

RIDGEFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Ridgefield, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Ridgefield Board of Education
Ridgefield, New Jersey
For The Fiscal Year Ended June 30, 2016**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Ridgefield Public Schools

...valuing each and every student

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

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

Floro M. Villanueva, Jr.
Business Administrator

November 15, 2016

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, 2016 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, 2016, 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 U.S. Uniform Guidance and the state Treasury Circular letter 15-08 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.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general and a Learning Center Program for special education students. The District completed the 2015-2016 fiscal year with an average daily enrollment 1,717 students.

Average Daily Enrollment
(ADE)

| <u>Fiscal Year</u> | <u>Student Enrollment</u> |
|--------------------|---------------------------|
| 2015-2016 | 1,717 |
| 2014-2015 | 1,754 |
| 2013-2014 | 1,767 |
| 2012-2013 | 1,806 |
| 2011-2012 | 1,885 |
| 2010-2011 | 1,885 |
| 2009-2010 | 1,938 |
| 2008-2009 | 1,972 |
| 2007-2008 | 2,060 |
| 2006-2007 | 1,990 |
| 2005-2006 | 2,021 |

2) ECONOMIC CONDITIONS AND OUTLOOK: The introduction of the New Jersey Department of Education 2003 Comparative Spending Guide, as in past years, states: "It was impossible for the department to identify and limit the impact of unique circumstances in school districts that may increase per pupil cost calculations (i.e. the Learning Center run by Ridgefield Borough in Bergen County which provides high cost special education programs, including one for students with autism). These additional costs are often supported by tuition and other such miscellaneous revenues and represent consolidated service efforts, which provide economical services to all parties involved. The Department encourages such efforts. The Ridgefield School District receives tuition from more than sixty (60) Districts and provides Special Education for all children needing highly specialized programs. These quality programs allow Ridgefield to better serve its own children at reduced costs. As a result, the Ridgefield school tax levy has had only slight increases in recent years.

3) MAJOR INITIATIVES UNDERTAKING DURING 2015 – 2016: The following items were part of the Ridgefield School District's goals and objectives or were planned initiatives that took place in 2015-2016:

Under Facilities in September 2013, the Ridgefield voters approved a \$3 million dollar referendum financing window replacement, HVAC equipment and controls and electric upgrades at the high, middle and elementary schools. The state will cover 40% of the cost under a grant agreement with New Jersey Schools Development Authority. The windows contractor delayed the project for one year, so the bulk of the work took place during in the latter 2015-16 school year. During the 2014-15 school year, the District invested in Phase I of a safety and security initiative, which included an audit, safety plan development, quick reference resource and evacuation diagram development, and initial staff training. During the 2015-16 school year, to further enhance school safety and security, the District invested in Phase II of the safety and security initiative. That ensured that 100 percent of school buildings have color coded window location decals and door identification plaques, 100 percent of all classrooms have newly installed rapid locking systems, 100 percent of all classrooms display color coded evacuation floor plan diagrams, and 100 percent of all staff engage in follow-up emergency management plan and quick reference guide training.

Under Personnel, the District continued to contract and expand the use of several new programs that make it convenient for staff to access on-line. This first is Safeschools.com. All mandated professional development programs and suggested trainings are available to staff to view at any time. Reports can be generated from Safeschools.com to track who has started and completed the trainings. The second program the District purchased is AESOP. This is our substitute and absence management system. Staff can access their accounts to view accumulated absences, record and request future absences at the push of a button. Substitutes also use the program to search for jobs and assign themselves a coverage position. This program also allows the business office to track substitute workdays and monitor ACA requirements. Ridgefield continued its contract with My Learning Plan to support its integration of the Stronge Instructional Model. The District trained all administrators and faculty in the model and the system. Lastly, the Business Office implemented the DocuWare scan sign-in system for staff in order to monitor arrival time and end time.

Under Technology during the 2015-2016 school year, the District purchased additional MacBook Air and Acer Chrome Book carts to continue to support PARCC readiness and to continue integrating technology into the classroom. The District continued its use of two fairly new online curriculum resources, which are IXL and Study Island. In an effort to continue to improve internal and external communications, the District expanded its use of Schoolwires the District's webhosting company to better communicate to the community and also provide private internal staff resources. The District implemented Google Apps for Education, training all administrators through a turnkey program. The District provided all students in Grades 2-12 with Google accounts, with Gmail in Grades 5-12. The District purchased and implemented School Dude for technology and maintenance service call entry and tracking. Finally, the District continued its Office 365 subscription as a solution for email hosting and email archiving. The District expanded its use of Office 365 SharePoint, allowing for shared online storage as well collaborative work.

Under Curriculum and Instruction, the District invested in major expansions for the 2015-2016 school year. The District continues to support its fairly new Curriculum Department, including a Director of Curriculum and a Supervisor of Instruction. The District invested significant dollars in the development of curriculum in the Rubicon Atlas online curriculum database to align, write and house all district curricula online with full access for staff. The District purchased curriculum resources in the forms of both packaged program materials and also online learning tools. The former included such titles as Mondo Book Shop and Envisions 2.0 for Grades K-5 and CPO Science for the new freshman Geophysics class. The latter included Achieve 3000 in Grades 6-12 to expand RTI services to those levels, Front Row for the new Blended Learning Pilot in Grades 5, 7, and 8, and Pebblego for the new Library Media Program—Research Protocol.

The District invested in ongoing professional development for all new curriculum implementation and some continuing implementations such as Being a Writer, and continued to expand its Response to Intervention program in grades K-6 with progress monitoring in all grade using the AIMSweb online data system. The District continued its commitment to investments in the Study Island program for all grades 2-12. Ridgefield also provided staff development both in-district and out for staff to better prepare our teachers and students to be successful with the new standards and their implementation in reference to the PARCC test.

4) INTERNAL ACCOUNTING GOALS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by voters of the Municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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, 2016 the District had \$8,107,000 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.

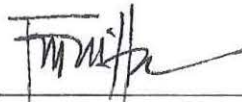
10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance 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,

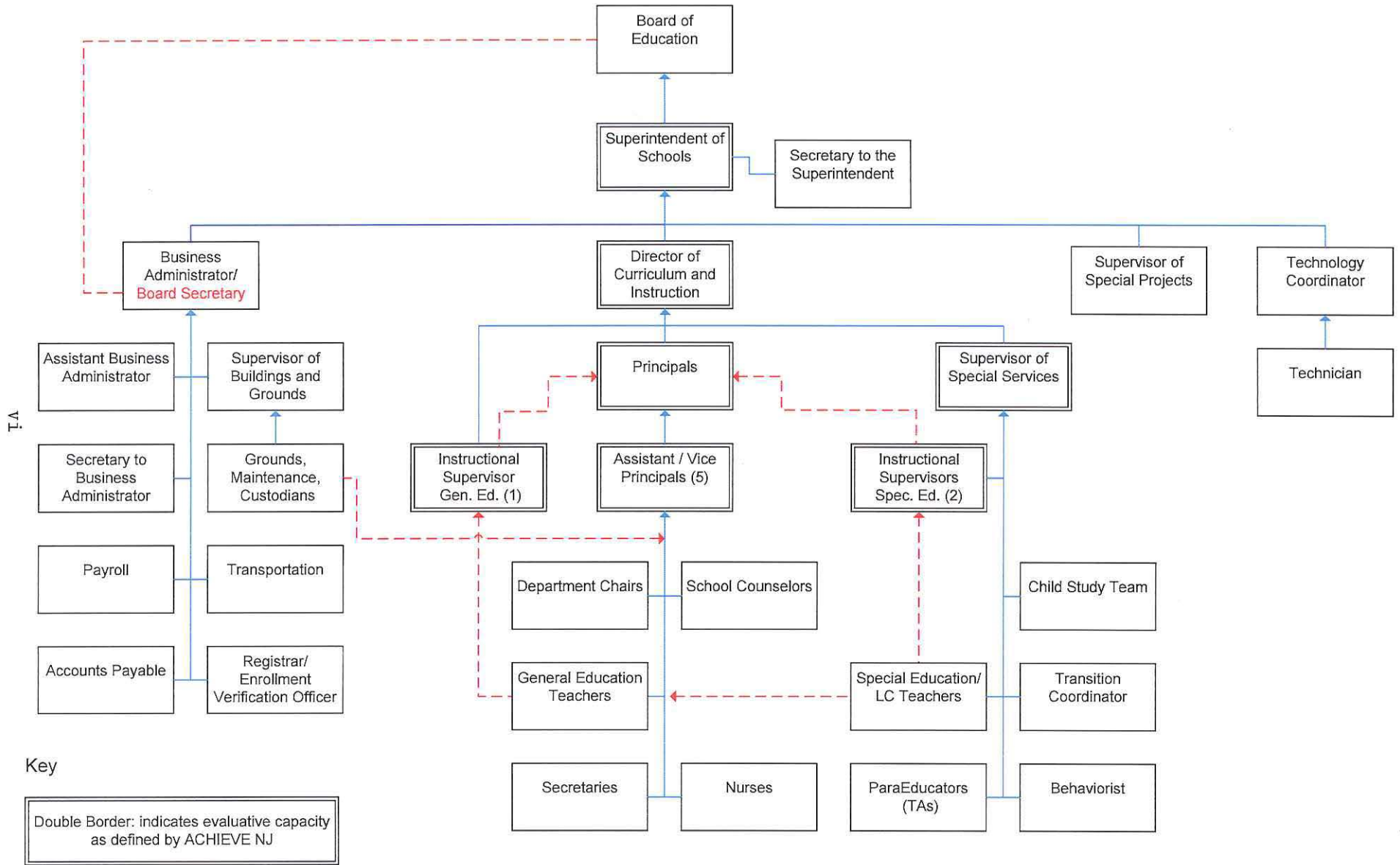


Dr. Frank Romano, III
Superintendent of Schools



Floro M. Villanueva, Jr.
Business Administrator

Exhibit: Organizational Chart



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

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

**ROSTER OF OFFICIALS
JUNE 30, 2016**

President Term Expires

Kathleen Payerle 2018

Vice President

Jose (Ray) Salazar 2016

Members of Board of Education

| | |
|-----------------|------|
| Ingrid Barbosa | 2017 |
| Andrew Grippa | 2017 |
| Ralph Morilla | 2017 |
| Claudia Navarez | 2016 |
| Steve Yang | 2018 |

Other Officials

Superintendent Dr. Frank Romano

**School Business Administrator/
Board Secretary** Richard A. Guarini

Solicitors Marla Taus, Esq.

**Ridgefield Board of Education
Consultants and Advisors
as of June 30, 2016**

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
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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, 2016 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Ridgefield 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 15, 2016 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 15, 2016

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, 2016**

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, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and the notes to the 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 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 \$7,087,956 (net position).
- The District's overall net position decreased \$545,118.
- Overall District revenues were \$46,535,616. General revenues accounted for \$21,470,793 or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,064,823 or 54% of total revenues.
- The School District had \$46,014,663 in expenses for governmental activities; \$24,102,670 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$21,470,060 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 \$2,339,112.
- The General Fund unassigned fund deficit at June 30, 2016 was \$3,366, a decrease of \$127,784 when compared to the previous year's unassigned fund balance of \$124,418.
- The General Fund unassigned budgetary fund balance at June 30, 2016 was \$702,738 which represents a decrease of \$72,897 when compared to the ending unassigned budgetary fund balance at June 30, 2015 of \$775,635.
- The District's total outstanding long-term liabilities increased \$1,804,349 during the current fiscal year.

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

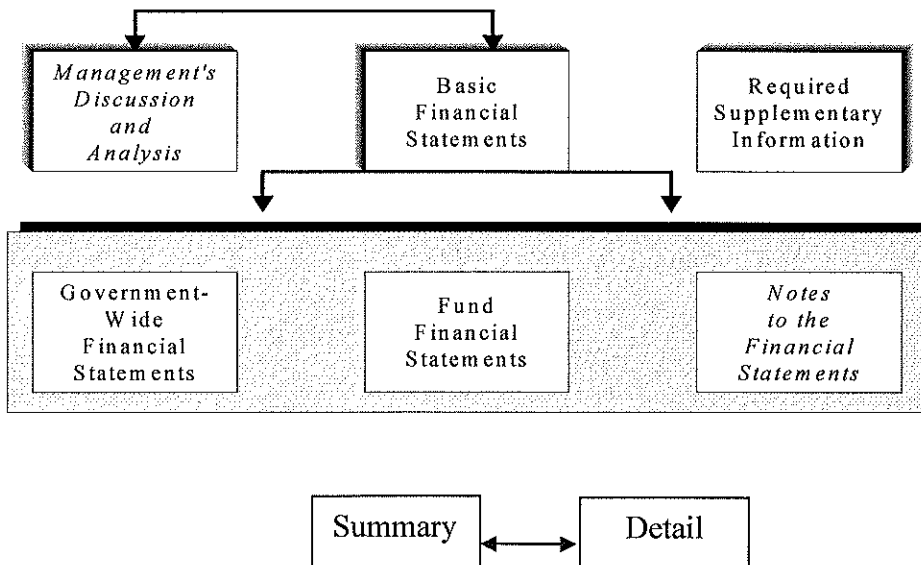
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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
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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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 deductions 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
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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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, 2016**

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 \$7,087,956 and \$6,542,838 as of June 30, 2016 and 2015, respectively. The deficit in the Governmental Activities net pension is attributable to the unfunded long-term liabilities related to the net pension liability for the District employees enrolled in the State Public Employee Retirement System as well as the deferred pension obligation and compensated absences. These liabilities are reported in the district-wide statements but are not reflected on the fund financial statements. This deficit is not an indication that the District is facing financial difficulties as there is currently no mechanism available to fund these liabilities in advance. These long-term liabilities are being funded on a pay-as-you-go basis.

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.

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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

**Net Position
As of June 30, 2016 and 2015**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|------------------------------------|-----------------------|-------------------------------------|-------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | | | |
| Current Assets | \$ 4,552,628 | \$ 8,985,411 | \$ 243,301 | \$ 338,155 | \$ 4,795,929 | \$ 9,323,566 |
| Capital Assets | <u>12,252,040</u> | <u>8,948,396</u> | <u>51,151</u> | <u>52,441</u> | <u>12,303,191</u> | <u>9,000,837</u> |
| Total Assets | <u>16,804,668</u> | <u>17,933,807</u> | <u>294,452</u> | <u>390,596</u> | <u>17,099,120</u> | <u>18,324,403</u> |
| Deferred Outflows of Resources | <u>2,251,104</u> | <u>688,360</u> | <u>-</u> | <u>-</u> | <u>2,251,104</u> | <u>688,360</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 23,755,374 | 21,951,025 | 68,356 | | 23,823,730 | 21,951,025 |
| Other Liabilities | <u>2,195,416</u> | <u>2,859,802</u> | <u>-</u> | <u>60,818</u> | <u>2,195,416</u> | <u>2,920,620</u> |
| Total Liabilities | <u>25,950,790</u> | <u>24,810,827</u> | <u>68,356</u> | <u>60,818</u> | <u>26,019,146</u> | <u>24,871,645</u> |
| Deferred Inflows of Resources | <u>418,658</u> | <u>683,083</u> | <u>376</u> | <u>873</u> | <u>419,034</u> | <u>683,956</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 3,656,164 | 2,212,623 | 51,151 | 52,441 | 3,707,315 | 2,265,064 |
| Restricted | 2,033,055 | 2,192,589 | | | 2,033,055 | 2,192,589 |
| Unrestricted | <u>(13,002,895)</u> | <u>(11,276,955)</u> | <u>174,569</u> | <u>276,464</u> | <u>(12,828,326)</u> | <u>(11,000,491)</u> |
| Total Net Position | <u>\$ (7,313,676)</u> | <u>\$ (6,871,743)</u> | <u>\$ 225,720</u> | <u>\$ 328,905</u> | <u>\$ (7,087,956)</u> | <u>\$ (6,542,838)</u> |

The District's total net position deficit of \$7,087,956 at June 30, 2016 represents a \$545,118 or 8% decrease from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2016 and 2015, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015**

| | Governmental | | Business-Type | | Total | |
|--|-----------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------------|
| | Activities | | Activities | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 11,937,539 | \$ 12,037,165 | \$ 653,473 | \$ 693,693 | \$ 12,591,012 | \$ 12,730,858 |
| Operating Grants and Contributions | 11,181,811 | 9,530,959 | 308,680 | 282,256 | 11,490,491 | 9,813,215 |
| Capital Grants and Contributions | 983,320 | 202,000 | | | 983,320 | 202,000 |
| General Revenues | | | | | | |
| Property Taxes | 19,632,548 | 19,034,897 | | | 19,632,548 | 19,034,897 |
| State Aid - Unrestricted | 1,739,574 | 1,697,776 | | | 1,739,574 | 1,697,776 |
| Other | 97,938 | 97,468 | 733 | 692 | 98,671 | 98,160 |
| Total Revenues | <u>45,572,730</u> | <u>42,600,265</u> | <u>962,886</u> | <u>976,641</u> | <u>46,535,616</u> | <u>43,576,906</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 14,867,592 | 13,905,168 | | | 14,867,592 | 13,905,168 |
| Special Education | 12,082,598 | 11,413,437 | | | 12,082,598 | 11,413,437 |
| Other Instruction | 582,419 | 578,320 | | | 582,419 | 578,320 |
| School Sponsored Activities and Ath. | 771,627 | 728,119 | | | 771,627 | 728,119 |
| Support Services | | | | | | |
| Student and Instruction Related Serv. | 8,830,806 | 7,140,043 | | | 8,830,806 | 7,140,043 |
| General Administrative Services | 1,273,490 | 1,121,078 | | | 1,273,490 | 1,121,078 |
| School Administrative Services | 2,300,397 | 2,003,753 | | | 2,300,397 | 2,003,753 |
| Central and Other Support Services | 1,031,131 | 882,660 | | | 1,031,131 | 882,660 |
| Plant Operations and Maintenance | 3,334,212 | 3,343,003 | | | 3,334,212 | 3,343,003 |
| Pupil Transportation | 664,366 | 605,601 | | | 664,366 | 605,601 |
| Interest on Long Term Debt | 276,025 | 315,406 | | | 276,025 | 315,406 |
| Food Services | | | 684,198 | 689,261 | 684,198 | 689,261 |
| Saturday Happenings Program | - | - | 381,873 | 278,432 | 381,873 | 278,432 |
| Total Expenses | <u>46,014,663</u> | <u>42,036,588</u> | <u>1,066,071</u> | <u>967,693</u> | <u>47,080,734</u> | <u>43,004,281</u> |
| Change in Net Position | (441,933) | 563,677 | (103,185) | 8,948 | (545,118) | 572,625 |
| Net Position, Beginning of Year | (6,871,743) | (7,435,420) | 328,905 | 319,957 | (6,542,838) | (7,115,463) |
| Net Position, End of Year | <u>\$ (7,313,676)</u> | <u>\$ (6,871,743)</u> | <u>\$ 225,720</u> | <u>\$ 328,905</u> | <u>\$ (7,087,956)</u> | <u>\$ (6,542,838)</u> |

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

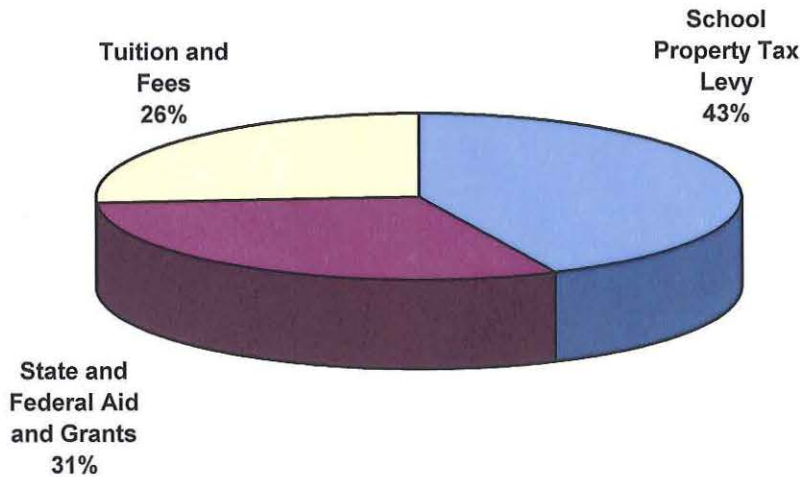
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$45,572,730 for the fiscal year ended June 30, 2016, property taxes of \$19,632,548 represented 43% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$13,904,705 represented 31% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$11,937,539 was earned during the year representing 26% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items.

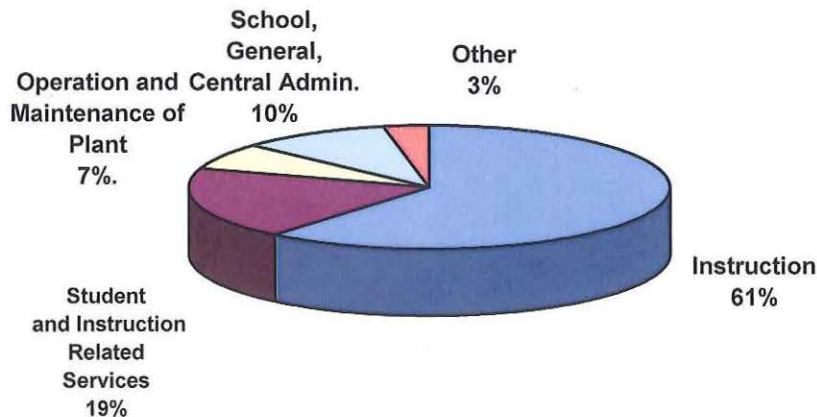
The total cost of all governmental activities programs and services was \$46,014,663 for the fiscal year ended June 30, 2016. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$28,304,236 (61%) of total expenses. Support services totaled \$17,434,402 (38%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

Total governmental activities expenses exceeded revenues decreasing net position \$441,933 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2016**



**Expenses by Type- Governmental Activities
For Fiscal Year 2016**



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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$46,014,663 for the fiscal year ended June 30, 2016. After applying program revenues, derived from charges for services of \$11,937,539, operating and capital grants and contributions of \$12,165,131; the net cost of services of the District is \$21,911,993.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2016 and 2015**

| | <u>Total Cost of Services</u> | | <u>Net Cost (Revenues) of Services</u> | |
|---|-----------------------------------|-----------------------------|--|-----------------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Instruction | | | | |
| Regular | \$ 14,867,592 | \$ 13,905,168 | \$ 10,632,694 | \$ 10,460,112 |
| Special Education | 12,082,598 | 11,413,437 | (1,938,814) | (2,810,541) |
| Other Instruction | 582,419 | 578,320 | 402,426 | 385,066 |
| School Sponsored Activities and Athletics | 771,627 | 728,119 | 771,627 | 728,119 |
| Support Services | | | | |
| Student and Instruction Related Svcs. | 8,830,806 | 7,140,043 | 5,032,500 | 4,059,270 |
| General Administrative Services | 1,273,490 | 1,121,078 | 1,136,204 | 1,057,353 |
| School Administrative Services | 2,300,397 | 2,003,753 | 1,776,953 | 1,610,295 |
| Central and Other Support Services | 1,031,131 | 882,660 | 909,496 | 824,127 |
| Plant Operations and Maintenance | 3,334,212 | 3,343,003 | 2,324,120 | 3,122,907 |
| Pupil Transportation | 664,366 | 605,601 | 646,628 | 587,824 |
| Interest on Long Term Debt | 276,025 | 315,406 | 218,159 | 241,932 |
| Total | <u>\$ 46,014,663</u> | <u>\$ 42,036,588</u> | <u>\$ 21,911,993</u> | <u>\$ 20,266,464</u> |

Business-Type Activities – The District's total business-type activities revenues were \$962,886 for the fiscal year ended June 30, 2016. Charges for services accounted for 68% or \$653,473 of total revenues for the year. Operating grants and contributions accounted for 32% or \$308,680 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 \$1,066,071. 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 \$684,198 (64%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$381,873 (36%).

Total business-type activities expenses surpassed revenues decreasing net position by \$103,185 from the previous year.

**RIDGEFIELD BOARD OF EDUCATION
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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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 \$2,339,112. The prior year fund balance at June 30, 2015 was \$6,135,262. The net decrease for the year ended June 30, 2016 was \$3,796,150 and was largely attributable to the expenses incurred for the voter approved referendum project for improvements to District school facilities.

Revenues for the District's governmental funds were \$40,762,549 while total expenses were \$45,380,649 for the year ended June 30, 2016. The District also had other financing sources and uses relating to the issuance of refunding bonds and lease purchase agreements.

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, 2016</u> | Fiscal Year Ended <u>June 30, 2015</u> | Amount of Increase (Decrease) | Percent Change |
|---------------------------------|---|---|--|---------------------------|
| Local Sources: | | | | |
| Property Tax Levy | \$ 19,216,798 | \$ 18,734,606 | \$ 482,192 | 3% |
| Tuition | 9,922,070 | 10,385,640 | (463,570) | -4% |
| Interest Earnings | 7,009 | 11,343 | (4,334) | -38% |
| Miscellaneous | 2,055,778 | 1,826,581 | 229,197 | 13% |
| State Sources | 6,963,549 | 6,617,464 | 346,085 | 5% |
| Federal Sources | <u>30,761</u> | <u>4,704</u> | <u>26,057</u> | 100% |
| Total General Fund Revenues | <u>\$ 38,195,965</u> | <u>\$ 37,580,338</u> | <u>\$ 615,627</u> | 2% |

Total General Fund Revenues increased by \$615,627 or 2% over the previous year. Local property taxes increased by \$482,192 or 3% over the previous year primarily to offset increases in operating costs. The District realized a 4% 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. Miscellaneous revenues increased 13% as a result of an increase from fees earned for one to one aide services. In addition, State aid revenues increased \$346,085 or 5% 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's teaching professionals.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

The following schedule presents a summary of General Fund expenditures.

| | Fiscal Year Ended <u>June 30, 2016</u> | Fiscal Year Ended <u>June 30, 2015</u> | Amount of Increase <u>(Decrease)</u> | Percent Change |
|--------------------|---|---|---|---------------------------|
| Instruction | \$ 23,441,671 | \$ 23,151,631 | \$ 290,040 | 1% |
| Support Services | 15,108,087 | 13,510,331 | 1,597,756 | 12% |
| Debt Services | 64,412 | 64,412 | - | 0% |
| Capital Outlay | <u>804,823</u> | <u>321,293</u> | <u>483,530</u> | 150% |
| Total Expenditures | <u>\$ 39,418,993</u> | <u>\$ 37,047,667</u> | <u>\$ 2,371,326</u> | 6% |

Total General Fund expenditures increased \$2,371,326 or approximately 6% 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 as well as a significant increase in capital outlay for the additional window replacements, window treatments and equipment purchases.

For the fiscal year ended June 30, 2016 General Fund expenditures exceeded revenues and other financing sources by \$932,338. As a result, total fund balance decreased to \$2,208,696 at June 30, 2016. After deducting restricted and assigned fund balances, the unassigned fund balance decreased by \$127,784 to a fund deficit of \$3,366 at June 30, 2016 from a fund balance of \$124,418 at June 30, 2015. Restricted fund balances for capital reserve, maintenance reserve, tuition adjustments and reserved excess surplus decreased \$289,311 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 \$952,822 for the year ended June 30, 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 88% or \$837,271 of the total revenue for the year. State sources accounted for 3% or \$27,958 of the total revenue for the year. The remaining 9% or \$87,593 of revenue came from local sources.

Total Special Revenue Fund revenues increased \$161,207 or 20% from the previous year. State sources decreased \$557 or 2%, Federal sources increased \$175,936 or 27%. Local grants decreased \$14,172 or 14% from the prior year.

Expenditures of the Special Revenue Fund were \$952,822. Instructional expenditures were \$792,267 or 83% and expenditures for support services were \$144,949 or 15% of the total amount expended for the year ended June 30, 2016. The remaining expenditures of \$15,606 were for capital outlay expenditures

Capital Projects Fund - The capital project expenditures and other financing uses exceeded revenues and other financing sources by \$2,909,866 resulting in a fund balance of \$84,361 at June 30, 2016. This decrease was the result of expenditures related to the 2014 referendum project for various upgrades and improvements to District schools.

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, 2016**

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 \$692,028.
- Appropriation of \$109,102 of unrestricted fund balance for various purposes.

For fiscal year 2016 General Fund budgetary basis expenditures were greater than revenues and other financing sources by \$877,451. Therefore budgetary fund balance decreased to \$2,914,800 at June 30, 2016. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2016 was \$702,738, a decrease of \$72,897 when compared to the previous year's unassigned budgetary fund balance of \$775,635 at June 30, 2015. The amount restricted for tuition refund reserves decreased by \$300,000 and the District increased its capital reserve \$94,412 at June 30, 2016.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$12,303,191 (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 2015-2016 amounted to \$588,629 for governmental activities and \$27,474 for business-type activities.

**Capital Assets at June 30, 2016 and 2015
(Net of Accumulated Depreciation)**

| | Governmental | | Business-Type | | Total | |
|-------------------------------------|----------------------|---------------------|----------------------|------------------|----------------------|---------------------|
| | Activities | | Activities | | | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 288,751 | \$ 288,751 | | | \$ 288,751 | \$ 288,751 |
| Construction in Progress | 2,296,235 | 663,525 | | | 2,296,235 | 663,525 |
| Land Improvements | 163,531 | 104,053 | | | 163,531 | 104,053 |
| Buildings and Building Improvements | 7,656,934 | 6,695,837 | | | 7,656,934 | 6,695,837 |
| Leasehold Improvements | 24,051 | 26,582 | | | 24,051 | 26,582 |
| Machinery and Equipment | 1,822,538 | 1,169,648 | \$ 51,151 | \$ 52,441 | 1,873,689 | 1,222,089 |
| Total Capital Assets, Net | \$ 12,252,040 | \$ 8,948,396 | \$ 51,151 | \$ 52,441 | \$ 12,303,191 | \$ 9,000,837 |

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, 2016**

LONG TERM LIABILITIES

At June 30, 2016, the District's long-term liabilities totaled \$23,755,374 and consisted of serial bonds payable of \$8,464,493, lease purchase agreements outstanding of \$721,032, compensated absences payable of \$972,212, deferred pension obligation of \$140,722, and net pension liability of \$13,456,915. 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, 2015. The District's total outstanding long term liabilities increased \$1,804,349 during the 2015/2016 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 2016-2017 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 2016-2017. Budgeted expenditures in the General Fund increased 4.8% to \$36,605,226 in fiscal year 2016-2017.

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, 2016

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 2,141,145 | \$ 195,047 | \$ 2,336,192 |
| Receivables, Net | 1,997,134 | 40,192 | 2,037,326 |
| Internal Balances | 1,655 | (1,655) | - |
| Inventory | | 9,717 | 9,717 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents with Fiscal Agents | 412,694 | | 412,694 |
| Capital Assets, Not Being Depreciated | 2,584,986 | | 2,584,986 |
| Capital Assets, Being Depreciated, Net | <u>9,667,054</u> | <u>51,151</u> | <u>9,718,205</u> |
| Total Assets | <u>16,804,668</u> | <u>294,452</u> | <u>17,099,120</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amounts on Refunding of Debt | 217,256 | | 217,256 |
| Deferred Amounts on Net Pension Liability | <u>2,033,848</u> | - | <u>2,033,848</u> |
| Total Deferred Outflows of Resources | <u>2,251,104</u> | - | <u>2,251,104</u> |
| Total Assets and Deferred Outflows of Resources | <u>19,055,772</u> | <u>294,452</u> | <u>19,350,224</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 1,748,846 | 39,610 | 1,788,456 |
| Payable to Other Governments | 233,430 | | 233,430 |
| Accrued Interest Payable | 93,665 | | 93,665 |
| Unearned Revenue | 119,475 | 28,746 | 148,221 |
| Noncurrent Liabilities | | | |
| Due within one year | 1,047,304 | | 1,047,304 |
| Due beyond one year | <u>22,708,070</u> | - | <u>22,708,070</u> |
| Total Liabilities | <u>25,950,790</u> | <u>68,356</u> | <u>26,019,146</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | 418,658 | | 418,658 |
| Deferred Commodities Revenue | - | 376 | 376 |
| Total Deferred Inflows of Resources | <u>418,658</u> | <u>376</u> | <u>419,034</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>26,369,448</u> | <u>68,732</u> | <u>26,438,180</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 3,656,164 | 51,151 | 3,707,315 |
| Restricted for | | | |
| Tuition Adjustments | 900,000 | | 900,000 |
| Capital Projects | 713,100 | | 713,100 |
| Plant Maintenance | 373,900 | | 373,900 |
| Debt Service | 46,055 | | 46,055 |
| Unrestricted | <u>(13,002,895)</u> | <u>174,569</u> | <u>(12,828,326)</u> |
| Total Net Position | <u>\$ (7,313,676)</u> | <u>\$ 225,720</u> | <u>\$ (7,087,956)</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, 2016**

| 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 | \$ 14,867,592 | | \$ 4,234,898 | | \$ (10,632,694) | | \$ (10,632,694) |
| Special Education | 12,082,598 | \$ 9,948,544 | 4,057,262 | \$ 15,606 | 1,938,814 | | 1,938,814 |
| Other Instruction | 582,419 | | 179,993 | | (402,426) | | (402,426) |
| School Sponsored Activities and Athletics | 771,627 | | | | (771,627) | | (771,627) |
| Support Services | | | | | | | |
| Student and Instruction Related Services | 8,830,806 | 1,988,995 | 1,809,311 | | (5,032,500) | | (5,032,500) |
| General Administrative Services | 1,273,490 | | 137,286 | | (1,136,204) | | (1,136,204) |
| School Administrative Services | 2,300,397 | | 523,444 | | (1,776,953) | | (1,776,953) |
| Central and Other Support Services | 1,031,131 | | 121,635 | | (909,496) | | (909,496) |
| Plant Operations and Maintenance | 3,334,212 | | 42,378 | 967,714 | (2,324,120) | | (2,324,120) |
| Pupil Transportation | 664,366 | | 17,738 | - | (646,628) | | (646,628) |
| Interest on Long-Term Debt | 276,025 | - | 57,866 | - | (218,159) | - | (218,159) |
| Total Governmental Activities | 46,014,663 | 11,937,539 | 11,181,811 | 983,320 | (21,911,993) | - | (21,911,993) |
| Business-Type Activities | | | | | | | |
| Food Service | 684,198 | 348,755 | 308,680 | - | - | \$ (26,763) | (26,763) |
| Saturday Happenings | 381,873 | 304,718 | - | - | - | (77,155) | (77,155) |
| Total Business-Type Activities | 1,066,071 | 653,473 | 308,680 | - | - | (103,918) | (103,918) |
| Total Primary Government | \$ 47,080,734 | \$ 12,591,012 | \$ 11,490,491 | \$ 983,320 | (21,911,993) | (103,918) | (22,015,911) |

Continued

RIDGEFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|--|-----------------------------|----------------|
| | Governmental Activities | Business-type Activities | Total |
| General Revenues | | | |
| Taxes | | | |
| Property Taxes Levied for General Purposes | \$ 19,216,798 | | \$ 19,216,798 |
| Property Taxes Levied for Debt Service | 415,750 | | 415,750 |
| State and Federal Aid -Unrestricted | 1,569,800 | | 1,569,800 |
| State Aid for Debt Service Principal | 169,774 | | 169,774 |
| Investment Earnings | 9,667 | \$ 733 | 10,400 |
| Miscellaneous Income | 88,271 | - | 88,271 |
| Total General Revenues | 21,470,060 | 733 | 21,470,793 |
| Change in Net Position | (441,933) | (103,185) | (545,118) |
| Net Position, Beginning of Year | (6,871,743) | 328,905 | (6,542,838) |
| Net Position, End of Year | \$ (7,313,676) | \$ 225,720 | \$ (7,087,956) |

FUND FINANCIAL STATEMENTS

**RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

| | <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 and Cash Equivalents | \$ 2,062,154 | | \$ 32,936 | \$ 46,055 | \$ 2,141,145 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents with Fiscal Agent | | | 412,694 | | 412,694 |
| Receivables from Other Governments, Net | 562,465 | \$ 198,254 | 1,205,026 | | 1,965,745 |
| Other Receivables | 144 | | | | 144 |
| Due from Other Funds | 919,846 | - | - | - | 919,846 |
| | <u>3,544,609</u> | <u>198,254</u> | <u>1,650,656</u> | <u>46,055</u> | <u>5,439,574</u> |
| Total Assets | <u>\$ 3,544,609</u> | <u>\$ 198,254</u> | <u>\$ 1,650,656</u> | <u>\$ 46,055</u> | <u>\$ 5,439,574</u> |
| LIABILITIES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 868,429 | \$ 101,531 | \$ 629,543 | | \$ 1,599,503 |
| Accrued Salaries and Wages | 147,242 | 2,100 | | | 149,342 |
| Payable to Federal Government | | 11,555 | | | 11,555 |
| Payable to State Government | | 7,526 | | | 7,526 |
| Payables to Local Governments | 208,477 | 5,873 | | | 214,350 |
| Due to Other Funds | | 53,105 | 833,841 | | 886,946 |
| Unearned Revenue | - | 16,564 | 102,911 | - | 119,475 |
| | <u>1,224,148</u> | <u>198,254</u> | <u>1,566,295</u> | <u>-</u> | <u>2,988,697</u> |
| Total Liabilities | <u>1,224,148</u> | <u>198,254</u> | <u>1,566,295</u> | <u>-</u> | <u>2,988,697</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue - Tuition and Related Fees | 111,765 | - | - | - | 111,765 |
| | <u>111,765</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>111,765</u> |
| Total Deferred Inflows of Resources | <u>111,765</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>111,765</u> |
| FUND BALANCES | | | | | |
| Fund Balances (Deficits) | | | | | |
| Restricted | | | | | |
| Capital Reserve | 368,100 | | | | 368,100 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 345,000 | | | | 345,000 |
| Maintenance Reserve | 373,900 | | | | 373,900 |
| Tuition Adjustments | 300,000 | | | | 300,000 |
| Tuition Adjustments - Designated for Subsequent Year's Expenditures | 600,000 | | | | 600,000 |
| Capital Projects | | | 84,262 | | 84,262 |
| Debt Service | | | 99 | \$ 46,055 | 46,154 |
| Assigned | | | | | |
| Year End Encumbrances | 50,627 | | | | 50,627 |
| Designed for Subsequent Year's Expenditures | 174,435 | | | | 174,435 |
| Unassigned | (3,366) | - | - | - | (3,366) |
| | <u>2,208,696</u> | <u>-</u> | <u>84,361</u> | <u>46,055</u> | <u>2,339,112</u> |
| Total Fund Balances | <u>2,208,696</u> | <u>-</u> | <u>84,361</u> | <u>46,055</u> | <u>2,339,112</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 3,544,609</u> | <u>\$ 198,254</u> | <u>\$ 1,650,656</u> | <u>\$ 46,055</u> | <u>\$ 5,439,574</u> |

**RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

| | | |
|---|--------------------------------|------------------------------|
| Total Fund Balances (Exhibit B-1) | | \$ 2,339,112 |
| Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,180,641 and the accumulated depreciation is \$8,928,601 | | 12,252,040 |
| Deferred revenues in the funds that are unavailable and do not provide current financial resources are realized as earned revenues in the statement of activities. | | 111,765 |
| Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt | | 217,256 |
| Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years. | | |
| | Deferred Outflows of Resources | \$ 2,033,848 |
| | Deferred Inflows of Resources | <u>(418,658)</u> |
| | | 1,615,190 |
| The District has financed capital assets through the issuance of long-term bonds. The interest accrual at year end is: | | |
| Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | (93,665) |
| | Bonds Payable | (8,464,493) |
| | Lease Purchase Agreements | (721,032) |
| | Compensated Absences | (972,212) |
| | Deferred Pension Obligation | (140,722) |
| | Net Pension Liability | <u>(13,456,915)</u> |
| | | <u>(23,755,374)</u> |
| Net Position of Governmental Activities (Exhibit A-1) | | \$ <u>(7,313,676)</u> |

RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>General</u> <u>Fund</u> | <u>Special</u> <u>Revenue</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Debt</u> <u>Service</u> <u>Fund</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|--|-------------------------------|---|--|--|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 19,216,798 | | | \$ 415,750 | \$ 19,632,548 |
| Tuition | 9,922,070 | | | | 9,922,070 |
| Interest | 7,009 | | \$ 2,658 | | 9,667 |
| Miscellaneous - Restricted | 1,967,507 | | | | 1,967,507 |
| Miscellaneous - Unrestricted | <u>88,271</u> | <u>\$ 87,593</u> | <u>-</u> | <u>-</u> | <u>175,864</u> |
| Total - Local Sources | 31,201,655 | 87,593 | 2,658 | 415,750 | 31,707,656 |
| State Sources | 6,963,549 | 27,958 | 967,714 | 227,640 | 8,186,861 |
| Federal Sources | <u>30,761</u> | <u>837,271</u> | <u>-</u> | <u>-</u> | <u>868,032</u> |
| Total Revenues | <u>38,195,965</u> | <u>952,822</u> | <u>970,372</u> | <u>643,390</u> | <u>40,762,549</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 12,052,436 | 370,470 | | | 12,422,906 |
| Special Education Instruction | 10,177,434 | 403,380 | | | 10,580,814 |
| Other Special Instruction | 470,275 | 18,417 | | | 488,692 |
| School-Sponsored Activities and Athletics | 741,526 | | | | 741,526 |
| Support Services | | | | | |
| Student and Instruction Related Services | 7,585,971 | 144,949 | | | 7,730,920 |
| General Administrative Services | 1,081,767 | | | | 1,081,767 |
| School Administrative Services | 1,934,575 | | | | 1,934,575 |
| Central and Other Support Service | 936,202 | | | | 936,202 |
| Plant Operations and Maintenance | 2,957,830 | | | | 2,957,830 |
| Student Transportation | 611,742 | | | | 611,742 |
| Debt Service | | | | | |
| Principal | 60,987 | | | 755,000 | 815,987 |
| Interest and Other Charges | 3,425 | | | 257,336 | 260,761 |
| Payment to Escrow Account | | | | 823,736 | 823,736 |
| Cost of Issuance | | | | 100,918 | 100,918 |
| Capital Outlay | <u>804,823</u> | <u>15,606</u> | <u>3,071,844</u> | <u>-</u> | <u>3,892,273</u> |
| Total Expenditures | <u>39,418,993</u> | <u>952,822</u> | <u>3,071,844</u> | <u>1,936,990</u> | <u>45,380,649</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,223,028)</u> | <u>-</u> | <u>(2,101,472)</u> | <u>(1,293,600)</u> | <u>(4,618,100)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 2,658 | | | 1,238,736 | 1,241,394 |
| Transfers Out | - | - | (1,241,394) | - | (1,241,394) |
| Refunding Bond Proceeds | - | - | - | 3,540,000 | 3,540,000 |
| Premiums on Refunding Bond | | | | 370,100 | 370,100 |
| Payments to Refunding Escrow Agent | | | | (3,809,182) | (3,809,182) |
| Lease Purchase Proceeds | <u>288,032</u> | <u>-</u> | <u>433,000</u> | <u>-</u> | <u>721,032</u> |
| Total Other Financing Sources and Uses | <u>290,690</u> | <u>-</u> | <u>(808,394)</u> | <u>1,339,654</u> | <u>821,950</u> |
| Net Change in Fund Balances | (932,338) | - | (2,909,866) | 46,054 | (3,796,150) |
| Fund Balance, Beginning of Year | <u>3,141,034</u> | <u>-</u> | <u>2,994,227</u> | <u>1</u> | <u>6,135,262</u> |
| Fund Balance, End of Year | <u>\$ 2,208,696</u> | <u>\$ -</u> | <u>\$ 84,361</u> | <u>\$ 46,055</u> | <u>\$ 2,339,112</u> |

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (3,796,150)

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 | \$ 3,892,273 | |
| Depreciation Expense | <u>(588,629)</u> | |
| | | 3,303,644 |

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|--|------------------|---------|
| Debt Issued or Incurred: | | |
| Issuance of Refunding Bonds | (3,540,000) | |
| Lease Purchase Proceeds | (721,032) | |
| Original Issue Premium | (370,100) | |
| Principal Repayments: | | |
| General Obligations Bonds | 755,000 | |
| Lease Purchase Agreements | 60,987 | |
| Payments to Escrow Agent for Refunding | <u>4,632,918</u> | |
| | | 817,773 |

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt.

| | | |
|--------------------------------------|---------------|-------|
| Deferred Amount on Refunding of Debt | (7,662) | |
| Original Issue Premium | <u>12,607</u> | |
| | | 4,945 |

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):

| | | |
|--|------------------|-----------|
| Increase in Compensated Absences | (427,390) | |
| Decrease in Deferred Pension Obligations | 12,319 | |
| Increase in Pension Expense | <u>(384,827)</u> | |
| | | (799,898) |

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

| | | |
|---------------------------------|--|--------|
| Increase in Unavailable Revenue | | 47,962 |
|---------------------------------|--|--------|

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>(20,209)</u> |
|------------------------------|--|-----------------|

Change in Net Position of Governmental Activities (Exhibit A-2) \$ (441,933)

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

**RIDGEFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

| | Business-Type Activities Enterprise Funds | | |
|--|--|--|-------------------|
| | Food Service | Saturday Happenings Program | Total |
| ASSETS | | | |
| Cash | - | \$ 195,047 | \$ 195,047 |
| Intergovernmental Receivable, Net | \$ 18,249 | - | 18,249 |
| Accounts Receivable, Net | 10,227 | 11,716 | 21,943 |
| Inventory | 9,717 | - | 9,717 |
| Total Current Assets | <u>38,193</u> | <u>206,763</u> | <u>244,956</u> |
| Capital Assets | | | |
| Equipment | 305,359 | 30,200 | 335,559 |
| Accumulated Depreciation | (259,512) | (24,896) | (284,408) |
| Total Capital Assets, Net | <u>45,847</u> | <u>5,304</u> | <u>51,151</u> |
| Total Assets | <u>84,040</u> | <u>212,067</u> | <u>296,107</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 37,538 | 2,072 | 39,610 |
| Due to Other Funds | 1,655 | | 1,655 |
| Unearned Revenue | 6,368 | 22,378 | 28,746 |
| Total Current Liabilities | <u>45,561</u> | <u>24,450</u> | <u>70,011</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Commodities Revenue | 376 | - | 376 |
| Total Liabilities and Deferred Inflow of Resources | <u>45,937</u> | <u>24,450</u> | <u>70,387</u> |
| NET POSITION | | | |
| Investment in Capital Assets | 45,847 | 5,304 | 51,151 |
| Unrestricted | (7,744) | 182,313 | 174,569 |
| Total Net Position | <u>\$ 38,103</u> | <u>\$ 187,617</u> | <u>\$ 225,720</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, 2016**

| | Business-Type Activities | | |
|---|--------------------------|--|-------------------|
| | Enterprise Funds | | |
| | <u>Food Service</u> | <u>Saturday Happenings Program</u> | <u>Total</u> |
| OPERATING REVENUES | | | |
| Local Sources | | | |
| Charges for Services: | | | |
| Daily Sales - Reimbursable Programs | \$ 193,532 | | \$ 193,532 |
| Daily Sales - Non-Reimbursable Program | 150,543 | | 150,543 |
| Other | 4,680 | | 4,680 |
| Program Fees | - | \$ 304,718 | 304,718 |
| | <u>348,755</u> | <u>304,718</u> | <u>653,473</u> |
| Total Operating Revenues | | | |
| OPERATING EXPENSES | | | |
| Cost of Sales - Reimbursable Programs | 244,690 | | 244,690 |
| Cost of Sales - Non-Reimbursable Programs | 72,810 | | 72,810 |
| Salaries and Benefits | 256,939 | 342,456 | 599,395 |
| Purchased Management Services | 27,430 | | 27,430 |
| Other Purchased Services | 12,200 | | 12,200 |
| General Supplies | 31,911 | 9,054 | 40,965 |
| Miscellaneous | 2,858 | 6,343 | 9,201 |
| Repair and Maintenance | 10,906 | | 10,906 |
| Rental and Utility Expense | | 21,000 | 21,000 |
| Depreciation | 24,454 | 3,020 | 27,474 |
| | <u>684,198</u> | <u>381,873</u> | <u>1,066,071</u> |
| Total Operating Expenses | | | |
| Operating (Loss) | <u>(335,443)</u> | <u>(77,155)</u> | <u>(412,598)</u> |
| NONOPERATING REVENUES | | | |
| State Sources | | | |
| State School Lunch Program | 7,305 | | 7,305 |
| Federal Sources | | | |
| National School Breakfast Program | 36,937 | | 36,937 |
| National School Lunch Program | 219,753 | | 219,753 |
| Food Distribution Program | 44,685 | | 44,685 |
| Interest Income | - | 733 | 733 |
| | <u>308,680</u> | <u>733</u> | <u>309,413</u> |
| Total Nonoperating Revenues | | | |
| Changes in Net Position | (26,763) | (76,422) | (103,185) |
| Total Net Position, Beginning of Year | <u>64,866</u> | <u>264,039</u> | <u>328,905</u> |
| Total Net Position, End of Year | <u>\$ 38,103</u> | <u>\$ 187,617</u> | <u>\$ 225,720</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, 2016**

| | Business-Type Activities | | |
|---|---------------------------------|--|--------------|
| | Enterprise Funds | | |
| | Food Service | Saturday Happenings Program | Total |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 345,996 | \$ 311,692 | \$ 657,688 |
| Cash Payments for Employees | | | |
| Salaries and Benefits | (256,939) | (342,456) | (599,395) |
| Cash Payments to Suppliers for Goods and Services | (358,541) | (34,525) | (393,066) |
| Net Cash (Used for) Operating Activities | (269,484) | (65,289) | (334,773) |
| Cash Flows from Noncapital Financing Activities | | | |
| Cash Received from State and Federal Subsidy Reimbursements | 263,732 | - | 263,732 |
| Cash Received from the General Fund | 1,655 | - | 1,655 |
| Net Cash Provided by Noncapital Financing Activities | 265,387 | - | 265,387 |
| Cash Flows from Capital and Related Financing Activities | | | |
| Purchase of Capital Assets | (20,206) | (5,978) | (26,184) |
| Net Cash (Used for) Capital and Related Financing Activities | (20,206) | (5,978) | (26,184) |
| Cash Flows from Investing Activities | | | |
| Interest Received | - | 733 | 733 |
| Net Cash Provided by Investing Activities | - | 733 | 733 |
| Net (Decrease) in Cash | (24,303) | (70,534) | (94,837) |
| Cash, Beginning of Year | 24,303 | 265,581 | 289,884 |
| Cash, End of Year | \$ - | \$ 195,047 | \$ 195,047 |
| Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities | | | |
| Operating (Loss) | \$ (335,443) | \$ (77,155) | \$ (412,598) |
| Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities | | | |
| Depreciation | 24,454 | 3,020 | 27,474 |
| Non-Cash Federal Assistance-Food Distribution Program | 44,685 | | 44,685 |
| Change in Assets, Liabilities and Deferred Inflows of Resources | | | |
| (Increase)/Decrease in Other Accounts Receivable | (3,332) | 2,134 | (1,198) |
| (Increase)/Decrease in Inventory | (177) | | (177) |
| Increase/(Decrease) in Accounts Payable | 253 | 1,872 | 2,125 |
| Increase/(Decrease) in Unearned Revenue | 573 | 4,840 | 5,413 |
| Increase/(Decrease) in Deferred Commodities Revenue | (497) | - | (497) |
| Total Adjustments | 65,959 | 11,866 | 77,825 |
| Net Cash (Used for) Operating Activities | \$ (269,484) | \$ (65,289) | \$ (334,773) |
| Non-Cash Investing, Capital and Financing Activities: | | | |
| Value Received - Food Distribution Program | \$ 44,188 | | |

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, 2016**

| | <u>Private Purpose Scholarship Fund</u> | <u>Agency Fund</u> |
|--------------------------------------|---|--------------------|
| ASSETS | | |
| Cash | \$ 72,128 | \$ 312,284 |
| Total Assets | <u>72,128</u> | <u>\$ 312,284</u> |
| LIABILITIES | | |
| Payroll Deductions and Withholdings | | \$ 218,954 |
| Due to Other Funds | 21,100 | 10,145 |
| Due to Student Groups | <u>-</u> | <u>83,185</u> |
| Total Liabilities | <u>21,100</u> | <u>\$ 312,284</u> |
| NET POSITION | | |
| Held in Trust for Scholarship Awards | <u>\$ 51,028</u> | |

**RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Private Purpose Scholarship Fund</u> |
|-------------------------------------|---|
| ADDITIONS | |
| Contributions | |
| Donations - Private | \$ 19,750 |
| Investment Earnings | |
| Interest | <u>103</u> |
| Total Additions | 19,853 |
| DEDUCTIONS | |
| Scholarship Awards | <u>21,100</u> |
| Change in Net Position | (1,247) |
| Net Position, Beginning of the Year | <u>52,275</u> |
| Net Position, End of the Year | <u>\$ 51,028</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, 2016**

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 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*. 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 applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. 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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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 No. 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 No. 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 No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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, 2016**

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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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 type:

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, 2016**

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 except for tuition and related service fees which are considered available if collected within 90 days after year end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. 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 Board's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by a lease-purchase agreement for capital projects.

5. Capital Assets

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

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

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

| <u>Assets</u> | <u>Years</u> |
|--------------------------------|--------------|
| Land Improvements | 20 |
| Buildings | 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, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources

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

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 Board 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 and related service fees. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item that qualifies for reporting in this category is the deferred commodities revenue which is reported under the accrual basis 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 last item that qualifies for reporting in this category under the accrual basis is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. 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, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Pensions

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

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

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported gross of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position/Fund Balance

District-Wide Statements

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

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

RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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 2E).

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2015/2016 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 Adjustments – 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 2014/2015 contract year that is appropriated in the 2016/2017 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 2016/2017 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, 2016**

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 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$1,234,327. The increase was funded by additional unassigned fund balance (surplus) appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$101,353 from the general fund made on March 10, 2016.

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

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

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

| | <u>Final Budget</u> | <u>Actual</u> | <u>Unfavorable Variance</u> |
|---|-------------------------|---------------|---------------------------------|
| General Fund | | | |
| Capital Outlay | | | |
| Facilities Acquisition and Construction | | | |
| Architectural/Engineering Services | \$36,134 | \$51,604 | \$(15,470) |

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has a budgetary project deficit in the 2014 referendum project accounts in the Capital Projects Fund of \$127,650 as of June 30, 2016. 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.

The District has an unassigned fund deficit of \$3,366 in the General Fund as of June 30, 2016 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2015/2016 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$3,366 in the General Fund is less than the delayed state aid payments at June 30, 2016.

D. Capital Reserve

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

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, 2016 is as follows:

| | |
|---------------------------------------|-------------------|
| Balance, July 1, 2015 | \$ 618,688 |
| Increased by | |
| Deposits Approved by Board Resolution | <u>94,412</u> |
| Balance, June 30, 2016 | <u>\$ 713,100</u> |

Of the capital reserve balance at June 30, 2016, \$345,000 was designated and appropriated in the 2016/2017 original budget certified for taxes.

E. 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, 2016 is as follows:

| | |
|------------------------|-------------------|
| Balance, July 1, 2015 | <u>\$ 373,900</u> |
| Balance, June 30, 2016 | <u>\$ 373,900</u> |

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,310,589.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Transfers to Capital Outlay

During the 2015/2016 school year, the district transferred \$139,879 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent.

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, 2016, the book value of the Board's deposits were \$3,133,298 and bank and brokerage firm balances of the Board's deposits amounted to \$3,361,881. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" and "cash and cash equivalents with Fiscal Agent" are categorized as:

Depository Account

| | |
|---------|---------------------|
| Insured | <u>\$ 3,361,881</u> |
|---------|---------------------|

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 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.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk.

As of June 30, 2016, 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.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Deposits)

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

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

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

B. Receivables

Receivables as of June 30, 2016 for the district’s individual major funds, 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 | \$ 549,167 | \$ 14,262 | | | | \$ 563,429 |
| State | 56,375 | | \$ 1,205,026 | \$ 486 | | 1,261,887 |
| Federal | | 183,992 | | 17,763 | | 201,755 |
| Accounts | 144 | - | - | 10,227 | \$ 24,637 | 35,008 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Gross Receivables | 605,686 | 198,254 | 1,205,026 | 28,476 | 24,637 | 2,062,079 |
| Less: Allowance for Uncollectibles | (43,077) | - | - | - | (12,921) | (55,998) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Total Receivables | <u>\$ 562,609</u> | <u>\$ 198,254</u> | <u>\$ 1,205,026</u> | <u>\$ 28,476</u> | <u>\$ 11,716</u> | <u>\$ 2,006,081</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 | \$ 16,564 |
| Capital Projects Fund | |
| Unrealized School Facilities Grant | <hr/> 102,911 |
| | <hr/> |
| Total Unearned Revenue for Governmental Funds | <u>\$ 119,475</u> |

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

| | Balance, July 1, 2015 | Increases | Decreases | Balance, June 30, 2016 |
|--|--------------------------|---------------------|-----------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 288,751 | | | \$ 288,751 |
| Construction in Progress | 663,525 | \$ 3,107,977 | \$ (1,475,267) | 2,296,235 |
| Total Capital Assets, Not Being Depreciated | <u>952,276</u> | <u>3,107,977</u> | <u>(1,475,267)</u> | <u>2,584,986</u> |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 591,180 | 71,540 | | 662,720 |
| Buildings and Building Improvements | 13,245,366 | 1,242,716 | | 14,488,082 |
| Leasehold Improvements | 50,627 | | | 50,627 |
| Machinery and Equipment | 2,590,796 | 945,307 | (141,877) | 3,394,226 |
| Total Capital Assets Being Depreciated | <u>16,477,969</u> | <u>2,259,563</u> | <u>(141,877)</u> | <u>18,595,655</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (487,127) | (12,062) | | (499,189) |
| Buildings and Building Improvements | (6,549,529) | (281,619) | | (6,831,148) |
| Leasehold Improvements | (24,045) | (2,531) | | (26,576) |
| Machinery and Equipment | (1,421,148) | (292,417) | 141,877 | (1,571,688) |
| Total Accumulated Depreciation | <u>(8,481,849)</u> | <u>(588,629)</u> | <u>141,877</u> | <u>(8,928,601)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>7,996,120</u> | <u>1,670,934</u> | <u>-</u> | <u>9,667,054</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 8,948,396</u> | <u>\$ 4,778,911</u> | <u>\$ (1,475,267)</u> | <u>\$ 12,252,040</u> |
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 309,375 | \$ 26,184 | - | \$ 335,559 |
| Total Capital Assets Being Depreciated | <u>309,375</u> | <u>26,184</u> | <u>-</u> | <u>335,559</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | (256,934) | (27,474) | - | (284,408) |
| Total Accumulated Depreciation | <u>(256,934)</u> | <u>(27,474)</u> | <u>-</u> | <u>(284,408)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>52,441</u> | <u>(1,290)</u> | <u>-</u> | <u>51,151</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 52,441</u> | <u>\$ (1,290)</u> | <u>\$ -</u> | <u>\$ 51,151</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 | \$ 202,014 |
| Special Education | <u>3,939</u> |
| Total Instruction | <u>205,953</u> |
| Support Services | |
| Students and Instruction Related Services | 5,062 |
| General Administrative Services | 3,358 |
| School Administrative Services | 42,393 |
| Central and Other Support Services | |
| Plant Operations and Maintenance | 298,547 |
| Pupil Transportation | <u>33,316</u> |
| Total Support Services | <u>382,676</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 588,629</u> |
| Business-Type Activities: | |
| Food Service | \$ 24,454 |
| Saturday Happenings Program | <u>3,020</u> |
| Total Depreciation Expense-Business-Type Activities | <u>\$ 27,474</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2016:

| <u>Project</u> | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|--|----------------------|---------------------------------|
| Various Upgrades and Improvements at the High School, Slocum Skewes and Bergen Boulevard School | 3,348,566 | \$ 55,237 |
| Installation of Modular Classrooms | 205,711 | <u>227,289</u> |
| | | <u>\$ 282,526</u> |

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|-------------------|
| General Fund | Special Revenue Fund | \$ 53,105 |
| General Fund | Capital Projects Fund | 833,841 |
| General Fund | Food Service Fund | 1,655 |
| General Fund | Scholarship Fund | 21,100 |
| General Fund | Payroll Agency Fund | <u>10,145</u> |
| | | <u>\$ 919,846</u> |

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

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 | \$ 2,658 | \$ 1,238,736 | \$ 1,241,394 |
| Total | <u>\$ 2,658</u> | <u>\$ 1,238,736</u> | <u>\$ 1,241,394</u> |

The above transfers are the result of revenues earned and available fund balances in one fund to finance expenditures in another fund.

F. Leases

Operating Leases

The District leases a school building under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2016 were \$616,900. The future minimum lease payments for these operating leases are as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Amount</u> |
|---------------------------------------|-------------------------|
| 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>\$ 5,115,200</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Lease Purchase Agreement

The District is leasing modular classrooms and computers totaling \$721,032 under lease purchase agreements. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

| | <u>Governmental Activities</u> |
|--------------------------|------------------------------------|
| Construction in Progress | \$ <u>205,711</u> |

The unexpended proceeds from the modular classrooms lease-purchase in the amount of \$412,694 at June 30, 2016 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

| <u>Fiscal Year Ending June 30</u> | <u>Governmental Activities Lease- Purchase Agreements</u> |
|---|---|
| 2017 | \$ 162,670 |
| 2018 | 162,670 |
| 2019 | 162,670 |
| 2020 | 162,670 |
| 2021 | <u>90,662</u> |
| Total minimum lease payments | 741,342 |
| Less: amount representing interest | <u>(20,310)</u> |
| Present value of minimum lease payments | <u>\$ 721,032</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2016 are comprised of the following issues:

| | |
|---|--------------------|
| \$3,240,000, 2006 Bonds (partially refunded in 2015), due in an annual installment of \$235,000 through February 15, 2017, interest at 4.15% | \$ 235,000 |
| \$5,168,000, 2007 Bonds (partially refunded in 2015), due in an annual installment of \$250,000 through June 1, 2017, interest at 4.00% | 250,000 |
| \$2,900,000, 2013 Bonds, due in annual installments of \$180,000 to \$220,000 through February 1, 2028, interest at 1.75% to 3.00% | 2,390,000 |
| \$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% | 1,707,000 |
| \$3,540,000, 2015 Refunding Bonds, due in annual installments of \$240,000 to \$505,000 through February 15, 2027, interest at 2.25% to 5.00% | <u>3,525,000</u> |
| Total | <u>\$8,107,000</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

| Fiscal Year Ended June 30, | <u>Serial Bonds</u> | | <u>Total</u> |
|-------------------------------|---------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2017 | \$ 765,000 | \$ 253,800 | \$ 1,018,800 |
| 2018 | 715,000 | 228,898 | 943,898 |
| 2019 | 730,000 | 210,298 | 940,298 |
| 2020 | 750,000 | 186,898 | 936,898 |
| 2021 | 770,000 | 162,698 | 932,698 |
| 2022-2026 | 3,195,000 | 451,787 | 3,646,787 |
| 2027-2030 | <u>1,182,000</u> | <u>64,560</u> | <u>1,246,560</u> |
| | <u>\$ 8,107,000</u> | <u>\$ 1,558,939</u> | <u>\$ 9,665,939</u> |

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

| | |
|---|----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 70,354,482 |
| Less: Net Debt Issued | \$ 8,107,000 |
| Net Debt Authorized But Not Issued | <u>538</u> |
| Total Net Debt | <u>8,107,538</u> |
| Remaining Borrowing Power | <u>\$ 62,246,944</u> |

Advance Refundings of Debt

On December 2, 2015 the District issued \$3,540,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2006 and 2007 School District Bonds of the District. The total bond principal defeased was \$4,408,000 and the total interest payments defeased to the call date was \$268,485. The District also provided a contribution of \$823,736 from unspent proceeds remaining from the 2006 and 2007 bonds as part of the refunding transition. The net proceeds of \$4,632,918 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$224,918. This amount has been reported as a Deferred Outflow of Resources on the financial statements and is being amortized over the life of the refunding debt, which is the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the current and next 11 years by \$1,185,640 and resulted in an economic gain of \$200,439.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016 is \$140,722.

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

| | Balance, July 1, 2015 | Additions | Reductions | Balance, June 30, 2016 | Due Within One Year |
|---------------------------------|--------------------------|---------------------|---------------------|---------------------------|---------------------------|
| Governmental activities: | | | | | |
| Bonds Payable | \$ 9,730,000 | \$ 3,540,000 | \$ 5,163,000 | \$ 8,107,000 | \$ 765,000 |
| Add: | | | | | |
| Unamortized Premium | - | 370,100 | 12,607 | 357,493 | - |
| Total Bonds Payable | 9,730,000 | 3,910,100 | 5,175,607 | 8,464,493 | 765,000 |
| Lease Purchase Agreements | 60,987 | 721,032 | 60,987 | 721,032 | 160,292 |
| Compensated Absences | 544,822 | 427,390 | | 972,212 | 97,221 |
| Deferred Pension Obligation | 153,041 | 12,626 | 24,945 | 140,722 | 24,791 |
| Net Pension Liability | 11,462,175 | 2,510,124 | 515,384 | 13,456,915 | - |
| Governmental activity | | | | | |
| Long-term liabilities | <u>\$ 21,951,025</u> | <u>\$ 7,581,272</u> | <u>\$ 5,776,923</u> | <u>\$ 23,755,374</u> | <u>\$ 1,047,304</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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the 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 various types of coverages including 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 the Group are on file with the School's Business Administrator.

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

B. Contingent Liabilities

The District is a party defendant in 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.

Pending Litigation – A parent and guardian v Ridgfield Public Schools and others. Plaintiff filed a New Jersey Law Against Discrimination (“LAD”) action alleging disability and perception of disability harassment as well as perceived sexual orientation harassment by the school and further alleging that the school was advised of the existence of same and failed to prevent and/or deter it. The suit is being defended by the District's insurance carrier. This matter may have significant financial impact in the event of an award beyond the insurance coverage.

A former employee vs The Ridgfield Public School District. Plaintiff brought civil action for damages under the New Jersey Law Against Discrimination for hostile work environment, harassment based on race and ethnicity and retaliation based on disability. This matter is being defended by the District's insurance carrier. This matter may have significant financial impact in the event of an award beyond the insurance coverage. This case tentatively settled during mediation in September, 2016 for \$117,500.00.

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, 2016, 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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

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, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 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, 2016**

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, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 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, 2014 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 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 6.92% for PERS, 6.92% 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, 2016 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, 2016, 2015 and 2014 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 June 30, | <u>PERS</u> | On-behalf <u>TPAF</u> | <u>DCRP</u> |
|----------------------------------|-------------|--------------------------|-------------|
| 2016 | \$ 515,384 | \$ 1,271,037 | \$ 7,634 |
| 2015 | 499,478 | 845,201 | None |
| 2014 | 451,196 | 655,687 | None |

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,271,037 and \$845,201, 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 \$1,209,571 during the fiscal year ended June 30, 2016 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, 2016**

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, 2016, the District reported in the statement of net position (accrual basis) a liability of \$13,456,915 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 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, 2015, the District's proportionate share was 0.05995 percent, which was an decrease of 0.00127 percent from its proportionate share measured as of June 30, 2014 of 0.06122 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$900,211 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>2015</u> | |
|---|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences Between Expected and Actual Experience | \$ 321,035 | |
| Changes of Assumptions | 1,445,165 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | \$ 216,361 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>267,648</u> | <u>202,297</u> |
| Total | <u>\$ 2,033,848</u> | <u>\$ 418,658</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> | |
|--|---------------------|
| 2017 | \$ 262,416 |
| 2018 | 262,416 |
| 2019 | 262,416 |
| 2020 | 262,416 |
| 2021 | <u>565,526</u> |
| | <u>\$ 1,615,190</u> |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | <u>PERS</u> |
|--------------------------------|----------------------------|
| Inflation Rate | 3.04% |
| 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, 2016**

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, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash | 5.00% | 1.04% |
| U.S. Treasuries | 1.75% | 1.64% |
| Investment Grade Credit | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Equities | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds/Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |

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 | 4.90% |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

| | |
|--|-------------------------------------|
| Period of Projected Benefit Payments for which the Following Rates were Applied: | |
| Long-Term Expected Rate of Return | Through June 30, 2033 |
| Municipal Bond Rate * | From July 1, 2033 and Thereafter |

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

| | 1% Decrease <u>(3.90%)</u> | Current Discount Rate <u>(4.90%)</u> | 1% Increase <u>(5.90%)</u> |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | <u>\$ 16,725,299</u> | <u>\$ 13,456,915</u> | <u>\$ 10,716,726</u> |

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,033,256 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, 2016 the State's proportionate share of the net pension liability attributable to the District is \$98,810,252. 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, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was 0.15633 percent, which was a decrease of 0.00614 percent from its proportionate share measured as of June 30, 2014 of 0.16247 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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 Study Upon Which Actuarial Assumptions were Based | July 1, 2009 - June 30, 2012 |

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, 2016**

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, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| US Cash | 5.00% | 0.53% |
| US Government Bonds | 1.75% | 1.39% |
| US Credit Bonds | 13.50% | 2.72% |
| US Mortgages | 2.10% | 2.54% |
| US Inflation-Indexed Bonds | 1.50% | 1.47% |
| US High Yield Bonds | 2.00% | 4.57% |
| US Equity Market | 27.25% | 5.63% |
| Foreign-Developed Equity | 12.00% | 6.22% |
| Emerging Markets Equity | 6.40% | 8.46% |
| Private Real Estate Property | 4.25% | 3.97% |
| Timber | 1.00% | 4.09% |
| Farmland | 1.00% | 4.61% |
| Private Equity | 9.25% | 9.15% |
| Commodities | 1.00% | 3.58% |
| Hedge Funds - MultiStrategy | 4.00% | 4.59% |
| Hedge Funds - Equity Hedge | 4.00% | 5.68% |
| Hedge Funds - Distressed | 4.00% | 4.30% |

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 | 4.13% |

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

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

* The municipal bond return rate used is 3.80%. 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 4.13% 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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 117,432,291</u> | <u>\$ 98,810,252</u> | <u>\$ 82,766,251</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program 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 2015.

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

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

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

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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, 2014, 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, 2016**

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, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:
<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2016, 2015 and 2014 were \$1,513,454, \$1,341,760 and \$1,075,079, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Tax Levy | \$ 19,216,798 | | \$ 19,216,798 | \$ 19,216,798 | |
| Tuition from Other LEAs within the State | 9,948,368 | - | 9,948,368 | 9,922,070 | \$ (26,298) |
| Interest Income | 1,250 | | 1,250 | 7,009 | 5,759 |
| Miscellaneous - Restricted | 1,775,000 | - | 1,775,000 | 1,967,507 | 192,507 |
| Miscellaneous - Unrestricted | 111,097 | - | 111,097 | 88,271 | (22,826) |
| Total Local | 31,052,513 | - | 31,052,513 | 31,201,655 | 149,142 |
| State Sources | | | | | |
| Special Education Aid | 965,221 | | 965,221 | 965,221 | - |
| Equalization Aid | 1,498,795 | | 1,498,795 | 1,498,795 | - |
| Extraordinary Aid | 500,000 | | 500,000 | 458,626 | (41,374) |
| 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 | | | | 1,210,726 | 1,210,726 |
| Pension - NCGI Premium | | | | 60,311 | 60,311 |
| Post Retirement Medical Benefit Contribution | | | | 1,513,454 | 1,513,454 |
| Reimbursed TPAF Social Security Contributions (Nonbudgeted) | - | - | - | 1,209,571 | 1,209,571 |
| Total State | 3,065,748 | - | 3,065,748 | 7,018,436 | 3,952,688 |
| Federal Sources | | | | | |
| Medicaid Reimbursement | - | \$ 30,761 | 30,761 | 30,761 | - |
| Total Federal Sources | - | 30,761 | 30,761 | 30,761 | - |
| Total Revenues | 34,118,261 | 30,761 | 34,149,022 | 38,250,852 | 4,101,830 |
| CURRENT EXPENDITURES | | | | | |
| Regular Programs-Instruction | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | 561,763 | 32,108 | 593,871 | 575,551 | 18,320 |
| Grades 1-5 | 2,438,012 | 27,349 | 2,465,361 | 2,443,437 | 21,924 |
| Grades 6-8 | 1,840,592 | (351,001) | 1,489,591 | 1,474,026 | 15,565 |
| Grades 9-12 | 3,135,879 | (60,876) | 3,075,003 | 3,063,188 | 11,815 |
| Regular Programs-Home Instruction | | | | | |
| Salaries of Teachers | 15,000 | (6,500) | 8,500 | 1,723 | 6,777 |
| Purchased Professional Educational Services | 3,000 | 6,500 | 9,500 | 4,934 | 4,566 |
| Regular Programs-Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 71,178 | (71,178) | | | - |
| Other Purchased Services | 192,510 | 19,395 | 211,905 | 202,870 | 9,035 |
| General Supplies | 208,922 | 82,539 | 291,461 | 288,549 | 2,912 |
| General Supplies - Acquired Under Lease Purchase (Nonbudgeted) | | | | 288,032 | (288,032) |
| Textbooks | 5,900 | (5,900) | | | - |
| Other Objects | 30,600 | (14,891) | 15,709 | 15,709 | - |
| Total Regular Programs | 8,503,356 | (342,455) | 8,160,901 | 8,358,019 | (197,118) |
| Behavioral Disabilities | | | | | |
| Salaries of Teachers | 218,278 | (89,225) | 129,053 | 129,053 | - |
| Other Salaries for Instruction | 111,687 | (55,198) | 56,489 | 55,689 | 800 |
| Purchased Professional Educational Services | 5,093 | (3,728) | 1,365 | 165 | 1,200 |
| Other Purchased Services | 5,552 | (992) | 4,560 | 4,560 | - |
| General Supplies | 8,995 | (1,891) | 7,104 | 7,104 | - |
| Other Objects | 3,085 | (377) | 2,708 | 2,708 | - |
| Total Behavioral Disabilities | 352,690 | (151,411) | 201,279 | 199,279 | 2,000 |

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|------------------|-------------------|-------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | \$ 1,311,520 | \$ (84,549) | \$ 1,226,971 | \$ 1,226,971 | - |
| Other Salaries for Instruction | 584,532 | 76,311 | 660,843 | 660,843 | - |
| Purchased Professional Educational Service | 16,394 | (2,127) | 14,267 | 14,267 | - |
| Other Purchased Services | 5,093 | (703) | 4,390 | 4,390 | - |
| General Supplies | 57,164 | 837 | 58,001 | 58,001 | - |
| Other Objects | 19,775 | (4,892) | 14,883 | 14,883 | - |
| Total Multiple Disabilities | 1,994,478 | (15,123) | 1,979,355 | 1,979,355 | - |
| Resource Room/Resource Center | | | | | |
| Salaries of Teachers | 1,498,400 | (9,546) | 1,488,854 | 1,488,573 | \$ 281 |
| Other Salaries for Instruction | 151,280 | (44,285) | 106,995 | 105,737 | 1,258 |
| Total Resource Room/Resource Center | 1,649,680 | (53,831) | 1,595,849 | 1,594,310 | 1,539 |
| Autism | | | | | |
| Salaries of Teachers | 1,723,492 | (79,442) | 1,644,050 | 1,641,718 | 2,332 |
| Other Salaries for Instruction | 1,018,166 | 180,222 | 1,198,388 | 1,198,388 | - |
| Purchased Professional Educational Services | 61,000 | (31,434) | 29,566 | 25,059 | 4,507 |
| Other Purchased Services | 12,418 | 27,622 | 40,040 | 37,605 | 2,435 |
| General Supplies | 50,321 | 25,975 | 76,296 | 75,971 | 325 |
| Other Objects | 45,854 | (9,737) | 36,117 | 35,208 | 909 |
| Total Autism | 2,911,251 | 113,206 | 3,024,457 | 3,013,949 | 10,508 |
| Preschool Disabilities - Full-Time | | | | | |
| Salaries of Teachers | 153,033 | (29,831) | 123,202 | 123,202 | - |
| Other Salaries for Instruction | 138,398 | 50,568 | 188,966 | 187,429 | 1,537 |
| Purchased Professional Educational Services | 3,000 | - | 3,000 | 3,000 | - |
| Other Purchased Services | 3,500 | (3,000) | 500 | 378 | 122 |
| General Supplies | 9,779 | (69) | 9,710 | 9,693 | 17 |
| Other Objects | 1,505 | 225 | 1,730 | 1,382 | 348 |
| Total Preschool Disabilities - Full-Time | 309,215 | 17,893 | 327,108 | 325,084 | 2,024 |
| Total Special Education | 7,217,314 | (89,266) | 7,128,048 | 7,111,977 | 16,071 |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 127,552 | (100,622) | 26,930 | 26,930 | - |
| Total Basic Skills/Remedial - Instruction | 127,552 | (100,622) | 26,930 | 26,930 | - |
| Bilingual Education - Instruction | | | | | |
| Salaries of Teachers | 310,941 | 16,420 | 327,361 | 300,324 | 27,037 |
| Total Bilingual Education - Instruction | 310,941 | 16,420 | 327,361 | 300,324 | 27,037 |
| School Sponsored Co/Extra Curricular Activities | | | | | |
| Salaries | 161,364 | (16,825) | 144,539 | 144,539 | - |
| Supplies and Materials | 20,550 | 7,579 | 28,129 | 25,718 | 2,411 |
| Other Objects | 67,812 | (11,527) | 56,285 | 46,075 | 10,210 |
| Total School Sponsored Co/Extra Curricular Activities | 249,726 | (20,773) | 228,953 | 216,332 | 12,621 |
| School Sponsored Athletics | | | | | |
| Salaries | 210,265 | 36,000 | 246,265 | 245,253 | 1,012 |
| Purchased Services | 35,250 | (7,999) | 27,251 | 21,149 | 6,102 |
| Supplies and Materials | 59,200 | 3,249 | 62,449 | 61,654 | 795 |
| Other Objects | 52,000 | (3,050) | 48,950 | 48,637 | 313 |
| Total School Sponsored Athletics | 356,715 | 28,200 | 384,915 | 376,693 | 8,222 |
| Total Instruction | 16,765,604 | (508,496) | 16,257,108 | 16,390,275 | (133,167) |

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|------------------|------------------|------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures | | | | | |
| Instruction: | | | | | |
| Tuition to County Voc. School District-Regular | \$ 374,940 | \$ (37,855) | \$ 337,085 | \$ 329,606 | \$ 7,479 |
| Tuition to County Voc. School District-Special | - | 72,056 | 72,056 | 32,226 | 39,830 |
| Tuition to CSSD and Regional Day Schools | 230,604 | (89,144) | 141,460 | 115,524 | 25,936 |
| Tuition to Priv. Sch. for the Disabled -Within State | 171,315 | (119,945) | 51,370 | 51,370 | - |
| Tuition - State Facilities | - | 3,800 | 3,800 | 3,800 | - |
| Total Undistributed Expenditures- Instruction | 776,859 | (171,088) | 605,771 | 532,526 | 73,245 |
| Attendance and Social Work | | | | | |
| Salaries | 32,760 | (3,000) | 29,760 | 25,605 | 4,155 |
| Total Attendance and Social Work | 32,760 | (3,000) | 29,760 | 25,605 | 4,155 |
| Health Services | | | | | |
| Salaries | 376,140 | (17,697) | 358,443 | 358,443 | - |
| Purchased Professional/Technical Services | 1,320 | 29,647 | 30,967 | 30,967 | - |
| Supplies and Materials | 8,772 | 1,483 | 10,255 | 10,255 | - |
| Total Health Services | 386,232 | 13,433 | 399,665 | 399,665 | - |
| Speech, OT, PT, & Related Services | | | | | |
| Salaries | 1,591,703 | 8,022 | 1,599,725 | 1,599,725 | - |
| Purchased Professional/Educational Services | 41,000 | 234,001 | 275,001 | 275,001 | - |
| Total Speech, OT, PT & Related Services | 1,632,703 | 242,023 | 1,874,726 | 1,874,726 | - |
| Other Support Services -Students- Extra Services | | | | | |
| Salaries | 1,405,585 | (51,000) | 1,354,585 | 1,353,059 | 1,526 |
| Total Other Support Services - Students - Extra Services | 1,405,585 | (51,000) | 1,354,585 | 1,353,059 | 1,526 |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 402,180 | (8,755) | 393,425 | 392,967 | 458 |
| Salaries of Secretarial and Clerical Assistants | 67,707 | - | 67,707 | 67,155 | 552 |
| Purchased Professional/Educational Services | 11,450 | (1,603) | 9,847 | 7,597 | 2,250 |
| Other Purchased Professional & Technical Services | - | 3,800 | 3,800 | 3,597 | 203 |
| Supplies and Materials | 5,038 | (173) | 4,865 | 4,790 | 75 |
| Other Objects | 1,465 | (595) | 870 | 425 | 445 |
| Total Guidance | 487,840 | (7,326) | 480,514 | 476,531 | 3,983 |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 364,250 | 226,727 | 590,977 | 590,917 | 60 |
| Salaries of Secretarial and Clerical Assistants | 115,443 | 7,760 | 123,203 | 123,116 | 87 |
| Purchased Professional-Educational Services | 14,000 | 839 | 14,839 | 14,839 | - |
| Other Purchased Professional & Technical Services | - | 2,800 | 2,800 | 2,408 | 392 |
| Other Purchased Services | 150 | - | 150 | - | 150 |
| Supplies and Materials | 1,500 | 1,500 | 3,000 | 1,498 | 1,502 |
| Total Child Study Team | 495,343 | 239,626 | 734,969 | 732,778 | 2,191 |
| Improvement of Inst. Serv. | | | | | |
| Salaries of Supervisor of Instruction | 97,850 | 264,952 | 362,802 | 361,645 | 1,157 |
| Salaries of Other Professional Staff | 249,856 | (244,239) | 5,617 | 5,617 | - |
| Purchased Professional-Educational Services | 20,000 | (6,460) | 13,540 | 13,506 | 34 |
| Other Purchased Professional & Technical Services | - | 6,005 | 6,005 | 5,538 | 467 |
| Other Purchased Services | 22,440 | (2,551) | 19,889 | 19,171 | 718 |
| Supplies and Materials | 10,200 | 122,700 | 132,900 | 132,282 | 618 |
| Other Objects | - | 789 | 789 | 199 | 590 |
| Total Improvement of Inst. Serv. | 400,346 | 141,196 | 541,542 | 537,958 | 3,584 |
| Educational Media/School Library | | | | | |
| Salaries | 67,679 | (363) | 67,316 | 67,275 | 41 |
| Supplies and Materials | 9,516 | (1,380) | 8,136 | 5,106 | 3,030 |
| Total Educational Media/School Library | 77,195 | (1,743) | 75,452 | 72,381 | 3,071 |

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|----------------|------------------|------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Instructional Staff Training | | | | | |
| Purchased Professional-Educational Services | \$ 12,000 | \$ 2,081 | \$ 14,081 | \$ 12,119 | \$ 1,962 |
| Total Instructional Staff Training | 12,000 | 2,081 | 14,081 | 12,119 | 1,962 |
| General Administration | | | | | |
| Salaries | 352,843 | 22,466 | 375,309 | 375,309 | - |
| Legal Services | 100,000 | 36,536 | 136,536 | 126,536 | 10,000 |
| Audit Fees | 42,000 | 55,795 | 97,795 | 56,985 | 40,810 |
| Other Purchased Professional Services | 9,500 | (414) | 9,086 | 9,086 | - |
| Communications/Telephone | 140,596 | (12,373) | 128,223 | 128,223 | - |
| BOE Other Purchased Services | 2,800 | (1,035) | 1,765 | 1,765 | - |
| Miscellaneous Purchased Services | 169,050 | 27,013 | 196,063 | 196,003 | 60 |
| General Supplies | 4,950 | 774 | 5,724 | 5,724 | - |
| BOE In-House Training / Meeting Supplies | 2,500 | (424) | 2,076 | 2,076 | - |
| Judgements Against School District | 15,000 | (15,000) | - | - | - |
| Miscellaneous Expenditures | 2,500 | 461 | 2,961 | 2,961 | - |
| BOE Membership Dues and Fees | 16,500 | (310) | 16,190 | 16,190 | - |
| Total General Administration | 858,239 | 113,489 | 971,728 | 920,858 | 50,870 |
| School Administration | | | | | |
| Salaries of Principals/Assistant Principals | 1,041,737 | 21,179 | 1,062,916 | 1,060,177 | 2,739 |
| Salaries of Secretarial and Clerical Assistants | 255,032 | (5,630) | 249,402 | 246,422 | 2,980 |
| Other Purchased Services | 3,060 | 237 | 3,297 | 3,022 | 275 |
| Supplies and Materials | 73,448 | (5,509) | 67,939 | 67,665 | 274 |
| Other Objects | 6,600 | (2,649) | 3,951 | 75 | 3,876 |
| Total School Administration | 1,379,877 | 7,628 | 1,387,505 | 1,377,361 | 10,144 |
| Central Services | | | | | |
| Salaries | 442,449 | 6,883 | 449,332 | 449,175 | 157 |
| Miscellaneous Purchased Services | 2,900 | 2,750 | 5,650 | 4,234 | 1,416 |
| Sales / Lease-back Payments | 2,900 | (1,939) | 961 | - | 961 |
| Supplies and Materials | 13,700 | (9,461) | 4,239 | 4,072 | 167 |
| Interest on Lease Purchase Agreements | 4,524 | - | 4,524 | 3,424 | 1,100 |
| Miscellaneous Expenditures | 2,300 | 2,244 | 4,544 | 4,544 | - |
| Total Central Services | 468,773 | 477 | 469,250 | 465,449 | 3,801 |
| Admin. Info. Technology | | | | | |
| Salaries | 115,598 | - | 115,598 | 115,598 | - |
| Purchased Professional Services | 82,300 | 19,541 | 101,841 | 101,841 | - |
| Supplies and Materials | 21,000 | 7,276 | 28,276 | 28,243 | 33 |
| Total Admin. Info. Technology | 218,898 | 26,817 | 245,715 | 245,682 | 33 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 194,227 | 6,085 | 200,312 | 200,312 | - |
| Cleaning, Repair and Maintenance Services | 202,800 | 78,295 | 281,095 | 239,068 | 42,027 |
| General Supplies | 32,600 | 12,747 | 45,347 | 43,439 | 1,908 |
| Total Required Maintenance for School Facilities | 429,627 | 97,127 | 526,754 | 482,819 | 43,935 |
| Custodial Services | | | | | |
| Salaries | 723,007 | (3,283) | 719,724 | 719,724 | - |
| Rental of Land/Bldgs Other Than Lease Purchase Agreement | 519,900 | 100,000 | 619,900 | 619,900 | - |
| Other Purchased Property Services | 61,700 | (4,078) | 57,622 | 56,782 | 840 |
| Insurance | 84,900 | 3,902 | 88,802 | 88,802 | - |
| General Supplies | 83,000 | (4,896) | 78,104 | 78,104 | - |
| Energy (Electricity) | 342,500 | 45,923 | 388,423 | 386,329 | 2,094 |
| Total Custodial Services | 1,815,007 | 137,568 | 1,952,575 | 1,949,641 | 2,934 |

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|------------------|-------------------|-------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Care and Upkeep of Grounds | | | | | |
| Salaries | \$ 6,000 | \$ (6,000) | | | - |
| Cleaning, Repair, and Maintenance Svc. | 5,000 | (4,431) | \$ 569 | \$ 569 | - |
| General Supplies | 6,000 | (2,651) | 3,349 | 3,336 | \$ 13 |
| Total Care and Upkeep of Grounds | 17,000 | (13,082) | 3,918 | 3,905 | 13 |
| Security | | | | | |
| Salaries | | 74,560 | 74,560 | 74,126 | 434 |
| General Supplies | - | 68,588 | 68,588 | 68,588 | - |
| Total Security | - | 143,148 | 143,148 | 142,714 | 434 |
| Student Transportation Services | | | | | |
| Sal. For Pupil Transportation (Bet. Home & Sch)-Spec. | 261,067 | (8,842) | 252,225 | 250,394 | 1,831 |
| Cleaning, Repair & Maint. Services | 65,000 | (26,040) | 38,960 | 38,960 | - |
| Lease Purchase Payments - School Buses | - | - | | | |
| Contr. Serv. (Bet. Home & Sch)-Vendor | 133,000 | 4,901 | 137,901 | 137,515 | 386 |
| Contr. Serv. (Other Than Bet Home & Sch)-Vendor | 10,225 | 3,557 | 13,782 | 10,910 | 2,872 |
| Contr. Serv. (Spec. Ed. Students)-Vendors | 26,000 | 7,976 | 33,976 | 32,022 | 1,954 |
| Miscellaneous Purchased Services - Transportation | 15,000 | 10,088 | 25,088 | 21,462 | 3,626 |
| General Supplies | - | 20,580 | 20,580 | 17,677 | 2,903 |
| Transportation Supplies | 65,000 | (35,500) | 29,500 | 7,408 | 22,092 |
| Total Student Transportation Services | 575,292 | (23,280) | 552,012 | 516,348 | 35,664 |
| Unallocated Employee Benefits | | | | | |
| Social Security Contributions | 525,300 | (21,585) | 503,715 | 503,715 | - |
| Other Retirement Contributions - PERS | 466,171 | 49,213 | 515,384 | 515,384 | - |
| Other Retirement Contributions - Deferred PERS Pymt | 24,791 | 154 | 24,945 | 24,945 | - |
| Other Retirement Contributions - Regular | | 16,662 | 16,662 | 7,634 | 9,028 |
| Unemployment Compensation | 90,000 | 354 | 90,354 | 87,546 | 2,808 |
| Workers Compensation | 190,000 | 4,016 | 194,016 | 194,016 | - |
| Health Benefits | 5,173,750 | (380,911) | 4,792,839 | 4,741,877 | 50,962 |
| Tuition Reimbursement | 40,000 | (10,000) | 30,000 | 25,500 | 4,500 |
| Other Employee Benefits | - | 22,623 | 22,623 | 4,753 | 17,870 |
| Unused Sick Payments to Terminated Employees | 53,345 | (53,345) | - | - | - |
| Total Unallocated Employee Benefits | 6,563,357 | (372,819) | 6,190,538 | 6,105,370 | 85,168 |
| On-behalf TPAF Pension Contribution (Nonbudgeted) | | | | | |
| Pension Benefit Contribution | | | | 1,210,726 | (1,210,726) |
| Pension - NCGI Premium | | | | 60,311 | (60,311) |
| Post Retirement Medical Benefit Contribution | | | | 1,513,454 | (1,513,454) |
| Reimbursed TPAF Social Security Contributions (Nonbudgeted) | - | - | - | 1,209,571 | (1,209,571) |
| Total TPAF On-Behalf | - | - | - | 3,994,062 | (3,994,062) |
| Total Undistributed Expenditures | 18,032,933 | 521,275 | 18,554,208 | 22,221,557 | (3,667,349) |
| Interest Earned on Maintenance Reserve | 470 | - | 470 | - | 470 |
| Total Current Expenditures | 34,799,007 | 12,779 | 34,811,786 | 38,611,832 | (3,800,046) |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Regular Programs - Instruction Grades 9-12 | | 46,276 | 46,276 | 10,146 | 36,130 |
| Special Education - Instruction | | | | | |
| Behavioral Disabilities | | 5,492 | 5,492 | 5,492 | - |
| Multiple Disabilities | 10,000 | 29,664 | 39,664 | 39,664 | - |
| Autism | 10,000 | 33,347 | 43,347 | 39,663 | 3,684 |
| Preschool Disabilities - Full-Time | 30,000 | (17,188) | 12,812 | 5,492 | 7,320 |
| Undistributed Expenditures | | | | | |
| Required Maintenance for School Facilities | | 35,781 | 35,781 | 35,781 | - |
| Security | | 204,555 | 204,555 | 204,555 | - |
| School Buses - Regular | | 102,060 | 102,060 | 102,060 | - |
| Non-Instructional Equipment | - | 15,668 | 15,668 | 15,668 | - |
| Total Equipment | 50,000 | 455,655 | 505,655 | 458,521 | 47,134 |

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| Facilities Acquisition and Construction Services | | | | | |
| Architectural / Engineering Services | | \$ 36,134 | \$ 36,134 | \$ 51,604 | \$ (15,470) |
| Other Purchased Professional and Technical Service | | 1,863 | 1,863 | 1,863 | |
| Construction Services | | 294,699 | 294,699 | 294,699 | - |
| Assessment for Debt Service on SDA Funding | \$ 474 | - | 474 | 474 | - |
| Total Facilities Acquisition and Construction Services | <u>474</u> | <u>332,696</u> | <u>333,170</u> | <u>348,640</u> | <u>(15,470)</u> |
| Interest Deposit to Capital Reserve | 780 | - | 780 | - | 780 |
| Total Capital Outlay | <u>51,254</u> | <u>788,351</u> | <u>839,605</u> | <u>807,161</u> | <u>32,444</u> |
| Total Expenditures | <u>34,850,261</u> | <u>801,130</u> | <u>35,651,391</u> | <u>39,418,993</u> | <u>(3,767,602)</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(732,000)</u> | <u>(770,369)</u> | <u>(1,502,369)</u> | <u>(1,168,141)</u> | <u>334,228</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfers In - Capital Projects Fund | | | | 2,658 | 2,658 |
| Lease Purchase Proceeds | - | - | - | 288,032 | 288,032 |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>290,690</u> | <u>290,690</u> |
| Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses | <u>(732,000)</u> | <u>(770,369)</u> | <u>(1,502,369)</u> | <u>(877,451)</u> | <u>624,918</u> |
| Fund Balances, Beginning of Year | <u>3,792,251</u> | <u>-</u> | <u>3,792,251</u> | <u>3,792,251</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ 3,060,251</u> | <u>\$ (770,369)</u> | <u>\$ 2,289,882</u> | <u>\$ 2,914,800</u> | <u>\$ 624,918</u> |
| Recapitulation of Fund Balance | | | | | |
| Restricted Fund Balance | | | | | |
| Capital Reserve | | | | \$ 368,100 | |
| Capital Reserve - Designated for Subsequent Year's Expenditures | | | | 345,000 | |
| Maintenance Reserve | | | | 373,900 | |
| Tuition Adjustments - 2015/2016 | | | | 300,000 | |
| Tuition Adjustments - 2014/2015 - Designated for Subsequent Year's Expenditures | | | | 600,000 | |
| Assigned Fund Balance | | | | | |
| Year End Encumbrances | | | | 50,627 | |
| Designated for Subsequent Year's Expenditures | | | | 174,435 | |
| Unassigned Fund Balance | | | | <u>702,738</u> | |
| Fund Balance - Budgetary Basis | | | | 2,914,800 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Less: State Aid Revenue Not Recognized on GAAP Basis | | | | <u>(706,104)</u> | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 2,208,696</u> | |

**RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <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 | \$ 27,958 | \$ (3,002) |
| Federal | 554,650 | \$ 320,958 | 875,608 | 811,450 | (64,158) |
| Local | - | 112,239 | 112,239 | 87,160 | (25,079) |
| Total Revenues | <u>585,610</u> | <u>433,197</u> | <u>1,018,807</u> | <u>926,568</u> | <u>(92,239)</u> |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 133,033 | 164,361 | 297,394 | 296,848 | 546 |
| Other Purchased Services | 306,245 | 85,147 | 391,392 | 356,660 | 34,732 |
| General Supplies | 16,854 | 48,763 | 65,617 | 50,238 | 15,379 |
| Total Instruction | <u>456,132</u> | <u>298,271</u> | <u>754,403</u> | <u>703,746</u> | <u>50,657</u> |
| Support Services | | | | | |
| Salaries | 30,960 | 52,179 | 83,139 | 63,909 | 19,230 |
| Other Salaries | | 10,400 | 10,400 | 9,730 | 670 |
| Purchased Professional Educational Services | | - | | - | - |
| Purchased Professional / Technical Services | 36,106 | (137) | 35,969 | 33,354 | 2,615 |
| Other Purchased Services | | 20,137 | 20,137 | 20,100 | 37 |
| Supplies and Materials | | 16,463 | 16,463 | 14,612 | 1,851 |
| Other Objects | - | 1,031 | 1,031 | 1,031 | - |
| Total Support Services | <u>67,066</u> | <u>100,073</u> | <u>167,139</u> | <u>142,736</u> | <u>24,403</u> |
| Unallocated Benefits | | | | | |
| Personal Services - Employee Benefits | 62,412 | 19,247 | 81,659 | 80,086 | 1,573 |
| Total Unallocated Benefits | <u>62,412</u> | <u>19,247</u> | <u>81,659</u> | <u>80,086</u> | <u>1,573</u> |
| Facilities Acquisition and Construction | | | | | |
| Instructional Equipment | | 15,606 | 15,606 | - | 15,606 |
| Non-Instructional Equipment | - | - | - | - | - |
| Total Facilities Acq. & Construction | <u>-</u> | <u>15,606</u> | <u>15,606</u> | <u>-</u> | <u>15,606</u> |
| Total Expenditures | <u>585,610</u> | <u>433,197</u> | <u>1,018,807</u> | <u>926,568</u> | <u>92,239</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, 2016**

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

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

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

| | General Fund | Special Revenue Fund |
|--|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2) | \$ 38,250,852 | \$ 926,568 |
| 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 net of cancellations | | 26,254 |
| State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2014/2015 State Aid) | 651,217 | |
| State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2015/2016 State Aid) | <u>(706,104)</u> | <u>-</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2) | <u>\$ 38,195,965</u> | <u>\$ 952,822</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 39,418,993 | \$ 926,568 |
| 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 net of cancellations | <u>-</u> | <u>26,254</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2) | <u>\$ 39,418,993</u> | <u>\$ 952,822</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 Three Fiscal Years*

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|
| District's Proportion of the Net Position Liability (Asset) | 0.05995% | 0.06122% | 0.05919% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 13,456,915 | \$ 11,462,175 | \$ 11,312,269 |
| District's Covered-Employee Payroll | \$ 4,036,455 | \$ 3,852,382 | \$ 3,897,331 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 333.38% | 297.53% | 290.26% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 47.93% | 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 Three Fiscal Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 515,384 | \$ 499,478 | \$ 451,196 |
| Contributions in Relation to the Contractually Required Contribution | <u>515,384</u> | <u>499,478</u> | <u>451,196</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered-Employee Payroll | \$ 4,036,455 | \$ 3,852,382 | \$ 3,897,331 |
| Contributions as a Percentage of Covered-Employee Payroll | 12.77% | 12.97% | 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 Three Fiscal Years*

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0.00% | 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>98,810,252</u> | <u>82,839,005</u> | <u>82,264,814</u> |
| Total | <u>\$ 98,810,252</u> | <u>\$ 82,839,005</u> | <u>\$ 82,264,814</u> |
| District's Covered-Employee Payroll | \$ 15,714,988 | \$ 15,728,337 | \$ 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% | 0.00% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 28.71% | 33.64% | 33.76% |

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

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

**RIDGEFIELD 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, 2016**

Change of Benefit Terms: None.

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

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, 2016**

| | <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> |
|---|-----------------------|---------------------------|-------------------|-------------------|------------------|--------------------------------|--|------------------------|-------------------------|-------------------|
| REVENUES | | | | | | | | | | |
| Intergovernmental | | | | | | | | | | |
| State | | | | | | | | \$ 27,958 | | \$ 27,958 |
| Federal | \$ 363,660 | \$ 30,324 | \$ 338,970 | \$ 59,342 | \$ 17,598 | \$ 1,556 | | | | 811,450 |
| Local | - | - | - | - | - | - | \$ 66,151 | - | \$ 21,009 | 87,160 |
| Total Revenues | <u>\$ 363,660</u> | <u>\$ 30,324</u> | <u>\$ 338,970</u> | <u>\$ 59,342</u> | <u>\$ 17,598</u> | <u>\$ 1,556</u> | <u>\$ 66,151</u> | <u>\$ 27,958</u> | <u>\$ 21,009</u> | <u>\$ 926,568</u> |
| EXPENDITURES | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Salaries of Teachers | | \$ 15,550 | \$ 269,024 | | | | \$ 6,174 | | \$ 6,100 | \$ 296,848 |
| Other Purchased Services | \$ 356,660 | | | | | | | | | 356,660 |
| Supplies and Materials | 7,000 | 10,731 | - | - | \$ 17,598 | - | - | - | 14,909 | 50,238 |
| Total Instruction | <u>363,660</u> | <u>26,281</u> | <u>269,024</u> | <u>-</u> | <u>17,598</u> | <u>-</u> | <u>6,174</u> | <u>-</u> | <u>21,009</u> | <u>703,746</u> |
| Support Services | | | | | | | | | | |
| Salaries | | | | | | | 50,259 | \$ 13,650 | | 63,909 |
| Other Salaries | | | | | | | | 9,730 | | 9,730 |
| Personal Services - Employee Benefits | | 4,043 | 69,946 | | | | 4,317 | 1,780 | | 80,086 |
| Purchased Prof. / Technical Services | | | | \$ 33,354 | | | | | | 33,354 |
| Purchased Prof. / Educational Services | | | | | | | | | | - |
| Other Purchased Services | | | | 20,100 | | | | | | 20,100 |
| Supplies and Materials | | | | 5,888 | | \$ 1,556 | 5,401 | 1,767 | | 14,612 |
| Other Objects | - | - | - | - | - | - | - | 1,031 | - | 1,031 |
| Total Support Services | <u>-</u> | <u>4,043</u> | <u>69,946</u> | <u>59,342</u> | <u>-</u> | <u>1,556</u> | <u>59,977</u> | <u>27,958</u> | <u>-</u> | <u>222,822</u> |
| Facilities Acquisition and Construction | | | | | | | | | | |
| Instructional Equipment | - | - | - | - | - | - | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - | - | - | - | - | - | - |
| Total Facilities Acq. & Construction | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>\$ 363,660</u> | <u>\$ 30,324</u> | <u>\$ 338,970</u> | <u>\$ 59,342</u> | <u>\$ 17,598</u> | <u>\$ 1,556</u> | <u>\$ 66,151</u> | <u>\$ 27,958</u> | <u>\$ 21,009</u> | <u>\$ 926,568</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, 2016**

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, 2016**

| <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 | \$ 2,750,007 | \$ 117,157 | \$ 32,836 |
| 2014 Referendum-Various Upgrades and Improvements: | | | | |
| Bergen Boulevard Elementary School | 566,250 | 29,183 | 437,708 | 99,359 |
| Slocum-Skewes Middle School | 1,660,359 | 178,175 | 1,344,267 | 137,917 |
| Memorial High School | 785,955 | 128,644 | 967,001 | (309,690) |
| Installation of Modular Classrooms | <u>433,000</u> | <u>-</u> | <u>205,711</u> | <u>227,289</u> |
| | <u>\$ 6,345,564</u> | <u>\$ 3,086,009</u> | <u>\$ 3,071,844</u> | <u>\$ 187,711</u> |
| Project Balance, June 30, 2016 | | | | \$ 187,711 |
| Less: Bonds Authorized but Not Issued | | | | (538) |
| Add: Reserve for Debt Service | | | | <u>99</u> |
| Fund Balance, June 30, 2016 (Budgetary Basis) | | | | 187,272 |
| Less: Unrealized SDA Grants | | | | <u>(102,911)</u> |
| Fund Balance, June 30, 2016 (GAAP Basis) | | | | <u>\$ 84,361</u> |

Recapitulation of Fund Balance - June 30, 2016 (GAAP Basis)

| | |
|--|------------------|
| Restricted for Debt Service | \$ 99 |
| Restricted for Capital Projects | |
| Year End Encumbrances | \$ 282,526 |
| Designated for Capital Projects | <u>(198,264)</u> |
| Total Restricted for Capital Projects | <u>84,262</u> |
| Total Fund Balance - Capital Projects Fund | <u>\$ 84,361</u> |

Analysis of Reserve for Debt Service

| <u>Issue</u> | <u>Unexpended Bond Proceeds</u> | | |
|--|---------------------------------|--|-------------------------------|
| | <u>Balance, July 1, 2015</u> | <u>Transfers Out Debt Service Fund</u> | <u>Balance, June 30, 2016</u> |
| 2007 Bonds - Boiler Replacement High School and Elementary Schools | \$ 1,238,835 | \$ (1,238,736) | \$ 99 |
| | <u>\$ 1,238,835</u> | <u>\$ (1,238,736)</u> | <u>\$ 99</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, 2016**

Revenues and Other Financing Sources

Revenues:

| | |
|--------------------------|----------|
| Local Sources - Interest | \$ 2,658 |
| Other Financing Sources | |
| Lease Proceeds | 433,000 |

| | |
|--|---------|
| Total Revenues and Other Financing sources | 435,658 |
|--|---------|

Expenditures and Other Financing Uses

Expenditures:

| | |
|--|-----------|
| Facilities Acquisition and Construction Services | 28,437 |
| Purchased Professional and Technical Services | 2,930,856 |
| Construction Services | 112,551 |
| Equipment | 2,658 |
| Other Financing Uses | |
| Transfer Out General Fund | 1,238,736 |
| Transfer Out Debt Service Fund | |

| | |
|---|-----------|
| Total Expenditures and Other Financing Uses | 4,313,238 |
|---|-----------|

| | |
|---|-------------|
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (3,877,580) |
|---|-------------|

| | |
|---------------------------------|-----------|
| Fund Balance, Beginning of Year | 4,064,852 |
|---------------------------------|-----------|

| | |
|---------------------------|------------|
| Fund Balance, End of Year | \$ 187,272 |
|---------------------------|------------|

Reconciliation to GAAP Basis

| | |
|--------------------------------|------------|
| Fund Balance (Budgetary Basis) | \$ 187,272 |
| Less: | |
| Unrealized Revenue (SDA Grant) | (102,911) |
| Fund Balance (GAAP Basis) | \$ 84,361 |

**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, 2016**

| | <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 | 391,340 | \$ 4,606 | 395,946 | 395,946 |
| Construction Services | 2,054,276 | | 2,054,276 | 2,054,276 |
| Equipment Purchases | 261,511 | 112,551 | 374,062 | 406,898 |
| Other Objects - Cost of Issuance | 42,880 | - | 42,880 | 42,880 |
| Total Expenditures and Other Financing Uses | <u>2,750,007</u> | <u>117,157</u> | <u>2,867,164</u> | <u>2,900,000</u> |
| Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 149,993</u> | <u>\$ (117,157)</u> | <u>\$ 32,836</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 | 98.87% |
| 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, 2016**

| | <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 | <u>226,500</u> | <u>-</u> | <u>226,500</u> | <u>226,500</u> |
| Total Revenues and Other Financing Sources | <u>566,250</u> | <u>-</u> | <u>566,250</u> | <u>566,250</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 19,601 | \$ 17,708 | 37,309 | 23,915 |
| Construction Services | - | 420,000 | 420,000 | 532,753 |
| Other Objects - Cost of Issuance | <u>9,582</u> | <u>-</u> | <u>9,582</u> | <u>9,582</u> |
| Total Expenditures and Other Financing Uses | <u>29,183</u> | <u>437,708</u> | <u>466,891</u> | <u>566,250</u> |
| Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 537,067</u> | <u>\$ (437,708)</u> | <u>\$ 99,359</u> | <u>\$ -</u> |

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 | 82.45% |
| Original Target Completion Date | August 24, 2015 |
| Revised Target Completion Date | August 31, 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 SLOCUM-SKEWES MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <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 |
| | <u>1,660,359</u> | <u>-</u> | <u>1,660,359</u> | <u>1,660,359</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 113,954 | \$ 6,123 | 120,077 | 131,457 |
| Construction Services | 36,124 | 1,338,144 | 1,374,268 | 1,500,805 |
| Other Objects - Cost of Issuance | 28,097 | - | 28,097 | 28,097 |
| | <u>178,175</u> | <u>1,344,267</u> | <u>1,522,442</u> | <u>1,660,359</u> |
| Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 1,482,184</u> | <u>\$ (1,344,267)</u> | <u>\$ 137,917</u> | <u>\$ -</u> |

Additional project information:

| | |
|----------------------------|------------------|
| DOE Project Number | 4370-100-14-1004 |
| SD 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 | 91.69% |
| 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, 2016**

| | <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 |
| | <u>785,417</u> | <u>-</u> | <u>785,417</u> | <u>785,955</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 89,423 | | 89,423 | 107,000 |
| Construction Services | 25,921 | \$ 967,001 | 992,922 | 665,655 |
| Other Objects - Cost of Issuance | 13,300 | - | 13,300 | 13,300 |
| | <u>128,644</u> | <u>967,001</u> | <u>1,095,645</u> | <u>785,955</u> |
| Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 656,773</u> | <u>\$ (967,001)</u> | <u>\$ (310,228)</u> | <u>\$ -</u> |

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 | 100.00% |
| Original Target Completion Date | August 24, 2015 |
| Revised Target Completion Date | January 31, 2016 |

**RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
INSTALLATION OF MODULAR CLASSROOMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Lease Proceeds | - | \$ 433,000 | \$ 433,000 | \$ 433,000 |
| Total Revenues and Other Financing Sources | - | 433,000 | 433,000 | 433,000 |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | - | 205,711 | 205,711 | 433,000 |
| Total Expenditures and Other Financing Uses | - | 205,711 | 205,711 | 433,000 |
| Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | \$ - | \$ 227,289 | \$ 227,289 | \$ - |

Additional project information:

| | |
|----------------------------|------------|
| DOE Project Number | N/A |
| SDA Project Number | N/A |
| Grant Number | N/A |
| Grant Date | N/A |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | 433,000 |
| Additional Authorized Cost | - |
| Revised Authorized Cost | \$ 433,000 |

Percentage Increase(Decrease) Over Original

| | |
|---------------------------------|-------------|
| Authorized Cost | 0.00% |
| Percentage Completion | 47.51% |
| Original Target Completion Date | August 2016 |
| Revised Target Completion Date | |

ENTERPRISE FUND

SCHEDULE G-1

**RIDGEFIELD BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total Agency Funds</u> |
|-------------------------------------|-----------------------------|-------------------|-------------------------------|
| ASSETS | | | |
| Cash | \$ 83,185 | \$ 229,099 | \$ 312,284 |
| Total Assets | <u>\$ 83,185</u> | <u>\$ 229,099</u> | <u>\$ 312,284</u> |
| LIABILITIES | | | |
| Payroll Deductions and Withholdings | | \$ 218,954 | \$ 218,954 |
| Due to Other Funds | | 10,145 | 10,145 |
| Due to Student Groups | <u>\$ 83,185</u> | <u>-</u> | <u>83,185</u> |
| Total Liabilities | <u>\$ 83,185</u> | <u>\$ 229,099</u> | <u>\$ 312,284</u> |

**RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

| | <u>Balance, July 1, 2015</u> | <u>Cash Receipts</u> | <u>Cash Disbursements</u> | <u>Balance, June 30, 2016</u> |
|---------------------------|----------------------------------|--------------------------|-------------------------------|-----------------------------------|
| ELEMENTARY SCHOOLS | | | | |
| Bergen Boulevard | \$ 412 | \$ 12,925 | \$ 11,809 | \$ 1,528 |
| Shaler Academy | 298 | 4,291 | 3,346 | 1,243 |
| Slocum Skewes | <u>36,040</u> | <u>106,436</u> | <u>97,690</u> | <u>44,786</u> |
| Total High School | <u>36,750</u> | <u>123,652</u> | <u>112,845</u> | <u>47,557</u> |
| HIGH SCHOOL | | | | |
| Student Activities Fund | 33,571 | 232,249 | 230,571 | 35,249 |
| Athletic Account | <u>250</u> | <u>38,921</u> | <u>38,792</u> | <u>379</u> |
| Total High School | <u>33,821</u> | <u>271,170</u> | <u>269,363</u> | <u>35,628</u> |
| Total All Schools | <u>\$ 70,571</u> | <u>\$ 394,822</u> | <u>\$ 382,208</u> | <u>\$ 83,185</u> |

**RIDGEFIELD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Balance, July 1, 2015</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance, June 30, 2016</u> |
|-------------------------------------|--------------------------------------|----------------------|----------------------|---------------------------------------|
| ASSETS | | | | |
| Cash | \$ 216,031 | \$ 26,090,612 | \$ 26,077,544 | \$ 229,099 |
| Total Assets | <u>\$ 216,031</u> | <u>\$ 26,090,612</u> | <u>\$ 26,077,544</u> | <u>\$ 229,099</u> |
| LIABILITIES | | | | |
| Accrued Salaries and Wages | | \$ 14,282,271 | \$ 14,282,271 | |
| Payroll Deductions and Withholdings | \$ 210,753 | 11,794,500 | 11,786,299 | \$ 218,954 |
| Due to Other Funds | <u>5,278</u> | <u>13,841</u> | <u>8,974</u> | <u>10,145</u> |
| Total Liabilities | <u>\$ 216,031</u> | <u>\$ 26,090,612</u> | <u>\$ 26,077,544</u> | <u>\$ 229,099</u> |

LONG-TERM DEBT

**RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| <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, 2015</u> | <u>Issued</u> | <u>Matured</u> | <u>Balance, June 30, 2016</u> |
|----------------|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|---------------|----------------|-------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| School Bonds | 8/15/2006 | \$ 3,240,000 | 2/15/2017 | \$ 235,000 | 4.15% | \$ 1,775,000 | | \$ 1,540,000 | \$ 235,000 |
| School Bonds | 6/1/2007 | 5,168,000 | 6/1/2017 | 250,000 | 4.00% | 3,583,000 | | 3,333,000 | 250,000 |
| School Bonds | 2/5/2013 | 2,900,000 | 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% | 2,565,000 | - | 175,000 | 2,390,000 |

**RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2015</u> | <u>Issued</u> | <u>Matured</u> | <u>Balance, June 30, 2016</u> |
|------------------------|----------------------|------------------------|-------------------------------|---------------|----------------------|------------------------------|---------------|----------------|-------------------------------|
| 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 | - |
| Refunding School Bonds | 12/2/2015 | 3,540,000 | 2/15/2018 | 430,000 | 3.000% | | | | |
| | | | 2/15/2019 | 440,000 | 4.000% | | | | |
| | | | 2/15/2020 | 460,000 | 4.000% | | | | |
| | | | 2/15/2021 | 475,000 | 5.000% | | | | |
| | | | 2/15/2022 | 505,000 | 4.500% | | | | |
| | | | 2/15/2023 | 235,000 | 2.250% | | | | |
| | | | 2/15/2024 | 245,000 | 5.000% | | | | |
| | | | 2/15/2025 | 250,000 | 5.000% | | | | |
| | | | 2/15/2026 | 245,000 | 3.000% | | | | |
| | | | 2/15/2027 | 240,000 | 3.000% | | | - | \$ 3,540,000 |
| | | | | | | \$ 9,730,000 | \$ 3,540,000 | \$ 5,163,000 | \$ 8,107,000 |
| | | | | | | | | \$ 755,000 | |
| | | | | | | | | 4,408,000 | |
| | | | | | | | | \$ 5,163,000 | |

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| <u>Series</u> | <u>Interest Rate Payable</u> | <u>Amount of Original Issue</u> | <u>Balance July 1, 2015</u> | <u>Issued Current Year</u> | <u>Retired Current Year</u> | <u>Balance June 30, 2016</u> |
|-----------------------------------|--------------------------------------|---|---------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| Lease Purchase Agreements: | | | | | | |
| Computers - Apple (Supplies) | 5.49% | \$ 70,597 | \$ 24,800 | | \$ 24,800 | - |
| Computers - Dell (Supplies) | 5.70% | 141,065 | 36,187 | | 36,187 | - |
| Computers - Apple (Supplies) | 0.00% | 288,032 | | \$ 288,032 | | \$ 288,032 |
| Acquisition of Modular Classrooms | 2.06% | 433,000 | - | 433,000 | - | 433,000 |
| Grand Total | | | <u>\$ 60,987</u> | <u>\$ 721,032</u> | <u>\$ 60,987</u> | <u>\$ 721,032</u> |
| | | | | Paid by Budget Appropriation | <u>\$ 60,987</u> | |

**RIDGEFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <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 | \$ 415,749 | | \$ 415,749 | \$ 415,750 | \$ 1 |
| State Sources | | | | | |
| State Aid Type II | <u>227,640</u> | <u>-</u> | <u>227,640</u> | <u>227,640</u> | <u>-</u> |
| Total Revenues | <u>643,389</u> | <u>-</u> | <u>643,389</u> | <u>643,390</u> | <u>1</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service | | | | | |
| Interest on Bonds | 318,389 | 15,000 | 303,389 | 257,336 | 46,053 |
| Redemption of Bond Principal | 740,000 | (15,000) | 755,000 | 755,000 | - |
| Payments to Escrow Account | | | | 823,736 | (823,736) |
| Cost of Issuance on Refunding of Bonds | <u>-</u> | <u>-</u> | <u>-</u> | <u>100,918</u> | <u>(100,918)</u> |
| Total Expenditures | <u>1,058,389</u> | <u>-</u> | <u>1,058,389</u> | <u>1,936,990</u> | <u>(878,601)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(415,000)</u> | <u>-</u> | <u>(415,000)</u> | <u>(1,293,600)</u> | <u>(878,600)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In - Capital Projects Fund | 414,999 | - | 414,999 | 1,238,736 | 823,737 |
| Refunding Bond Proceeds | | | | 3,540,000 | 3,540,000 |
| Premium on Refunding Bonds | | | | 370,100 | 370,100 |
| Payments to Refunding Escrow Agent | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,809,182)</u> | <u>(3,809,182)</u> |
| Total Other Financing Sources (Uses) | <u>414,999</u> | <u>-</u> | <u>414,999</u> | <u>1,339,654</u> | <u>924,655</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (1) | - | (1) | 46,054 | 46,055 |
| Fund Balance, Beginning of Year | <u>1</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,055</u> | <u>\$ 46,055</u> |

Recapitulation of Fund Balance

| | |
|---|------------------|
| Restricted for Debt Service: | |
| Available for Debt Service | <u>\$ 46,055</u> |
| Total Fund Balance Restricted for Debt Service | <u>\$ 46,055</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, | | | | | | | | | |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Governmental Activities | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 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 | \$ 3,656,164 |
| Restricted | 740,343 | 1,789,015 | 1,721,668 | 1,848,072 | 870,002 | 830,272 | 1,400,272 | 1,851,025 | 2,192,589 | 2,033,055 |
| Unrestricted | 848,034 | 914,854 | (553,566) | (1,501,274) | (1,121,981) | (604,785) | (255,318) | (11,385,408) | (11,276,955) | (13,002,895) |
| Total Governmental Activities Net Position | \$ 3,597,958 | \$ 5,301,987 | \$ 4,032,362 | \$ 3,117,819 | \$ 2,056,399 | \$ 2,392,849 | \$ 3,043,809 | \$ (7,435,420) | \$ (6,871,743) | \$ (7,313,676) |
| Business-Type Activities | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 40,988 | \$ 29,426 | \$ 61,717 | \$ 47,354 | \$ 59,088 | \$ 63,381 | \$ 51,236 | \$ 67,051 | \$ 52,441 | \$ 51,151 |
| Restricted | | | | | | | | | | |
| Unrestricted | 302,476 | 185,199 | 151,842 | 134,686 | 111,408 | 187,998 | 236,657 | 252,906 | 276,464 | 174,569 |
| Total Business-Type Activities Net Position | \$ 343,464 | \$ 214,625 | \$ 213,559 | \$ 182,040 | \$ 170,496 | \$ 251,379 | \$ 287,893 | \$ 319,957 | \$ 328,905 | \$ 225,720 |
| District-Wide | | | | | | | | | | |
| Net Investment In Capital Assets | \$ 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 | \$ 3,707,315 |
| Restricted | 740,343 | 1,789,015 | 1,721,668 | 1,848,072 | 870,002 | 830,272 | 1,400,272 | 1,851,025 | 2,192,589 | 2,033,055 |
| Unrestricted | 1,150,510 | 1,100,053 | (401,724) | (1,366,588) | (1,010,573) | (416,787) | (18,661) | (11,132,502) | (11,000,491) | (12,828,326) |
| Total District Net Position | \$ 3,941,422 | \$ 5,516,612 | \$ 4,245,921 | \$ 3,299,859 | \$ 2,226,895 | \$ 2,644,228 | \$ 3,331,702 | \$ (7,115,463) | \$ (6,542,838) | \$ (7,087,956) |

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, | | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 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 | \$ 14,867,592 |
| Special Education | 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 | 12,082,598 |
| Other Special Education | 389,110 | 348,026 | 511,354 | 506,271 | 504,255 | 342,974 | 504,280 | 480,261 | 578,320 | 582,419 |
| School Sponsored Activities And Athletics | 946,344 | 1,037,381 | 1,021,802 | 919,972 | 827,881 | 793,052 | 825,877 | 742,480 | 728,119 | 771,627 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 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 | 8,830,806 |
| General Administration | 1,012,135 | 900,734 | 900,900 | 866,824 | 969,508 | 1,058,584 | 798,885 | 929,529 | 1,121,078 | 1,273,490 |
| School Administrative Services | 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 | 2,300,397 |
| Central and Other Support Services | 563,875 | 625,734 | 652,208 | 640,569 | 648,492 | 688,824 | 774,518 | 796,983 | 882,660 | 1,031,131 |
| Plant Operations And Maintenance | 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 | 3,334,212 |
| Pupil Transportation | 592,762 | 767,661 | 787,212 | 820,703 | 762,056 | 579,360 | 555,123 | 632,085 | 605,601 | 664,366 |
| Interest on long-term debt | 172,534 | 361,344 | 332,069 | 347,694 | 341,950 | 306,829 | 312,560 | 303,418 | 315,406 | 276,025 |
| Total Governmental Activities Expenses | 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 | 46,014,663 |
| Business-Type Activities: | | | | | | | | | | |
| Food service | 632,663 | 748,060 | 681,243 | 647,835 | 642,297 | 651,540 | 680,824 | 718,142 | 689,261 | 684,198 |
| Saturday Happenings | 271,207 | 314,875 | 299,513 | 276,291 | 299,322 | 257,443 | 266,953 | 271,238 | 278,432 | 381,873 |
| Total Business-Type Activities Expense | 903,870 | 1,062,935 | 980,756 | 924,126 | 941,619 | 908,983 | 947,777 | 989,380 | 967,693 | 1,066,071 |
| Total District Expenses | \$ 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 | \$ 47,080,734 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | \$ 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 | \$ 9,948,544 |
| 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 | 1,988,995 |
| Operating grants and contributions | 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 | 11,181,811 |
| Capital grants and contributions | - | - | - | - | 36,216 | - | 4,088 | 73,769 | 202,000 | 983,320 |
| Total Governmental Activities Program Revenues | 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 | 24,102,670 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food Service | 469,163 | 471,974 | 463,676 | 459,671 | 431,919 | 412,146 | 392,740 | 413,430 | 693,693 | 348,755 |
| Saturday Happenings | 344,793 | 277,649 | 256,181 | 232,184 | 281,527 | 327,306 | 325,861 | 332,382 | 282,256 | 304,718 |
| Operating grants and contributions | 162,460 | 172,195 | 184,598 | 200,305 | 215,745 | 249,531 | 264,850 | 274,770 | - | 308,680 |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Total Business Type Activities Program Revenues | 976,416 | 921,818 | 904,455 | 892,160 | 929,191 | 988,983 | 983,451 | 1,020,582 | 975,949 | 962,153 |
| Total District Program Revenues | \$ 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 | \$ 25,064,823 |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (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) | \$ (21,911,993) |
| Business-Type Activities | 72,546 | (141,117) | (76,301) | (31,966) | (12,428) | 80,000 | 35,674 | 31,202 | 8,256 | (103,918) |
| Total District-Wide Net Expense | <u>\$ (12,795,947)</u> | <u>\$ (15,468,186)</u> | <u>\$ (18,846,800)</u> | <u>\$ (19,018,052)</u> | <u>\$ (18,882,248)</u> | <u>\$ (18,671,155)</u> | <u>\$ (18,987,756)</u> | <u>\$ (19,696,802)</u> | <u>\$ (20,258,208)</u> | <u>\$ (22,015,911)</u> |
| General Revenues And Other Changes In Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 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 | \$ 19,216,798 |
| Taxes levied for debt service | | 590,070 | 256,775 | 42,772 | 75,437 | 75,437 | 74,667 | 301,212 | 300,291 | 415,750 |
| Unrestricted aid and contributions | 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 | 1,739,574 |
| Investment earnings | 200,404 | 220,762 | 81,471 | 37,028 | 33,847 | 18,851 | 26,893 | 29,366 | 17,736 | 9,667 |
| Miscellaneous income | 162,993 | 244,669 | 83,013 | 129,596 | 68,183 | 143,286 | 98,886 | 206,375 | 79,732 | 88,271 |
| Transfers | 15,253 | | (74,596) | | | | | | | |
| Special Items | (127,012) | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | <u>14,329,640</u> | <u>17,031,098</u> | <u>17,500,874</u> | <u>18,071,553</u> | <u>17,876,189</u> | <u>19,087,605</u> | <u>19,674,390</u> | <u>20,561,044</u> | <u>20,830,141</u> | <u>21,470,060</u> |
| Business-Type Activities: | | | | | | | | | | |
| Investment earnings | 7,532 | 12,278 | 639 | 447 | 884 | 883 | 840 | 862 | 692 | 733 |
| Transfers | (15,253) | | 74,596 | | | | | | | |
| Special Items | (14,506) | - | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | <u>(22,227)</u> | <u>12,278</u> | <u>75,235</u> | <u>447</u> | <u>884</u> | <u>883</u> | <u>840</u> | <u>862</u> | <u>692</u> | <u>733</u> |
| Total District-Wide | <u>\$ 14,307,413</u> | <u>\$ 17,043,376</u> | <u>\$ 17,576,109</u> | <u>\$ 18,072,000</u> | <u>\$ 17,877,073</u> | <u>\$ 19,088,488</u> | <u>\$ 19,675,230</u> | <u>\$ 20,561,906</u> | <u>\$ 20,830,833</u> | <u>\$ 21,470,793</u> |
| Change In Net Position | | | | | | | | | | |
| Governmental Activities | \$ 1,461,147 | \$ 1,704,029 | \$ (1,269,625) | \$ (914,533) | \$ (993,631) | \$ 336,450 | \$ 650,960 | \$ 833,040 | \$ 563,677 | \$ (441,933) |
| Business-Type Activities | 50,319 | (128,839) | (1,066) | (31,519) | (11,544) | 80,883 | 36,514 | 32,064 | 8,948 | (103,185) |
| Total District | <u>\$ 1,511,466</u> | <u>\$ 1,575,190</u> | <u>\$ (1,270,691)</u> | <u>\$ (946,052)</u> | <u>\$ (1,005,175)</u> | <u>\$ 417,333</u> | <u>\$ 687,474</u> | <u>\$ 865,104</u> | <u>\$ 572,625</u> | <u>\$ (545,118)</u> |

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, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,341,791 | \$ 1,798,000 | \$ 2,205,137 | \$ 1,952,850 | | | | | | |
| Unreserved | 764,418 | 1,402,397 | (83,880) | (96,900) | | | | | | |
| Restricted | | | | | \$ 870,001 | \$ 830,001 | \$ 1,414,615 | \$ 1,949,361 | \$ 2,276,311 | \$ 1,987,000 |
| Committed | | | | | 74,570 | | 299,677 | | | |
| Assigned | | | | | 319,314 | 557,523 | 257,017 | 487,665 | 740,305 | 225,062 |
| Unassigned | - | - | - | - | 197,371 | 106,068 | 89,035 | 164,944 | 124,418 | (3,366) |
| Total General Fund | \$ 2,106,209 | \$ 3,200,397 | \$ 2,121,257 | \$ 1,855,950 | \$ 1,461,256 | \$ 1,493,592 | \$ 2,060,344 | \$ 2,601,970 | \$ 3,141,034 | \$ 2,208,696 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 1,945,460 | \$ 28,731 | | \$ 3,120,895 | | | | | | |
| Unreserved | 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 | \$ 130,416 |
| Total All Other Governmental Funds | \$ 5,723,121 | \$ 3,471,549 | \$ 3,488,562 | \$ 3,120,896 | \$ 2,745,896 | \$ 2,371,106 | \$ 4,619,191 | \$ 2,098,351 | \$ 2,994,228 | \$ 130,416 |

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.

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 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 | \$ 19,632,548 |
| Tuition Charges | 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 | 9,922,070 |
| Interest Earnings | 200,404 | 220,762 | 81,471 | 37,028 | 33,847 | 18,851 | 26,893 | 29,366 | 11,343 | 9,667 |
| Miscellaneous | 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 | 2,143,371 |
| State Sources | 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 | 8,186,861 |
| Federal Sources | 571,865 | 745,626 | 679,607 | 1,348,625 | 707,914 | 705,983 | 634,952 | 741,077 | 666,039 | 868,032 |
| Total Revenue | 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 | 40,762,549 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 12,422,906 |
| Special Education Instruction | 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 | 10,580,814 |
| Other Special Instruction | 397,919 | 341,051 | 507,951 | 504,636 | 505,615 | 342,974 | 504,280 | 479,365 | 505,703 | 488,692 |
| School Sponsored Activities And Athletics | 965,900 | 1,037,381 | 1,003,167 | 919,972 | 827,881 | 793,052 | 825,877 | 741,446 | 720,468 | 741,526 |
| Support Services: | | | | | | | | | | |
| Tuition: | | | | | | | | | | |
| Student & Inst. Related Services | 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 | 7,730,920 |
| General Administration | 1,018,610 | 900,734 | 906,105 | 845,869 | 965,461 | 1,078,106 | 744,567 | 926,596 | 1,081,292 | 1,081,767 |
| School Administrative Services | 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 | 1,934,575 |
| Central and Other Support Services | 577,122 | 603,271 | 672,759 | 640,569 | 648,492 | 688,151 | 773,845 | 795,627 | 845,270 | 936,202 |
| Plant Operations And Maintenance | 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 | 2,957,830 |
| Pupil Transportation | 587,070 | 759,347 | 732,629 | 798,217 | 728,805 | 540,152 | 530,473 | 608,157 | 580,340 | 611,742 |
| Employee Benefits | | | | | | | | | | |
| Capital Outlay | 2,761,436 | 2,196,322 | 317,012 | 353,009 | 46,369 | 309,901 | 443,480 | 2,842,862 | 1,009,193 | 3,892,273 |
| Debt Service: | | | | | | | | | | |
| Principal | 622,568 | 951,322 | 418,147 | 421,563 | 566,319 | 631,647 | 1,057,286 | 649,299 | 672,746 | 815,987 |
| Interest And Other Charges | 36,941 | 427,432 | 331,069 | 322,759 | 337,216 | 313,744 | 296,132 | 322,833 | 300,969 | 260,761 |
| Payment to Escrow Agent | | | | | | | | | | 823,736 |
| Bond Issuance Costs | 84,635 | - | - | - | - | - | 42,880 | - | - | 100,918 |
| Total Expenditures | 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 | 45,380,649 |
| Excess (Deficiency) Of Revenues | | | | | | | | | | |
| Over (Under) Expenditures | (2,228,504) | (1,157,384) | (1,171,275) | (1,597,970) | (769,694) | (342,454) | (296,825) | (1,979,213) | (372,060) | (4,618,100) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Capital Leases (Non-Budgeted) | | | 183,744 | 21,047 | | | | | | |
| Lease Purchase Proceeds (Non-Budgeted) | | | | 443,950 | | | 211,662 | | | 721,032 |
| Sale and Lease Back Proceeds | | | | 500,000 | | | | | | |
| Bond Proceeds | 8,408,000 | | | | | | 2,900,000 | | 1,807,000 | 3,540,000 |
| Premiums on Refund Bond | | | | | | | | | | 370,100 |
| Payments to Refunding Escrow Agent | | | | | | | | | | (3,809,182) |
| Transfers In | 47,246 | 308,541 | 40,843 | 384,305 | 387,470 | 382,792 | 383,755 | 383,166 | 388,393 | 1,241,394 |
| Transfers Out | (32,023) | (308,541) | (115,439) | (384,305) | (387,470) | (382,792) | (383,775) | (383,166) | (388,393) | (1,241,394) |
| Total Other Financing Sources (Uses) | 8,423,223 | - | 109,148 | 964,997 | - | - | 3,111,642 | - | 1,807,000 | 821,950 |
| Net Change In Fund Balances | \$ 6,194,719 | \$ (1,157,384) | \$ (1,062,127) | \$ (632,973) | \$ (769,694) | \$ (342,454) | \$ 2,814,817 | \$ (1,979,213) | \$ 1,434,940 | \$ (3,796,150) |
| Debt Service As A Percentage Of | | | | | | | | | | |
| Noncapital Expenditures | 1.96% | 3.99% | 2.17% | 2.07% | 2.61% | 2.75% | 3.71% | 2.63% | 2.54% | 4.82% |

* 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>Gate Receipts</u> | <u>Miscellaneous</u> | <u>Total</u> |
|-----------------------------------|------------------------|----------------|-------------------------|----------------|-------------------|---------------------------|----------------------|----------------------|---------------|
| 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 | | 54,433 | 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 | \$ 960 | 194,326 | 12,325,522 |
| 2015 | 11,343 | 10,385,640 | 1,104,329 | 6,595 | 642,520 | 33,168 | 1,616 | 38,353 | 12,223,564 |
| 2016 | 7,009 | 9,922,070 | 1,305,992 | 4,731 | 661,515 | 12,847 | 3,788 | 66,905 | 11,984,857 |

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. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate (%) |
|----------------------------|---------------|------------------|-----------|-------|----------------|----------------|---------------|----------------------|------------------|-----------------------|---|----------------------------------|
| 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 | 1,552,857,300 | 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 |
| 2016 | 62,463,100 | 977,005,200 | | | 207,056,600 | 227,558,900 | 67,523,300 | 1,541,607,100 | 1,096,408 | 1,542,703,508 | 1,829,594,925 | 1.3090 |

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 | | |
| 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 | |
| 2016 | 1.309 | 0.619 | 0.037 | 0.273 | 2.238 | |

Source: County Abstract of Ratables

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

| Taxpayer | 2016 | | 2007 | |
|-----------------------------------|------------------------|--|------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Ratner/NY Urban LLC | \$ 35,069,600 | 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 | 21,500 | 0.00% | | 0.00% |
| FNL Realty LP | 19,532,000 | 1.27% | 20,039,500 | 1.08% |
| CSX | | 0.00% | 20,336,500 | 1.10% |
| Ridgefield Industrial LLC | 18,178,500 | 1.18% | 19,500,000 | 1.05% |
| DCT 101 RRNJ LLC | 18,215,700 | 1.18% | | 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% | 17,186,500 | 0.93% |
| Ridgefield Gardens LLC | 16,745,000 | 1.09% | 16,745,000 | 0.90% |
| Public Service Electric & Gas Co. | | 0.00% | 14,483,100 | 0.78% |
| | <u>\$ 201,950,400</u> | <u>13.09%</u> | <u>\$ 220,693,400</u> | <u>11.91%</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 | |
| 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 |
| 2016 | 19,632,548 | 19,632,548 | 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, | Governmental Activities | | | | Total District | Population | Per Capita |
|-------------------------------------|--------------------------------|----------------|---------------------------------|-----------------------------|----------------|------------|------------|
| | General Obligation Bonds | Capital Leases | Lease Purchase Agreements | Sale/Leaseback Contracts | | | |
| 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 |
| 2016 | 8,107,000 | | 721,032 | | 8,828,032 | 11,373 | 776 |

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 | | | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 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 |
| 2016 | 8,107,000 | 46,154 | 8,060,846 | 0.52% | 709 |

Source: District records

**RIDGEFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
(Unaudited)**

| | <u>Total Debt</u> |
|--|------------------------------|
| Municipal Debt: (1) | |
| Ridgefield Board of Education (as of June 30, 2016) | \$ 8,107,538 |
| Borough of Ridgefield | <u>13,082,333</u> |
| | <u>21,189,871</u> |
| Overlapping Debt Apportioned to the Municipality: | |
| Bergen County: | |
| County of Bergen (A) | 10,247,896 |
| Bergen County Utilities Authority - Water Pollution (B) | <u>6,028,123</u> |
| | <u>16,276,019</u> |
| Total Direct and Overlapping Debt | <u>\$ 37,465,890</u> |

Source:

(1) Borough's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2015 billings by the total 2015 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|---------------------------|-------------------------|
| Equalized valuation basis | |
| 2013 | \$ 1,801,018,813 |
| 2014 | 1,770,654,629 |
| 2015 | 1,704,912,717 |
| | <u>\$ 5,276,586,159</u> |
| | <u>\$ 1,758,862,053</u> |
| | \$ 70,354,482 |
| | 8,107,538 |
| | <u>\$ 62,246,944</u> |

Average equalized valuation of taxable property

Debt limit (4% of average equalization)
Total Net Debt Applicable to Limit
Legal debt margin

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Debt limit | \$ 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 | \$ 70,354,482 |
| Total net debt applicable to limit | <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> | <u>8,107,538</u> |
| Legal debt margin | <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> | <u>\$ 62,246,944</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 12.26% | 10.74% | 9.49% | 8.73% | 8.60% | 8.65% | 12.60% | 11.85% | 13.62% | 11.52% |

Source: Annual Debt Statements

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

| Year | Population | County Per Capita Personal Income | Unemployment Rate |
|------|------------|---|----------------------|
| 2007 | 10,767 | \$ 68,147 | 3.30% |
| 2008 | 10,782 | 68,548 | 4.40% |
| 2009 | 10,807 | 64,571 | 7.80% |
| 2010 | 10,880 | 65,275 | 8.00% |
| 2011 | 11,052 | 68,244 | 7.90% |
| 2012 | 11,140 | 71,380 | 8.00% |
| 2013 | 11,206 | 70,498 | 9.70% |
| 2014 | 11,267 | 73,536 | 5.40% |
| 2015 | 11,315 | 73,536 (E) | 4.30% (E) |
| 2016 | 11,373 | 73,536 (E) | 4.30% (E) |

Source: New Jersey State Department of Education

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

| | <u>2016</u> | | <u>2007</u> | |
|-----------------|------------------|---|------------------|---|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> |

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>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> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | 326 | 290 | 293 | 287 | 240 | 244 | 235 | 240 | 239 | 240 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 48 | 58 | 58 | 58 | 53 | 49 | 61 | 61 | 63 | 68 |
| General administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 5 | 5 |
| School administrative services | 13 | 10 | 10 | 9 | 10 | 9 | 9 | 12 | 13 | 13 |
| Central and other support services | 9 | 7 | 7 | 6 | 7 | 6 | 7 | 7 | 8 | 8 |
| Plant operations and maintenance | 21 | 20 | 20 | 19 | 17 | 18 | 15 | 17 | 17 | 17 |
| Pupil transportation | 9 | 9 | 9 | 8 | 7 | 7 | 8 | 7 | 7 | 7 |
| Saturday Happenings | 34 | 34 | 34 | 34 | 34 | 34 | 13 | 13 | 14 | 14 |
| OT/PT Services | - | - | - | | | 13 | 14 | 14 | 14 | 14 |
| Total | 462 | 431 | 433 | 423 | 370 | 382 | 364 | 374 | 380 | 386 |

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 | | | | |
| 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% |
| 2016 | 1,700.0 | 39,486,974 | 23,228 | 10.09% | 199 | 1:8.35 | 1:8.96 | 1,717.0 | 1,627.0 | -2.11% | 94.76% |

Sources: District records

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

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Shaler Academy (Leased) | | | | | | | | | | |
| Square Feet | 17,708 | 17,708 | 17,708 | 33,042 | 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 | 222 | 174 | 182 | 181 | 168 | 178 | 193 | 201 | 180 | 190 |
| 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 | 230 | 246 | 208 | 190 | 200 | 199 | 216 | 213 | 231 | 214 |
| 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 | 990 | 915 | 891 | 875 | 828 | 802 | 790 | 793 | 766 | 730 |
| <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 | 741 | 668 | 665 | 666.5 | 636.5 | 619.5 | 587 | 562 | 555 | 553 |

Number of Schools at June 30, 2016
 Elementary = 3
 High School = 1

Source: District Records

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

| | Project # (s) | Gross Building Area (SF) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------|---------------|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | | | | | | | | | | | |
| *School Facilities | | | | | | | | | | | | |
| Ridgefield Memorial High | N/A | 87,850 | \$ 169,518 | \$ 195,648 | \$ 197,218 | \$ 199,013 | \$ 153,789 | \$ 153,179 | \$ 155,662 | \$ 186,741 | \$ 179,726 | \$ 129,276 |
| Bergen Boulevard School | N/A | 28,125 | 54,271 | 62,636 | 63,139 | 63,714 | 49,235 | 49,040 | 49,835 | 59,785 | 57,539 | 114,782 |
| Shaler Academy | N/A | 33,042 | 34,170 | 39,437 | 39,753 | 74,853 | 57,843 | 57,614 | 58,547 | 70,237 | 67,598 | 38,314 |
| Slocum/Skewes School | N/A | 80,107 | 154,576 | 178,403 | 179,834 | 181,472 | 140,235 | 139,678 | 141,942 | 170,282 | 163,886 | 200,447 |
| Grand Total | | | \$ 412,535 | \$ 476,124 | \$ 479,944 | \$ 519,052 | \$ 401,102 | \$ 399,511 | \$ 405,986 | \$ 487,045 | \$ 468,749 | \$ 482,819 |

115

Source: District Records

N/A - Not Available

**RIDGEFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2016
(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 Board Legal Liability | 1,000,000 | | |
| Employees Liability Coverage | 1,000,000 | | |
| Excess Liability | 9,000,000 | | |
| Environmental Liability | \$4,000,000 Aggregate | | 15,000 |
| Workers Compensation | Statutory | | |
| Student Accident | 500,000 | | |
| Comprehensive Crime Coverage | | | |
| Employee Dishonesty | 100,000 | Per Employee/ Per Loss | 5,000 |
| | 400,000 | | |
| Computer Fraud | 50,000 | | 1,000 |
| Forgery and Alteration | 50,000 | | 1,000 |
| Surety Bonds | | | |
| Business Administrator | 250,000 | | |
| Assistant Business Administrator | 250,000 | | |

Source: School District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Ridgefield 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, 2016 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 15, 2016.

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 2016-001 and 2016-002 that we consider to be significant deficiencies.

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 2016-001 and 2016-002.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 15, 2016.

Ridgefield Board of Education's Responses to Findings

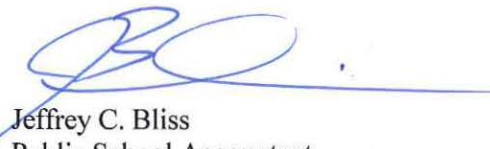
The Ridgefield Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Ridgefield Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements 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.

Leach, 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 15, 2016



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT AMPONSAH, CPA

**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 THE U.S. UNIFORM GUIDANCE
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) 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, 2016. 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 federal and state statutes, regulations and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ridgefield Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Ridgefield 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2016-003 through 2016-005. Our opinion on each major federal and state program is not modified with respect to these matters.

The Ridgefield Board of Education's responses to the noncompliance 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 compliance and, accordingly, we express no opinion on the responses.

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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-005 that we consider to be a significant deficiency.

The Ridgefield Board of Education's responses to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the responses.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education, as of and for the fiscal year ended June 30, 2016 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 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
November 15, 2016

RIDGEFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | FAIN | Grant or State Project Number | Grant Period | Award Amount | Balance July 1, 2015 | | | Unearned Revenue Carryover Amount and Transfer | Account Receivable Carryover Amount and Transfer | Cash Received | Budgetary Expenditures | Adjustment (A) | Refund of Prior Years Balances | Balance, June 30, 2016 | | | 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: | | | | | | | | | | | | | | | | | | |
| Child Nutrition Cluster | | | | | | | | | | | | | | | | | | |
| National School Breakfast Program | | | | | | | | | | | | | | | | | | |
| Cash Assistance | 10.553 | 16161NJ304N1099 | N/A | 7/1/15-6/30/16 | \$ 36,937 | | | | | \$ 34,123 | \$ 36,937 | | | | \$ (2,814) | | \$ (2,814) | |
| Cash Assistance | 10.553 | | N/A | 7/1/14-6/30/15 | 37,760 | (3,052) | | | | 3,052 | | | | | | | | |
| National School Lunch Program | | | | | | | | | | | | | | | | | | |
| Non-Cash Assistance | 10.555 | 16161NJ304N1099 | | 7/1/15-6/30/16 | 44,188 | | | | | 44,188 | 43,812 | | | | \$ 376 | | | |
| Non-Cash Assistance | 10.555 | | N/A | 7/1/14-6/30/15 | 28,381 | | \$ 873 | | | | 873 | | | | | | | |
| Cash Assistance | 10.555 | 16161NJ304N1099 | N/A | 7/1/15-6/30/16 | 219,753 | | | | | 204,804 | 219,753 | | | | (14,949) | | (14,949) | |
| Cash Assistance | 10.555 | | N/A | 7/1/14-6/30/15 | 209,478 | (14,468) | | | | 14,468 | | | | | | | | |
| Total U.S. Department of Agriculture/Child Nutrition Cluster | | | | | | (17,520) | 873 | | | 300,635 | 301,375 | | | | (17,763) | 376 | (17,763) | |
| U.S. Department of Education Passed-through State Department of Education | | | | | | | | | | | | | | | | | | |
| SPECIAL REVENUE FUND | | | | | | | | | | | | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic Regular | 84.027 | H027A150100 | FT-100002 | 7/1/15-6/30/16 | 376,245 | | | \$ 21,772 | \$ (21,772) | 291,423 | 363,660 | | | | (106,594) | 34,357 | (72,237) | |
| I.D.E.A. Part B, Basic Regular | 84.027 | | FT-100002 | 7/1/14-6/30/15 | 361,483 | (215,765) | 21,773 | | (21,772) | 193,993 | | \$ 2,063 | | | | \$ 2,064 | | |
| I.D.E.A. Part B, Basic Regular | 84.027 | | FT-100002 | 7/1/13-6/30/14 | 318,825 | | \$ 488 | | | | | | | | | 488 | | |
| I.D.E.A. Part B, Preschool | 84.173 | H173A150114 | PS-100005 | 7/1/15-6/30/16 | 19,593 | | | 11,194 | (11,194) | 13,792 | 30,324 | | | | (16,995) | 463 | (16,532) | |
| I.D.E.A. Part B, Preschool | 84.173 | | PS-100005 | 7/1/14-6/30/15 | 19,147 | (19,147) | 11,194 | | (11,194) | 7,953 | | | 33 | | | 33 | | |
| I.D.E.A. Part B, Preschool | 84.173 | | PS-100005 | 7/1/13-6/30/14 | 18,865 | | 13 | | | | | | | | | 13 | | |
| Total Special Education Cluster IDEA | | | | | | (234,912) | 32,967 | 501 | | 507,161 | 393,984 | | 2,096 | | (123,589) | 34,820 | 2,598 | |
| NCLB | | | | | | | | | | | | | | | | | | |
| Title I | 84.010A | S010A150030 | NCLBCV-140300 | 7/1/15-6/30/16 | 338,970 | | | 18 | (18) | 282,758 | 338,970 | | | | (56,230) | 18 | (56,212) | |
| Title I | 84.010A | | NCLBCV-140300 | 7/1/14-6/30/15 | 224,893 | (93,132) | 5,633 | | (18) | 93,114 | | | 8 | | | 5,623 | | |
| Title I | 84.010A | | NCLBCV-140300 | 7/1/13-6/30/14 | 235,868 | | 7,048 | | | | | | | \$ 7,048 | | | | |
| Total NCLB Title I | | | | | | (93,132) | 5,633 | 7,048 | | 375,872 | 338,970 | | 8 | 7,048 | (56,230) | 18 | (56,212) | |
| Title II, Part A | 84.367A | S367A150029 | NCLBCV-140300 | 7/1/15-6/30/16 | 56,106 | | | 5,888 | (5,888) | 35,598 | 59,342 | | | | (26,396) | 2,652 | (23,744) | |
| Title II, Part A | 84.367A | | NCLBCV-140300 | 7/1/14-6/30/15 | 57,219 | (22,770) | 5,788 | | (5,888) | 16,882 | | | 100 | | | | | |
| Title II, Part A | 84.367A | | NCLBCV-140300 | 7/1/13-6/30/14 | 55,322 | | 2,590 | | | | | | | 2,590 | | | | |
| Total NCLB Title II | | | | | | (22,770) | 5,788 | 2,590 | | 52,480 | 59,342 | | 100 | 2,590 | (26,396) | 2,652 | (23,744) | |
| Title III | 84.365A | S365A150030 | NCLBCV-140300 | 7/1/15-6/30/16 | 17,651 | | | | | 3,887 | 17,598 | | | | (13,764) | 53 | (13,711) | |
| Title III | 84.365A | | NCLBCV-140300 | 7/1/14-6/30/15 | 20,974 | (8,660) | 3,334 | | | 8,660 | | | | | | 3,334 | | |
| Title III Immigrant | 84.365A | S365A150030 | NCLBCV-140300 | 7/1/15-6/30/16 | 1,261 | | | 1,817 | (1,817) | 1,556 | | | | | (3,078) | 1,522 | (1,556) | |
| Title III Immigrant | 84.365A | | NCLBCV-140300 | 7/1/14-6/30/15 | 9,063 | (4,761) | 1,817 | | (1,817) | 2,944 | | | | | | | | |
| Total NCLB Title III | | | | | | (13,421) | 5,151 | | | 15,491 | 19,154 | | | | (16,842) | 1,575 | 3,334 | |
| Total Special Revenue Fund | | | | | | (364,235) | 49,539 | 10,139 | | 951,004 | 811,450 | | 2,204 | 9,638 | (223,057) | 39,065 | 11,555 | |
| Total U.S. Department of Education | | | | | | (364,235) | 49,539 | 10,139 | | 951,004 | 811,450 | | 2,204 | 9,638 | (223,057) | 39,065 | 11,555 | |
| U.S. Department of Health and Human Services Medicaid Cluster | | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | | |
| Medicaid Assistance Program (SEMI) | 93.778 | 1605NJ5MAP | N/A | 7/1/15-6/30/16 | 4,704 | | | | | 30,761 | 30,761 | | | | | | | |
| Total Federal Awards | | | | | | \$ (381,755) | \$ 50,412 | \$ 10,139 | \$ - | \$ 1,282,400 | \$ 1,143,586 | \$ 2,204 | \$ 9,638 | \$ (240,820) | \$ 39,441 | \$ 11,555 | \$ (201,755) | |

FAIN numbers are only applicable for current year awards

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| State Grant/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2014 | Cash Received | Budgetary Expenditures | Adjustment | Refund of Prior Years' Balances | Balance, June 30, 2016 | | Cumulative Total Expenditures | |
|---|-------------------------------|----------------|--------------|-----------------------|---------------|------------------------|------------|---------------------------------|------------------------|------------------|-------------------------------|--|
| | | | | | | | | | (Accounts Receivable) | Unearned Revenue | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | |
| Current Expense: | | | | | | | | | | | | |
| Equalization Aid | 16-495-034-5120-078 | 7/1/15-6/30/16 | \$ 1,498,795 | \$ (144,566) | \$ 1,354,229 | \$ 1,498,795 | | | \$ (144,566) | | \$ 1,498,795 | |
| Special Education Aid | 16-495-034-5120-089 | 7/1/15-6/30/16 | 965,221 | 965,221 | 965,221 | 965,221 | | | | | 965,221 | |
| Security Aid | 16-495-034-5120-084 | 7/1/15-6/30/16 | 42,414 | (4,091) | 38,323 | 42,414 | | | (4,091) | | 42,414 | |
| Under Adequacy Aid | 16-495-034-5120-096 | 7/1/15-6/30/16 | 11,745 | (1,133) | 10,612 | 11,745 | | | (1,133) | | 11,745 | |
| PARCC Readiness Aid | 16-495-034-5120-098 | 7/1/15-6/30/16 | 14,910 | (1,488) | 13,422 | 14,910 | | | (1,488) | | 14,910 | |
| Per Pupil Growth Aid | 16-495-034-5120-097 | 7/1/15-6/30/16 | 14,910 | (1,488) | 13,422 | 14,910 | | | (1,488) | | 14,910 | |
| Total State Aid - Public Charter | | | 2,547,995 | (245,786) | 2,302,209 | 2,547,995 | | | (245,786) | | 2,302,209 | |
| Transportation Aid | 16-495-034-5120-014 | 7/1/15-6/30/16 | 17,753 | (1,712) | 16,041 | 17,753 | | | (1,712) | | 17,753 | |
| Extrordinary Aid | 16-495-034-5120-473 | 7/1/15-6/30/16 | 458,626 | (458,626) | | 458,626 | | | | | 458,626 | |
| Reimbursed TPAF Social Security Contribution | 15-100-034-5120-473 | 7/1/14-6/30/15 | 405,938 | (405,938) | 405,938 | 405,938 | | | | | 405,938 | |
| On-Behalf TPAF | 16-495-034-5094-003 | 7/1/15-6/30/16 | 1,209,571 | (56,375) | 1,153,196 | 1,209,571 | | | (56,375) | | 1,209,571 | |
| Pension Benefit Cost | 16-495-034-5094-002 | 7/1/15-6/30/16 | 1,210,726 | | 1,210,726 | 1,210,726 | | | | | 1,210,726 | |
| Pension - NCGI Premium | 16-495-034-5094-004 | 7/1/15-6/30/16 | 60,311 | | 60,311 | 60,311 | | | | | 60,311 | |
| Post Retire. Medical | 16-495-034-5094-001 | 7/1/15-6/30/16 | 1,513,454 | | 1,513,454 | 1,513,454 | | | | | 1,513,454 | |
| Total General Fund | | | 7,018,436 | (762,479) | 6,255,957 | 7,018,436 | | | (762,479) | | 6,255,957 | |
| Special Revenue: | | | | | | | | | | | | |
| Respite (NJDHS/DDP) | 01BURN | 7/1/15-6/30/16 | 30,960 | | 30,960 | 27,938 | \$ 2,001 | | | \$ 3,002 | 27,938 | |
| Respite (NJDHS/DDP) | 01BURN | 7/1/14-6/30/15 | 30,960 | 460 | | | | | | 2,461 | | |
| Respite (NJDHS/DDP) | 01BURN | 7/1/13-6/30/14 | 35,123 | 2,063 | | | | | | 2,063 | | |
| Respite (NJDHS/DDP) | 01BURN | 7/1/13-6/30/13 | 4,128 | 366 | | | | \$ 366 | | | | |
| Total Special Revenue Fund | | | 101,171 | 2,889 | 30,960 | 27,938 | 2,001 | 366 | | 7,526 | 27,938 | |
| Capital Projects: | | | | | | | | | | | | |
| State Development Authority (SDA) | | | | | | | | | | | | |
| Educational Facility Construction and Financing Act | 4370-050-14-G3DC-00 | N/A | 314,382 | (51,458) | 262,924 | 262,924 | | | (51,458) | | 314,382 | |
| Various Upgrades BS | 4370-065-14-G3DD-00 | N/A | 226,500 | (11,073) | 215,427 | 167,083 | | | (226,500) | | 178,756 | |
| Various Upgrades BB | 4370-100-14-G3DE-00 | N/A | 664,144 | (71,270) | 592,874 | 537,707 | | | (664,144) | | 608,977 | |
| Total Capital Projects Fund/SDA Cluster | | | 1,104,026 | (134,401) | 969,625 | 967,714 | | | (1,205,026) | | 1,104,026 | |
| Debt Service Fund | 16-495-034-5120-075 | 7/1/15-6/30/16 | 227,640 | | 227,640 | 227,640 | | | | | 227,640 | |
| School Construction Debt Service Aid | | | | | | | | | | | | |
| State Department of Agriculture | | | | | | | | | | | | |
| Enterprise Funds: | | | | | | | | | | | | |
| State School Lunch Program | 15-1094010-3350-023 | 7/1/15-6/30/16 | 7,087 | (486) | 6,601 | 7,087 | | | (486) | | 7,087 | |
| State School Lunch Program | 15-1094010-3350-023 | 7/1/14-6/30/15 | 7,967 | (466) | 7,501 | 218 | | | | | 218 | |
| Total Enterprise Funds/Child Nutrition Cluster | | | 14,054 | (952) | 13,100 | 7,305 | | | (952) | | 7,305 | |
| Total State Financial Assistance Subject to Single Audit Determination | | | 8,249,053 | (837,711) | 7,411,342 | 8,249,053 | 2,001 | 366 | (1,967,991) | 7,526 | 8,383,454 | |
| State Financial Assistance Not Subject to Major Program Determination | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | |
| On-Behalf TPAF Pension | 16-495-034-5094-002 | 7/1/15-6/30/16 | 1,210,726 | | (1,210,726) | (1,210,726) | | | | | (1,210,726) | |
| System Contributions (NCGI) | | | | | | | | | | | | |
| On-Behalf Pension | 16-495-034-5094-004 | 7/1/15-6/30/16 | 60,311 | | (60,311) | (60,311) | | | | | (60,311) | |
| On-Behalf TPAF Post-Retirement | 16-495-034-5094-003 | 7/1/15-6/30/16 | 1,513,454 | | (1,513,454) | (1,513,454) | | | | | (1,513,454) | |
| Medical Contribution | | | | | | | | | | | | |
| Total State Financial Assistance Subject to Major Program Determination | | | 2,784,491 | (837,711) | 1,946,780 | 2,784,491 | 2,001 | 366 | (1,967,991) | 7,526 | 2,784,491 | |

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an a decrease of \$54,887 for the general fund and an increase of \$26,254 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 | \$ 30,761 | \$ 6,963,549 | \$ 6,994,310 |
| Special Revenue Fund | 837,271 | 27,958 | 865,229 |
| Capital Projects Fund | | 967,714 | 967,714 |
| Debt Service Fund | | 227,640 | 227,640 |
| Food Service Fund | <u>301,375</u> | <u>7,305</u> | <u>308,680</u> |
| Total Financial Assistance | <u>\$ 1,169,407</u> | <u>\$ 8,194,166</u> | <u>\$ 9,363,573</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, 2016**

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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,209,571 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,271,037 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,513,454 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

Financial Statement Section

| | |
|---|---|
| Type of auditor's report issued: | <u>Unmodified</u> |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | _____ yes <u> X </u> no |
| 2) Significant deficiencies identified not considered to be material weaknesses? | <u> X </u> yes _____ none reported |
| Noncompliance material to basic financial statements noted? | _____ yes <u> X </u> no |

Federal Awards Section

| | |
|---|--------------------------------------|
| Internal Control over major programs: | |
| 1) Material weakness(es) identified? | _____ yes <u> X </u> no |
| 2) Significant deficiencies identified not considered to be material weaknesses? | _____ yes <u> X </u> none reported |

| | |
|---|-------------------|
| Type of auditor's report issued on compliance for major programs | <u>Unmodified</u> |
|---|-------------------|

| | |
|---|------------------------------|
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | <u> X </u> yes _____ no |
|---|------------------------------|

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| <u>84.010A</u> | <u>Title I</u> |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

| | |
|---|------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$750,000</u> |
|---|------------------|

| | |
|--|------------------------------|
| Auditee qualified as low-risk auditee? | <u> X </u> yes _____ no |
|--|------------------------------|

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? X yes _____ no

Identification of major state programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program or Cluster</u> |
|-------------------------------|--|
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-089 | Special Education Aid |
| 495-034-5120-084 | Security Aid |
| 495-034-5120-096 | Under Adequacy Aid |
| 495-034-5120-098 | PARCC Readiness Aid |
| 495-034-5120-097 | Per Pupil Growth Aid |
| 4370-050-14-G3DC/G3DD/G3DE-00 | SDA-Educational Facility Construction and Financing Act |
| 16-495-034-5120-075 | School Construction Debt Service Aid |

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

Auditee qualified as low-risk auditee? X yes _____ no

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016-001:

We noted expenditures in the General Fund relating to salaries and capital outlay that were not charged to the proper budget line accounts. We also noted expenditures charged to the Capital Projects Fund's referendum projects that were determined to be General Fund capital outlay project expenditures.

Criteria or specific requirement:

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, N.J.A.C. 6A:23A-16.1 et seq.

Condition:

Expenditures were not charged to the proper budget line accounts in the District records.

Context:

Salary expenditures totaling \$136,470 and capital outlay expenditures totaling \$315,036 were not charged to the proper budget line accounts in the General Fund. Expenditures not related to the referendum totaling \$15,470 were incorrectly charged to the referendum project in the Capital Projects Fund.

Effect:

District records may not reflect the actual expenditures incurred for certain budget line accounts in the General Fund.

Cause:

Unknown

Recommendation:

Greater care be exercised over classifying expenditures to ensure amounts are budgeted and charged to the proper budget line accounts in accordance with The Uniform Chart of Accounts for New Jersey Public Schools.

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, 2016**

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 2016-002

Our audit of the Capital Projects Fund and the related referendum projects revealed the following:

- Expenditures for the 2014 referendum projects were not charged to the correct project location.
- The 2014 referendum projects were overencumbered as of June 30, 2016 by approximately \$130,000 in total for all projects.

Criteria or specific requirement

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

Condition

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

Context

High School project expenditures were understated \$193,022, Bergen Boulevard School project expenditures were overstated \$203,387 and Slocum Skewes project expenditures were overstated \$4,971. In addition, the High School project was overencumbered by approximately \$337,000 at June 30, 2016, and the other two projects had an unencumbered balance of approximately \$207,000.

Effect

Project costs may not reflect the actual expenditures of the respective project location. The 2014 referendum project will require additional funding to finance all expenditures related to the projects.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and revised to ensure only allowable charges are reflected by project location for the 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 projects.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken. The District has taken action to fund the overencumbered balance of the 2014 referendum project by budget appropriation in the 2016/2017 school year; however, additional local funds may be required after close-out of the SDA grants.

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2016-003:

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

- Board resolution approving individuals to be charged to the Title I program did not reflect the grant funded portion (i.e. percentage) of the respective individual's 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 |
|---------|---------|

Criteria or specific requirement:

Federal Grant Compliance Supplement

Condition:

Resolutions approving individuals and amounts funded by grants did not detail portion (i.e. percentage) of salary funded by grant funds. In addition, time and effort support provided by the District 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, 2016 was \$269,024.

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, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2016-003: (Continued)

Cause:

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:

- Resolution approving individuals charged to the grant program reflect the portion (i.e. percentage) of the salary funded by Title I in addition to the salary amounts.
- 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2016-004

Our audit of reimbursement request forms for Title I revealed funds were requested for Title I expenditures prior to the expenditures being incurred and recorded in the District's accounting records and were not paid to the vendor during the liquidation period.

Information on Federal Program:

| | |
|---------|---------|
| Title I | 84.010A |
|---------|---------|

Criteria or specific requirement:

Federal Grant Compliance Supplement

Condition

Amounts requested for reimbursement for employee benefits were made prior to the expenditures being incurred and recorded in the District's financial records and prior to being paid by the District.

Questioned Costs:

Unknown.

Context

Employee benefits charged to Title I for the year ended June 30, 2016 of \$69,946 were not paid as of June 30, 2016. These amounts were paid in August 2016.

Effect

Amounts requested for reimbursement may not reflect actual employee benefit costs incurred and paid.

Cause

Amounts were requested for reimbursements throughout the year prior to costs being incurred and liquidated in a timely manner.

Recommendation

Requests for Title I reimbursement be made after the expenditures are incurred and recorded in the District's accounting records and payments are made within the liquidation period.

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, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-005:

Our audit of the Capital Projects Fund and the related referendum projects revealed the following:

- Expenditures for the 2014 referendum projects were not charged to the correct project location.
- The 2014 referendum projects were overencumbered as of June 30, 2016 by approximately \$130,000 in total for all projects.

State Program Information

SDA – Educational Facility Construction and Financing Act 4370-050-14-G3DC/G3DD/G3DE-00

Criteria or specific requirement

SDA Grant Eligibility Awards

Condition

See Finding 2016-002

Questioned Costs

None. Financial statements have been adjusted to reflect project costs in the proper project location.

Context

See Finding 2016-002

Effect

See Finding 2016-002

Cause

See Finding 2016-002

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-005 (Continued):

Recommendation

Internal control procedures be reviewed and revised to ensure only allowable charges are reflected by project location 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 projects.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken. The District has taken action to fund the overencumbered balance of the 2014 referendum project by budget appropriation in the 2016/2017 school year; however, additional local funds may be required after close-out of the SDA grants.

**RIDGEFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2015-001:

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

Current Status

Corrective action was taken.

Finding 2015-002:

Expenditures were incorrectly reported as General Fund expenditures. The District approved a resolution for a withdrawal from capital reserve to supplement a referendum project. Encumbrances were determined to be capital outlay. The referendum project was overencumbered.

Current Status

Partial corrective action was taken. See Finding 2016-002.

Finding 2015-003:

Review of year end encumbrances revealed certain encumbrances were not reflected in the District accounting records. Certain encumbrances should have been classified as accounts payable or were deemed invalid at year end.

Current Status

Corrective action has been taken.

**RIDGEFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

STATUS OF PRIOR YEAR FINDINGS (Continued)

Finding 2015-004:

Our audit of employee salary charges to Title I revealed amounts charged to the grant program were not charged consistently. Board resolution did not reflect the grant funded portion of the salary and time and effort calculations were not specifically completed to support salary allocations to Title I.

Current Status

Partial corrective action was taken. See Finding 2016-003.