

**RIDGEFIELD BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Ridgefield, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Ridgefield Board of Education**

**Ridgefield, New Jersey**

**For The Fiscal Year Ended June 30, 2017**

**Prepared by**

**Business Office**

**RIDGEFIELD BOARD OF EDUCATION  
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**INTRODUCTORY SECTION**



# Ridgefield Public Schools

*...valuing each and every student*

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

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

Floro M. Villanueva, Jr.  
Business Administrator

November 14, 2017

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, 2017 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, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. 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 2016-2017 fiscal year with an average daily enrollment of 1,696 students.

Average Daily Enrollment  
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2016-2017	1,696
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

**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 2016 – 2017:** The following items were part of the Ridgefield School District's goals and objectives or were planned initiatives that took place in 2016-2017:

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. Work was done into the 2016-17 school year. The state covered 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 began in the latter 2015-16 school year. During the 2014-15 and 2015-16 school years, the District invested in Phases I and II of safety and security initiatives, which included an audit, safety plan development, quick reference resource and evacuation diagram development, and initial staff training. Then it 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. In 2016-17, to further enhance school safety and security, the District engaged in Phase IIB of the safety and security initiative. Phase IIB included the implementation of single point of entry systems, training for 100 percent of faculty and staff on that protocol, and the installation of buzz-in technology in 100 percent of schools. Phase IIB included the

installation of duress alarm systems in 100 percent of district schools and installation of external door ajar alert systems in 100 percent of district schools.

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 2016-2017 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 continued its implementation of Google Suite, 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 2016-2017 school year. The District continued to support its fairly new Curriculum Department, including a Director of Curriculum. The District continued to invest 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 new reading workshop and math resources for Grades K-5 and science resources for grades K-5 and 9. The latter included the continuation of 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 Mondo Bookshop and Envisions 2.0, 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 invested in the world-renowned research-based Olweus Bullying Prevention Program. 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, 2017.

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, 2017 the District had \$7,342,000 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 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,



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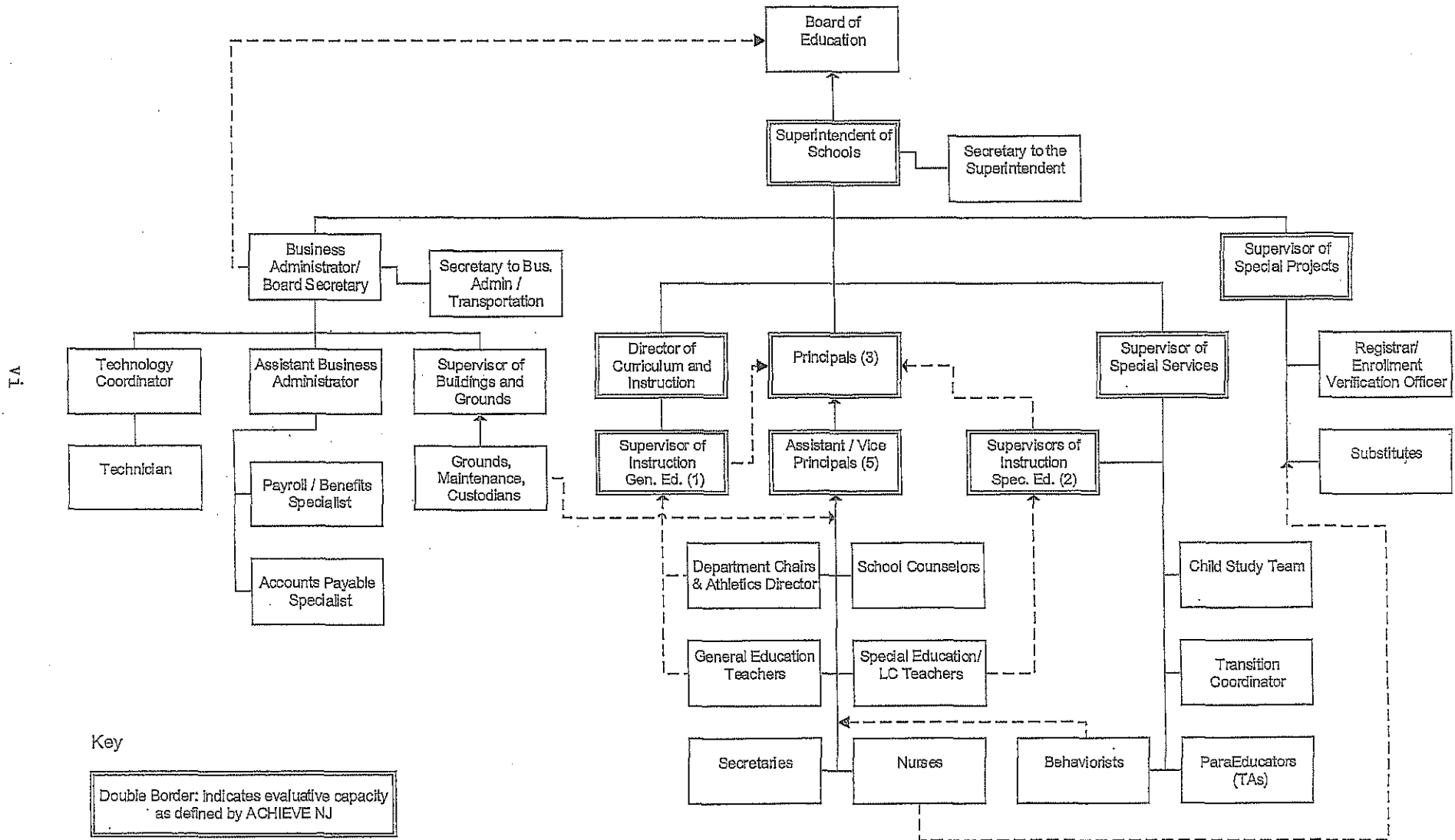
Dr. Frank Romano  
Superintendent of Schools



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Mr. Floro M. Villanueva, Jr.  
Business Administrator

Exhibit: Organizational Chart



Key  
 Double Border: indicates evaluative capacity as defined by ACHIEVE NJ

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

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

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

**President** Term Expires

Kathleen Payerle 2018

**Vice President**

Anthony Grippa 2017

**Members of Board of Education**

Rosemary Huzovic	2019
Ralph Morilla	2017
Claudia Navarez	2019
Jose Ray Salazar	2017
Steve Yang	2018

**Other Officials**

**Superintendent** Dr. Frank Romano

**School Business Administrator/  
Board Secretary** Floro M. Villanueva, Jr.

**Solicitors** Marla Taus, Esq. & Robert Jacobs, Esq.

**Ridgefield Board of Education  
Consultants and Advisors  
as of June 30, 2017**

**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, PSA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
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, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education as of June 30, 2017, 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 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.

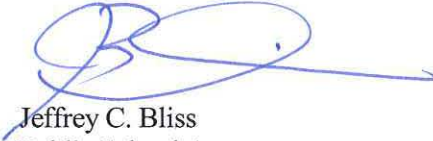
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2017 on our consideration of the Ridgefield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgefield 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 14, 2017

**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, 2017**

This section of the Ridgefield Board of Education's (District or Board) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. 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.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-2017 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 \$7,819,635 (net position).
- The District's overall net position decreased \$731,679.
- Overall District revenues were \$51,264,881. General revenues accounted for \$22,665,117 or 44% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,599,764 or 56% of total revenues.
- The School District had \$50,942,121 in expenses for governmental activities; \$27,646,333 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$22,664,449 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 \$2,128,963.
- The General Fund unassigned fund balance at June 30, 2017 was \$76,752, an increase of \$80,118 when compared to the previous year's unassigned fund deficit of \$3,366.
- The General Fund unassigned budgetary fund balance at June 30, 2017 was \$887,007 which represents an increase of \$184,269 when compared to the ending unassigned budgetary fund balance at June 30, 2016 of \$702,738.
- The District's total outstanding long-term liabilities increased \$3,334,115 during the current fiscal year.

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

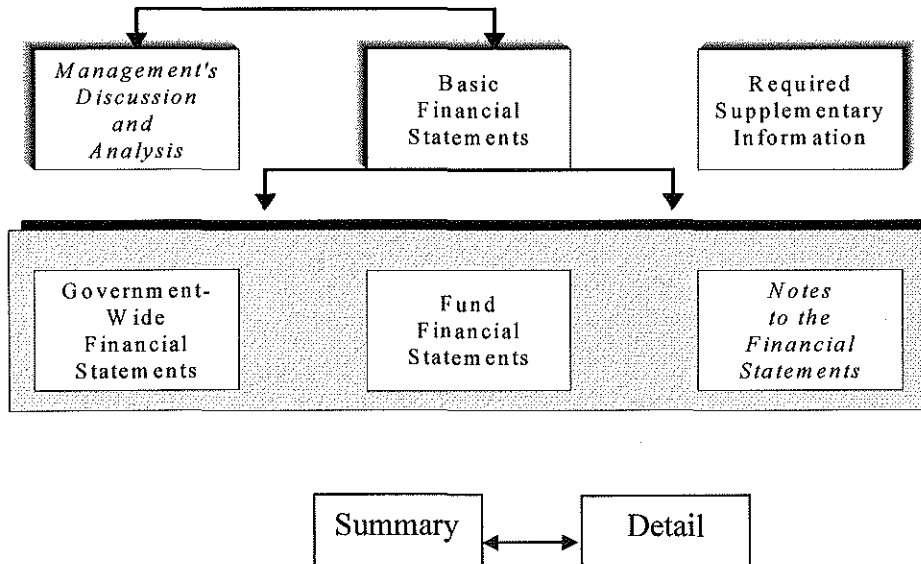
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**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.



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**Management's Discussion and Analysis  
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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 there after; no capital assets or long-term liabilities included	All assets, liabilities, and deferred outflows/inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, funds do not currently contain capital assets.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

**District-Wide Financial Statements**

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

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



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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**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)

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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**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 \$7,819,635 and \$7,087,956 as of June 30, 2017 and 2016, respectively. The deficit in the Governmental Activities net position 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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For the Fiscal Year Ended June 30, 2017**

**Net Position  
As of June 30, 2017 and 2016**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>						
Current Assets	\$ 3,966,227	\$ 4,552,628	\$ 136,547	\$ 243,301	\$ 4,102,774	\$ 4,795,929
Capital Assets	11,962,474	12,252,040	29,485	51,151	11,991,959	12,303,191
<b>Total Assets</b>	<u>15,928,701</u>	<u>16,804,668</u>	<u>166,032</u>	<u>294,452</u>	<u>16,094,733</u>	<u>17,099,120</u>
<b>Deferred Outflows of Resources</b>	<u>5,112,399</u>	<u>2,251,104</u>	<u>-</u>	<u>-</u>	<u>5,112,399</u>	<u>2,251,104</u>
<b>Liabilities</b>						
Long-Term Liabilities	27,089,489	23,755,374		-	27,089,489	23,755,374
Other Liabilities	1,737,189	2,195,416	40,012	68,356	1,777,201	2,263,772
<b>Total Liabilities</b>	<u>28,826,678</u>	<u>25,950,790</u>	<u>40,012</u>	<u>68,356</u>	<u>28,866,690</u>	<u>26,019,146</u>
<b>Deferred Inflows of Resources</b>	<u>159,437</u>	<u>418,658</u>	<u>640</u>	<u>376</u>	<u>160,077</u>	<u>419,034</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	4,188,437	3,656,164	29,485	51,151	4,217,922	3,707,315
Restricted	1,661,600	2,033,055			1,661,600	2,033,055
Unrestricted	<u>(13,795,052)</u>	<u>(13,002,895)</u>	<u>95,895</u>	<u>174,569</u>	<u>(13,699,157)</u>	<u>(12,828,326)</u>
<b>Total Net Position</b>	<u>\$ (7,945,015)</u>	<u>\$ (7,313,676)</u>	<u>\$ 125,380</u>	<u>\$ 225,720</u>	<u>\$ (7,819,635)</u>	<u>\$ (7,087,956)</u>

The District's total net position deficit of \$7,819,635 at June 30, 2017 represents a \$731,679 or 10% decrease from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2017 and 2016, respectively.

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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2017 and 2016**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
<b>Revenues</b>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Program Revenues						
Charges for Services	\$ 13,100,930	\$ 11,937,539	\$ 628,789	\$ 653,473	\$ 13,729,719	\$ 12,591,012
Operating Grants and Contributions	14,539,944	11,181,811	324,642	308,680	14,864,586	11,490,491
Capital Grants and Contributions	5,459	983,320			5,459	983,320
General Revenues						
Property Taxes	20,769,240	19,632,548			20,769,240	19,632,548
State Aid - Unrestricted	1,731,810	1,739,574			1,731,810	1,739,574
Other	163,399	97,938	668	733	164,067	98,671
<b>Total Revenues</b>	<u>50,310,782</u>	<u>45,572,730</u>	<u>954,099</u>	<u>962,886</u>	<u>51,264,881</u>	<u>46,535,616</u>
<b>Expenses</b>						
Instruction						
Regular	16,273,752	14,867,592			16,273,752	14,867,592
Special Education	12,744,598	12,082,598			12,744,598	12,082,598
Other Instruction	345,694	582,419			345,694	582,419
School Sponsored Activities and Ath.	782,762	771,627			782,762	771,627
Support Services						
Student and Instruction Related Serv.	11,546,508	8,830,806			11,546,508	8,830,806
General Administrative Services	1,247,360	1,273,490			1,247,360	1,273,490
School Administrative Services	2,439,979	2,300,397			2,439,979	2,300,397
Central and Other Support Services	1,025,802	1,031,131			1,025,802	1,031,131
Plant Operations and Maintenance	3,592,574	3,334,212			3,592,574	3,334,212
Pupil Transportation	710,929	664,366			710,929	664,366
Interest on Long Term Debt	232,163	276,025			232,163	276,025
Food Services			675,477	684,198	675,477	684,198
Saturday Happenings Program	-	-	378,962	381,873	378,962	381,873
<b>Total Expenses</b>	<u>50,942,121</u>	<u>46,014,663</u>	<u>1,054,439</u>	<u>1,066,071</u>	<u>51,996,560</u>	<u>47,080,734</u>
<b>Change in Net Position</b>	<b>(631,339)</b>	<b>(441,933)</b>	<b>(100,340)</b>	<b>(103,185)</b>	<b>(731,679)</b>	<b>(545,118)</b>
<b>Net Position, Beginning of Year</b>	<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>
<b>Net Position, End of Year</b>	<u>\$ (7,945,015)</u>	<u>\$ (7,313,676)</u>	<u>\$ 125,380</u>	<u>\$ 225,720</u>	<u>\$ (7,819,635)</u>	<u>\$ (7,087,956)</u>

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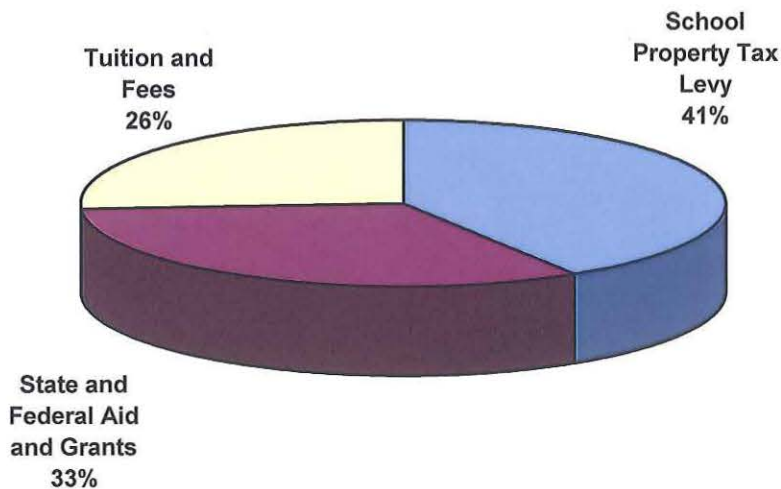
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**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$50,310,782 for the fiscal year ended June 30, 2017, property taxes of \$20,769,240 represented 41% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$16,277,213 represented 33% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$13,100,930 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.

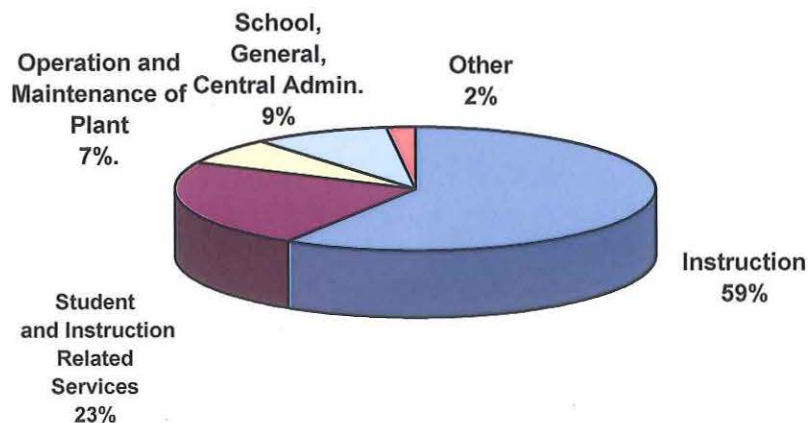
The total cost of all governmental activities programs and services was \$50,942,121 for the fiscal year ended June 30, 2017. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,146,806 (59%) of total expenses. Support services totaled \$20,563,152 (40%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

Total governmental activities expenses exceeded revenues decreasing net position \$631,339 from the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2017**



**Expenses by Type- Governmental Activities  
For Fiscal Year 2017**



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**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$50,942,121 for the fiscal year ended June 30, 2017. After applying program revenues, derived from charges for services of \$13,100,930, operating and capital grants and contributions of \$14,545,403; the net cost of services of the District is \$23,295,788.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost (Revenues) of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 16,273,752	\$ 14,867,592	\$ 10,522,347	\$ 10,632,694
Special Education	12,744,598	12,082,598	(3,178,438)	(1,938,814)
Other Instruction	345,694	582,419	212,106	402,426
School Sponsored Activities and Athletics	782,762	771,627	782,762	771,627
Support Services				
Student and Instruction Related Svcs.	11,546,508	8,830,806	6,883,380	5,032,500
General Administrative Services	1,247,360	1,273,490	1,052,579	1,136,204
School Administrative Services	2,439,979	2,300,397	1,747,531	1,776,953
Central and Other Support Services	1,025,802	1,031,131	869,711	909,496
Plant Operations and Maintenance	3,592,574	3,334,212	3,531,048	2,324,120
Pupil Transportation	710,929	664,366	690,397	646,628
Interest on Long Term Debt	232,163	276,025	182,365	218,159
<b>Total</b>	<b><u>\$ 50,942,121</u></b>	<b><u>\$ 46,014,663</u></b>	<b><u>\$ 23,295,788</u></b>	<b><u>\$ 21,911,993</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$954,099 for the fiscal year ended June 30, 2017. Charges for services accounted for 66% or \$628,789 of total revenues for the year. Operating grants and contributions accounted for 34% or \$324,642 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 \$1,054,439. 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 \$675,477 (64%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$378,962 (36%).

Total business-type activities expenses surpassed revenues decreasing net position by \$100,340 from the previous year.

**RIDGEFIELD BOARD OF EDUCATION  
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**Management's Discussion and Analysis  
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**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 \$2,128,963. The prior year fund balance at June 30, 2016 was \$2,339,112. The net decrease for the year ended June 30, 2017 was \$210,149.

Revenues for the District's governmental funds were \$42,631,193 while total expenses were \$42,841,342 for the year ended June 30, 2017.

**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 pre-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.

	<b>Fiscal Year Ended June 30, 2017</b>	<b>Fiscal Year Ended June 30, 2016</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Tax Levy	\$ 19,950,339	\$ 19,216,798	\$ 733,541	4%
Tuition	10,970,846	9,922,070	1,048,776	11%
Miscellaneous	2,185,255	2,062,787	122,468	6%
State Sources	7,544,950	6,963,549	581,401	8%
Federal Sources	<u>53,918</u>	<u>30,761</u>	<u>23,157</u>	100%
 Total General Fund Revenues	 <u>\$ 40,705,308</u>	 <u>\$ 38,195,965</u>	 <u>\$ 2,509,343</u>	 7%

Total General Fund Revenues increased by \$2,509,343 or 7% over the previous year. Local property taxes increased by \$733,541 or 4% over the previous year primarily to offset increases in operating costs. The District realized an 11% increase in tuition revenue during the current school year due to an increase in the number of out of district students received for special education services. Miscellaneous revenues increased 6% as a result of an increase from fees earned for one to one aide and OT/PT services. In addition, State aid revenues increased \$581,401 or 8% largely due to an increase in on-behalf State aid for teachers' pension contributions paid by the State on behalf of the District's teaching professionals.

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The following schedule presents a summary of General Fund expenditures.

	<b>Fiscal Year Ended <u>June 30, 2017</u></b>	<b>Fiscal Year Ended <u>June 30, 2016</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Instruction	\$ 23,375,479	\$ 23,441,671	\$ (66,192)	0%
Support Services	16,877,506	15,108,087	1,769,419	12%
Debt Services	162,671	64,412	98,259	153%
Capital Outlay	<u>299,193</u>	<u>804,823</u>	<u>(505,630)</u>	-63%
Total Expenditures	<u>\$ 40,714,849</u>	<u>\$ 39,418,993</u>	<u>\$ 1,295,856</u>	3%

Total General Fund expenditures increased \$1,295,856 or approximately 3% from the previous year. The increase was for the most part attributable to an increase in support services for special education student services, for occupational therapy, physical therapy, one to one aides and other related services.

For the fiscal year ended June 30, 2017 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$154,490. As a result, total fund balance decreased to \$2,054,206 at June 30, 2017. However, after deducting restricted and assigned fund balances, the unassigned fund balance increased by \$80,118 to \$76,752 at June 30, 2017 from a fund deficit of \$3,366 at June 30, 2016. Restricted fund balances for capital reserve, maintenance reserve and tuition adjustments decreased \$371,445 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 \$881,030 for the year ended June 30, 2017. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 88% or \$778,249 of the total revenue for the year. State sources accounted for 3% or \$29,342 of the total revenue for the year. The remaining 9% or \$73,439 of revenue came from local sources.

Total Special Revenue Fund revenues decreased \$71,792 or 8% from the previous year. State sources increased \$1,384 or less than 5%, Federal sources decreased \$59,022 or 7%. Local grants decreased \$14,154 or 16% from the prior year.

Expenditures of the Special Revenue Fund were \$881,030. Instructional expenditures were \$759,684 or 86% and expenditures for support services were \$115,887 or 13% of the total amount expended for the year ended June 30, 2017. The remaining expenditures of \$5,459 were for capital outlay expenditures

**Capital Projects Fund** - The capital project expenditures and other financing uses exceeded revenues and other financing sources by \$55,659 resulting in a fund balance of \$28,702 at June 30, 2017. This decrease was the result of expenditures related to the modular classrooms project.

**Proprietary Funds**

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



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**Management's Discussion and Analysis  
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**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 \$50,627
- Appropriation of \$19,030 of capital reserve for various purposes.
- Appropriation of \$215,000 of unbudgeted and under budgeted tuition revenue.
- Appropriation of \$35,000 restricted miscellaneous local revenue.

For fiscal year 2017 General Fund budgetary basis expenditures and other financing uses were greater than revenues and other financing sources by \$50,339. Therefore budgetary fund balance decreased to \$2,864,461 at June 30, 2017. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2017 was \$887,007 an increase of \$184,269 when compared to the previous year's unassigned budgetary fund balance of \$702,738 at June 30, 2016. The amount restricted for tuition refund reserves decreased by \$280,000 and the amount for capital reserve decreased by \$91,455, when compared to the prior year.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2017 amounts to \$11,991,959 (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 2016-2017 amounted to \$820,357 for governmental activities and \$21,666 for business-type activities.

**Capital Assets at June 30, 2017 and 2016  
(Net of Accumulated Depreciation)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 288,751	\$ 288,751			\$ 288,751	\$ 288,751
Construction in Progress	-	2,296,235			-	2,296,235
Land Improvements	151,469	163,531			151,469	163,531
Buildings and Building Improvements	9,903,147	7,656,934			9,903,147	7,656,934
Leasehold Improvements	21,520	24,051			21,520	24,051
Machinery and Equipment	1,597,587	1,822,538	\$ 29,485	\$ 51,151	1,627,072	1,873,689
<b>Total Capital Assets, Net</b>	<b>\$ 11,962,474</b>	<b>\$ 12,252,040</b>	<b>\$ 29,485</b>	<b>\$ 51,151</b>	<b>\$ 11,991,959</b>	<b>\$ 12,303,191</b>

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**LONG TERM LIABILITIES**

At June 30, 2017, the District's long-term liabilities totaled \$27,089,489 and consisted of serial bonds payable of \$7,637,768, lease purchase agreements outstanding of \$560,740, compensated absences payable of \$960,259, deferred pension obligation of \$126,619, and net pension liability of \$17,804,103. 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, 2016. The District's total outstanding long term liabilities increased \$3,334,115 during the 2016/2017 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 2017-2018 budget. The primary factors were the District's projected student population, anticipated state and federal aid, special education tuition and related service fees, as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2017-2018. Budgeted expenditures in the General Fund increased 1.5% to \$37,148,285 in fiscal year 2017-2018.

**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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,921,245	\$ 106,991	\$ 3,028,236
Receivables, Net	1,018,579	47,450	1,066,029
Internal Balances	26,403	(26,403)	-
Inventory		8,509	8,509
Capital Assets, Not Being Depreciated	288,751		288,751
Capital Assets, Being Depreciated, Net	<u>11,673,723</u>	<u>29,485</u>	<u>11,703,208</u>
Total Assets	<u>15,928,701</u>	<u>166,032</u>	<u>16,094,733</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	179,745		179,745
Deferred Amounts on Net Pension Liability	<u>4,932,654</u>	<u>-</u>	<u>4,932,654</u>
Total Deferred Outflows of Resources	<u>5,112,399</u>	<u>-</u>	<u>5,112,399</u>
Total Assets and Deferred Outflows of Resources	<u>21,041,100</u>	<u>166,032</u>	<u>21,207,132</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,523,647	10,331	1,533,978
Payable to Other Governments	105,142		105,142
Accrued Interest Payable	93,863		93,863
Unearned Revenue	14,537	29,681	44,218
Noncurrent Liabilities			
Due within one year	992,136		992,136
Due beyond one year	<u>26,097,353</u>	<u>-</u>	<u>26,097,353</u>
Total Liabilities	<u>28,826,678</u>	<u>40,012</u>	<u>28,866,690</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	159,437		159,437
Deferred Commodities Revenue	<u>-</u>	<u>640</u>	<u>640</u>
Total Deferred Inflows of Resources	<u>159,437</u>	<u>640</u>	<u>160,077</u>
Total Liabilities and Deferred Inflows of Resources	<u>28,986,115</u>	<u>40,652</u>	<u>29,026,767</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,188,437	29,485	4,217,922
Restricted for			
Capital Projects	621,645		621,645
Tuition Adjustments	620,000		620,000
Plant Maintenance	373,900		373,900
Debt Service	46,055		46,055
Unrestricted	<u>(13,795,052)</u>	<u>95,895</u>	<u>(13,699,157)</u>
Total Net Position	<u>\$ (7,945,015)</u>	<u>\$ 125,380</u>	<u>\$ (7,819,635)</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, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 16,273,752		\$ 5,751,405		\$ (10,522,347)		\$ (10,522,347)
Special Education	12,744,598	\$ 11,033,118	4,889,918		3,178,438		3,178,438
Other Instruction	345,694		128,129	\$ 5,459	(212,106)		(212,106)
School Sponsored Activities and Athletics	782,762				(782,762)		(782,762)
Support Services							
Student and Instruction Related Services	11,546,508	2,067,812	2,595,316		(6,883,380)		(6,883,380)
General Administrative Services	1,247,360		194,781		(1,052,579)		(1,052,579)
School Administrative Services	2,439,979		692,448		(1,747,531)		(1,747,531)
Central and Other Support Services	1,025,802		156,091		(869,711)		(869,711)
Plant Operations and Maintenance	3,592,574		61,526		(3,531,048)		(3,531,048)
Pupil Transportation	710,929		20,532	-	(690,397)		(690,397)
Interest on Long-Term Debt	232,163	-	49,798	-	(182,365)	-	(182,365)
<b>Total Governmental Activities</b>	<b>50,942,121</b>	<b>13,100,930</b>	<b>14,539,944</b>	<b>5,459</b>	<b>(23,295,788)</b>	<b>-</b>	<b>(23,295,788)</b>
<b>Business-Type Activities</b>							
Food Service	675,477	334,249	324,642	-	-	\$ (16,586)	(16,586)
Saturday Happenings	378,962	294,540	-	-	-	(84,422)	(84,422)
<b>Total Business-Type Activities</b>	<b>1,054,439</b>	<b>628,789</b>	<b>324,642</b>	<b>-</b>	<b>-</b>	<b>(101,008)</b>	<b>(101,008)</b>
<b>Total Primary Government</b>	<b>\$ 51,996,560</b>	<b>\$ 13,729,719</b>	<b>\$ 14,864,586</b>	<b>\$ 5,459</b>	<b>(23,295,788)</b>	<b>(101,008)</b>	<b>(23,396,796)</b>

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Continued

**RIDGEFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes			
Property Taxes Levied for General Purposes	\$ 19,950,339		\$ 19,950,339
Property Taxes Levied for Debt Service	818,901		818,901
State Aid -Unrestricted	1,581,709		1,581,709
State Aid for Debt Service Principal	150,101		150,101
Investment Earnings	13,733	\$ 668	14,401
Miscellaneous Income	149,666	-	149,666
	<u>22,664,449</u>	<u>668</u>	<u>22,665,117</u>
Change in Net Position	(631,339)	(100,340)	(731,679)
Net Position, Beginning of Year	<u>(7,313,676)</u>	<u>225,720</u>	<u>(7,087,956)</u>
Net Position, End of Year	<u>\$ (7,945,015)</u>	<u>\$ 125,380</u>	<u>\$ (7,819,635)</u>

**FUND FINANCIAL STATEMENTS**

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 2,872,880		\$ 2,310	\$ 46,055	\$ 2,921,245
Receivables from Other Governments, Net	697,367	\$ 252,471	55,079		1,004,917
Other Accounts Receivables	10,721		1,313		12,034
Due from Other Funds	171,261	-	-	-	171,261
<b>Total Assets</b>	<u>\$ 3,752,229</u>	<u>\$ 252,471</u>	<u>\$ 58,702</u>	<u>\$ 46,055</u>	<u>\$ 4,109,457</u>
<b>LIABILITIES</b>					
Liabilities					
Accounts Payable	\$ 1,017,572	\$ 71,028	\$ 30,000		\$ 1,118,600
Accrued Salaries and Wages	390,057	2,340			392,397
Compensated Absences	12,650				12,650
Payable to Federal Government		11,782			11,782
Payable to State Government		3,681			3,681
Payables to Local Governments	83,806	5,873			89,679
Due to Other Funds		143,230			143,230
Unearned Revenue	-	14,537	-	-	14,537
<b>Total Liabilities</b>	<u>1,504,085</u>	<u>252,471</u>	<u>30,000</u>	<u>-</u>	<u>1,786,556</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Tuition and Related Fees	193,938	-	-	-	193,938
<b>Total Deferred Inflows of Resources</b>	<u>193,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,938</u>
<b>FUND BALANCES</b>					
Fund Balances					
Restricted					
Capital Reserve	491,645				491,645
Capital Reserve - Designated for Subsequent Year's Expenditures	130,000				130,000
Maintenance Reserve	373,900				373,900
Tuition Adjustments	320,000				320,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	300,000				300,000
Capital Projects			28,603		28,603
Debt Service			99	\$ 46,055	46,154
Assigned					
Year End Encumbrances	71,577				71,577
Designated for Subsequent Year's Expenditures	290,332				290,332
Unassigned	76,752	-	-	-	76,752
<b>Total Fund Balances</b>	<u>2,054,206</u>	<u>-</u>	<u>28,702</u>	<u>46,055</u>	<u>2,128,963</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 3,752,229</u>	<u>\$ 252,471</u>	<u>\$ 58,702</u>	<u>\$ 46,055</u>	<u>\$ 4,109,457</u>



**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

<b>Total Fund Balances (Exhibit B-1)</b>		\$ 2,128,963
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,683,873 and the accumulated depreciation is \$9,721,399.		11,962,474
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.		193,938
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		179,745
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 amortized over future years.		
	Deferred Outflows of Resources	\$ 4,932,654
	Deferred Inflows of Resources	<u>(159,437)</u>
		4,773,217
The District has financed capital assets through the issuance of long-term bonds. The interest accrual at year end is:		(93,863)
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.		
	Bonds Payable (Including Unamortized Premium)	(7,637,768)
	Lease Purchase Agreements	(560,740)
	Compensated Absences	(960,259)
	Deferred Pension Obligation	(126,619)
	Net Pension Liability	<u>(17,804,103)</u>
		(27,089,489)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>		<b>\$ <u>(7,945,015)</u></b>

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 19,950,339			\$ 818,901	\$ 20,769,240
Tuition	10,970,846				10,970,846
Interest	13,519		\$ 214		13,733
Miscellaneous - Restricted	2,047,911				2,047,911
Miscellaneous - Unrestricted	<u>123,825</u>	<u>\$ 73,439</u>	<u>25,841</u>	<u>-</u>	<u>223,105</u>
Total - Local Sources	33,106,440	73,439	26,055	818,901	34,024,835
State Sources	7,544,950	29,342		199,899	7,774,191
Federal Sources	<u>53,918</u>	<u>778,249</u>	<u>-</u>	<u>-</u>	<u>832,167</u>
Total Revenues	<u>40,705,308</u>	<u>881,030</u>	<u>26,055</u>	<u>1,018,800</u>	<u>42,631,193</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	12,316,263	361,634			12,677,897
Special Education Instruction	10,077,498	391,415			10,468,913
Other Special Instruction	262,780	6,635			269,415
School-Sponsored Activities and Athletics	718,938				718,938
Support Services					
Student and Instruction Related Services	9,434,359	115,887			9,550,246
General Administrative Services	1,105,656		524		1,106,180
School Administrative Services	1,926,689				1,926,689
Central and Other Support Service	881,184				881,184
Plant Operations and Maintenance	2,898,610				2,898,610
Student Transportation	631,008				631,008
Debt Service					
Principal	160,292			765,000	925,292
Interest and Other Charges	2,379			253,800	256,179
Capital Outlay	<u>299,193</u>	<u>5,459</u>	<u>226,139</u>	<u>-</u>	<u>530,791</u>
Total Expenditures	<u>40,714,849</u>	<u>881,030</u>	<u>226,663</u>	<u>1,018,800</u>	<u>42,841,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,541)</u>	<u>-</u>	<u>(200,608)</u>	<u>-</u>	<u>(210,149)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	51		145,000		145,051
Transfers Out	<u>(145,000)</u>	<u>-</u>	<u>(51)</u>	<u>-</u>	<u>(145,051)</u>
Total Other Financing Sources and Uses	<u>(144,949)</u>	<u>-</u>	<u>144,949</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(154,490)	-	(55,659)	-	(210,149)
Fund Balance, Beginning of Year	<u>2,208,696</u>	<u>-</u>	<u>84,361</u>	<u>46,055</u>	<u>2,339,112</u>
Fund Balance, End of Year	<u>\$ 2,054,206</u>	<u>\$ -</u>	<u>\$ 28,702</u>	<u>\$ 46,055</u>	<u>\$ 2,128,963</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, 2017**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (210,149)

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 depreciation exceeds capital outlay in the current period.

Capital Outlays	\$ 530,791	
Depreciation Expense	<u>(820,357)</u>	
		(289,566)

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.

Principal Repayments:		
General Obligations Bonds	765,000	
Lease Purchase Agreements	<u>160,292</u>	
		925,292

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	(37,511)	
Original Issue Premium	<u>61,725</u>	
		24,214

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

Decrease in Compensated Absences	11,953	
Decrease in Deferred Pension Obligations	14,103	
Increase in Pension Expense	<u>(1,189,161)</u>	
		(1,163,105)

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	82,173
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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>(198)</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ (631,339)**

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, 2017**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Saturday Happenings Program</b>	<b>Total</b>
<b>ASSETS</b>			
Cash		\$ 106,991	\$ 106,991
Intergovernmental Receivable, Net	\$ 18,141	-	18,141
Accounts Receivable, Net	13,768	15,541	29,309
Inventory	8,509	-	8,509
<b>Total Current Assets</b>	<b>40,418</b>	<b>122,532</b>	<b>162,950</b>
Capital Assets			
Equipment	305,359	30,200	335,559
Accumulated Depreciation	(280,656)	(25,418)	(306,074)
<b>Total Capital Assets, Net</b>	<b>24,703</b>	<b>4,782</b>	<b>29,485</b>
<b>Total Assets</b>	<b>65,121</b>	<b>127,314</b>	<b>192,435</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	9,913	418	10,331
Due to Other Funds	26,403		26,403
Unearned Revenue	6,648	23,033	29,681
<b>Total Current Liabilities</b>	<b>42,964</b>	<b>23,451</b>	<b>66,415</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	640	-	640
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>43,604</b>	<b>23,451</b>	<b>67,055</b>
<b>NET POSITION</b>			
Investment in Capital Assets	24,703	4,782	29,485
Unrestricted	(3,186)	99,081	95,895
<b>Total Net Position</b>	<b>\$ 21,517</b>	<b>\$ 103,863</b>	<b>\$ 125,380</b>

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, 2017**

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Service</u>	<u>Saturday Happenings Program</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 205,507		\$ 205,507
Daily Sales - Non-Reimbursable Program	123,258		123,258
Other	5,484		5,484
Program Fees	-	\$ 294,540	294,540
 Total Operating Revenues	 <u>334,249</u>	 <u>294,540</u>	 <u>628,789</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	257,861		257,861
Cost of Sales - Non-Reimbursable Programs	44,225		44,225
Salaries and Benefits	266,713	317,084	583,797
Purchased Management Services	27,430		27,430
Other Purchased Services	16,569		16,569
General Supplies	28,354	33,191	61,545
Miscellaneous	1,589	1,584	3,173
Repair and Maintenance	11,592		11,592
Rental and Utility Expense		26,581	26,581
Depreciation	21,144	522	21,666
 Total Operating Expenses	 <u>675,477</u>	 <u>378,962</u>	 <u>1,054,439</u>
 Operating (Loss)	 <u>(341,228)</u>	 <u>(84,422)</u>	 <u>(425,650)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	6,814		6,814
Federal Sources			
National School Breakfast Program	40,974		40,974
National School Lunch Program	225,253		225,253
Food Distribution Program	51,601		51,601
Interest Income	-	668	668
 Total Nonoperating Revenues	 <u>324,642</u>	 <u>668</u>	 <u>325,310</u>
 Changes in Net Position	 (16,586)	 (83,754)	 (100,340)
 Total Net Position, Beginning of Year	 <u>38,103</u>	 <u>187,617</u>	 <u>225,720</u>
 Total Net Position, End of Year	 <u>\$ 21,517</u>	 <u>\$ 103,863</u>	 <u>\$ 125,380</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, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 330,988	\$ 291,370	\$ 622,358
Cash Payments for Employees			
Salaries and Benefits	(266,713)	(317,084)	(583,797)
Cash Payments to Suppliers for Goods and Services	<u>(362,172)</u>	<u>(63,010)</u>	<u>(425,182)</u>
Net Cash (Used for) Operating Activities	<u>(297,897)</u>	<u>(88,724)</u>	<u>(386,621)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal			
Subsidy Reimbursements	273,149	-	273,149
Cash Received from Other Funds	<u>24,748</u>	<u>-</u>	<u>24,748</u>
Net Cash Provided by Noncapital Financing Activities	<u>297,897</u>	<u>-</u>	<u>297,897</u>
<b>Cash Flows from Investing Activities</b>			
Interest Received	<u>-</u>	<u>668</u>	<u>668</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>668</u>	<u>668</u>
Net (Decrease) in Cash	-	(88,056)	(88,056)
Cash, Beginning of Year	<u>-</u>	<u>195,047</u>	<u>195,047</u>
Cash, End of Year	<u>\$ -</u>	<u>\$ 106,991</u>	<u>\$ 106,991</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>			
Operating (Loss)	\$ (341,228)	\$ (84,422)	\$ (425,650)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	21,144	522	21,666
Non-Cash Federal Assistance-Food Distribution Program	51,601		51,601
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	(3,541)	(3,825)	(7,366)
(Increase)/Decrease in Inventory	1,208		1,208
Increase/(Decrease) in Accounts Payable	(27,625)	(1,654)	(29,279)
Increase/(Decrease) in Unearned Revenue	280	655	935
Increase/(Decrease) in Deferred Commodities Revenue	<u>264</u>	<u>-</u>	<u>264</u>
Total Adjustments	<u>43,331</u>	<u>(4,302)</u>	<u>39,029</u>
Net Cash (Used for) Operating Activities	<u>\$ (297,897)</u>	<u>\$ (88,724)</u>	<u>\$ (386,621)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 51,865		

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, 2017**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ 58,245	\$ 293,798
Total Assets	<u>58,245</u>	<u>\$ 293,798</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 213,156
Due to Other Funds	500	1,128
Due to Student Groups	<u>-</u>	<u>79,514</u>
Total Liabilities	<u>500</u>	<u>\$ 293,798</u>
<b>NET POSITION</b>		
Held in Trust for Scholarship Awards	<u>\$ 57,745</u>	

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b><u>Private Purpose Scholarship Fund</u></b>
<b>ADDITIONS</b>	
Contributions	
Donations - Private	\$ 25,250
Investment Earnings	
Interest	<u>217</u>
Total Additions	25,467
<b>DEDUCTIONS</b>	
Scholarship Awards	<u>18,750</u>
Change in Net Position	6,717
Net Position, Beginning of the Year	<u>51,028</u>
Net Position, End of the Year	<u>\$ 57,745</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, 2017**

**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 programs 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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**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, 2017**

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

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**Fund Financial Statements (Continued)**

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

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

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

Additionally, the government reports the following fund types:

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

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

**Reclassifications**

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

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

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

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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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.

***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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**4. Capital Assets**

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

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

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

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

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to 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 fee. 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, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The third item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

***6. Compensated Absences***

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

***7. Pensions***

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

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



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**8. *Long-Term Obligations***

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*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 2017/2018 District budget certified for taxes.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2016/2017 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2015/2016 contract year that is appropriated in the 2017/2018 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 2017/2018 District budget certified for taxes.

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**2. *Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2015-2016 and 2016-2017 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.

**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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**A. Budgetary Information (Continued)**

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$547,186. The increase was funded by additional restricted fund balance appropriated, appropriation of unbudgeted and under budgeted tuition revenue and restricted miscellaneous local revenue, grant awards and the reappropriation of prior year general fund encumbrances. On July 21, 2016 the Board authorized and approved an additional fund balance appropriation from capital reserve of \$19,030 in the general fund.

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.

**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			
Unallocated Employee Benefit			
Health Benefits	\$5,406,121	\$5,582,441	\$(176,320)

The above variance was offset with other available resources.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**C. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 713,100
Increased by		
Deposits Approved by Board Resolution	\$ 267,797	
Transfer of Unexpended Project Balances from Capital Outlay	<u>4,778</u>	
		<u>272,575</u>
		985,675
Decreased by		
Withdrawals Approved in District Budget	345,000	
Withdrawals Approved by Board Resolution	<u>19,030</u>	
		<u>364,030</u>
Balance, June 30, 2017		<u>\$ 621,645</u>

The withdrawals from the capital reserve were for use in a school facilities project, consistent with the district's Long Range Facilities Plan. \$130,000 of the capital reserve balance at June 30, 2017 was designated and appropriated in the 2017/2018 original budget certified for taxes.

**D. Maintenance Reserve**

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Maintenance Reserve**

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 373,900</u>
Balance, June 30, 2017	<u>\$ 373,900</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,310,589.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$3,380,279 and bank and brokerage firm balances of the Board's deposits amounted to \$3,478,158. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	<u>\$ 3,478,158</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**Investments**

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

As of June 30, 2017, the Board had no outstanding investments.

Certain 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, 2017 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Saturday Happenings</u>	<u>Total</u>
Receivables:						
Intergovernmental						
Local	\$ 685,765	\$ 14,120				\$ 699,885
State	56,547		\$ 55,079	\$ 445		112,071
Federal		238,351		17,696		256,047
Accounts	<u>10,721</u>	<u>-</u>	<u>1,313</u>	<u>13,768</u>	<u>\$ 51,818</u>	<u>77,620</u>
Gross Receivables	753,033	252,471	56,392	31,909	51,818	1,145,623
Less: Allowance for Uncollectibles	<u>(44,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,277)</u>	<u>(81,222)</u>
Net Total Receivables	<u>\$ 708,088</u>	<u>\$ 252,471</u>	<u>\$ 56,392</u>	<u>\$ 31,909</u>	<u>\$ 15,541</u>	<u>\$ 1,064,401</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	<u>\$ 14,537</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 14,537</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance, July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 288,751			\$ 288,751
Construction in Progress	2,296,235	\$ 233,506	\$ (2,529,741)	-
Total Capital Assets, Not Being Depreciated	<u>2,584,986</u>	<u>233,506</u>	<u>(2,529,741)</u>	<u>288,751</u>
Capital Assets, Being Depreciated:				
Land Improvements	662,720			662,720
Buildings and Building Improvements	14,488,082	2,721,813		17,209,895
Leasehold Improvements	50,627			50,627
Machinery and Equipment	3,394,226	105,213	(27,559)	3,471,880
Total Capital Assets Being Depreciated	<u>18,595,655</u>	<u>2,827,026</u>	<u>(27,559)</u>	<u>21,395,122</u>
Less Accumulated Depreciation for:				
Land Improvements	(499,189)	(12,062)		(511,251)
Buildings and Building Improvements	(6,831,148)	(475,600)		(7,306,748)
Leasehold Improvements	(26,576)	(2,531)		(29,107)
Machinery and Equipment	(1,571,688)	(330,164)	27,559	(1,874,293)
Total Accumulated Depreciation	<u>(8,928,601)</u>	<u>(820,357)</u>	<u>27,559</u>	<u>(9,721,399)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,667,054</u>	<u>2,006,669</u>	<u>-</u>	<u>11,673,723</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,252,040</u>	<u>\$ 2,240,175</u>	<u>\$ (2,529,741)</u>	<u>\$ 11,962,474</u>



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 335,559	-	-	\$ 335,559
Total Capital Assets Being Depreciated	<u>335,559</u>	-	-	<u>335,559</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(284,408)	\$ (21,666)	-	(306,074)
Total Accumulated Depreciation	<u>(284,408)</u>	<u>(21,666)</u>	-	<u>(306,074)</u>
Total Capital Assets, Being Depreciated, Net	<u>51,151</u>	<u>(21,666)</u>	-	<u>29,485</u>
Business-Type Activities Capital Assets, Net	<u>\$ 51,151</u>	<u>\$ (21,666)</u>	<u>\$ -</u>	<u>\$ 29,485</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 207,885
Special Education	<u>3,939</u>
Total Instruction	<u>211,824</u>
Support Services	
Students and Instruction Related Services	5,062
General Administrative Services	2,012
School Administrative Services	37,670
Central and Other Support Services	
Plant Operations and Maintenance	530,473
Pupil Transportation	<u>33,316</u>
Total Support Services	<u>608,533</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 820,357</u>

**Business-Type Activities:**

Food Service	
Saturday Happenings Program	<u>522</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 21,666</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

The composition of interfund balances as of June 30, 2017, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 143,230
General Fund	Food Service Fund	26,403
General Fund	Scholarship Fund	500
General Fund	Payroll Agency Fund	<u>1,128</u>
		<u>\$ 171,261</u>

The above balances are the result of revenues deposited 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.

**Interfund Transfers**

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 145,000	\$ 145,000
Capital Projects Fund	\$ 51	-	51
Total	<u>\$ 51</u>	<u>\$ 145,000</u>	<u>\$ 145,051</u>

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

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**F. Leases**

**Operating Leases**

The District leases a school building under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$517,300. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2018	\$ 517,300
2019	516,900
2020	516,100
2021	510,000
2022	508,600
2023-2027	<u>2,029,000</u>
Total	<u>\$ 4,597,900</u>

**Lease Purchase Agreements**

The District is leasing modular classrooms totaling \$433,000 and computers (supplies) totaling \$288,032 under lease purchase agreements. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	<u>\$ 431,850</u>

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**F. Leases (Continued)**

**Lease Purchase Agreements (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Fiscal Year Ending June 30	<u>Governmental Activities</u> Lease- Purchase <u>Agreements</u>
2018	\$ 162,670
2019	162,670
2020	162,670
2021	<u>90,662</u>
Total minimum lease payments	578,672
Less: amount representing interest	<u>(17,932)</u>
Present value of minimum lease payments	<u>\$ 560,740</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$2,900,000, 2013 Bonds, due in annual installments of \$185,000 to \$220,000 through February 1, 2028, interest at 2.00% to 3.00%	\$2,210,000
\$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%	1,607,000
\$3,540,000, 2015 Refunding Bonds, due in annual installments of \$235,000 to \$505,000 through February 15, 2027, interest at 2.25% to 5.00%	<u>3,525,000</u>
Total	<u>\$ 7,342,000</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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>	
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	800,000	133,048	933,048
2023-2027	2,982,000	354,200	3,336,200
2028-2030	<u>595,000</u>	<u>29,100</u>	<u>624,100</u>
	<u>\$ 7,342,000</u>	<u>\$ 1,305,140</u>	<u>\$ 8,647,140</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 70,720,878
Less: Net Debt	<u>7,342,000</u>
Remaining Borrowing Power	<u>\$ 63,378,878</u>

**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 7.65%) at June 30, 2017 is \$126,619.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**H. Other Long-Term Liabilities (Continued)**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, July 1, 2016	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 8,107,000		\$ 765,000	\$ 7,342,000	\$ 715,000
Add:					
Unamortized Premium	357,493	-	61,725	295,768	-
Total Bonds Payable	8,464,493	-	826,725	7,637,768	715,000
Lease Purchase Agreements	721,032		160,292	560,740	155,569
Compensated Absences	972,212	56,103	68,056	960,259	96,026
Deferred Pension Obligation	140,722	11,117	25,220	126,619	25,541
Net Pension Liability	13,456,915	4,881,234	534,046	17,804,103	-
Governmental activity					
Long-term liabilities	<u>\$ 23,755,374</u>	<u>\$ 4,948,454</u>	<u>\$ 1,614,339</u>	<u>\$ 27,089,489</u>	<u>\$ 992,136</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the funds, 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 respective insurance funds are on file with the School's Business Administrator.

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

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017 the District has not estimated its arbitrage earnings due to the IRS, if any.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

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

**Other Pension Funds**

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

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

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

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



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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, 2017**

**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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 534,046	\$ 1,785,960	\$ 22,168
2016	515,384	1,271,037	7,634
2015	499,478	845,201	None

In addition for fiscal year 2016/2017 the District contributed \$2,409 for PERS and the State contributed \$3,184 for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB 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 \$1,212,665 during the fiscal year ended June 30, 2017 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, 2017**

**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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$17,804,103 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .06011 percent, which was an increase of .00016 percent from its proportionate share measured as of June 30, 2015 of .05995 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,723,207 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 331,102	
Changes of Assumptions	3,688,059	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	678,887	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>234,606</u>	<u>\$ 159,437</u>
Total	<u>\$ 4,932,654</u>	<u>\$ 159,437</u>

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 1,125,123
2019	1,125,123
2020	1,125,123
2021	1,088,153
2022	<u>309,695</u>
	<u>\$ 4,773,217</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.98%, 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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 21,816,850</u>	<u>\$ 17,804,103</u>	<u>\$ 14,491,232</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. 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](http://www.state.nj.us/treasury/pensions).

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,383,376 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$124,885,079. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .15875 percent, which was a decrease of .00242 percent from its proportionate share measured as of June 30, 2015 of .15633 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%



**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<u>1% Decrease (2.22%)</u>	<u>Current Discount Rate (3.22%)</u>	<u>1% Increase (4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 149,140,693</u>	<u>\$ 124,885,079</u>	<u>\$ 105,077,240</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

**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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$1,488,111, \$1,513,454 and \$1,341,760, 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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 19,950,339		\$ 19,950,339	\$ 19,950,339	
Tuition from Other LEAs within the State	10,515,045	\$ 215,000	10,730,045	10,970,846	\$ 240,801
Interest Income	1,250		1,250	13,519	12,269
Miscellaneous - Restricted	1,866,182	35,000	1,901,182	2,047,911	146,729
Miscellaneous - Unrestricted	127,052	-	127,052	123,825	(3,227)
<b>Total Local</b>	<b>32,459,868</b>	<b>250,000</b>	<b>32,709,868</b>	<b>33,106,440</b>	<b>396,572</b>
State Sources					
Special Education Aid	974,383		974,383	974,383	-
Equalization Aid	1,497,655		1,497,655	1,497,655	-
Extraordinary Aid	400,000		400,000	559,608	159,608
Security Aid	50,732		50,732	50,732	-
Transportation Aid	20,828		20,828	20,828	-
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	-
Professional Learning Community Aid	14,410		14,410	14,410	-
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				1,723,513	1,723,513
Pension - NCGI Premium				62,447	62,447
Post Retirement Medical Benefit Contribution				1,488,111	1,488,111
Long-Term Disability Insurance Premium				3,184	3,184
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,212,665	1,212,665
<b>Total State</b>	<b>2,999,573</b>	<b>-</b>	<b>2,999,573</b>	<b>7,649,101</b>	<b>4,649,528</b>
Federal Sources					
Medicaid Reimbursement	26,350		26,350	42,324	15,974
FEMA Reimbursement	-	-	-	11,594	11,594
<b>Total Federal Sources</b>	<b>26,350</b>	<b>-</b>	<b>26,350</b>	<b>53,918</b>	<b>27,568</b>
<b>Total Revenues</b>	<b>35,485,791</b>	<b>250,000</b>	<b>35,735,791</b>	<b>40,809,459</b>	<b>5,073,668</b>
<b>CURRENT EXPENDITURES</b>					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	595,441	(57,900)	537,541	529,943	7,598
Grades 1-5	2,215,090	134,600	2,349,690	2,333,941	15,749
Grades 6-8	1,733,958	(130,500)	1,603,458	1,597,345	6,113
Grades 9-12	3,193,779	(124,332)	3,069,447	3,057,558	11,889
Regular Programs-Home Instruction					
Salaries of Teachers	15,000	(3,500)	11,500	1,326	10,174
Purchased Professional Educational Services	3,000	(800)	2,200	177	2,023
Regular Programs-Undistributed Instruction					
Other Purchased Services	190,630	132,880	323,510	317,600	5,910
General Supplies	366,493	(147,475)	219,018	203,411	15,607
Textbooks	4,000	57,987	61,987	61,881	106
Other Objects	29,000	-	29,000	26,423	2,577
<b>Total Regular Programs</b>	<b>8,346,391</b>	<b>(139,040)</b>	<b>8,207,351</b>	<b>8,129,605</b>	<b>77,746</b>
Behavioral Disabilities					
Salaries of Teachers	161,585	(52,000)	109,585	103,772	5,813
Other Salaries for Instruction	55,441	(6,000)	49,441	48,404	1,037
Purchased Professional Educational Services	7,700	(5,459)	2,241	1,930	311
Other Purchased Services	5,274	-	5,274	2,875	2,399
General Supplies	8,545	6,000	14,545	13,006	1,539
Other Objects	2,930	-	2,930	763	2,167
<b>Total Behavioral Disabilities</b>	<b>241,475</b>	<b>(57,459)</b>	<b>184,016</b>	<b>170,750</b>	<b>13,266</b>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Multiple Disabilities					
Salaries of Teachers	\$ 1,313,902	\$ (13,200)	\$ 1,300,702	\$ 1,297,320	\$ 3,382
Other Salaries for Instruction	675,169	(55,492)	619,677	616,771	2,906
Purchased Professional Educational Service	15,525	-	15,525	11,437	4,088
Other Purchased Services	4,840	6,000	10,840	9,354	1,486
General Supplies	62,000	(19,309)	42,691	37,923	4,768
Other Objects	23,000	(2,600)	20,400	19,273	1,127
<b>Total Multiple Disabilities</b>	<b>2,094,436</b>	<b>(84,601)</b>	<b>2,009,835</b>	<b>1,992,078</b>	<b>17,757</b>
Resource Room/Resource Center					
Salaries of Teachers	1,466,651	(167,743)	1,298,908	1,290,045	8,863
Other Salaries for Instruction	114,366	38,019	152,385	145,597	6,788
General Supplies	-	2,900	2,900	2,896	4
<b>Total Resource Room/Resource Center</b>	<b>1,581,017</b>	<b>(126,824)</b>	<b>1,454,193</b>	<b>1,438,538</b>	<b>15,655</b>
Autism					
Salaries of Teachers	1,783,227	(201,094)	1,582,133	1,579,446	2,687
Other Salaries for Instruction	1,160,298	(29,820)	1,130,478	1,130,478	-
Purchased Professional Educational Services	58,000	(22,500)	35,500	33,294	2,206
Other Purchased Services	11,797	3,550	15,347	13,338	2,009
General Supplies	73,321	17,949	91,270	89,347	1,923
Textbooks	-	10,000	10,000	9,986	14
Other Objects	43,561	(20,425)	23,136	21,982	1,154
<b>Total Autism</b>	<b>3,130,204</b>	<b>(242,340)</b>	<b>2,887,864</b>	<b>2,877,871</b>	<b>9,993</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	152,363	(13,616)	138,747	133,766	4,981
Other Salaries for Instruction	178,901	(29,026)	149,875	149,859	16
Purchased Professional Educational Services	28,000	(22,000)	6,000	4,000	2,000
Other Purchased Services	2,500	(400)	2,100	700	1,400
General Supplies	7,000	16,300	23,300	21,791	1,509
Other Objects	1,200	-	1,200	387	813
<b>Total Preschool Disabilities - Full-Time</b>	<b>369,964</b>	<b>(48,742)</b>	<b>321,222</b>	<b>310,503</b>	<b>10,719</b>
<b>Total Special Education</b>	<b>7,417,096</b>	<b>(559,966)</b>	<b>6,857,130</b>	<b>6,789,740</b>	<b>67,390</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	90,678	(80,000)	10,678	-	10,678
<b>Total Basic Skills/Remedial - Instruction</b>	<b>90,678</b>	<b>(80,000)</b>	<b>10,678</b>	<b>-</b>	<b>10,678</b>
Bilingual Education - Instruction					
Salaries of Teachers	175,543	400	175,943	175,129	814
<b>Total Bilingual Education - Instruction</b>	<b>175,543</b>	<b>400</b>	<b>175,943</b>	<b>175,129</b>	<b>814</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	162,443	(1,000)	161,443	140,523	20,920
Supplies and Materials	24,717	3,232	27,949	20,292	7,657
Other Objects	78,740	(5,232)	73,508	33,183	40,325
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>265,900</b>	<b>(3,000)</b>	<b>262,900</b>	<b>193,998</b>	<b>68,902</b>
School Sponsored Athletics					
Salaries	240,265	5,000	245,265	244,568	697
Purchased Services	33,488	(13,008)	20,480	19,226	1,254
Supplies and Materials	59,040	(7,600)	51,440	47,388	4,052
Other Objects	34,400	20,608	55,008	53,687	1,321
<b>Total School Sponsored Athletics</b>	<b>367,193</b>	<b>5,000</b>	<b>372,193</b>	<b>364,869</b>	<b>7,324</b>
<b>Total Instruction</b>	<b>16,662,801</b>	<b>(776,606)</b>	<b>15,886,195</b>	<b>15,653,341</b>	<b>232,854</b>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction:					
Tuition to County Voc. School District-Regular	\$ 383,508	\$ (20,000)	\$ 363,508	\$ 337,671	\$ 25,837
Tuition to County Voc. School District-Special		63,784	63,784	61,893	1,891
Tuition to CSSD and Regional Day Schools	249,324	(175,704)	73,620	73,620	-
Tuition to Priv. Sch. for the Disabled -Within State	101,521	(9,000)	92,521	89,900	2,621
<b>Total Undistributed Expenditures- Instruction</b>	<b>734,353</b>	<b>(140,920)</b>	<b>593,433</b>	<b>563,084</b>	<b>30,349</b>
Attendance and Social Work					
Salaries	33,415	(900)	32,515	32,478	37
<b>Total Attendance and Social Work</b>	<b>33,415</b>	<b>(900)</b>	<b>32,515</b>	<b>32,478</b>	<b>37</b>
Health Services					
Salaries	385,849	13,275	399,124	396,685	2,439
Purchased Professional/Technical Services	1,250	26,540	27,790	27,155	635
Supplies and Materials	8,415	3,500	11,915	11,753	162
<b>Total Health Services</b>	<b>395,514</b>	<b>43,315</b>	<b>438,829</b>	<b>435,593</b>	<b>3,236</b>
Speech, OT, PT, & Related Services					
Salaries	1,752,948	(71,400)	1,681,548	1,680,768	780
Purchased Professional/Educational Services	225,000	34,878	259,878	249,914	9,964
Supplies and Materials	16,350	(15,400)	950	141	809
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>1,994,298</b>	<b>(51,922)</b>	<b>1,942,376</b>	<b>1,930,823</b>	<b>11,553</b>
Other Support Services -Students- Extra Services					
Salaries	1,578,258	795,448	2,373,706	2,372,919	787
Purchased Professional/Educational Services	-	3,800	3,800	-	3,800
<b>Total Other Support Services - Students - Extra Services</b>	<b>1,578,258</b>	<b>799,248</b>	<b>2,377,506</b>	<b>2,372,919</b>	<b>4,587</b>
Guidance					
Salaries of Other Professional Staff	412,689	(21,000)	391,689	384,362	7,327
Salaries of Secretarial and Clerical Assistants	69,047	-	69,047	67,155	1,892
Purchased Professional/Educational Services	11,069	(800)	10,269	7,660	2,609
Other Purchased Professional & Technical Services	-	3,800	3,800	3,597	203
Supplies and Materials	4,869	-	4,869	3,528	1,341
Other Objects	1,394	3,000	4,394	3,100	1,294
<b>Total Guidance</b>	<b>499,068</b>	<b>(15,000)</b>	<b>484,068</b>	<b>469,402</b>	<b>14,666</b>
Child Study Team					
Salaries of Other Professional Staff	655,073	(28,456)	626,617	625,284	1,333
Salaries of Secretarial and Clerical Assistants	134,849	5,500	140,349	135,314	5,035
Purchased Professional-Educational Services	18,000	(3,600)	14,400	9,866	4,534
Other Purchased Professional & Technical Services	-	3,140	3,140	2,955	185
Other Purchased Services	140	1,885	2,025	1,830	195
Supplies and Materials	1,425	(605)	820	820	-
<b>Total Child Study Team</b>	<b>809,487</b>	<b>(22,136)</b>	<b>787,351</b>	<b>776,069</b>	<b>11,282</b>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	197,413	212,856	410,269	398,010	12,259
Salaries of Other Professional Staff	284,041	(284,041)	-	-	-
Salaries of Secretarial and Clerical Assistants	7,000	1,300	8,300	8,300	-
Purchased Professional-Educational Services	19,000	17,560	36,560	17,644	18,916
Other Purchased Services	21,300	3,230	24,530	24,520	10
Supplies and Materials	-	331	331	315	16
Other Objects	-	2,460	2,460	2,460	-
<b>Total Improvement of Inst. Serv.</b>	<b>528,754</b>	<b>(46,304)</b>	<b>482,450</b>	<b>451,249</b>	<b>31,201</b>



**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media/School Library					
Salaries	\$ 70,230	\$ (36)	\$ 70,194	\$ 70,131	\$ 63
Supplies and Materials	9,268	(3,000)	6,268	1,045	5,223
Total Educational Media/School Library	79,498	(3,036)	76,462	71,176	5,286
Instructional Staff Training					
Purchased Professional-Educational Services	17,900	-	17,900	5,003	12,897
Total Instructional Staff Training	17,900	-	17,900	5,003	12,897
General Administration					
Salaries	382,598	216	382,814	382,600	214
Legal Services	90,000	779	90,779	80,886	9,893
Audit Fees	40,000	33,407	73,407	39,707	33,700
Other Purchased Professional Services	9,000	29,564	38,564	38,205	359
Communications/Telephone	133,295	(3,792)	129,503	124,498	5,005
BOE Other Purchased Services	1,000	-	1,000	400	600
Miscellaneous Purchased Services	173,500	38,250	211,750	211,201	549
General Supplies	4,200	2,600	6,800	6,767	33
BOE In-House Training / Meeting Supplies	2,500	(1,200)	1,300	583	717
Judgements Against School District	-	15,000	15,000	15,000	-
Miscellaneous Expenditures	3,000	2,640	5,640	4,203	1,437
BOE Membership Dues and Fees	16,500	(628)	15,872	15,872	-
Total General Administration	855,593	116,836	972,429	919,922	52,507
School Administration					
Salaries of Principals/Assistant Principals	1,003,349	5,106	1,008,455	998,139	10,316
Salaries of Secretarial and Clerical Assistants	251,049	3,200	254,249	246,613	7,636
Purchased Professional & Technical Services		2,907	2,907	2,403	504
Other Purchased Services	2,907	(407)	2,500	2,425	75
Supplies and Materials	69,808	860	70,668	68,479	2,189
Other Objects	6,270	6,880	13,150	6,560	6,590
Total School Administration	1,333,383	18,546	1,351,929	1,324,619	27,310
Central Services					
Salaries	434,937	(37,157)	397,780	385,453	12,327
Purchased Professional Services		6,700	6,700	5,480	1,220
Miscellaneous Purchased Services	2,900	5,307	8,207	6,128	2,079
Sales / Lease-back Payments	3,600	(3,600)			-
Supplies and Materials	10,000	9,289	19,289	19,282	7
Interest on Lease Purchase Agreements	23,989	(21,966)	2,023		2,023
Miscellaneous Expenditures	2,300	-	2,300	2,131	169
Total Central Services	477,726	(41,427)	436,299	418,474	17,825
Admin. Info. Technology					
Salaries	119,066	1,800	120,866	120,824	42
Purchased Professional Services	112,430	(1,100)	111,330	102,158	9,172
Supplies and Materials	15,000	1,100	16,100	15,938	162
Total Admin. Info. Technology	246,496	1,800	248,296	238,920	9,376
Required Maintenance for School Facilities					
Salaries	205,630	(6,650)	198,980	195,388	3,592
Cleaning, Repair and Maintenance Services	188,100	133,206	321,306	270,016	51,290
Lead Testing of Drinking Water		3,282	3,282	3,282	-
General Supplies	37,600	450	38,050	33,003	5,047
Total Required Maintenance for School Facilities	431,330	130,288	561,618	501,689	59,929
Custodial Services					
Salaries	740,255	(12,500)	727,755	709,282	18,473
Rental of Land/Bldgs Other Than Lease Purchase Agreement	520,300	-	520,300	520,300	-
Other Purchased Property Services	57,250	1,220	58,470	55,954	2,516
Insurance	90,500	274	90,774	90,774	-
General Supplies	83,000	(874)	82,126	75,827	6,299
Energy (Electricity)	342,500	159,300	501,800	448,399	53,401
Total Custodial Services	1,833,805	147,420	1,981,225	1,900,536	80,689

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	\$ 4,000	-	\$ 4,000	\$ 3,469	\$ 531
General Supplies	5,150	-	5,150	1,098	4,052
Total Care and Upkeep of Grounds	9,150	-	9,150	4,567	4,583
Security					
Salaries	78,406	\$ 5,700	84,106	81,780	2,326
Total Security	78,406	5,700	84,106	81,780	2,326
Student Transportation Services					
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	280,198	(158,200)	121,998	120,723	1,275
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)		161,000	161,000	160,478	522
Cleaning, Repair & Maint. Services	61,750	(13,500)	48,250	43,048	5,202
Contr. Serv. (Bet. Home & Sch)-Vendor	135,700	(5,800)	129,900	115,808	14,092
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	10,225	(300)	9,925	8,165	1,760
Contr. Serv. (Spec. Ed. Students)-Vendors	26,000	-	26,000	15,244	10,756
Miscellaneous Purchased Services - Transportation	15,000	6,358	21,358	17,401	3,957
General Supplies	-	7,742	7,742	3,980	3,762
Transportation Supplies	38,000	(4,100)	33,900	29,274	4,626
Total Student Transportation Services	566,873	(6,800)	560,073	514,121	45,952
Unallocated Employee Benefits					
Social Security Contributions	550,259	4,049	554,308	531,867	22,441
Other Retirement Contributions - PERS	520,209	127,342	647,551	647,551	-
Other Retirement Contributions - Deferred PERS Pyrrt	24,791	429	25,220	25,220	-
Other Retirement Contributions - Regular	35,000	-	35,000	22,168	12,832
Unemployment Compensation	92,000	1,950	93,950	93,365	585
Workers Compensation	177,500	8,908	186,408	186,408	-
Health Benefits	5,495,200	(89,079)	5,406,121	5,582,441	(176,320)
Tuition Reimbursement	40,000	(13,700)	26,300	11,728	14,572
Unused Sick Payments to Terminated Employees	83,000	-	83,000	68,056	14,944
Total Unallocated Employee Benefits	7,017,959	39,899	7,057,858	7,168,804	(110,946)
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				1,723,513	(1,723,513)
Pension - NCGI Premium				62,447	(62,447)
Post Retirement Medical Benefit Contribution				1,488,111	(1,488,111)
Long-Term Disability Insurance Premium				3,184	(3,184)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,212,665	(1,212,665)
Total TPAF On-Behalf	-	-	-	4,489,920	(4,489,920)
Total Undistributed Expenditures	19,521,266	974,607	20,495,873	24,671,148	(4,175,275)
Interest Earned on Maintenance Reserve	470	-	470	-	470
Total Current Expenditures	36,184,537	198,001	36,382,538	40,324,489	(3,941,951)
<b>CAPITAL OUTLAY</b>					
Equipment					
Special Education - Instruction					
Behavioral Disabilities		5,459	5,459	5,459	-
Multiple Disabilities	37,218	(37,218)			
Autism	37,217	(2,966)	34,251	32,824	1,427
Preschool Disabilities - Full-Time		6,500	6,500	6,500	-
Undistributed Expenditures					
Required Maintenance for School Facilities	-	32,792	32,792	32,792	-
Total Equipment	74,435	4,567	79,002	77,575	1,427

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Facilities Acquisition and Construction Services					
Architectural / Engineering Services		\$ 9,775	\$ 9,775	\$ 9,775	-
Construction Services		200,000	200,000	195,222	\$ 4,778
Supplies and Materials	\$ 200,000	(200,000)			-
Land and Improvements		19,030	19,030	19,030	-
Lease Purchase Agreements - Principal		88,284	88,284	88,284	-
Assessment for Debt Service on SDA Funding		474	474	474	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>200,474</b>	<b>117,089</b>	<b>317,563</b>	<b>312,785</b>	<b>4,778</b>
Interest Deposit to Capital Reserve	780	-	780	-	780
<b>Total Capital Outlay</b>	<b>275,689</b>	<b>121,656</b>	<b>397,345</b>	<b>390,360</b>	<b>6,985</b>
<b>Total Expenditures</b>	<b>36,460,226</b>	<b>319,657</b>	<b>36,779,883</b>	<b>40,714,849</b>	<b>(3,934,966)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(974,435)	(69,657)	(1,044,092)	94,610	1,138,702
Other Financing Sources/(Uses)					
Transfers In - Capital Projects Fund				51	51
Transfer from Capital Reserve to Capital Projects Fund	(145,000)	-	(145,000)	(145,000)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(145,000)</b>	<b>-</b>	<b>(145,000)</b>	<b>(144,949)</b>	<b>51</b>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(1,119,435)	(69,657)	(1,189,092)	(50,339)	1,138,753
Fund Balances, Beginning of Year	2,914,800	-	2,914,800	2,914,800	-
Fund Balances, End of Year	\$ 1,795,365	\$ (69,657)	\$ 1,725,708	\$ 2,864,461	\$ 1,138,753
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve				\$ 491,645	
Capital Reserve - Designated for Subsequent Year's Expenditures				130,000	
Maintenance Reserve				373,900	
Tuition Adjustments - 2016/2017				320,000	
Tuition Adjustments - 2015/2016 - Designated for Subsequent Year's Expenditures				300,000	
<b>Assigned Fund Balance</b>					
Year End Encumbrances				71,577	
Designated for Subsequent Year's Expenditures				290,332	
<b>Unassigned Fund Balance</b>				<b>887,007</b>	
Fund Balance - Budgetary Basis				2,864,461	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				(810,255)	
Fund Balance Per Governmental Funds (GAAP)				<b>\$ 2,054,206</b>	

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 30,960	-	\$ 30,960	\$ 29,342	\$ (1,618)
Federal	686,875	\$ 129,320	816,195	778,249	(37,946)
Local	-	98,209	98,209	73,439	(24,770)
Total Revenues	<u>717,835</u>	<u>227,529</u>	<u>945,364</u>	<u>881,030</u>	<u>(64,334)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	304,625	(13,924)	290,701	289,208	1,493
Other Purchased Services	319,750	40,254	360,004	337,248	22,756
General Supplies	15,000	56,044	71,044	53,652	17,392
Total Instruction	<u>639,375</u>	<u>82,374</u>	<u>721,749</u>	<u>680,108</u>	<u>41,641</u>
Support Services					
Salaries	30,960	(15,416)	15,544	14,140	1,404
Other Salaries		47,491	47,491	40,750	6,741
Purchased Professional / Technical Services	47,500	(7,741)	39,759	34,048	5,711
Other Purchased Services		21,954	21,954	18,400	3,554
Supplies and Materials		12,145	12,145	7,518	4,627
Other Objects	-	1,031	1,031	1,031	-
Total Support Services	<u>78,460</u>	<u>59,464</u>	<u>137,924</u>	<u>115,887</u>	<u>22,037</u>
Unallocated Benefits					
Personal Services - Employee Benefits	-	80,199	80,199	79,576	623
Total Unallocated Benefits	<u>-</u>	<u>80,199</u>	<u>80,199</u>	<u>79,576</u>	<u>623</u>
Facilities Acquisition and Construction					
Instructional Equipment		5,492	5,492	5,459	33
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acq. & Construction	<u>-</u>	<u>5,492</u>	<u>5,492</u>	<u>5,459</u>	<u>33</u>
Total Expenditures	<u>717,835</u>	<u>227,529</u>	<u>945,364</u>	<u>881,030</u>	<u>64,334</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, 2017**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 40,809,459	\$ 881,030
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2015/2016 State Aid)	706,104	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2016/2017 State Aid)	<u>(810,255)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 40,705,308</u>	<u>\$ 881,030</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 40,714,849</u>	<u>\$ 881,030</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 40,714,849</u>	<u>\$ 881,030</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 Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06011%	0.05995%	0.06122%	0.05919%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,804,103	\$ 13,456,915	\$ 11,462,175	\$ 11,312,269
District's Covered-Employee Payroll	\$ 4,171,277	\$ 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	426.83%	333.38%	297.53%	290.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 534,046	\$ 515,384	\$ 499,478	\$ 451,196
Contributions in Relation to the Contractually Required Contribution	<u>534,046</u>	<u>515,384</u>	<u>499,478</u>	<u>451,196</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 4,171,277	\$ 4,036,455	\$ 3,852,382	\$ 3,897,331
Contributions as a Percentage of Covered-Employee Payroll	12.80%	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 Four Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	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>124,885,079</u>	<u>98,810,252</u>	<u>82,839,005</u>	<u>82,264,814</u>
Total	<u>\$ 124,885,079</u>	<u>\$ 98,810,252</u>	<u>\$ 82,839,005</u>	<u>\$ 82,264,814</u>
District's Covered-Employee Payroll	\$ 16,931,433	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**RIDGEFIELD 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, 2017**

**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, 2017**

	<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>
<b>REVENUES</b>										
Intergovernmental										
State								\$ 29,342		\$ 29,342
Federal	\$ 371,568	\$ 19,847	\$ 319,719	\$ 52,023	\$ 13,094	\$ 1,998				778,249
Local	-	-	-	-	-	-	\$ 43,290	-	\$ 30,149	73,439
<b>Total Revenues</b>	<u>\$ 371,568</u>	<u>\$ 19,847</u>	<u>\$ 319,719</u>	<u>\$ 52,023</u>	<u>\$ 13,094</u>	<u>\$ 1,998</u>	<u>\$ 43,290</u>	<u>\$ 29,342</u>	<u>\$ 30,149</u>	<u>\$ 881,030</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers		\$ 15,676	\$ 249,051				\$ 7,029		\$ 17,452	\$ 289,208
Other Purchased Services	\$ 336,176								1,072	337,248
General Supplies	35,392	-	-	-	\$ 5,635	\$ 1,000	-	-	11,625	53,652
<b>Total Instruction</b>	<u>371,568</u>	<u>15,676</u>	<u>249,051</u>	<u>-</u>	<u>5,635</u>	<u>1,000</u>	<u>7,029</u>	<u>-</u>	<u>30,149</u>	<u>680,108</u>
Support Services										
Salaries								\$ 14,140		14,140
Other Salaries							30,350	10,400		40,750
Personal Services - Employee Benefits		4,171	70,668				2,860	1,877		79,576
Purchased Prof. / Technical Services				\$ 33,623		425				34,048
Other Purchased Services				18,400						18,400
Supplies and Materials					2,000	573	3,051	1,894		7,518
Other Objects	-	-	-	-	-	-	-	1,031	-	1,031
<b>Total Support Services</b>	<u>-</u>	<u>4,171</u>	<u>70,668</u>	<u>52,023</u>	<u>2,000</u>	<u>998</u>	<u>36,261</u>	<u>29,342</u>	<u>-</u>	<u>195,463</u>
Facilities Acquisition and Construction										
Instructional Equipment					5,459					5,459
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acq. &amp; Construction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,459</u>
<b>Total Expenditures</b>	<u>\$ 371,568</u>	<u>\$ 19,847</u>	<u>\$ 319,719</u>	<u>\$ 52,023</u>	<u>\$ 13,094</u>	<u>\$ 1,998</u>	<u>\$ 43,290</u>	<u>\$ 29,342</u>	<u>\$ 30,149</u>	<u>\$ 881,030</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, 2017**

**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, 2017**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Adjustments</u>	<u>Unexpended Balance</u>
Upgrade to Science Labs at High School and Slocum-Skewes School	\$ 2,900,000	\$ 2,867,164			\$ 32,836
2014 Referendum-Various Upgrades and Improvements:					
Bergen Boulevard Elementary School	531,071	466,891			64,180
Slocum-Skewes Middle School	1,612,103	1,522,442			89,661
Memorial High School	910,417	1,095,645		\$ 25,841	(159,387)
Installation of Modular Classrooms	<u>433,163</u>	<u>205,711</u>	\$ 226,139	-	<u>1,313</u>
	<u>\$ 6,386,754</u>	<u>\$ 6,157,853</u>	<u>\$ 226,139</u>	<u>\$ 25,841</u>	<u>\$ 28,603</u>
<b><u>Reconciliation to GAAP Basis</u></b>					
Project Balance, June 30, 2017					\$ 28,603
Add: Reserve for Debt Service					99
Fund Balance, June 30, 2017 (Budgetary Basis)					<u>28,702</u>
Fund Balance, June 30, 2017 (GAAP Basis)					<u>\$ 28,702</u>

**Recapitulation of Fund Balance - June 30, 2017 (GAAP Basis)**

Restricted for Debt Service	\$ 99
Restricted for Capital Projects	
Year End Encumbrances	\$ 330
Designated for Capital Projects	<u>28,273</u>
Total Restricted for Capital Projects	<u>28,603</u>
Total Fund Balance - Capital Projects Fund	<u>\$ 28,702</u>

**Analysis of Reserve for Debt Service**

<u>Issue</u>	<u>Unexpended Bond Proceeds</u>	
	<u>Balance, July 1, 2016</u>	<u>Balance, June 30, 2017</u>
2007 Bonds - Boiler Replacement High School and Elementary Schools	\$ 99	\$ 99
	<u>\$ 99</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, 2017**

**Revenues and Other Financing Sources**

## Revenues:

Local Sources - Interest	\$ 214
Local Sources - Miscellaneous	25,841
Other Financing Sources	
Transfer from Capital Reserve	<u>145,000</u>
 Total Revenues and Other Financing sources	 <u>171,055</u>

**Expenditures and Other Financing Uses**

## Expenditures:

Facilities Acquisition and Construction Services	
Construction Services	226,139
Other Financing Uses	
Transfer Out General Fund	51
Prior Year SDA Grants Cancelled - Budgetary Basis	<u>103,435</u>
 Total Expenditures and Other Financing Uses	 <u>329,625</u>

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses (158,570)

Fund Balance, Beginning of Year 187,272Fund Balance, End of Year \$ 28,702**Reconciliation to GAAP Basis**Fund Balance (Budgetary Basis) \$ 28,702Fund Balance (GAAP Basis) \$ 28,702

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	395,946		395,946	395,946
Construction Services	2,054,276		2,054,276	2,054,276
Equipment Purchases	374,062		374,062	406,898
Other Objects - Cost of Issuance	42,880	-	42,880	42,880
Total Expenditures and Other Financing Uses	<u>2,867,164</u>	<u>-</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>\$ 32,836</u>	<u>\$ -</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	100.00%
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustment</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Bond Proceeds	\$ 339,750			\$ 339,750	\$ 339,750
State Sources - SDA Grant	<u>226,500</u>	<u>-</u>	<u>\$ (35,179)</u>	<u>191,321</u>	<u>191,321</u>
Total Revenues and Other Financing Sources	<u>566,250</u>	<u>-</u>	<u>(35,179)</u>	<u>531,071</u>	<u>531,071</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	37,309			37,309	37,309
Construction Services	420,000			420,000	484,180
Other Objects - Cost of Issuance	<u>9,582</u>	<u>-</u>	<u>-</u>	<u>9,582</u>	<u>9,582</u>
Total Expenditures and Other Financing Uses	<u>466,891</u>	<u>-</u>	<u>-</u>	<u>466,891</u>	<u>531,071</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 99,359</u>	<u>\$ -</u>	<u>\$ (35,179)</u>	<u>\$ 64,180</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	(35,179)
Revised Authorized Cost	\$ 531,071

## Percentage Increase(Decrease) Over Original

Authorized Cost	-6.21%
Percentage Completion	100.00%
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustment</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Bond Proceeds	\$ 996,215			\$ 996,215	\$ 996,215
State Sources - SDA Grant	664,144	-	\$ (48,256)	615,888	615,888
	<u>1,660,359</u>	<u>-</u>	<u>(48,256)</u>	<u>1,612,103</u>	<u>1,612,103</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	120,077			120,077	131,457
Construction Services	1,374,268			1,374,268	1,452,549
Other Objects - Cost of Issuance	28,097	-	-	28,097	28,097
	<u>1,522,442</u>	<u>-</u>	<u>-</u>	<u>1,522,442</u>	<u>1,612,103</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 137,917</u>	<u>\$ -</u>	<u>\$ (48,256)</u>	<u>\$ 89,661</u>	<u>\$ -</u>

**Additional project information:**

DOE Project Number	4370-100-14-1004
SD Project Number	4370-100-14-G4DD
Grant Number	G5-6180
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	(48,256)
Revised Authorized Cost	\$ 1,612,103

## Percentage Increase(Decrease) Over Original

Authorized Cost	-2.91%
Percentage Completion	100.00%
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustment</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
Bond Proceeds	\$ 471,035			\$ 471,035	\$ 471,035
State Sources - SDA Grant	314,382		\$ (20,000)	294,382	294,382
Transfer from Capital Reserve	-	\$ 145,000	-	145,000	145,000
<b>Total Revenues and Other Financing Sources</b>	<b>785,417</b>	<b>145,000</b>	<b>(20,000)</b>	<b>910,417</b>	<b>910,417</b>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services	89,423			89,423	90,000
Construction Services	992,922		(25,841)	967,081	807,117
Other Objects - Cost of Issuance	13,300	-	-	13,300	13,300
<b>Total Expenditures and Other Financing Uses</b>	<b>1,095,645</b>	<b>-</b>	<b>(25,841)</b>	<b>1,069,804</b>	<b>910,417</b>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (310,228)	\$ 145,000	\$ 5,841	\$ (159,387)	\$ -

**Additional project information:**

DOE Project Number	4370-050-14-1001
SDA Project Number	4370-050-14-GIDD
Grant Number	G5-6178
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	124,462
Revised Authorized Cost	\$ 910,417

## Percentage Increase(Decrease) Over Original

Authorized Cost	15.84%
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds	\$ 433,000		\$ 433,000	\$ 433,000
Interest	-	\$ 163	163	163
	<u>433,000</u>	<u>163</u>	<u>433,163</u>	<u>433,163</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>205,711</u>	<u>226,139</u>	<u>431,850</u>	<u>433,163</u>
	<u>205,711</u>	<u>226,139</u>	<u>431,850</u>	<u>433,163</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 227,289</u>	<u>\$ (225,976)</u>	<u>\$ 1,313</u>	<u>\$ -</u>

**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	163
Revised Authorized Cost	\$ 433,163

## Percentage Increase(Decrease) Over Original

Authorized Cost	0.04%
Percentage Completion	100.00%
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, 2017**

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, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 79,514	\$ 214,284	\$ 293,798
Total Assets	<u>\$ 79,514</u>	<u>\$ 214,284</u>	<u>\$ 293,798</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 213,156	\$ 213,156
Due to Other Funds		1,128	1,128
Due to Student Groups	<u>\$ 79,514</u>	<u>-</u>	<u>79,514</u>
Total Liabilities	<u>\$ 79,514</u>	<u>\$ 214,284</u>	<u>\$ 293,798</u>

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
<b>ELEMENTARY SCHOOLS</b>				
Bergen Boulevard	\$ 1,528	\$ 6,750	\$ 4,772	\$ 3,506
Shaler Academy	1,243	7,375	7,379	1,239
Slocum Skewes	<u>44,786</u>	<u>103,606</u>	<u>107,385</u>	<u>41,007</u>
 Total High School	 <u>47,557</u>	 <u>117,731</u>	 <u>119,536</u>	 <u>45,752</u>
<b>HIGH SCHOOL</b>				
Student Activities Fund	35,249	190,205	192,168	33,286
Athletic Account	<u>379</u>	<u>38,989</u>	<u>38,892</u>	<u>476</u>
 Total High School	 <u>35,628</u>	 <u>229,194</u>	 <u>231,060</u>	 <u>33,762</u>
 Total All Schools	 <u>\$ 83,185</u>	 <u>\$ 346,925</u>	 <u>\$ 350,596</u>	 <u>\$ 79,514</u>

**RIDGEFIELD BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, July 1, <u>2016</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Balance, June 30, <u>2017</u></b>
<b>ASSETS</b>				
Cash	\$ 229,099	\$ 26,567,256	\$ 26,582,071	\$ 214,284
Total Assets	<u>\$ 229,099</u>	<u>\$ 26,567,256</u>	<u>\$ 26,582,071</u>	<u>\$ 214,284</u>
<b>LIABILITIES</b>				
Accrued Salaries and Wages		\$ 14,495,708	\$ 14,495,708	
Payroll Deductions and Withholdings	\$ 218,954	12,070,163	12,075,961	\$ 213,156
Due to Other Funds	<u>10,145</u>	<u>1,385</u>	<u>10,402</u>	<u>1,128</u>
Total Liabilities	<u>\$ 229,099</u>	<u>\$ 26,567,256</u>	<u>\$ 26,582,071</u>	<u>\$ 214,284</u>

**LONG-TERM DEBT**

**RIDGEFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	8/15/2006	\$ 3,240,000				\$ 235,000		\$ 235,000	
School Bonds	6/1/2007	5,168,000				250,000		250,000	
School Bonds	2/5/2013	2,900,000	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%	2,390,000		180,000	\$ 2,210,000



**RIDGEFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	1/28/2015	\$ 1,807,000	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%				
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%				
						<u>\$ 8,107,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ 7,342,000</u>
Paid by Budget Appropriation								<u>\$ 765,000</u>	

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2016</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2017</u>
<b>Lease Purchase Agreements:</b>						
Computers - Apple (Supplies)	0.00%	\$ 288,032	\$ 288,032		\$ 72,008	\$ 216,024
Acquisition of Modular Classrooms	2.06%	433,000	<u>433,000</u>	-	<u>88,284</u>	<u>344,716</u>
Grand Total			<u>\$ 721,032</u>	<u>\$ -</u>	<u>\$ 160,292</u>	<u>\$ 560,740</u>
				Paid by Budget Appropriation	<u>\$ 160,292</u>	

**RIDGEFIELD BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 818,901		\$ 818,901	\$ 818,901	
State Sources					
State Aid Type II	<u>199,899</u>	<u>-</u>	<u>199,899</u>	<u>199,899</u>	<u>-</u>
 Total Revenues	 <u>1,018,800</u>	 <u>-</u>	 <u>1,018,800</u>	 <u>1,018,800</u>	 <u>-</u>
 <b>EXPENDITURES</b>					
Regular Debt Service					
Interest on Bonds	253,800	-	253,800	253,800	-
Redemption of Bond Principal	<u>765,000</u>	<u>-</u>	<u>765,000</u>	<u>765,000</u>	<u>-</u>
 Total Expenditures	 <u>1,018,800</u>	 <u>-</u>	 <u>1,018,800</u>	 <u>1,018,800</u>	 <u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 -	 -	 -	 -
 Fund Balance, Beginning of Year	 <u>46,055</u>	 <u>-</u>	 <u>46,055</u>	 <u>46,055</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ 46,055</u>	 <u>\$ -</u>	 <u>\$ 46,055</u>	 <u>\$ 46,055</u>	 <u>\$ -</u>

**Recapitulation of Fund Balance**

Restricted for Debt Service:	
Designated for Subsequent Year's Expenditures	<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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 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	\$ 4,188,437
Restricted	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	1,661,600
Unrestricted	914,854	(553,566)	(1,501,274)	(1,121,981)	(604,785)	(255,318)	(11,385,408)	(11,276,955)	(13,002,895)	(13,795,052)
<b>Total Governmental Activities Net Position</b>	<u>\$ 5,301,987</u>	<u>\$ 4,032,362</u>	<u>\$ 3,117,819</u>	<u>\$ 2,056,399</u>	<u>\$ 2,392,849</u>	<u>\$ 3,043,809</u>	<u>\$ (7,435,420)</u>	<u>\$ (6,871,743)</u>	<u>\$ (7,313,676)</u>	<u>\$ (7,945,015)</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 29,426	\$ 61,717	\$ 47,354	\$ 59,088	\$ 63,381	\$ 51,236	\$ 67,051	\$ 52,441	\$ 51,151	\$ 29,485
Restricted										
Unrestricted	185,199	151,842	134,686	111,408	187,998	236,657	252,906	276,464	174,569	95,895
<b>Total Business-Type Activities Net Position</b>	<u>\$ 214,625</u>	<u>\$ 213,559</u>	<u>\$ 182,040</u>	<u>\$ 170,496</u>	<u>\$ 251,379</u>	<u>\$ 287,893</u>	<u>\$ 319,957</u>	<u>\$ 328,905</u>	<u>\$ 225,720</u>	<u>\$ 125,380</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 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	\$ 4,217,922
Restricted	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	1,661,600
Unrestricted	1,100,053	(401,724)	(1,366,588)	(1,010,573)	(416,787)	(18,661)	(11,132,502)	(11,000,491)	(12,828,326)	(13,699,157)
<b>Total District Net Position</b>	<u>\$ 5,516,612</u>	<u>\$ 4,245,921</u>	<u>\$ 3,299,859</u>	<u>\$ 2,226,895</u>	<u>\$ 2,644,228</u>	<u>\$ 3,331,702</u>	<u>\$ (7,115,463)</u>	<u>\$ (6,542,838)</u>	<u>\$ (7,087,956)</u>	<u>\$ (7,819,635)</u>

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

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

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 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	\$ 16,273,752
Special Education	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	12,744,598
Other Special Education	348,026	511,354	506,271	504,255	342,974	504,280	480,261	578,320	582,419	345,694
School Sponsored Activities And Athletics	1,037,381	1,021,802	919,972	827,881	793,052	825,877	742,480	728,119	771,627	782,762
<b>Support Services:</b>										
Student & Instruction Related Services	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	11,546,508
General Administration	900,734	900,900	866,824	969,508	1,058,584	798,885	929,529	1,121,078	1,273,490	1,247,360
School Administrative Services	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	2,439,979
Central and Other Support Services	625,734	652,208	640,569	648,492	688,824	774,518	796,983	882,660	1,031,131	1,025,802
Plant Operations And Maintenance	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	3,592,574
Pupil Transportation	767,661	787,212	820,703	762,056	579,360	555,123	632,085	605,601	664,366	710,929
Interest on long-term debt	361,344	332,069	347,694	341,950	306,829	312,560	303,418	315,406	276,025	232,163
<b>Total Governmental Activities Expenses</b>	<b>33,825,987</b>	<b>34,781,071</b>	<b>36,165,534</b>	<b>34,486,774</b>	<b>34,090,451</b>	<b>35,985,232</b>	<b>37,078,035</b>	<b>42,036,588</b>	<b>46,014,663</b>	<b>50,942,121</b>
<b>Business-Type Activities:</b>										
Food service	748,060	681,243	647,835	642,297	651,540	680,824	718,142	689,261	684,198	675,477
Saturday Happenings	314,875	299,513	276,291	299,322	257,443	266,953	271,238	278,432	381,873	378,962
<b>Total Business-Type Activities Expense</b>	<b>1,062,935</b>	<b>980,756</b>	<b>924,126</b>	<b>941,619</b>	<b>908,983</b>	<b>947,777</b>	<b>989,380</b>	<b>967,693</b>	<b>1,066,071</b>	<b>1,054,439</b>
<b>Total District Expenses</b>	<b>\$ 34,888,922</b>	<b>\$ 35,761,827</b>	<b>\$ 37,089,660</b>	<b>\$ 35,428,393</b>	<b>\$ 34,999,434</b>	<b>\$ 36,933,009</b>	<b>\$ 38,067,415</b>	<b>\$ 43,004,281</b>	<b>\$ 47,080,734</b>	<b>\$ 51,996,560</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
Instruction	\$ 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	\$ 11,033,118
Support Services	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	2,067,812
Operating grants and contributions	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	14,539,944
Capital grants and contributions	-	-	-	36,216	-	4,088	73,769	202,000	983,320	5,459
<b>Total Governmental Activities Program Revenues</b>	<b>18,498,918</b>	<b>16,010,572</b>	<b>17,179,448</b>	<b>15,616,954</b>	<b>15,339,296</b>	<b>16,961,802</b>	<b>17,350,031</b>	<b>21,770,124</b>	<b>24,102,670</b>	<b>27,646,333</b>
<b>Business-Type Activities:</b>										
<b>Charges for services</b>										
Food Service	471,974	463,676	459,671	431,919	412,146	392,740	413,430	693,693	348,755	334,249
Saturday Happenings	277,649	256,181	232,184	281,527	327,306	325,861	332,382	282,256	304,718	294,540
Operating grants and contributions	172,195	184,598	200,305	215,745	249,531	264,850	274,770	-	308,680	324,642
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>921,818</b>	<b>904,455</b>	<b>892,160</b>	<b>929,191</b>	<b>988,983</b>	<b>983,451</b>	<b>1,020,582</b>	<b>975,949</b>	<b>962,153</b>	<b>953,431</b>
<b>Total District Program Revenues</b>	<b>\$ 19,420,736</b>	<b>\$ 16,915,027</b>	<b>\$ 18,071,608</b>	<b>\$ 16,546,145</b>	<b>\$ 16,328,279</b>	<b>\$ 17,945,253</b>	<b>\$ 18,370,613</b>	<b>\$ 22,746,073</b>	<b>\$ 25,064,823</b>	<b>\$ 28,599,764</b>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (23,295,788)
Business-Type Activities	(141,117)	(76,301)	(31,966)	(12,428)	80,000	35,674	31,202	8,256	(103,918)	(101,008)
<b>Total District-Wide Net Expense</b>	<b>\$ (15,468,186)</b>	<b>\$ (18,846,800)</b>	<b>\$ (19,018,052)</b>	<b>\$ (18,882,248)</b>	<b>\$ (18,671,155)</b>	<b>\$ (18,987,756)</b>	<b>\$ (19,696,802)</b>	<b>\$ (20,258,208)</b>	<b>\$ (22,015,911)</b>	<b>\$ (23,396,796)</b>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 19,950,339
Taxes levied for debt service	590,070	256,775	42,772	75,437	75,437	74,667	301,212	300,291	415,750	818,901
Unrestricted aid and contributions	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	1,731,810
Investment earnings	220,762	81,471	37,028	33,847	18,851	26,893	29,366	17,736	9,667	13,733
Miscellaneous income	244,669	83,013	129,596	68,183	143,286	98,886	206,375	79,732	88,271	149,666
Transfers	-	(74,596)	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>17,031,098</b>	<b>17,500,874</b>	<b>18,071,553</b>	<b>17,876,189</b>	<b>19,087,605</b>	<b>19,674,390</b>	<b>20,561,044</b>	<b>20,830,141</b>	<b>21,470,060</b>	<b>22,664,449</b>
Business-Type Activities:										
Investment earnings	12,278	639	447	884	883	840	862	692	733	668
Transfers	-	74,596	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>12,278</b>	<b>75,235</b>	<b>447</b>	<b>884</b>	<b>883</b>	<b>840</b>	<b>862</b>	<b>692</b>	<b>733</b>	<b>668</b>
<b>Total District-Wide</b>	<b>\$ 17,043,376</b>	<b>\$ 17,576,109</b>	<b>\$ 18,072,000</b>	<b>\$ 17,877,073</b>	<b>\$ 19,088,488</b>	<b>\$ 19,675,230</b>	<b>\$ 20,561,906</b>	<b>\$ 20,830,833</b>	<b>\$ 21,470,793</b>	<b>\$ 22,665,117</b>
<b>Change In Net Position</b>										
Governmental Activities	\$ 1,704,029	\$ (1,269,625)	\$ (914,533)	\$ (993,631)	\$ 336,450	\$ 650,960	\$ 833,040	\$ 563,677	\$ (441,933)	\$ (631,339)
Business-Type Activities	(128,839)	(1,066)	(31,519)	(11,544)	80,883	36,514	32,064	8,948	(103,185)	(100,340)
<b>Total District</b>	<b>\$ 1,575,190</b>	<b>\$ (1,270,691)</b>	<b>\$ (946,052)</b>	<b>\$ (1,005,175)</b>	<b>\$ 417,333</b>	<b>\$ 687,474</b>	<b>\$ 865,104</b>	<b>\$ 572,625</b>	<b>\$ (545,118)</b>	<b>\$ (731,679)</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 1,798,000	\$ 2,205,137	\$ 1,952,850							
Unreserved	1,402,397	(83,880)	(96,900)							
Restricted				\$ 870,001	\$ 830,001	\$ 1,414,615	\$ 1,949,361	\$ 2,276,311	\$ 1,987,000	\$ 1,615,545
Committed				74,570	299,677					
Assigned				319,314	557,523	257,017	487,665	740,305	225,062	361,909
Unassigned	-	-	-	197,371	106,068	89,035	164,944	124,418	(3,366)	76,752
<b>Total General Fund</b>	<u>\$ 3,200,397</u>	<u>\$ 2,121,257</u>	<u>\$ 1,855,950</u>	<u>\$ 1,461,256</u>	<u>\$ 1,493,592</u>	<u>\$ 2,060,344</u>	<u>\$ 2,601,970</u>	<u>\$ 3,141,034</u>	<u>\$ 2,208,696</u>	<u>\$ 2,054,206</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 28,731		\$ 3,120,895							
Unreserved	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	\$ 74,757
<b>Total All Other Governmental Funds</b>	<u>\$ 3,471,549</u>	<u>\$ 3,488,562</u>	<u>\$ 3,120,896</u>	<u>\$ 2,745,896</u>	<u>\$ 2,371,106</u>	<u>\$ 4,619,191</u>	<u>\$ 2,098,351</u>	<u>\$ 2,994,228</u>	<u>\$ 130,416</u>	<u>\$ 74,757</u>

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)*

	<u>Fiscal Year Ended June 30.</u>									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 20,769,240
Tuition Charges	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	10,970,846
Interest Earnings	220,762	81,471	37,028	33,847	18,851	26,893	29,366	11,343	9,667	13,733
Miscellaneous	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	2,271,016
State Sources	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	7,774,191
Federal Sources	745,626	679,607	1,348,625	707,914	705,983	634,952	741,077	666,039	868,032	832,167
<b>Total Revenue</b>	<b>35,613,581</b>	<b>33,748,241</b>	<b>34,799,633</b>	<b>33,886,869</b>	<b>34,389,305</b>	<b>36,673,801</b>	<b>37,844,088</b>	<b>39,040,050</b>	<b>40,762,549</b>	<b>42,631,193</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	12,677,897
Special Education Instruction	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	10,468,913
Other Special Instruction	341,051	507,951	504,636	505,615	342,974	504,280	479,365	505,703	488,692	269,415
School Sponsored Activities And Athletics	1,037,381	1,003,167	919,972	827,881	793,052	825,877	741,446	720,468	741,526	718,938
<b>Support Services:</b>										
Tuition										
Student & Inst. Related Services	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	9,550,246
General Administration	900,734	906,105	845,869	965,461	1,078,106	744,567	926,596	1,081,292	1,081,767	1,106,180
School Administrative Services	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	1,926,689
Central and Other Support Services	603,271	672,759	640,569	648,492	688,151	773,845	795,627	845,270	936,202	881,184
Plant Operations And Maintenance	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	2,898,610
Pupil Transportation	759,347	732,629	798,217	728,805	540,152	530,473	608,157	580,340	611,742	631,008
Employee Benefits										
Capital Outlay	2,196,322	317,012	353,009	46,369	309,901	443,480	2,842,862	1,009,193	3,892,273	530,791
<b>Debt Service:</b>										
Principal	951,322	418,147	421,563	566,319	631,647	1,057,286	649,299	672,746	815,987	925,292
Interest And Other Charges	427,432	331,069	322,759	337,216	313,744	296,132	322,833	300,969	260,761	256,179
Payment to Escrow Agent									823,736	
Bond Issuance Costs	-	-	-	-	-	42,880			100,918	
<b>Total Expenditures</b>	<b>36,770,965</b>	<b>34,919,516</b>	<b>36,397,603</b>	<b>34,656,563</b>	<b>34,731,759</b>	<b>36,970,626</b>	<b>39,823,301</b>	<b>39,412,110</b>	<b>45,380,649</b>	<b>42,841,342</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(1,157,384)	(1,171,275)	(1,597,970)	(769,694)	(342,454)	(296,825)	(1,979,213)	(372,060)	(4,618,100)	(210,149)
<b>Other Financing Sources (Uses)</b>										
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						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	308,541	40,843	384,305	387,470	382,792	383,755	383,166	388,393	1,241,394	145,051
Transfers Out	(308,541)	(115,439)	(384,305)	(387,470)	(382,792)	(383,775)	(383,166)	(388,393)	(1,241,394)	(145,051)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>109,148</b>	<b>964,997</b>	<b>-</b>	<b>-</b>	<b>3,111,642</b>	<b>-</b>	<b>1,807,000</b>	<b>821,950</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ (1,157,384)</b>	<b>\$ (1,062,127)</b>	<b>\$ (632,973)</b>	<b>\$ (769,694)</b>	<b>\$ (342,454)</b>	<b>\$ 2,814,817</b>	<b>\$ (1,979,213)</b>	<b>\$ 1,434,940</b>	<b>\$ (3,796,150)</b>	<b>\$ (210,149)</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	3.99%	2.17%	2.07%	2.61%	2.75%	3.71%	2.63%	2.54%	4.82%	2.79%

\* 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>OT/PT Fees</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Gate Receipts</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
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	575,490	\$ 50,000	\$ 25,163			54,433	12,108,162
2011	21,377	10,385,049	598,658	564,878	50,000				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	548,779	5,000	35,668			58,219	11,564,524
2014	21,200	10,519,040	997,607	581,300	5,050	6,039	\$ 960		194,326	12,325,522
2015	11,343	10,385,640	1,104,329	642,520	6,595	33,168	1,616		38,353	12,223,564
2016	7,009	9,922,070	1,305,992	661,515	4,731	12,847	3,788		66,905	11,984,857
2017	13,519	10,970,846	1,324,911	723,000	3,181	23,646	4,646	\$ 67,111	25,241	13,156,101

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 <sup>(%)</sup>
2008	\$ 66,440,200	\$ 1,252,327,000			\$ 242,269,400	\$ 228,205,600	\$ 62,330,800	\$ 1,851,573,000	\$ 1,231,740	\$ 1,852,804,740	\$ 2,082,286,935	\$ 0.8250
2009	64,801,500	1,259,231,000			237,511,900	216,484,900	62,292,100	1,840,321,400	1,264,127	1,841,585,527	2,192,384,129	0.8520
2010	62,805,500	1,262,052,700			235,509,900	215,463,800	62,292,100	1,838,124,000	1,408,405	1,839,532,405	2,118,852,225	0.8890
2011	63,036,300	1,260,507,200			235,839,600	228,370,500	61,959,800	1,849,713,400	2,485,633	1,852,199,033	1,861,734,898	0.9310
2012	66,640,500	965,065,000			231,804,700	217,862,300	67,803,300	1,549,175,800	1,465,708	1,550,641,508	1,694,353,610	1.1460
2013	66,375,300	968,920,400			230,396,000	217,362,300	67,803,300	1,550,857,300	1,428,962	1,552,286,262	1,802,638,944	1.1800
2014	66,647,700	969,087,300			228,534,300	241,862,300	67,803,300	1,573,934,900	972,615	1,574,907,515	1,840,932,433	1.1970
2015	67,049,100	971,054,400			207,532,400	229,677,300	67,803,300	1,543,116,500	972,615	1,544,089,115	1,749,024,041	1.2520
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
2017	58,217,700	981,405,900			205,872,200	249,934,400	67,523,300	1,562,953,500	1,018,288	1,563,971,788	1,865,603,149	1.3330

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		
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	
2017	1.333	0.654	0.039	0.298	2.324	

Source: County Abstract of Ratables

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Ratner/NY Urban LLC	\$ 35,068,600	2.24%	\$ 32,200,000	1.74%
PSEG Power LLC	33,693,400	2.15%	34,678,500	1.87%
Hudson Transmission Partners	25,786,500	1.65%		
Bell Dr SG LLC	22,520,500	1.44%		
Genzyme Biosurgery	21,500,000	1.37%		
FNL Realty LP	19,532,000	1.25%	20,089,500	1.08%
DCT 101 RRNJ LLC	18,215,700	1.16%		
Ridgefield Industrial LLC	18,178,500	1.16%	18,500,000	1.00%
Ridgefield Holding Corp.	17,707,700	1.13%	18,000,000	0.97%
PSEG Fossil LLC	17,000,500	1.09%	18,000,000	0.97%
CSX			20,336,500	1.10%
Plastic Specialties & Tech. Inc.			17,186,500	0.93%
Ridgefield Gardens LLC			15,500,000	0.84%
Public Service Electric & Gas Co.			14,483,100	0.78%
	<u>\$ 229,203,400</u>	<u>14.66%</u>	<u>\$ 208,974,100</u>	<u>11.28%</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	
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
2017	20,769,240	20,769,240	100.00%	N/A

Source: District records

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

<u>Governmental Activities</u>						
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Lease Purchase Agreements</u>	<u>Sale/Leaseback Contracts</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2008	\$ 8,098,000	\$ 42,591		\$ 8,140,591	10,807	\$ 753
2009	7,758,000	148,188		7,906,188	10,880	727
2010	7,398,000	551,622	\$ 500,000	8,449,622	11,047	765
2011	7,023,000	360,303	500,000	7,883,303	11,132	708
2012	6,633,000	237,831	380,825	7,251,656	11,195	648
2013	9,128,000	178,032		9,306,032	11,253	827
2014	8,538,000	118,733		8,656,733	11,291	767
2015	9,730,000	60,987		9,790,987	11,339	863
2016	8,107,000	721,032		8,828,032	11,357	777
2017	7,342,000	560,740		7,902,740	11,357 E	696

Source: District records

E - Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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%	387
2011	7,023,000	2,745,896	4,277,104	0.23%	384
2012	6,633,000	2,371,106	4,261,894	0.27%	381
2013	9,128,000	1,996,106	7,131,894	0.46%	634
2014	8,538,000	1,620,835	6,917,165	0.44%	613
2015	9,730,000	1,238,835	8,491,165	0.55%	749
2016	8,107,000	46,154	8,060,846	0.52%	710
2017	7,342,000	46,154	7,295,846	0.47%	642

Source: District records



**RIDGEFIELD BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2016**  
**(Unaudited)**

	<b><u>Total Debt</u></b>
Municipal Debt: (1)	
Ridgefield Board of Education (as of June 30, 2017)	\$ 7,342,000
Borough of Ridgefield	<u>13,705,310</u>
	<u>21,047,310</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	12,308,769
Bergen County Utilities Authority -	
Water Pollution (B)	<u>5,414,940</u>
	<u>17,723,709</u>
Total Direct and Overlapping Debt	<u>\$ 38,771,019</u>

## Source:

(1) Borough's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2016 billings by the total 2016 billings of the Authority.

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

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized valuation basis
Average equalized valuation of taxable property	2014           \$    1,770,654,629
	2015           1,704,912,717
	2016           1,828,498,517
	<u>                  \$    5,304,065,863</u>
	<u>                  \$    1,768,021,954</u>
Debt limit (4% of average equalization)	\$           70,720,878
Total Net Debt Applicable to Limit	<u>              7,342,000</u>
Legal debt margin	<u>              \$    63,378,878</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 70,720,878
Total net debt applicable to limit	<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>	<u>7,342,000</u>
Legal debt margin	<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>	<u>\$ 63,378,878</u>
Total net debt applicable to the limit as a percentage of debt limit	10.74%	9.49%	8.73%	8.60%	8.65%	12.60%	11.85%	13.62%	11.52%	10.38%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	10,807	\$ 68,124	4.40%
2009	10,880	65,097	7.80%
2010	11,047	66,073	8.00%
2011	11,132	69,021	7.90%
2012	11,195	71,929	8.00%
2013	11,253	71,388	9.70%
2014	11,291	73,424	5.40%
2015	11,339	75,849	4.30%
2016	11,357	75,849 (E)	3.90%
2017	11,357 (E)	75,849 (E)	3.90% (E)

Source: New Jersey State Department of Education

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

	2017		2008	
<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>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>	<u>2017</u>
Instruction	290	293	287	240	244	235	240	239	240	242
Support Services:										
Student & instruction related services	58	58	58	53	49	61	61	63	68	68
General administration	2	2	2	2	2	2	3	5	5	5
School administrative services	10	10	9	10	9	9	12	13	13	13
Central and other support services	7	7	6	7	6	7	7	8	8	8
Plant operations and maintenance	20	20	19	17	18	15	17	17	17	17
Pupil transportation	9	9	8	7	7	8	7	7	7	7
Saturday Happenings	34	34	34	34	34	13	13	14	14	14
OT/PT Services	-	-			13	14	14	14	14	14
<b>Total</b>	<u>431</u>	<u>433</u>	<u>423</u>	<u>370</u>	<u>382</u>	<u>364</u>	<u>374</u>	<u>380</u>	<u>386</u>	<u>388</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
2008	2,003.0	\$ 33,195,889	\$ 16,573	#REF!	210	1:10	1:10	1,990.6	1,884.5	#REF!	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%
2017	1,696.0	41,129,080	24,251	4.40%	201	1:9.46	1:6.85	1,696.0	1,609.0	-1.22%	94.87%

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<u>Elementary</u>										
Shaier Academy (Leased)										
Square Feet	17,708	17,708	33,042	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	174	182	181	168	178	193	201	180	190	177
Bergen Boulevard School										
Square Feet	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125	30,167
Capacity (students)	325	325	325	325	325	325	325	325	325	339
Enrollment	246	208	190	200	199	216	213	231	214	206
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 <sup>a</sup>	915	891	875	828	802	790	793	766	730	771
<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	668	665	666.5	636.5	619.5	587	562	555	553	541

Number of Schools at June 30, 2017

  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)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
*School Facilities												
Ridgefield Memorial High	N/A	87,850	\$ 195,648	\$ 197,218	\$ 199,013	\$ 153,789	\$ 153,179	\$ 155,662	\$ 186,741	\$ 179,726	\$ 129,276	\$ 192,356
Bergen Boulevard School	N/A	28,125	62,636	63,139	63,714	49,235	49,040	49,835	59,785	57,539	114,782	61,582
Shaler Academy	N/A	33,042	39,437	39,753	74,853	57,843	57,614	58,547	70,237	67,598	38,314	72,349
Slocum/Skewes School	N/A	80,107	178,403	179,834	181,472	140,235	139,678	141,942	170,282	163,886	200,447	175,402
Grand Total			<u>\$ 476,124</u>	<u>\$ 479,944</u>	<u>\$ 519,052</u>	<u>\$ 401,102</u>	<u>\$ 399,511</u>	<u>\$ 405,986</u>	<u>\$ 487,045</u>	<u>\$ 468,749</u>	<u>\$ 482,819</u>	<u>\$ 501,689</u>

Source: District Records

N/A - Not Available



**RIDGEFIELD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2017  
(Unaudited)**

	<u>Coverage</u>		<u>Deductible</u>
Property - Blanket Buildings & Contents	\$ 32,955,893		\$ 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/	5,000
	400,000	Per Loss	
Computer Fraud	50,000		1,000
Forgery and Alteration	50,000		1,000
Surety Bonds			
Business Administrator	260,000		

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  
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CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
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, 2017 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 14, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ridgefield Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 no 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.

However, we 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 14, 2017.

**Purpose of this Report**

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

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 14, 2017



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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SHERYL M. NICOLOSI, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
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 the Ridgefield Board of Education's major federal and state programs for the fiscal year ended June 30, 2017. 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 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, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

Management of the Ridgefield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgefield Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. 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, 2017 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 14, 2017, 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 14, 2017

RIDGEFIELD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016			Unearned Revenue Amount and Transfer	Account Receivable Carryover Amount and Transfer	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Balance, June 30, 2017			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	171NJ304N1099	N/A	7/1/16-6/30/17	\$ 40,974						\$ 37,906	\$ 40,974		\$ (3,068)		\$ (3,068)	
Cash Assistance	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	36,937	(2,814)					2,814						
National School Lunch Program																	
Non-Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	51,865					51,865	51,225			\$ 640			
Non-Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	44,188		376				376						
Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	225,253					210,625	225,253			(14,628)		(14,628)	
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	219,753	(14,949)				14,949							
Total U.S. Department of Agriculture/Child Nutrition Cluster						(17,763)	376			318,159	317,828			(17,696)	640	(17,696)	
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	H027A160100	FT-100002	7/1/16-6/30/17	359,346			\$ 34,357	\$ (34,357)	283,047	371,568			(110,656)	22,135	(88,521)	
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	FT-100002	7/1/15-6/30/16	376,245	(106,594)	34,357		(34,357)	72,237							
I.D.E.A. Part B, Basic Regular	84.027	N/A	FT-100002	7/1/14-6/30/15	361,483		\$ 2,064						\$ (1)		\$ 2,063		
I.D.E.A. Part B, Basic Regular	84.027	N/A	FT-100002	7/1/13-6/30/14	318,825		488						\$ 488				
I.D.E.A. Part B, Preschool	84.173	H173A160114	PS-100005	7/1/16-6/30/17	19,752			463	(463)	12,682	19,847			(7,533)	368	(7,165)	
I.D.E.A. Part B, Preschool	84.173	H173A150114	PS-100005	7/1/15-6/30/16	19,593	(16,995)	463		(463)	16,532							
I.D.E.A. Part B, Preschool	84.173	N/A	PS-100005	7/1/14-6/30/15	19,147			33								33	
I.D.E.A. Part B, Preschool	84.173	N/A	PS-100005	7/1/13-6/30/14	18,865			13						13			
Total Special Education Cluster IDEA						(123,589)	34,820	2,598		384,498	391,415	(1)	501	(118,189)	22,503	2,096	
NCLB																	
Title I	84.010	S010A160030	NCLBCV-140300	7/1/16-6/30/17	324,652					201,415	319,719			(123,237)	4,933	(118,304)	
Title I	84.010	S010A150030	NCLBCV-140300	7/1/15-6/30/16	338,970	(56,230)	18			56,212							
Title I	84.010		NCLBCV-140300	7/1/14-6/30/15	224,893			5,623					1			5,624	
Total NCLB Title I						(56,230)	18	5,623		257,627	319,719	1		(123,237)	4,933	5,624	
Title II, Part A	84.367A	S367A160029	NCLBCV-140300	7/1/16-6/30/17	51,906			2,652	(2,652)	33,694	52,023			(20,864)	2,535	(18,329)	
Title II, Part A	84.367A	S367A150029	NCLBCV-140300	7/1/15-6/30/16	56,106	(26,396)	2,652		(2,652)	23,744							
Total NCLB Title II						(26,396)	2,652			57,438	52,023			(20,864)	2,535	(18,329)	
Title III	84.365	S365A160030	NCLBCV-140300	7/1/16-6/30/17	18,127			53	(53)	7,635	13,094			(10,545)	5,086	(5,459)	
Title III	84.365	S365A150030	NCLBCV-140300	7/1/15-6/30/16	17,651	(13,764)	53		(53)	13,711							
Title III	84.365	N/A	NCLBCV-140300	7/1/14-6/30/15	20,974			3,334								3,334	
Title III Immigrant	84.365	S365A160030	NCLBCV-140300	7/1/16-6/30/17	4,155			794	(794)	1,425	1,998			(3,524)	2,951	(573)	
Title III Immigrant	84.365	S365A150030	NCLBCV-140300	7/1/15-6/30/16	1,261	(3,078)	1,522		(794)	2,284						728	
Total NCLB Title III						(16,842)	1,575	3,334		25,055	15,092			(14,069)	8,037	4,052	
Total Special Revenue Fund						(223,057)	39,065	11,555		724,618	778,249		501	(276,359)	38,008	11,782	
Total U.S. Department of Education						(223,057)	39,065	11,555		724,618	778,249		501	(276,359)	38,008	11,782	
U.S. Department of Health and Human Services Medicaid Cluster General Fund: Medicaid Assistance Program (SEMD)																	
Medicaid Assistance Program (SEMD)	93.778	1705NJ5MAP	N/A	7/1/16-6/30/17	42,324					42,324	42,324						
U.S. Department of Homeland Security Public Assistance Grant (FEMA) Severe Winter Storm Jonas																	
Severe Winter Storm Jonas	97.036	N/A	N/A	N/A	11,594					11,594	11,594						
Total Federal Awards						\$ (240,820)	\$ 39,441	\$ 11,555	\$ -	\$ 1,096,695	\$ 1,149,995	\$ -	\$ 501	\$ (294,055)	\$ 38,648	\$ 11,782	



RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Cash Received	Budgetary Expenditures	Refund of Prior Year's Adjustment	Balance, June 30, 2017		GAAP Receivable	Cumulative Total Expenditures
								(Accounts Receivable)	Unearned Revenue		
								June 30, 2017	June 30, 2017		
<b>State Department of Education</b>											
Current Expense:											
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 1,497,655	\$ 1,353,253	\$ 1,497,655	\$ (144,402)					\$ 1,497,655
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	1,498,795	144,566							974,383
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	974,383	890,434	974,383	(93,949)					50,752
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	965,221	93,100							11,745
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	50,752	45,841	50,752	(4,911)					14,910
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	42,414	4,091							14,910
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	11,745	10,613	11,745	(1,132)					14,910
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	11,745	1,133							14,910
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	14,910	13,472	14,910	(1,438)					14,910
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	14,910	1,438							14,910
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	14,910	13,472	14,910	(1,438)					14,910
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	14,910	1,438							14,910
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	14,410	13,021	14,410	(1,389)					14,410
Professional Learning Community Aid	16-495-034-5120-101	7/1/15-6/30/16	14,410	2,578,745	2,578,745	(248,639)					2,578,745
Total State Aid - Public Cluster			20,828	18,820	20,828	(2,008)					20,828
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	17,753	1,712	17,753	(591,608)					591,608
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	559,608	438,626							1,212,665
Extracurricular Aid	17-495-034-5120-473	7/1/16-6/30/17	1,212,665	56,375	1,212,665	(56,547)					1,212,665
Extracurricular Aid	16-495-034-5120-473	7/1/15-6/30/16	1,212,665	1,212,665							1,212,665
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,209,571		1,209,571						1,209,571
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,209,571								1,209,571
On-Behalf TPAF	17-495-034-5094-002	7/1/16-6/30/17	1,723,513	62,447	1,723,513						1,723,513
Pension Benefit Cost	17-495-034-5094-004	7/1/16-6/30/17	62,447	1,488,111	62,447						1,488,111
Pension - NCGI Premium	17-495-034-5094-001	7/1/16-6/30/17	1,488,111	3,184	1,488,111						1,488,111
Post Retire. Medical	17-495-034-5094-001	7/1/16-6/30/17	3,184		3,184						3,184
Long-Term Disability Insurance Prem.	17-495-034-5094-004	7/1/16-6/30/17									
Long-Term Disability Insurance Prem.	16-495-034-5094-004	7/1/15-6/30/16									
Total General Fund			7,526	30,860	29,342	182	5,645				29,524
Special Revenue:											
Respite (NIDHS/DDD)	01BURN	7/1/16-6/30/17	30,960	3,002	30,960						29,342
Respite (NIDHS/DDD)	01BURN	7/1/15-6/30/16	30,960								3,002
Respite (NIDHS/DDD)	01BURN	7/1/14-6/30/15	30,960	2,461							2,461
Respite (NIDHS/DDD)	01BURN	7/1/13-6/30/14	35,123	2,063							2,063
Total Special Revenue Fund			7,526	30,860	29,342	182	5,645				29,524
Capital Projects:											
State Development Authority (SDA)											
Educational Facility Construction and											
Flamingo Aid											
Various Upgrades HS	4370-050-14-G3DC-00	N/A	314,382	(314,382)	279,663						294,382
Various Upgrades BB	4370-065-14-G3DD-00	N/A	276,500	(178,756)	181,755						191,321
Various Upgrades SS	4370-100-14-G3DE-00	N/A	664,144	(608,977)	585,094						615,888
Total Capital Projects Fund/SDA Cluster			(1,102,115)	1,046,912							1,101,529
Debt Service Fund	17-495-034-5120-075	7/1/16-6/30/17	199,899		199,899						199,899
School Construction Debt Service Aid											
State Department of Agriculture											
Enterprise Funds:											
State School Lunch Program	17-100-010-5350-023	7/1/16-6/30/17	6,814	6,389	6,814						6,814
State School Lunch Program	16-100-010-5350-023	7/1/15-6/30/16	7,087	(486)							(445)
Total Enterprise Funds/Child Nutrition Cluster			(486)	6,853	6,814						6,814
Total State Financial Assistance Subject to Single Audit Determination			(1,857,554)	8,829,004	7,883,156	706	5,645				8,996,747
State Financial Assistance											
Not Subject to Major Program Determination											
General Fund											
On-Behalf TPAF	17-495-034-5094-002	7/1/16-6/30/17	1,723,513	(1,723,513)							(1,723,513)
Pension Benefit Cost	17-495-034-5094-004	7/1/16-6/30/17	62,447	(62,447)							(62,447)
Pension - NCGI Premium	17-495-034-5094-001	7/1/16-6/30/17	1,488,111	(1,488,111)							(1,488,111)
Post Retire. Medical	17-495-034-5094-001	7/1/16-6/30/17	3,184	(3,184)							(3,184)
Long-Term Disability Insurance Prem.	17-495-034-5094-004	7/1/16-6/30/17									
Total State Financial Assistance Subject to Major Program Determination			(1,857,554)	5,551,749	4,697,901	706	5,645				5,709,492

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$104,151 for the general 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	\$ 53,918	\$ 7,544,950	\$ 7,598,868
Special Revenue Fund	778,249	29,342	807,591
Debt Service Fund		199,899	199,899
Food Service Fund	<u>317,828</u>	<u>6,814</u>	<u>324,642</u>
Total Financial Assistance	<u>\$ 1,149,995</u>	<u>\$ 7,781,005</u>	<u>\$ 8,931,000</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, 2017**

**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 \$1,212,665 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$1,785,960, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,488,111 and TPAF Long-Term Disability Insurance in the amount of \$3,184 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of 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 (CONT'D)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal control over major programs:

1) Material weakness(es) identified: \_\_\_\_\_ yes  no

2) Significant deficiencies identified not considered to be material weakness(es)? \_\_\_\_\_ 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?  yes \_\_\_\_\_ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>
_____	_____

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

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

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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**

There were none.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**CURRENT YEAR STATE AWARDS**

**Finding 2017-001**

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable wages.

**State Program Information**

Reimbursed TPAF Social Security Contributions	495-034-5094-003
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**Criteria or Specific Requirement**

State Grant Compliance Supplement

**Condition**

Salaries used to determine State reimbursements for FICA paid for T.P.A.F. members included certain non-pensionable wages.

**Questioned Costs**

Unknown.

**Context**

Imputed income, a non-pensionable wage, was included in the salaries used to determine the amount to be reimbursed by the State.

**Effect**

Amounts reimbursed by State did not reflect actual FICA paid on T.P.A.F. members' pensionable wages.

**Cause**

See context.

**Recommendation**

The District review with its financial accounting software vendor the T.P.A.F. FICA calculation to ensure T.P.A.F. FICA reimbursements are based only on pensionable wages subject to FICA.

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

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



**RIDGEFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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.

**Current Status**

Corrective action was taken.

**Finding 2016-002:**

Our audit of the Capital Projects 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.

**Current Status**

Corrective action was taken.

**Finding 2016-003:**

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

- Board resolution approving individual to be charge 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.

**Current Status**

Corrective action was taken.

**RIDGEFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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.

**Current Status**

Corrective action was taken.

**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.

**Current Status**

Corrective action was taken.