	258,227	(25,123)	233,104	227,154	5,950
School Sponsored Athletics					
Salaries	212,464	25,873	238,337	238,337	-
Purchased Services	40,850	(25,198)	15,652	13,952	1,700
Supplies and Materials	35,700	4,935	40,635	39,953	682
Other Objects	47,000	5,515	52,515	52,515	-
Total School Sponsored Athletics	336,014	11,125	347,139	344,757	2,382
Total Instruction	16,710,854	5,368	16,716,222	16,486,204	230,018

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to County Voc. School District-Regular	\$ 399,564	\$ (5,000)	\$ 394,564	\$ 371,424	\$ 23,140
Tuition to CSSD and Regional Day Schools	225,834	-	225,834	83,475	142,359
Tuition to Priv. Sch. for the Disabled -Within State	166,142	(74,924)	91,218	50,150	41,068
Tuition - State Facilities	30,000	-	30,000	24,775	5,225
Total Undistributed Expenditures- Instruction	821,540	(79,924)	741,616	529,824	211,792
Attendance and Social Work					
Salaries	29,689	(2,955)	26,734	25,821	913
Total Attendance and Social Work	29,689	(2,955)	26,734	25,821	913
Health Services					
Salaries	403,554	(39,124)	364,430	358,418	6,012
Purchased Professional/Technical Services	1,320	1,124	2,444	1,974	470
Supplies and Materials	14,240	(1,568)	12,672	8,952	3,720
Total Health Services	419,114	(39,568)	379,546	369,344	10,202
Speech, OT, PT, & Related Services					
Salaries	1,522,680	(13,000)	1,509,680	1,508,874	806
Purchased Professional/Educational Services	6,000	144,370	150,370	125,437	24,933
Total Speech, OT, PT & Related Services	1,528,680	131,370	1,660,050	1,634,311	25,739
Other Support Services -Students- Extra Services					
Salaries	1,370,621	(134,816)	1,235,805	1,139,999	95,806
Total Other Support Services - Students - Extra Services	1,370,621	(134,816)	1,235,805	1,139,999	95,806
Guidance					
Salaries of Other Professional Staff	387,191	(88)	387,103	387,103	-
Salaries of Secretarial and Clerical Assistants	67,381	347	67,728	67,728	-
Purchased Professional/Educational Services	11,430	(4,892)	6,538	5,240	1,298
Other Purchased Professional/Technical Services	-	5,206	5,206	5,206	-
Supplies and Materials	5,018	(353)	4,665	4,665	-
Other Objects	1,445	(485)	960	960	-
Total Guidance	472,465	(265)	472,200	470,902	1,298
Child Study Team					
Salaries of Other Professional Staff	343,272	(9,790)	333,482	333,482	-
Salaries of Secretarial and Clerical Assistants	36,066	68,271	104,337	104,337	-
Purchased Professional-Educational Services	14,000	(3,506)	10,494	9,294	1,200
Other Purchased Professional & Technical Services	17,774	(14,480)	3,294	3,294	-
Other Purchased Services	150	(150)	-	-	-
Supplies and Materials	1,600	1,820	3,420	3,420	-
Total Child Study Team	412,862	42,165	455,027	453,827	1,200
Improvement of Inst. Serv.					
Salaries of Other Professional Staff	-	298,600	298,600	298,600	-
Purchased Professional-Educational Services	-	25,870	25,870	25,870	-
Other Purchased Professional & Technical Services	-	18,736	18,736	18,736	-
Supplies and Materials	-	90,380	90,380	79,980	10,400
Other Objects	-	500	500	500	-
Total Improvement of Inst. Serv.	-	434,086	434,086	423,686	10,400
Educational Media/School Library					
Salaries	64,077	4,167	68,244	68,244	-
Supplies and Materials	9,416	(4,865)	4,551	4,551	-
Total Educational Media/School Library	73,493	(698)	72,795	72,795	-

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training					
Purchased Professional-Educational Services	\$ 32,700	\$ (5,900)	\$ 26,800	\$ 12,263	\$ 14,537
Other Purchased Services	-	3,350	3,350	1,492	1,858
Total Instructional Staff Training	32,700	(2,550)	30,150	13,755	16,395
General Administration					
Salaries	409,923	(51,429)	358,494	358,494	-
Legal Services	100,000	14,192	114,192	113,966	226
Audit Fees	42,000	7,805	49,805	49,805	-
Other Purchased Professional Services	9,500	72,682	82,182	30,452	51,730
Communications/Telephone	141,516	(2,577)	138,939	131,569	7,370
BOE Other Purchased Services	2,800	34	2,834	2,834	-
Miscellaneous Purchased Services	169,050	50,183	219,233	215,145	4,088
General Supplies	4,950	1,253	6,203	6,203	-
BOE In-House Training / Meeting Supplies	2,500	(155)	2,345	2,345	-
Judgements Against School District	15,000	(5,000)	10,000	10,000	-
Miscellaneous Expenditures	2,500	1,641	4,141	4,141	-
BOE Membership Dues and Fees	16,500	(56)	16,444	16,444	-
Total General Administration	916,239	88,573	1,004,812	941,398	63,414
School Administration					
Salaries of Principals/Assistant Principals	793,738	178,720	972,458	972,458	-
Salaries of Secretarial and Clerical Assistants	231,733	7,524	239,257	239,257	-
Other Purchased Services	3,000	(3,000)	-	-	-
Supplies and Materials	72,440	(5,241)	67,199	66,229	970
Other Objects	6,600	(6,450)	150	-	150
Total School Administration	1,107,511	171,553	1,279,064	1,277,944	1,120
Central Services					
Salaries	406,219	10,740	416,959	416,959	-
Miscellaneous Purchased Services	-	3,174	3,174	3,174	-
Sales / Lease-back Payments	2,900	(2,900)	-	-	-
Supplies and Materials	13,850	1,781	15,631	15,548	83
Interest on Lease Purchase Agreements	4,907	469	5,376	5,376	-
Miscellaneous Expenditures	2,300	585	2,885	2,885	-
Total Central Services	430,176	13,849	444,025	443,942	83
Admin. Info. Technology					
Salaries	112,231	836	113,067	113,067	-
Purchased Professional Services	81,800	(3,049)	78,751	78,099	652
Supplies and Materials	10,000	1,609	11,609	11,609	-
Total Admin. Info. Technology	204,031	(604)	203,427	202,775	652
Required Maintenance for School Facilities					
Salaries	188,986	1,770	190,756	190,756	-
Cleaning, Repair and Maintenance Services	202,800	107,723	310,523	230,055	80,468
General Supplies	32,700	17,356	50,056	47,938	2,118
Total Required Maintenance for School Facilities	424,486	126,849	551,335	468,749	82,586
Custodial Services					
Salaries	735,701	(8,216)	727,485	727,485	-
Rental of Land/Bldgs Other Than Lease Purchase Agreement	619,100	-	619,100	619,100	-
Other Purchased Property Services	61,700	(3,407)	58,293	55,165	3,128
Insurance	90,299	(4,330)	85,969	85,969	-
General Supplies	84,600	1,638	86,238	85,696	542
Energy (Electricity)	335,000	139,877	474,877	474,867	10
Total Custodial Services	1,926,400	125,562	2,051,962	2,048,282	3,680

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 6,000	-	\$ 6,000		\$ 6,000
Cleaning, Repair, and Maintenance Svc.	5,000	\$ (1,040)	3,960	\$ 3,647	313
General Supplies	6,000	5	6,005	6,005	-
Total Care and Upkeep of Grounds	17,000	(1,035)	15,965	9,652	6,313
Security					
Purchased Professional and Technical Services		325	325	325	-
General Supplies	-	47,361	47,361	34,929	12,432
Total Security	-	47,686	47,686	35,254	12,432
Student Transportation Services					
Sal. For Pupil Transportation (Bet. Home & Sch)-Reg	39,474	(39,474)			-
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	307,926	(70,400)	237,526	237,525	1
Cleaning, Repair & Maint. Services	65,000	(4,716)	60,284	55,212	5,072
Contr. Serv. (Bet. Home & Sch)-Vendor		132,060	132,060	132,060	-
Contr. Serv. (Other Than Bet Home & Sch)-Vendor		10,967	10,967	10,152	815
Contr. Serv. (Spec. Ed. Students)-Vendor	26,000	(2,173)	23,827	21,247	2,580
Miscellaneous Purchased Services - Transportation	15,000	-	15,000	15,000	-
Transportation Supplies	60,000	(31,016)	28,984	18,836	10,148
Total Student Transportation Services	513,400	(4,752)	508,648	490,032	18,616
Unallocated Employee Benefits					
Social Security Contributions	510,000	48,094	558,094	553,922	4,172
Other Retirement Contributions - PERS	503,155	(3,677)	499,478	499,478	-
Other Retirement Contributions - Deferred PERS Pymt	23,532	1,259	24,791	24,791	-
Unemployment Compensation	85,000	3,000	88,000	87,146	854
Workers Compensation	195,000	(4,223)	190,777	190,777	-
Health Benefits	4,903,850	(477,477)	4,426,373	4,426,373	-
Tuition Reimbursement	40,000	15	40,015	39,264	751
Other Employee Benefits	40,000	4,473	44,473	32,096	12,377
Total Unallocated Employee Benefits	6,300,537	(428,536)	5,872,001	5,853,847	18,154
On-behalf TPAF Pension Contribution (Nonbudgeted)					
Pension Benefit Contribution				788,474	(788,474)
Pension - NCGI Premium				56,727	(56,727)
Post Retirement Medical Benefit Contribution				1,341,760	(1,341,760)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,146,596	(1,146,596)
Total TPAF On-Behalf	-	-	-	3,333,557	(3,333,557)
Total Undistributed Expenditures	17,000,944	485,990	17,486,934	20,239,696	(2,752,762)
Total Current Expenditures	33,711,798	491,358	34,203,156	36,725,900	(2,522,744)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 1-5		28,501	28,501	28,501	-
Grades 6-8		2,001	2,001	2,001	-
Grades 9-12		35,316	35,316	35,316	-
Special Education - Instruction					
Behavioral Disabilities		6,644	6,644	-	6,644
Multiple Disabilities		19,600	19,600	18,000	1,600
Autism		34,955	34,955	33,355	1,600
Preschool Disabilities - Full-Time		-	-	-	-
School Sponsored and Other Instructional Programs		22,880	22,880	22,880	-
Undistributed Expenditures					
Required Maintenance for School Facilities		132,480	132,480	33,625	98,855
Security		16,640	16,640	-	16,640
School Buses - Regular		102,060	102,060	-	102,060
Non-Instructional Equipment	-	147,615	147,615	147,615	-
Total Equipment	-	548,692	548,692	321,293	227,399

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Facilities Acquisition and Construction Services					
Construction Services		\$ 350,000	\$ 350,000		\$ 350,000
Assessment for Debt Service on SDA Funding	\$ 474	-	474	\$ 474	-
Total Facilities Acquisition and Construction Services	474	350,000	350,474	474	350,000
Total Capital Outlay	474	898,692	899,166	321,767	577,399
Total Expenditures	33,712,272	1,390,050	35,102,322	37,047,667	(1,945,345)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(732,000)	(1,240,050)	(1,972,050)	227,865	2,199,915
Other Financing Sources/(Uses)					
Transfers In	-	-	-	6,393	6,393
Total Other Financing Sources/(Uses)	-	-	-	6,393	6,393
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(732,000)	(1,240,050)	(1,972,050)	234,258	2,206,308
Fund Balances, Beginning of Year	3,557,993	-	3,557,993	3,557,993	-
Fund Balances, End of Year	\$ 2,825,993	\$ (1,240,050)	\$ 1,585,943	\$ 3,792,251	\$ 2,206,308
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 618,688	
Maintenance Reserve				373,900	
Tuition Adjustments - 2014/2015				600,000	
Tuition Adjustments - 2013/2014 - Designated for Subsequent Year's Expenditures				600,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				83,723	
Assigned Fund Balance					
Year End Encumbrances				692,028	
Designated for Subsequent Year's Expenditures				48,277	
Unassigned Fund Balance				<u>775,635</u>	
Fund Balance - Budgetary Basis				3,792,251	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(651,217)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,141,034</u>	

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 30,960	-	\$ 30,960	\$ 30,500	\$ (460)
Federal	513,842	\$ 235,936	749,778	664,885	(84,893)
Local	-	119,974	119,974	102,214	(17,760)
Total Revenues	<u>544,802</u>	<u>355,910</u>	<u>900,712</u>	<u>797,599</u>	<u>(103,113)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	167,500	53,446	220,946	217,796	3,150
Other Purchased Services	280,442	33,483	313,925	292,755	21,170
General Supplies	5,650	77,757	83,407	69,757	13,650
Total Instruction	<u>453,592</u>	<u>164,686</u>	<u>618,278</u>	<u>580,308</u>	<u>37,970</u>
Support Services					
Salaries	30,960	48,118	79,078	79,078	-
Other Salaries		25,143	25,143	24,683	460
Purchased Professional Educational Services		-		-	-
Purchased Professional / Technical Services	20,000	1,600	21,600	15,992	5,608
Other Purchased Services	-	26,400	26,400	26,220	180
Supplies and Materials	6,600	4,542	11,142	11,142	-
Other Objects	-	1,031	1,031	1,031	-
Total Support Services	<u>57,560</u>	<u>106,834</u>	<u>164,394</u>	<u>158,146</u>	<u>6,248</u>
Unallocated Benefits					
Personal Services - Employee Benefits	33,650	59,784	93,434	43,539	49,895
Total Unallocated Benefits	<u>33,650</u>	<u>59,784</u>	<u>93,434</u>	<u>43,539</u>	<u>49,895</u>
Facilities Acquisition and Construction					
Instructional Equipment		24,606	24,606	15,606	9,000
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acq. & Construction	<u>-</u>	<u>24,606</u>	<u>24,606</u>	<u>15,606</u>	<u>9,000</u>
Total Expenditures	<u>544,802</u>	<u>355,910</u>	<u>900,712</u>	<u>797,599</u>	<u>103,113</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Ending Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIDGEFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 37,275,532	\$ 797,599
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, 2015		(30,659)
Encumbrances - June 30, 2014 net of cancellations		24,675
State Aid payment recognized for GAAP purposes not recognized for budgetary statements (2013/2014 State Aid)	956,023	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2014/2015 State Aid)	<u>(651,217)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds,	<u>\$ 37,580,338</u>	<u>\$ 791,615</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,047,667	\$ 797,599
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, 2015		(30,659)
Encumbrances - June 30, 2014 net of cancellations	<u>-</u>	<u>24,675</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,047,667</u>	<u>\$ 791,615</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

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

Public Employees Retirement System

**Last Two Fiscal Years*
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06122%	0.05919%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,462,175	\$ 11,312,269
District's Covered-Employee Payroll	\$ 3,897,331	\$ 3,897,331
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	#VALUE!	290.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.52%

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

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

**RIDGEFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

**Last Two Fiscal Years
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 499,478	\$ 451,196
Contributions in Relation to the Contractually Required Contribution	<u>493,478</u>	<u>451,196</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$	\$ 3,897,331
Contributions as a Percentage of Covered-Employee Payroll	#VALUE!	11.58%

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

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

Teachers Pension and Annuity Fund

**Last Two Fiscal Years*
(Dollar amounts in thousands)**

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>82,839,005</u>	<u>82,264,814</u>
Total	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$	\$ 52,051,155
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

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

**RIDGEFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

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

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

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

REVENUES	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Bergen County Workforce</u>	<u>Respite DDD</u>	<u>Local Grants</u>	<u>Total</u>
Intergovernmental										
State								\$ 30,500		\$ 30,500
Federal	\$ 341,460	\$ 7,953	\$ 239,155	\$ 51,431	\$ 17,640	\$ 7,246				664,885
Local	-	-	-	-	-	-	\$ 75,774	-	\$ 26,440	102,214
Total Revenues	<u>\$ 341,460</u>	<u>\$ 7,953</u>	<u>\$ 239,155</u>	<u>\$ 51,431</u>	<u>\$ 17,640</u>	<u>\$ 7,246</u>	<u>\$ 75,774</u>	<u>\$ 30,500</u>	<u>\$ 26,440</u>	<u>\$ 797,599</u>
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 179,790		\$ 13,550		\$ 9,456		\$ 15,000	\$ 217,796
Other Purchased Services	\$ 292,755									292,755
Supplies and Materials	33,099	\$ 7,953	6,990	-	3,482	\$ 6,793	-	-	11,440	69,757
Total Instruction	<u>325,854</u>	<u>7,953</u>	<u>186,780</u>	<u>-</u>	<u>17,032</u>	<u>6,793</u>	<u>9,456</u>	<u>-</u>	<u>26,440</u>	<u>580,308</u>
Support Services										
Salaries							\$ 63,534	\$ 15,544		79,078
Other Salaries			11,245	2,658	419	421		9,940		24,683
Personal Services - Employee Benefits			41,130	\$ 203	189	32		1,985		43,539
Purchased Prof. / Technical Services				15,992						15,992
Purchased Prof. / Educational Services										-
Other Purchased Services				26,220						26,220
Supplies and Materials				6,358			2,784	2,000		11,142
Other Objects	-	-	-	-	-	-	-	1,031	-	1,031
Total Support Services	<u>-</u>	<u>-</u>	<u>52,375</u>	<u>51,431</u>	<u>608</u>	<u>453</u>	<u>66,318</u>	<u>30,500</u>	<u>-</u>	<u>201,685</u>
Facilities Acquisition and Construction										
Instructional Equipment	15,606									15,606
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acq. & Construction	<u>15,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,606</u>
Total Expenditures	<u>\$ 341,460</u>	<u>\$ 7,953</u>	<u>\$ 239,155</u>	<u>\$ 51,431</u>	<u>\$ 17,640</u>	<u>\$ 7,246</u>	<u>\$ 75,774</u>	<u>\$ 30,500</u>	<u>\$ 26,440</u>	<u>\$ 797,599</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, 2015**

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, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Unexpended Balance</u>
Upgrade to Science Labs at High School and Slocum-Skewes School	\$ 2,900,000	\$ 2,422,484	\$ 327,523	\$ 149,993
2014 Referendum-Various Upgrades and Improvements:				
Bergen Boulevard Elementary School	566,250		29,183	537,067
Slocum-Skewes Middle School	1,660,359		178,175	1,482,184
Memorial High School	785,955	-	128,644	657,311
	<u>\$ 5,912,564</u>	<u>\$ 2,422,484</u>	<u>\$ 663,525</u>	<u>\$ 2,826,555</u>
Project Balance, June 30, 2015				\$ 2,826,555
Less: Bonds Authorized but Not Issued				(538)
Add: Reserve for Debt Service				<u>1,238,835</u>
Fund Balance, June 30, 2015 (Budgetary Basis)				4,064,852
Less: Unrealized SDA Grants				<u>(1,070,625)</u>
Fund Balance, June 30, 2015 (GAAP Basis)				<u>\$ 2,994,227</u>

Recapitulation of Fund Balance - June 30, 2015 (GAAP Basis)

Restricted for Debt Service	\$ 1,238,835
Restricted for Capital Projects	
Year End Encumbrances	\$ 2,927,605
Available for Capital Projects	<u>(1,172,213)</u>
Total Restricted for Capital Projects	<u>1,755,392</u>
Total Fund Balance - Capital Projects Fund	<u>\$ 2,994,227</u>

Analysis of Reserve for Debt Service

<u>Issue</u>	<u>Unexpended Bond Proceeds</u>		
	<u>Balance, July 1, 2014</u>	<u>Transfers Out Debt Service Fund</u>	<u>Balance, June 30, 2015</u>
2007 Bonds - Boiler Replacement High School and Elementary Schools	\$ 1,620,835	\$ (382,000)	\$ 1,238,835
	<u>\$ 1,620,835</u>	<u>\$ (382,000)</u>	<u>\$ 1,238,835</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, 2015**

Revenues and Other Financing Sources

Revenues:

Local Sources - Interest	\$ 6,393
State Sources - SDA Grant	1,205,026
Other Financing Sources	
Serial Bonds Issued	<u>1,807,000</u>

Total Revenues and Other Financing sources	<u>3,018,419</u>
--	------------------

Expenditures and Other Financing Uses

Expenditures:

Facilities Acquisition and Construction Services	
Purchased Professional and Technical Services	226,293
Construction Services	124,742
Equipment	261,511
Cost of Issuance	50,979
Other Financing Uses	
Transfer Out General Fund	6,393
Transfer Out Debt Service Fund	<u>382,000</u>

Total Expenditures and Other Financing Uses	<u>1,051,918</u>
---	------------------

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	1,966,501
--	-----------

Fund Balance, Beginning of Year	<u>2,098,351</u>
---------------------------------	------------------

Fund Balance, End of Year	<u>\$ 4,064,852</u>
---------------------------	---------------------

Reconciliation to GAAP Basis

Fund Balance (Budgetary Basis)	4,064,852
--------------------------------	-----------

Less:

Unrealized Revenue (SDA Grant)	<u>(1,070,625)</u>
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Fund Balance (GAAP Basis)	<u>\$ 2,994,227</u>
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**RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
UPGRADE TO SCIENCE LABS AT HIGH SCHOOL AND SLOCUM-SKEWES SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 2,900,000	-	\$ 2,900,000	\$ 2,900,000
Total Revenues and Other Financing Sources	<u>2,900,000</u>	<u>-</u>	<u>2,900,000</u>	<u>2,900,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	391,146	\$ 194	391,340	392,458
Construction Services	1,988,458	65,818	2,054,276	2,202,662
Equipment Purchases		261,511	261,511	262,000
Other Objects - Cost of Issuance	42,880	-	42,880	42,880
Total Expenditures and Other Financing Uses	<u>2,422,484</u>	<u>327,523</u>	<u>2,750,007</u>	<u>2,900,000</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 477,516</u>	<u>\$ (327,523)</u>	<u>\$ 149,993</u>	<u>\$ -</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	9/24/2012
Bonds Authorized	\$ 2,900,000
Bonds Issued	2,900,000
Original Authorized Cost	2,900,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,900,000
Percentage Increase(Decrease) Over Original	
Authorized Cost	0.00%
Percentage Completion	94.83%
Original Target Completion Date	December 31,2013
Revised Target Completion Date	December 31,2015

**RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS UPGRADES AND IMPROVEMENT AT BERGEN BOULEVARD ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	\$ 339,750	\$ 339,750	\$ 339,750
State Sources - SDA Grant	-	226,500	226,500	226,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	-	566,250	566,250	566,250
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	19,601	19,601	57,769
Construction Services	-	-	-	498,899
Other Objects - Cost of Issuance	-	9,582	9,582	9,582
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	29,183	29,183	566,250
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 537,067	\$ 537,067	\$ -

Additional project information:

DOE Project Number	4370-065-14-1003
SDA Project Number	4370-065-14-G3DD
Grant Number	G5-6179
Grant Date	2/24/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 339,750
Bonds Issued	339,750
Original Authorized Cost	566,250
Additional Authorized Cost	-
Revised Authorized Cost	\$ 566,250
Percentage Increase(Decrease) Over Original	
Authorized Cost	0.00%
Percentage Completion	5.15%
Original Target Completion Date	August 24, 2015
Revised Target Completion Date	November 30, 2015

**RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS UPGRADES AND IMPROVEMENT AT SLOCUM-SKEWES MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	\$ 996,215	\$ 996,215	\$ 996,215
State Sources - SDA Grant	-	664,144	664,144	664,144
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	-	1,660,359	1,660,359	1,660,359
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	113,954	113,954	169,390
Construction Services	-	36,124	36,124	1,462,872
Other Objects - Cost of Issuance	-	28,097	28,097	28,097
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	178,175	178,175	1,660,359
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 1,482,184	\$ 1,482,184	\$ -

Additional project information:

DOE Project Number	4370-100-14-1004
SDA Project Number	4370-100-14-G4DD
Grant Number	G6-6179
Grant Date	2/24/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 996,215
Bonds Issued	996,215
Original Authorized Cost	1,660,359
Additional Authorized Cost	-
Revised Authorized Cost	\$ 1,660,359

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	10.73%
Original Target Completion Date	August 24, 2015
Revised Target Completion Date	February 28, 2016

**RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS UPGRADES AND IMPROVEMENT AT MEMORIAL HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	\$ 471,035	\$ 471,035	\$ 471,573
State Sources - SDA Grant	-	314,382	314,382	314,382
	-	785,417	785,417	785,955
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	92,544	92,544	93,484
Construction Services	-	22,800	22,800	679,171
Other Objects - Cost of Issuance	-	13,300	13,300	13,300
	-	128,644	128,644	785,955
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	\$ 656,773	\$ 656,773	\$ -

Additional project information:

DOE Project Number	4370-050-14-1001
SDA Project Number	4370-050-14-GIDD
Grant Number	G4-6179
Grant Date	2/24/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 471,573
Bonds Issued	471,035
Original Authorized Cost	785,955
Additional Authorized Cost	-
Revised Authorized Cost	\$ 785,955

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	16.37%
Original Target Completion Date	August 24, 2015
Revised Target Completion Date	January 31, 2016

ENTERPRISE FUND

SCHEDULE G-1

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

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

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 70,571	\$ 216,031	\$ 286,602
Total Assets	<u>\$ 70,571</u>	<u>\$ 216,031</u>	<u>\$ 286,602</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 210,753	\$ 210,753
Due to Other Funds		5,278	5,278
Due to Student Groups	\$ 70,571	-	70,571
Total Liabilities	<u>\$ 70,571</u>	<u>\$ 216,031</u>	<u>\$ 286,602</u>

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

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, 2015**

	<u>Balance, July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2015</u>
ELEMENTARY SCHOOLS				
Bergen Boulevard		\$ 6,805	\$ 6,393	\$ 412
Shaler Academy		798	500	298
Slocum Avenue	\$ 28,083	109,840	101,883	36,040
	<u>28,083</u>	<u>117,443</u>	<u>108,776</u>	<u>36,750</u>
Total High School	<u>28,083</u>	<u>117,443</u>	<u>108,776</u>	<u>36,750</u>
HIGH SCHOOL				
Student Activities Fund	50,509	172,827	189,765	33,571
Athletic Account	162	34,340	34,252	250
	<u>50,671</u>	<u>207,167</u>	<u>224,017</u>	<u>33,821</u>
Total High School	<u>50,671</u>	<u>207,167</u>	<u>224,017</u>	<u>33,821</u>
Total All Schools	<u>\$ 78,754</u>	<u>\$ 324,610</u>	<u>\$ 332,793</u>	<u>\$ 70,571</u>

**RIDGEFIELD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2015</u>
ASSETS				
Cash	\$ 210,040	\$ 25,356,911	\$ 25,350,920	\$ 216,031
Total Assets	<u>\$ 210,040</u>	<u>\$ 25,356,911</u>	<u>\$ 25,350,920</u>	<u>\$ 216,031</u>
LIABILITIES				
Accrued Salaries and Wages		\$ 14,237,074	\$ 14,237,074	
Payroll Deductions and Withholdings	\$ 181,284	11,124,245	11,094,776	\$ 210,753
Due to Other Funds	<u>28,756</u>	<u>920</u>	<u>24,398</u>	<u>5,278</u>
Total Liabilities	<u>\$ 210,040</u>	<u>\$ 25,362,239</u>	<u>\$ 25,356,248</u>	<u>\$ 216,031</u>

LONG-TERM DEBT

**RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	8/15/2006	\$ 3,240,000	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%	\$ 1,990,000		\$ 215,000	\$ 1,775,000
School Bonds	6/1/2007	5,168,000	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%	3,813,000		230,000	3,583,000

**RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
School Bonds	2/5/2013	\$ 2,900,000	2/1/2016	\$ 175,000	1.50%	\$ 2,735,000	-	\$ 170,000	\$ 2,565,000
			2/1/2017	180,000	1.75%				
			2/1/2018	185,000	2.00%				
			2/1/2019	190,000	2.00%				
			2/1/2020	190,000	2.00%				
			2/1/2021	195,000	2.00%				
			2/1/2022	195,000	2.00%				
			2/1/2023	200,000	2.25%				
			2/1/2024	205,000	2.25%				
			2/1/2025	205,000	2.25%				
			2/1/2026	210,000	2.25%				
			2/1/2027	215,000	3.00%				
			2/1/2028	220,000	3.00%				
			School Bonds	1/28/2015	1,807,000				
2/15/2017	100,000	2.000%							
2/15/2018	100,000	2.000%							
2/15/2019	100,000	2.000%							
2/15/2020	100,000	2.000%							
2/15/2021	100,000	2.000%							
2/15/2022	100,000	2.000%							
2/15/2023	150,000	2.000%							
2/15/2024	150,000	2.125%							
2/15/2025	150,000	2.250%							
2/15/2026	150,000	2.375%							
2/15/2027	132,000	3.000%							
2/15/2028	125,000	3.000%							
2/15/2029	125,000	3.000%							
2/15/2030	125,000	3.000%							
						-	\$ 1,807,000	-	1,807,000
						<u>\$ 8,538,000</u>	<u>\$ 1,807,000</u>	<u>\$ 615,000</u>	<u>\$ 9,730,000</u>

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2015</u>
Lease Purchase Agreements:						
Computers - Apple	5.49%	\$ 70,597	\$ 48,310		\$ 23,510	\$ 24,800
Computers - Dell	5.70%	141,065	<u>70,423</u>	-	<u>34,236</u>	<u>36,187</u>
Grand Total			<u>\$ 118,733</u>	<u>\$ -</u>	<u>\$ 57,746</u>	<u>\$ 60,987</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 300,291		\$ 300,291	\$ 300,291	
State Sources					
State Aid Type II	<u>227,012</u>	<u>-</u>	<u>227,012</u>	<u>227,012</u>	<u>-</u>
Total Revenues	<u>527,303</u>	<u>-</u>	<u>527,303</u>	<u>527,303</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	294,303		294,303	294,303	-
Redemption of Bond Principal	<u>615,000</u>	<u>-</u>	<u>615,000</u>	<u>615,000</u>	<u>-</u>
Total Expenditures	<u>909,303</u>	<u>-</u>	<u>909,303</u>	<u>909,303</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,000)	-	(382,000)	(382,000)	-
Other Financing Sources (Uses)					
Transfers In - Capital Projects Fund	<u>382,000</u>	<u>-</u>	<u>382,000</u>	<u>382,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing 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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment In Capital Assets	\$ 1,755,618	\$ 2,009,581	\$ 2,598,118	\$ 2,864,260	\$ 2,771,021	\$ 2,308,378	\$ 2,167,362	\$ 1,898,855	\$ 2,098,963	\$ 2,212,623
Restricted	511,001	740,343	1,789,015	1,721,668	1,848,072	870,002	830,272	1,400,272	1,851,025	2,192,589
Unrestricted	(129,808)	848,034	914,854	(553,566)	(1,501,274)	(1,121,981)	(604,785)	(255,318)	(11,385,408)	(11,276,955)
Total Governmental Activities Net Position	<u>\$ 2,136,811</u>	<u>\$ 3,597,958</u>	<u>\$ 5,301,987</u>	<u>\$ 4,032,362</u>	<u>\$ 3,117,819</u>	<u>\$ 2,056,399</u>	<u>\$ 2,392,849</u>	<u>\$ 3,043,809</u>	<u>\$ (7,435,420)</u>	<u>\$ (6,871,743)</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 36,180	\$ 40,988	\$ 29,426	\$ 61,717	\$ 47,354	\$ 59,088	\$ 63,381	\$ 51,236	\$ 67,051	\$ 52,441
Restricted										
Unrestricted	256,965	302,476	185,199	151,842	134,686	111,408	187,998	236,657	252,906	276,464
Total Business-Type Activities Net Position	<u>\$ 293,145</u>	<u>\$ 343,464</u>	<u>\$ 214,625</u>	<u>\$ 213,559</u>	<u>\$ 182,040</u>	<u>\$ 170,496</u>	<u>\$ 251,379</u>	<u>\$ 287,893</u>	<u>\$ 319,957</u>	<u>\$ 328,905</u>
District-Wide										
Net Investment In Capital Assets	\$ 1,791,798	\$ 2,050,569	\$ 2,627,544	\$ 2,925,977	\$ 2,818,375	\$ 2,367,466	\$ 2,230,743	\$ 1,950,091	\$ 2,166,014	\$ 2,265,064
Restricted	511,001	740,343	1,789,015	1,721,668	1,848,072	870,002	830,272	1,400,272	1,851,025	2,192,589
Unrestricted	127,885	1,150,510	1,100,053	(401,724)	(1,366,588)	(1,010,573)	(416,787)	(18,661)	(11,132,502)	(11,000,491)
Total District Net Position	<u>\$ 2,430,684</u>	<u>\$ 3,941,422</u>	<u>\$ 5,516,612</u>	<u>\$ 4,245,921</u>	<u>\$ 3,299,859</u>	<u>\$ 2,226,895</u>	<u>\$ 2,644,228</u>	<u>\$ 3,331,702</u>	<u>\$ (7,115,463)</u>	<u>\$ (6,542,838)</u>

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

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

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,235,060	\$ 10,381,117	\$ 11,183,823	\$ 11,539,699	\$ 12,229,676	\$ 11,629,767	\$ 11,620,884	\$ 12,483,389	\$ 12,122,395	\$ 13,905,168
Special Education	11,336,723	10,379,912	9,403,687	9,648,755	10,102,596	9,477,065	8,577,703	10,143,827	10,821,587	11,413,437
Other Special Education	331,081	389,110	348,026	511,354	506,271	504,255	342,974	504,280	480,261	578,320
School Sponsored Activities And Athletics	833,484	946,344	1,037,381	1,021,802	919,972	827,881	793,052	825,877	742,480	728,119
Support Services:										
Student & Instruction Related Services	1,885,831	4,143,045	4,787,597	4,744,142	5,175,075	4,996,536	5,280,939	5,255,119	5,324,929	7,140,043
General Administration	829,527	1,012,135	900,734	900,900	866,824	969,508	1,058,584	798,885	929,529	1,121,078
School Administrative Services	1,253,410	1,245,287	1,289,729	1,326,009	1,166,252	1,170,561	1,547,355	1,207,722	1,447,400	2,003,753
Central and Other Support Services	574,169	563,875	625,734	652,208	640,569	648,492	688,824	774,518	796,983	882,660
Plant Operations And Maintenance	2,939,241	2,822,954	3,120,271	3,316,921	3,389,902	3,158,703	3,293,947	3,123,932	3,476,968	3,343,003
Pupil Transportation	312,662	592,762	767,661	787,212	820,703	762,056	579,360	555,123	632,085	605,601
Interest on long-term debt	52,932	172,534	361,344	332,069	347,694	341,950	306,829	312,560	303,418	315,406
Total Governmental Activities Expenses	30,584,120	32,649,075	33,825,987	34,781,071	36,165,534	34,486,774	34,090,451	35,985,232	37,078,035	42,036,588
Business-Type Activities:										
Food service	620,288	632,663	748,060	681,243	647,835	642,297	651,540	680,824	718,142	689,261
Saturday Happenings	261,265	271,207	314,875	299,513	276,291	299,322	257,443	266,953	271,238	278,432
OT/PT Services	542,587	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	1,424,140	903,870	1,062,935	980,756	924,126	941,619	908,983	947,777	989,380	967,693
Total District Expenses	\$ 32,008,260	\$ 33,552,945	\$ 34,888,922	\$ 35,761,827	\$ 37,089,660	\$ 35,428,393	\$ 34,999,434	\$ 36,933,009	\$ 38,067,415	\$ 43,004,281
Program Revenues										
Governmental Activities:										
Charges for services:										
Instruction	\$ 15,575,370	\$ 13,768,221	\$ 12,396,054	\$ 10,452,020	\$ 11,125,220	\$ 9,979,380	\$ 9,043,240	\$ 9,909,016	\$ 10,577,992	\$ 10,313,918
Support Services	-	1,363,266	1,291,377	1,353,786	1,291,991	1,175,479	1,314,414	1,500,875	1,586,942	1,723,247
Operating grants and contributions	3,606,499	4,649,095	4,811,487	4,204,766	4,762,237	4,425,879	4,981,642	5,547,823	5,111,328	9,530,959
Capital grants and contributions	-	-	-	-	-	36,216	-	4,088	73,769	202,000
Total Governmental Activities Program Revenues	19,181,869	19,780,582	18,498,918	16,010,572	17,179,448	15,616,954	15,339,296	16,961,802	17,350,031	21,770,124
Business-Type Activities:										
Charges for services										
Food Service	470,038	469,163	471,974	463,676	459,671	431,919	412,146	392,740	413,430	693,693
Saturday Happenings	300,902	344,793	277,649	256,181	232,184	281,527	327,306	325,861	332,382	282,256
OT/PT Services	580,075	-	-	-	-	-	-	-	-	-
Operating grants and contributions	158,282	162,460	172,195	184,598	200,305	215,745	249,531	264,850	274,770	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	1,509,297	976,416	921,818	904,455	892,160	929,191	988,983	983,451	1,020,582	975,949
Total District Program Revenues	\$ 20,691,166	\$ 20,756,998	\$ 19,420,736	\$ 16,915,027	\$ 18,071,608	\$ 16,546,145	\$ 16,328,279	\$ 17,945,253	\$ 18,370,613	\$ 22,746,073

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	\$ (11,402,251)	\$ (12,868,493)	\$ (15,327,069)	\$ (18,770,499)	\$ (18,986,086)	\$ (18,869,820)	\$ (18,751,155)	\$ (19,023,430)	\$ (19,728,004)	\$ (20,266,464)
Business-Type Activities	85,157	72,546	(141,117)	(76,301)	(31,966)	(12,428)	80,000	35,674	31,202	8,256
Total District-Wide Net Expense	\$ (11,317,094)	\$ (12,795,947)	\$ (15,468,186)	\$ (18,846,800)	\$ (19,018,052)	\$ (18,882,248)	\$ (18,671,155)	\$ (18,987,756)	\$ (19,696,802)	\$ (20,258,208)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 11,802,059	\$ 12,826,957	\$ 14,585,870	\$ 15,327,225	\$ 15,765,032	\$ 16,830,993	\$ 17,509,863	\$ 17,860,060	\$ 18,367,261	\$ 18,734,606
Taxes levied for debt service			590,070	256,775	42,772	75,437	75,437	74,667	301,212	300,291
Unrestricted aid and contributions	1,190,484	1,251,045	1,389,727	1,826,986	2,097,125	867,729	1,340,168	1,613,884	1,656,830	1,697,776
Investment earnings	90,519	200,404	220,762	81,471	37,028	33,847	18,851	26,893	29,366	17,736
Miscellaneous income	111,126	162,993	244,669	83,013	129,596	68,183	143,286	98,886	206,375	79,732
Transfers	-	15,253	-	(74,596)	-	-	-	-	-	-
Special Items	-	(127,012)	-	-	-	-	-	-	-	-
Total Governmental Activities	13,194,188	14,329,640	17,031,098	17,500,874	18,071,553	17,876,189	19,087,605	19,674,390	20,561,044	20,830,141
Business-Type Activities:										
Investment earnings	7,307	7,532	12,278	639	447	884	883	840	862	692
Transfers	-	(15,253)	-	74,596	-	-	-	-	-	-
Special Items	-	(14,506)	-	-	-	-	-	-	-	-
Total Business-Type Activities	7,307	(22,227)	12,278	75,235	447	884	883	840	862	692
Total District-Wide	\$ 13,201,495	\$ 14,307,413	\$ 17,043,376	\$ 17,576,109	\$ 18,072,000	\$ 17,877,073	\$ 19,088,488	\$ 19,675,230	\$ 20,561,906	\$ 20,830,833
Change In Net Position										
Governmental Activities	\$ 1,791,937	\$ 1,461,147	\$ 1,704,029	\$ (1,269,625)	\$ (914,533)	\$ (993,631)	\$ 336,450	\$ 650,960	\$ 833,040	\$ 563,677
Business-Type Activities	92,464	50,319	(128,839)	(1,066)	(31,519)	(11,544)	80,883	36,514	32,064	8,948
Total District	\$ 1,884,401	\$ 1,511,466	\$ 1,575,190	\$ (1,270,691)	\$ (946,052)	\$ (1,005,175)	\$ 417,333	\$ 687,474	\$ 865,104	\$ 572,625

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 601,653	\$ 1,341,791	\$ 1,798,000	\$ 2,205,137	\$ 1,952,850					
Unreserved	450,672	764,418	1,402,397	(83,880)	(96,900)					
Restricted						\$ 870,001	\$ 830,001	\$ 1,414,615	\$ 1,949,361	\$ 2,276,311
Committed						74,570		299,677		
Assigned						319,314	557,523	257,017	487,665	740,305
Unassigned	-	-	-	-	-	197,371	106,068	89,035	164,944	124,418
Total General Fund	<u>\$ 1,052,325</u>	<u>\$ 2,106,209</u>	<u>\$ 3,200,397</u>	<u>\$ 2,121,257</u>	<u>\$ 1,855,950</u>	<u>\$ 1,461,256</u>	<u>\$ 1,493,592</u>	<u>\$ 2,060,344</u>	<u>\$ 2,601,970</u>	<u>\$ 3,141,034</u>
All Other Governmental Funds										
Reserved	\$ 2,326,000	\$ 1,945,460	\$ 28,731		\$ 3,120,895					
Unreserved	(2,254,714)	3,777,661	3,442,818	\$ 3,488,562	1					
Restricted						\$ 2,745,896	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 71,286</u>	<u>\$ 5,723,121</u>	<u>\$ 3,471,549</u>	<u>\$ 3,488,562</u>	<u>\$ 3,120,896</u>	<u>\$ 2,745,896</u>	<u>\$ 2,371,106</u>	<u>\$ 4,619,191</u>	<u>\$ 2,098,351</u>	<u>\$ 2,994,228</u>

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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.

Source: District financial statements

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

Fiscal Year Ended June 30.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 11,802,059	\$ 12,826,957	\$ 15,175,940	\$ 15,584,000	\$ 15,807,804	\$ 16,906,430	\$ 17,585,300	\$ 17,934,727	\$ 18,668,473	\$ 19,034,897
Tuition Charges	14,584,341	13,711,452	12,587,185	10,478,751	10,659,427	10,385,049	9,005,163	9,951,375	10,519,040	10,385,640
Interest Earnings	90,519	200,404	220,762	81,471	37,028	33,847	18,851	26,893	29,366	11,343
Miscellaneous	959,253	1,496,072	1,446,235	1,590,702	1,468,268	1,262,749	1,549,270	1,702,865	1,839,884	1,934,739
State Sources	4,307,700	5,306,365	5,437,833	5,333,710	5,478,481	4,590,880	5,524,738	6,422,989	6,046,248	7,007,392
Federal Sources	460,776	571,865	745,626	679,607	1,348,625	707,914	705,983	634,952	741,077	666,039
Total Revenue	32,204,648	34,113,115	35,613,581	33,748,241	34,799,633	33,886,869	34,389,305	36,673,801	37,844,088	39,040,050
Expenditures										
Instruction										
Regular Instruction	10,172,090	10,612,628	11,254,872	11,525,984	12,175,896	11,642,240	11,658,685	12,408,824	11,952,495	12,129,537
Special Education Instruction	11,268,848	10,299,324	9,391,724	9,571,510	10,080,512	9,481,981	8,555,317	10,125,834	10,805,134	10,401,121
Other Special Instruction	329,035	397,919	341,051	507,951	504,636	505,615	342,974	504,280	479,365	505,703
School Sponsored Activities And Athletics	829,184	965,900	1,037,381	1,003,167	919,972	827,881	793,052	825,877	741,446	720,468
Support Services:										
Tuition										
Student & Inst. Related Services	1,865,105	4,531,735	4,764,558	4,715,888	5,177,410	4,997,547	5,267,986	5,252,661	5,309,257	6,496,514
General Administration	827,467	1,018,610	900,734	906,105	845,869	965,461	1,078,106	744,567	926,596	1,081,292
School Administrative Services	1,245,492	1,261,352	1,279,096	1,300,642	1,158,827	1,152,742	1,661,255	1,209,466	1,418,902	1,757,901
Central and Other Support Services	570,990	577,122	603,271	672,759	640,569	648,492	688,151	773,845	795,627	845,270
Plant Operations And Maintenance	2,651,841	2,584,379	2,863,855	2,916,653	2,998,364	2,755,895	2,890,789	2,755,021	2,971,328	2,911,056
Pupil Transportation	273,417	587,070	759,347	732,629	798,217	728,805	540,152	530,473	608,157	580,340
Employee Benefits										
Capital Outlay	319,704	2,761,436	2,196,322	317,012	353,009	46,369	309,901	443,480	2,842,862	1,009,193
Debt Service:										
Principal	607,172	622,568	951,322	418,147	421,563	566,319	631,647	1,057,286	649,299	672,746
Interest And Other Charges	52,337	36,941	427,432	331,069	322,759	337,216	313,744	296,132	322,833	300,969
Bond Issuance Costs		84,635	-	-	-	-	42,880			
Total Expenditures	31,012,682	36,341,619	36,770,965	34,919,516	36,397,603	34,656,563	34,731,759	36,970,626	39,823,301	39,412,110
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	1,191,966	(2,228,504)	(1,157,384)	(1,171,275)	(1,597,970)	(769,694)	(342,454)	(296,825)	(1,979,213)	(372,060)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	66,888			183,744	21,047					
Lease Purchase Proceeds (Non-Budgeted)					443,950			211,662		
Sale and Lease Back Proceeds					500,000					
Bond Proceeds		8,408,000						2,900,000		1,807,000
Transfers In	7,516	47,246	308,541	40,843	384,305	387,470	382,792	383,755	383,166	388,393
Transfers Out	(7,516)	(32,023)	(308,541)	(115,439)	(384,305)	(387,470)	(382,792)	(383,775)	(383,166)	(388,393)
Total Other Financing Sources (Uses)	66,888	8,423,223	-	109,148	964,997	-	-	3,111,642	-	1,807,000
Net Change In Fund Balances	\$ 1,258,854	\$ 6,194,719	\$ (1,157,384)	\$ (1,062,127)	\$ (632,973)	\$ (769,694)	\$ (342,454)	\$ 2,814,817	\$ (1,979,213)	\$ 1,434,940
Debt Service As A Percentage Of										
Noncapital Expenditures	2.15%	1.96%	3.99%	2.17%	2.07%	2.61%	2.75%	3.71%	2.63%	2.54%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest Earned</u>	<u>Tuition</u>	<u>One to One Aides</u>	<u>Rentals</u>	<u>OT/PT Fees</u>	<u>Prior Year Refunds</u>	<u>Voided Payroll Checks</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2012	11,119	9,005,163	832,195		482,700	16,876		126,410	10,474,463
2013	18,138	9,951,375	947,345	5,000	548,779	35,668		58,219	11,564,524
2014	21,200	10,519,040	997,607	5,050	581,300	6,039		195,286	12,325,522
2015	11,343	10,385,640	1,104,329	28,595	642,520	33,168		17,969	12,223,564

Source: District financial statements

**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.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (%)
2006	\$ 67,575,500	\$ 1,242,297,800			\$ 241,539,500	\$ 231,860,300	\$ 66,588,800	\$ 1,849,861,600	\$ 1,284,360	\$ 1,851,145,960	\$ 1,721,495,199	\$ 0.6650
2007	66,466,100	1,246,000,800			241,130,900	231,860,300	66,588,800	1,852,046,900	1,296,169	1,853,343,069	1,900,536,662	0.7600
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	0.8250
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	0.8520
2010	62,805,500	1,262,052,700			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
2012	66,640,500	965,065,000			231,804,700	217,862,300	67,803,300	1,549,175,800	1,465,708	1,550,641,508	1,694,353,610	1.1460
2013	66,375,300	968,920,400			230,396,000	217,362,300	67,803,300	1,550,857,300	1,428,962	1,552,286,262	1,802,638,944	1.1800
2014	66,647,700	969,087,300			228,534,300	241,862,300	67,803,300	1,573,934,900	972,615	1,574,907,515	1,840,932,433	1.1970
2015	67,049,100	971,054,400			207,532,400	229,677,300	67,803,300	1,543,116,500	972,615	1,544,089,115	1,749,024,041	1.2520

Source: County Abstract of Ratables

N/A = Not Available

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Ridgefield Local School District	Municipality of Ridgefield	Municipal Library	County of Bergen	
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
2012	1.146	0.578	\$ 0.039	0.239	2.002
2013	1.180	0.590	0.040	0.270	2.080
2014	1.197	0.591	0.038	0.273	2.099
2015	1.252	0.604	0.038	0.270	2.164

Source: County Abstract of Ratables

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Ratner/NY Urban LLC	\$ 35,068,600	2.27%	\$ 34,888,700	1.88%
PSEG Power LLC	33,693,400	2.18%	34,678,500	1.87%
Hudson Transmission Partners	25,786,500	1.67%		0.00%
Genzyme Biosurgery	22,936,400	1.49%		0.00%
FNL Realty LP	19,532,000	1.26%	20,089,500	1.09%
CSX		0.00%	20,336,500	1.10%
Ridgefield Industrial LLC	18,158,900	1.18%	21,026,500	1.14%
DCT 101 RRNJ LLC	17,837,300	1.16%		0.00%
Ridgefield Holding Corp.	17,707,700	1.15%	24,835,600	1.34%
PSEG Fossil LLC	17,000,500	1.10%	18,000,000	0.97%
Plastic Specialties & Tech. Inc.	-	0.00%	14,483,100	0.78%
Burling Associates/Ridgefield Gardens	16,745,000	1.08%		0.00%
	<u>\$ 224,466,300</u>	<u>14.54%</u>	<u>\$ 188,338,400</u>	<u>10.17%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2011	16,906,430	16,906,430	100.00%	N/A
2012	17,585,300	17,585,300	100.00%	N/A
2013	17,934,727	17,934,727	100.00%	N/A
2014	18,668,473	18,668,473	100.00%	N/A
2015	19,034,897	19,034,897	100.00%	N/A

Source: District records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Lease Purchase Agreements	Sale/Leaseback Contracts			
2006		\$ 1,306,481			\$ 1,306,481	10,835	\$ 121
2007	\$ 8,408,000	683,913			9,091,913	10,767	844
2008	8,098,000	42,591			8,140,591	10,782	755
2009	7,758,000	13,939	\$ 134,249		7,906,188	10,807	732
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	11,054	713
2012	6,633,000	8,785	229,046	380,825	7,251,656	11,140	651
2013	9,128,000	4,621	173,411		9,306,032	11,183	832
2014	8,538,000		118,733		8,656,733	11,238	770
2015	9,730,000		60,987		9,790,987	11,289	867

104

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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
2012	6,633,000	2,371,106	4,261,894	0.27%	384
2013	9,128,000	1,996,106	7,131,894	0.46%	636
2014	8,538,000	1,620,835	6,917,165	0.44%	617
2015	9,730,000	1,238,835	8,491,165	0.55%	752

Source: District records

RIDGEFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(Unaudited)

	<u>Total Debt</u>
Municipal Debt: (1)	
Ridgefield Board of Education (as of June 30, 2015)	\$ 9,730,538
Borough of Ridgefield	<u>13,638,579</u>
	<u>23,369,117</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	10,587,530
Bergen County Utilities Authority -	
Water Pollution (B)	<u>5,751,880</u>
	<u>16,339,410</u>
Total Direct and Overlapping Debt	<u>\$ 39,708,527</u>

Source:

(1) Borough's 2014 Annual Debt Statement

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2012 1,787,648,050
	2013 1,801,018,813
	2014 1,770,654,629
	<u>\$ 5,359,321,492</u>
Average equalized valuation of taxable property	<u>\$ 1,786,440,497</u>
Debt limit (4% of average equalization)	
Total Net Debt Applicable to Limit	\$ 71,457,620
Legal debt margin	<u>9,730,538</u>
	<u>\$ 61,727,082</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 62,261,674	\$ 68,568,911	\$ 75,369,383	\$ 81,781,841	\$ 84,759,616	\$ 81,651,052	\$ 76,660,344	\$ 72,449,453	\$ 72,032,894	\$ 71,457,620
Total net debt applicable to limit	<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>	<u>6,633,000</u>	<u>9,128,000</u>	<u>8,538,000</u>	<u>9,730,538</u>
Legal debt margin	<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>	<u>\$ 70,027,344</u>	<u>\$ 63,321,453</u>	<u>\$ 63,494,894</u>	<u>\$ 61,727,082</u>
Total net debt applicable to the limit as a percentage of debt limit	5.20%	12.26%	10.74%	9.49%	8.73%	8.60%	8.65%	12.60%	11.85%	13.62%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	10,835	\$ 63,103	3.70%
2007	10,767	67,554	3.30%
2008	10,782	67,331	4.40%
2009	10,807	63,874	7.80%
2010	10,880	63,885	8.00%
2011	11,054	67,248	7.90%
2012	11,140	69,281	8.00%
2013	11,182	69,495	9.70%
2014	11,238	69,495 (E)	5.40% (E)
2015	11,289	69,495 (E)	5.40% (E)

Source: New Jersey State Department of Education

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

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction	392	326	290	293	287	240	244	235	240	239
Support Services:										
Student & instruction related services	18	48	58	58	58	53	49	61	61	63
General administration	2	2	2	2	2	2	2	2	3	5
School administrative services	9	13	10	10	9	10	9	9	12	13
Central and other support services	8	9	7	7	6	7	6	7	7	8
Plant operations and maintenance	19	21	20	20	19	17	18	15	17	17
Pupil transportation	9	9	9	9	8	7	7	8	7	7
Saturday Happenings	34	34	34	34	34	34	34	13	13	14
OT/PT Services	6	-	-	-	-	-	13	14	14	14
Total	<u>497</u>	<u>462</u>	<u>431</u>	<u>433</u>	<u>423</u>	<u>370</u>	<u>382</u>	<u>364</u>	<u>374</u>	<u>380</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
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%
2012	1,798.5	33,476,467	18,614	1.19%	193	1:5.9	1:7.7	1,855.1	1,745.2	-1.38%	94.08%
2013	1,786.0	35,130,848	19,670	5.68%	196	1:9.6	1:8.8	1,805.9	1,693.5	-2.65%	93.78%
2014	1,733.0	36,008,307	20,778	5.63%	197	1:10.4	1:6.6	1,766.6	1,672.3	-2.18%	94.66%
2015	1,774.0	37,429,202	21,099	1.54%	198	1:10.15	1:9.3	1,754.0	1,635.0	-0.71%	93.22%

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 TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Shaler Academy (Leased)										
Square Feet	17,708	17,708	17,708	17,708	33,042	33,042	33,042	33,042	33,042	33,042
Capacity (students)	225	225	225	225	225	225	225	225	225	225
Enrollment	186	222	174	182	181	168	178	193	201	180
Bergen Boulevard School										
Square Feet	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125
Capacity (students)	325	325	325	325	325	325	325	325	325	325
Enrollment	263	230	246	208	190	200	199	216	213	231
Slocum/Skewes School										
Square Feet	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107
Capacity (students)	875	875	875	875	875	875	875	875	875	875
Enrollment ^a	946	990	915	891	875	828	802	790	793	766
<u>High School</u>										
Square Feet	87,850	87,850	87,850	87,850	87,850	87,850	87,850	87,850	87,850	87,850
Capacity (students)	725	725	725	725	725	725	725	725	725	725
Enrollment	685	741	668	665	666.5	636.5	619.5	587	562	555

Number of Schools at June 30, 2015
 Elementary = 3
 High School = 1

Source: District Records

N/A = Not Available

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

	Project # (s)	Gross Building Area (SF)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
*School Facilities												
Ridgefield Memorial High	N/A	87,850	\$ 113,285	\$ 169,518	\$ 195,648	\$ 197,218	\$ 199,013	\$ 153,789	\$ 153,179	\$ 155,662	\$ 186,741	\$ 179,726
Bergen Boulevard School	N/A	28,125	35,920	54,271	62,636	63,139	63,714	49,235	49,040	49,835	59,785	57,539
Shaler Academy	N/A	33,042	24,867	34,170	39,437	39,753	74,853	57,843	57,614	58,547	70,237	67,598
Slocum/Skewes School	N/A	80,107	102,234	154,576	178,403	179,834	181,472	140,235	139,678	141,942	170,282	163,886
Grand Total			\$ 276,306	\$ 412,535	\$ 476,124	\$ 479,944	\$ 519,052	\$ 401,102	\$ 399,511	\$ 405,986	\$ 487,045	\$ 468,749

Source: District Records

**RIDGEFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Property - Blanket Buildings & Contents	\$ 31,995,013	\$ 5,000
Property - Extra Expense	5,000,000	
Comprehensive General Liability	\$1,000,000 per occurrence/ \$2,000,000 Aggregate	
Auto Liability	1,000,000	
School Leaders Liability	1,000,000	10,000
School Leaders Liability (CAP)	50,000,000	
Excess Liability	9,000,000	
Environmental Liability	\$2,000,000 per loss/ \$4,000,000 Aggregate	15,000
Workers Compensation	Statutory	
Student Accident	5,000,000	
Comprehensive Crime Coverage		
Employee Dishonesty	100,000	5,000
Computer Fraud	50,000	
Forgery and Alteration	50,000	
Surety Bonds		
Business Administrator	250,000	
Assistant Business Administrator	250,000	

Source: School District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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JEFFREY C. BLISS, CPA, RMA, PSA
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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Ridgefield Board of Education's basic financial statements and have issued our report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 that we consider to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ridgefield Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002 and 2015-003.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 27, 2015.

Ridgefield Board of Education's Responses to Findings

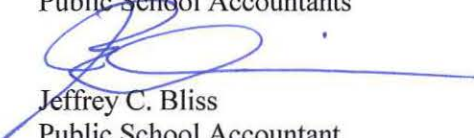
The Ridgefield Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Ridgefield Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements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

Purpose of this Report

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

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 27, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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 15-08 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, 2015. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ridgefield Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Ridgefield Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Ridgefield Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2015-004. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Ridgefield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgefield Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Board of Education's internal control over compliance.

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

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

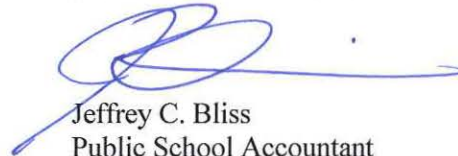
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 27, 2015, which contained unmodified opinions. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 27, 2015

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014			Unearned Revenue Carryover Amount and Transfers	Account Receivable Carryover Amount and Transfers	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Balance, June 30, 2015			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
Enterprise Fund:																
National School Breakfast Program																
Cash Assistance	10.553	N/A	7/1/14-6/30/15	\$ 37,760					\$ 34,708	\$ 37,760		\$ (3,052)			\$ (3,052)	
Cash Assistance			7/1/13-6/30/14	32,541	(2,738)				2,738							
National School Lunch Program																
Non-Cash Assistance	10.555	N/A	7/1/14-6/30/15	28,381					28,381	27,508		\$ 873				
Cash Assistance	10.555	N/A	7/1/14-6/30/15	209,478					195,010	209,478		(14,468)			(14,468)	
Cash Assistance	10.555	N/A	7/1/13-6/30/14	200,261	(14,033)				14,033							
Total U.S. Department of Agriculture					(16,771)				274,870	274,746		(17,520)	873		(17,520)	
U.S. Department of Education																
Passed-through State Department of Education																
SPECIAL REVENUE FUND																
NCLB																
Title I	84.010A	NCLBCV-140300	7/1/14-6/30/15	224,893			\$ 19,895	\$ (19,895)	151,656	239,155		(93,132)	\$ 5,633		(87,499)	
Title I	84.010A	NCLBCV-140300	7/1/13-6/30/14	235,868	(104,851)	\$ 19,895	\$ 7,048	(19,895)	19,895	84,956			\$ 7,048			
Title II, Part A	84.367A	NCLBCV-140300	7/1/14-6/30/15	57,219					34,449	51,431		(22,770)	5,788		(16,982)	
Title II, Part A	84.367A	NCLBCV-140300	7/1/13-6/30/14	55,322	(886)		2,590		886					2,590		
Title III	84.365A	NCLBCV-140300	7/1/14-6/30/15	20,974					12,314	17,640		(8,660)	3,334		(5,326)	
Title III	84.365A	NCLBCV-140300	7/1/13-6/30/14	20,091	(5,204)				5,204							
Title III Immigrant	84.365A	NCLBCV-140300	7/1/14-6/30/15	9,063					4,302	7,246		(4,761)	1,817		(2,944)	
Title III Immigrant	84.365A	NCLBCV-140300	7/1/13-6/30/14	7,961	(398)				398							
I.D.E.A. Part B, Basic Regular	84.027	FT-100002	7/1/14-6/30/15	361,483				1,750	(1,750)	147,468	341,460	(215,765)	21,773		(193,992)	
I.D.E.A. Part B, Basic Regular	84.027	FT-100002	7/1/13-6/30/14	318,825	(79,935)	1,896		(1,750)	1,750	78,527				488		
I.D.E.A. Part B, Preschool	84.173	PS-100005	7/1/14-6/30/15	19,147						7,953		(19,147)	11,194		(7,953)	
I.D.E.A. Part B, Preschool	84.173	PS-100005	7/1/13-6/30/14	18,865	(18,641)	13			18,641					13		
Community Oriented Policing Svc	16.000	N/A	9/1/09-8/31/14	98,000	(46,188)				46,188							
Total Special Revenue Fund					(256,103)	21,804	9,638		584,989	664,885		(364,235)	49,539	10,139	(314,696)	
Total U.S. Department of Education					(256,103)	21,804	9,638		584,989	664,885		(364,235)	49,539	10,139	(314,696)	
U.S. Department of Health and Human Services																
General Fund:																
Medicaid Assistance Program	93.778	N/A	7/1/14-6/30/15	4,704					4,704	4,704						
Total Federal Awards					\$ (272,874)	\$ 21,804	\$ 9,638	\$ -	\$ -	\$ 864,563	\$ 944,335	\$ -	\$ (381,755)	\$ 50,412	\$ 10,139	\$ (332,216)

RIDGEFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2015			Memo	
								(Accounts Receivable) June 30, 2015	Unearned Revenue June 30, 2015	Due to Grantor June 30, 2015	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
Current Expense:												
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 1,498,795		\$ 1,355,514	\$ 1,498,795		\$ (143,281)				\$ 1,498,795
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	1,498,795	\$ (143,290)	143,290							-
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	17,753		16,056	17,753		(1,697)				17,753
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	17,753	(1,721)	1,721							-
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	965,221		872,948	965,221		(92,273)				965,221
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	965,221	(93,567)	93,567							-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	42,414		38,359	42,414		(4,055)				42,414
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	42,414	(4,112)	4,112							-
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	39,123		10,622	11,745		(1,123)				11,745
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	11,745	(1,138)	1,138							-
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	14,910		13,485	14,910		(1,425)				14,910
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	14,910		13,485	14,910		(1,425)				14,910
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	405,938			405,938		(405,938)				405,938
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	710,195	(710,195)	717,610							7,415
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	1,146,596		1,092,080	1,146,596		(54,516)			\$ (54,516)	1,146,596
On-Behalf TPAF												-
Pension Benefit Cost	15-495-034-5094-006	7/1/14-6/30/15	788,474		788,474	788,474						788,474
Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	56,727		56,727	56,727						56,727
Post Retire. Medical	15-495-034-5094-001	7/1/14-6/30/15	1,341,760		1,341,760	1,341,760						1,341,760
Total General Fund				(956,025)	6,562,948	6,312,658	-	(705,733)	-	-	(54,516)	6,312,658
Special Revenue:												
Respite (NJ DHS/DDD)	01BURN	7/1/14/6/30/15	30,960		30,960	30,500				\$ 460		30,500
Respite (NJ DHS/DDD)	01BURN	7/1/13-6/30/14	35,123	2,063							2,063	-
Respite (NJ DHS/DCF)	01BURN	1/1/13-6/30/13	4,128	366							366	-
Total Special Revenue Fund				2,429	30,960	30,500	-	-	-	2,889	-	30,500
Capital Projects:												
SDA - Various Upgrades HS	4370-050-14-G3DC-00	7/1/14/6/30/15	314,382			51,458		(314,382)	262,924		(314,382)	51,458
SDA - Various Upgrades BB	4370-065-14-G3DD-00	7/1/14/6/30/15	226,500			11,673		(226,500)	214,827		(226,500)	11,673
SDA - Various Upgrades SS	4370-100-14-G3DE-00	7/1/14/6/30/15	664,144			71,270		(664,144)	592,874		(664,144)	71,270
Total Capital Projects Fund				-	-	134,401	-	(1,205,026)	1,070,625	-	(1,205,026)	134,401
Debt Service Fund												
Type II Debt Service Aid	15-495-034-5120-075	7/1/14/6/30/15	227,012		227,012	227,012						227,012
State Department of Agriculture												
Enterprise Funds:												
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	7,067		6,601	7,067		(466)			\$ (466)	7,067
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	7,623	(490)	933	443						443
Total Enterprise Funds				(490)	7,534	7,510	-	(466)	-	-	(466)	7,510
Total State Financial Assistance				(954,084)	6,828,454	6,712,081	-	(1,911,225)	1,070,625	2,889	(1,260,008)	6,712,081
State Financial Assistance												
Not Subject to single Audit Determination												
General Fund												
On-Behalf TPAF Pension System Contributions (NCGI)	15-495-034-5094-006	7/1/14-6/30/15	788,474		(788,474)	(788,474)						(788,474)
On-Behalf Pension												
NGGI Premium	15-495-034-5094-007	7/1/14-6/30/15	56,727		(56,727)	(56,727)						(56,727)
On-Behalf TPAF Post-Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	1,341,760		(1,341,760)	(1,341,760)						(1,341,760)
Total State Financial Assistance Subject to Single Audit				\$ (954,084)	\$ 4,641,493	\$ 4,525,120	\$ -	\$ (1,911,225)	\$ 1,070,625	\$ 2,889	\$ (1,260,008)	\$ 4,525,120

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 \$304,806 for the general fund and a decrease of \$5,984 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 4,704	\$ 6,617,464	\$ 6,622,168
Special Revenue Fund	661,635	28,515	690,150
Capital Projects Fund		134,401	134,401
Debt Service Fund		227,012	227,012
Food Service Fund	<u>274,746</u>	<u>7,510</u>	<u>282,256</u>
Total Financial Assistance	<u>\$ 941,085</u>	<u>\$ 7,014,902</u>	<u>\$ 7,955,987</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, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,146,596 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$845,201 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,341,760 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

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

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

1) Material weakness(es) identified: _____ yes X no

2) Significant deficiencies identified not considered to be material weakness(es)? _____ yes X none reported

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

Unmodified

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

_____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5094-003</u>	<u>TPAF Social Security</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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.

Finding 2015-001:

Cash balances reported in the Board Secretary's monthly report for the General and Capital Project Funds for June 30, 2015 were not in agreement with the supporting bank account reconciliations.

Criteria or specific requirement:

State Department of Education's GAAP Technical Systems Manual, Generally Accepted Accounting Principles.

Condition:

Bank account reconciliation balances were not verified to the monthly Board Secretary's report and related records.

Questioned Costs:

None. Adjustments have been made to the financial statements.

Context:

The general ledger cash account balances were not in agreement with the bank account reconciliation balances for several months during the year for both the General and Capital Project Funds.

Effect:

Various financial statement balances were over (under) stated at June 30, 2015.

Recommendation:

Internal controls over financial reporting be reviewed and enhanced to ensure cash balances reflected on the Board Secretary's report are reconciled to the respective bank account reconciliation balances on a monthly basis.

View of Responsible Officials and Planned Corrective Action Plan:

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

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2015-002

With respect to our review of the Capital Projects Fund and the related referendum projects revealed the following:

- Expenditures for bond sale costs for the 2014 referendum project were incorrectly reported as General Fund expenditures.
- The District approved a resolution during the school year for a withdrawal from the capital reserve to supplement the 2014 referendum project.
- Encumbrances charged to the 2013 referendum project and 2014 referendum project were determined to be General Fund Capital Outlay project expenditures. Audit adjustments were made to reclassify these encumbrances.
- The 2014 referendum project was overencumbered as of June 30, 2015 by approximately \$146,000.

Criteria or specific requirement

GAAP Technical Systems Manual; NJAC 6A:23A-16.10

Condition

The District did not accurately reflect allowable appropriations and expenditures incurred for capital projects approved by voter referendum. Also, the District incurred expenditures and awarded contracts in excess of available appropriations.

Context

See Finding 2015-002.

Effect

None, adjustments were made to return the capital reserve transferred and reclassify charges and encumbrances accordingly. The 2014 referendum project will require additional funding to finance all expenditures related to the project.

Cause

Unknown.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2015-002 (Continued)

Recommendation

Internal control procedures be reviewed and revised to ensure only allowable additional appropriations and charges are reflected for the voter approved referendum projects accounted for in the Capital Projects Fund. In addition, appropriate action be taken to fund the overencumbered balance of the 2014 referendum project.

View of Responsible Officials and Planned Corrective Action

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

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2015-003

Our audit of year end encumbrances revealed the following:

- Certain encumbrances for contract awards were not reflected in the District's accounting records at year end.
- Certain encumbrances in the General Fund should have been classified as accounts payable.
- Certain encumbrances were deemed invalid at year end.

Criteria or specific requirement:

Internal controls over year end closing procedures of open orders.

Condition

Certain encumbrances were determined to not have been classified properly or were overstated and deemed invalid at year end. In addition, certain encumbrances were not recorded at year end.

Context

- Payroll related purchase orders classified as reserve for encumbrances should have been classified as accounts payable totaling \$89,372 in the General Fund.
- Encumbrances of \$102,400 were not recorded upon contract award of the District.
- \$38,123 of encumbrances were deemed invalid.

Effect

Financial statements may not properly reflect liabilities, expenditures and fund balance at year end.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure purchase orders are recorded when contracts are awarded and open purchase orders are reviewed at year end for validity and proper classification as accounts payable or encumbrances.

View of Responsible Officials and Planned Corrective Action

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

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

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2015-004:

Our audit of employee salary charges to Title I revealed the following:

- Amounts charged to the Title I grant program were not charged consistently by pay period for each approved individual.
- Board resolution approving individuals to be charged to the Title I program did not reflect the grant funded portion of salary.
- Time and effort calculations were not specifically completed to support salary allocations to the Title I program.

Information on Federal Program:

Title I	84.010A
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Criteria or specific requirement:

Federal Grant Compliance Supplement

Condition:

Amounts charged to salaries and wage accounts were not identified by pay periods when charged for certain individuals. Resolutions approving salaries funded by grants did not detail portion of salary funded by grant funds. In addition, time and effort support provided were employees' class schedules with no calculation or identification of Title I programs.

Questioned Costs:

Unknown.

Context:

Salaries and wages charged to Title I for the year ended June 30, 2015 was \$191,035.

Effect:

Amounts charged on salaries and wage accounts may not reflect actual allowable employee costs.

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

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2015-004: (Continued)

Cause:

Title I salaries were charged in part through expenditure adjustment rather than expensed for each payroll period in which the expenditures were incurred. Grant salary resolution does not detail portion of employee's salary funded by the grant. Class schedules did not provide sufficient information to determine time and effort of Title I program.

Recommendation:

With respect to the salary amounts charged to the Title I grant program:

- Salary and wages be charged by each specific pay period throughout the year.
- Resolution approving individuals charged to the grant program reflect the portion of the salary funded by Title I.
- Time and effort calculations be completed to support individual's salary allocations to the grant program.

View of Responsible Officials and Planned Corrective Action:

Management agrees with this finding and has indicated that procedures will be implemented to take corrective action.

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

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

There were none.

**RIDGEFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-001:

Condition

Employee salaries charged to the Title I grant program were not charged for each specific payroll period throughout the year.

Current Status

See Finding 2015-004.