

RIDGEFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Ridgefield, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Ridgefield Board of Education
Ridgefield, New Jersey
For The Fiscal Year Ended June 30, 2018**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Ridgefield Public Schools

...valuing each and every student

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

John J. Petrelli
Interim Superintendent of Schools

Julyana Ortiz
Business Administrator

January 25, 2019

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, 2018 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, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Uniform Guidance and the state Treasury Circular letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit of this report.

1) REPORTING ENTITY AND ITS SERVICES: The average daily enrollment of learners in the Ridgefield School District has continued to show a slight decline over the last decade; however, the District's Learning Center Program has grown and contributes to offsetting costs to the District for the use of the school facilities and the sharing of staff and services between Learning Center Programs and regular education classes. The District maintains a comprehensive academic curricula as well as a renowned extra-curricular program, featuring an acclaimed music program. A transition component mandated by New Jersey Department of Education for classified learners aged fourteen and older has evolved into a recognized program for our Learning Center Program and resident students. Focus is on school-to-work internships and quality of life independence. Continuum programs provide lifespan services to the disabled through an initiative funded by state agencies DDD and DVRS. Expansion of programs continues to undergo constant revision in an effort to enhance educational/life skill opportunities for the disabled through the Learning Center initiative.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include general and a Learning Center Program for special education students. The District completed the 2017-2018 fiscal year with an average daily enrollment 1,1660 students.

Average Daily Enrollment
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2017-2018	1,660
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 2017 – 2018: The following items were part of the Ridgefield School District's goals and objectives or were planned initiatives that took place in 2017-2018:

Under Facilities during the 2015-16, and 16-17 school years, the District invested in Phase I of a safety and security initiative, which included an audit, safety plan development, quick reference resource and evacuation diagram development, and initial staff training. To further enhance school safety and security, the District invested in Phase II of the safety and security initiative. That ensured that 100 percent of school buildings have color coded window location decals and door identification plaques, 100 percent of all classrooms have newly installed rapid locking systems, 100 percent of all classrooms display color coded evacuation floor plan diagrams, and 100 percent of all staff engage in follow-up emergency management plan and quick reference guide training. In 2017-18, additional work was made that includes the door ajar system, panic buttons and lock-down system.

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 time clock sign-in system for staff in order to monitor arrival time and end time.

Under Technology during the 2017-2018 school year, the District purchased additional Chrome Book carts to continue to support PARCC readiness and to continue integrating technology into the classroom. The District continued its use of two fairly new online curriculum resources, which are IXL and Study Island. In an effort to continue to improve internal and external communications, the District expanded its use of Schoolwires the District's webhosting company to better communicate to the community and also provide private internal staff resources. The District implemented Google Apps for Education, training all administrators through a turnkey program. The District provided all students in Grades 2-12 with Google accounts, with Gmail in Grades 5-12. The District purchased and implemented School Dude for technology and maintenance service call entry and tracking. Finally, the District transitioned to Google as a solution for email hosting and email archiving also allowing for shared online storage as well collaborative work.

Under Curriculum and Instruction, the District invested in major expansions for the 2017-2018 school year. The District continues to support its Curriculum Department, including a Director of Curriculum and a Supervisor of Instruction. The District invested significant dollars in the development of curriculum in the Rubicon Atlas online curriculum database to align, write and house all district curricula online with full access for staff. The District purchased curriculum resources in the forms of both packaged program materials and also online learning tools. The former included such titles as Mondo Book Shop and Envisions 2.0 for Grades K-5 and CPO Science for the new freshman Geophysics class. The latter included Achieve 3000 in Grades 6-12 to expand RTI services to those levels, Front Row for the Blended Learning Program for Grades 5-12 and Pebblego for the 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 continued its commitment to investment in 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, 2018.

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, 2018 the District had \$6,627,000 in serial bonds.

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

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

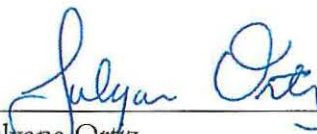
10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes,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

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

Respectfully submitted,

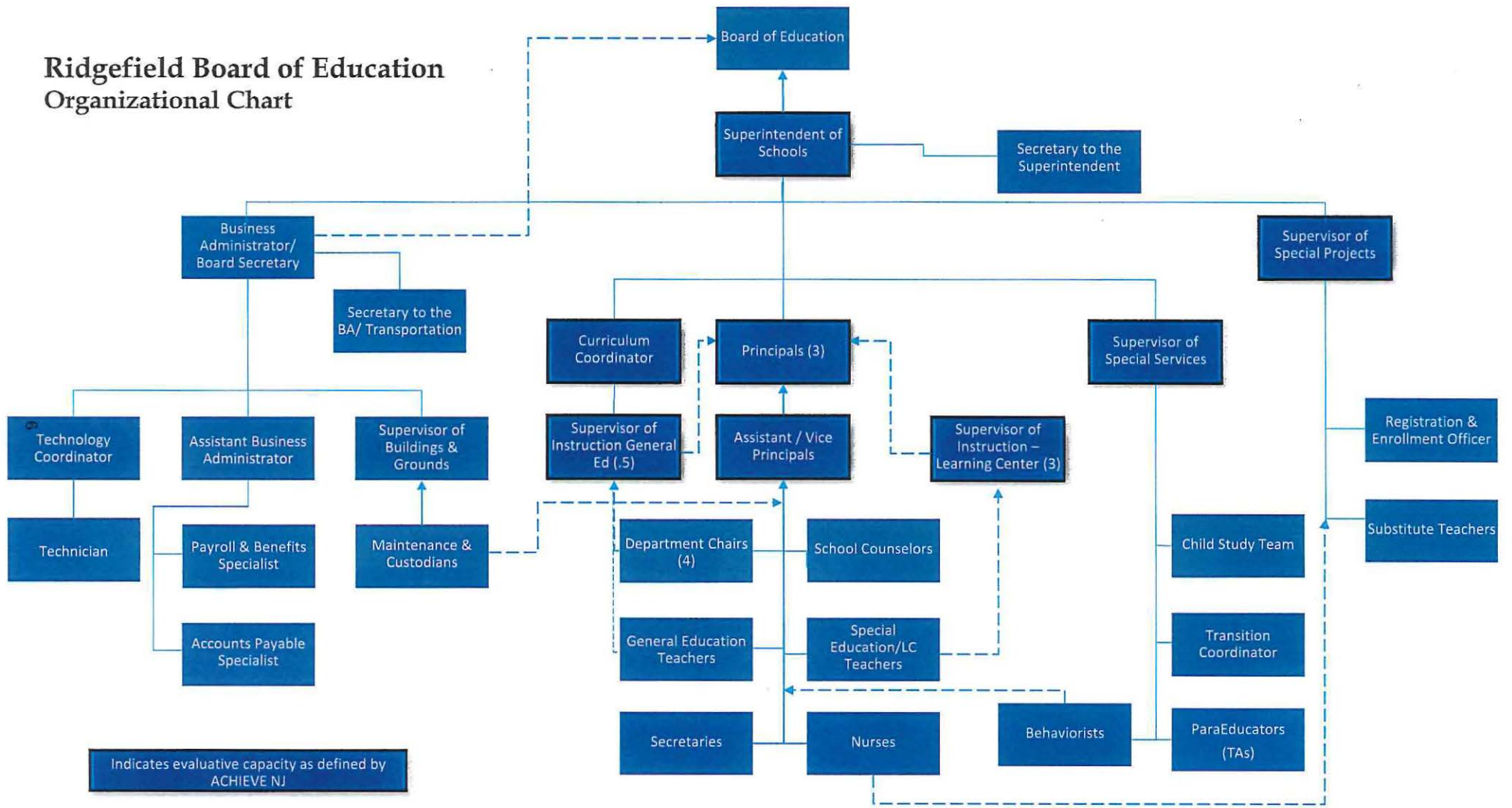


John J. Petrelli
Interim Superintendent of Schools



Julyana Ortiz
Business Administrator /Board Secretary

Ridgefield Board of Education Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2018**

President	<u>Term Expires</u>
Rosemary Huzovic	2019
Vice President	
Rafael Morilla	2020
Members of Board of Education	
Andrew Grippa	2020
Claudia Navarez	2019
Kathleen Payerle	2018
William Pych	2020
Steve Yang	2018
<u>Other Officials</u>	
Interim Superintendent	John J. Petrelli
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, 2018**

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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, 2018 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Ridgefield Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits 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 January 25, 2019 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
January 25, 2019

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, 2018**

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, 2018. 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 2017-2018 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Ridgefield Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$6,532,119 (net position).
- The District's overall net position increased \$1,287,516.
- Overall District revenues were \$54,378,734. General revenues accounted for \$23,266,790 or 43% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$31,111,944 or 57% of total revenues.
- The School District had \$52,116,676 in expenses for governmental activities; \$30,148,771 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$23,265,145 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 \$3,675,164.
- The General Fund unassigned fund balance at June 30, 2018 was \$83,095, an increase of \$6,343 when compared to the previous year's unassigned fund balance of \$76,752.
- The General Fund unassigned budgetary fund balance at June 30, 2018 was \$856,146 which represents a decrease of \$30,861 when compared to the ending unassigned budgetary fund balance at June 30, 2017 of \$887,007.
- The District's total outstanding long-term liabilities decreased \$4,170,847 during the current fiscal year.

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

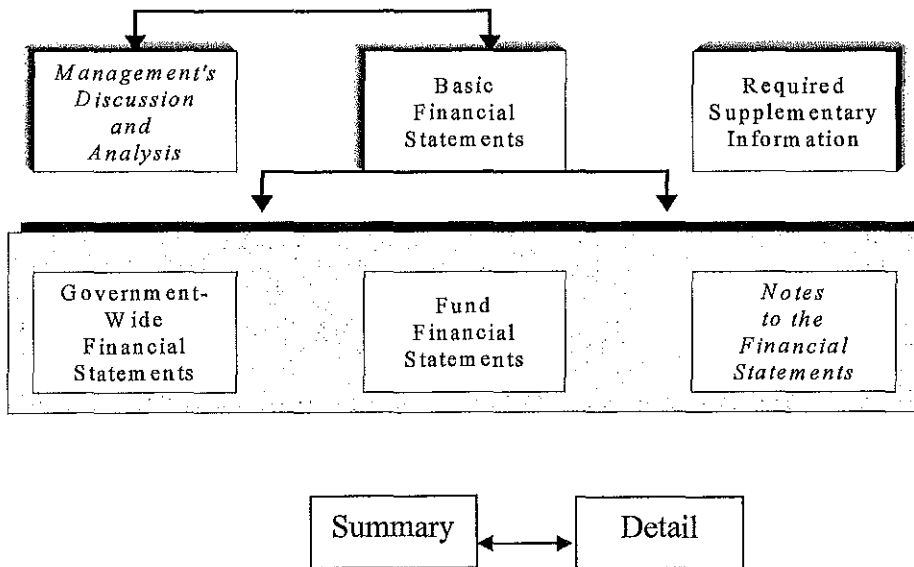
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Financial Statements

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

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

**RIDGEFIELD BOARD OF EDUCATION
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**Management's Discussion and Analysis
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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
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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 as well as the post-retirement medical benefits plan has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons and pension information, including the budgetary comparison statement for the Debt Service Fund.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$6,532,119 and \$7,819,635 as of June 30, 2018 and 2017, 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.

**RIDGEFIELD BOARD OF EDUCATION
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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

**Net Position
As of June 30, 2018 and 2017**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current Assets	\$ 5,158,960	\$ 3,966,227	\$ 138,548	\$ 136,547	\$ 5,297,508	\$ 4,102,774
Capital Assets	<u>11,373,233</u>	<u>11,962,474</u>	<u>16,193</u>	<u>29,485</u>	<u>11,389,426</u>	<u>11,991,959</u>
Total Assets	<u>16,532,193</u>	<u>15,928,701</u>	<u>154,741</u>	<u>166,032</u>	<u>16,686,934</u>	<u>16,094,733</u>
Deferred Outflows of Resources	<u>3,978,820</u>	<u>5,112,399</u>	<u>-</u>	<u>-</u>	<u>3,978,820</u>	<u>5,112,399</u>
Liabilities						
Long-Term Liabilities	22,918,642	27,089,489			22,918,642	27,089,489
Other Liabilities	<u>1,229,309</u>	<u>1,737,189</u>	<u>37,853</u>	<u>40,012</u>	<u>1,267,162</u>	<u>1,777,201</u>
Total Liabilities	<u>24,147,951</u>	<u>28,826,678</u>	<u>37,853</u>	<u>40,012</u>	<u>24,185,804</u>	<u>28,866,690</u>
Deferred Inflows of Resources	<u>3,010,837</u>	<u>159,437</u>	<u>1,232</u>	<u>640</u>	<u>3,012,069</u>	<u>160,077</u>
Net Position:						
Net Investment in Capital Assets	4,322,249	4,188,437	16,193	29,485	4,338,442	4,217,922
Restricted	2,648,387	1,661,600			2,648,387	1,661,600
Unrestricted	<u>(13,618,411)</u>	<u>(13,795,052)</u>	<u>99,463</u>	<u>95,895</u>	<u>(13,518,948)</u>	<u>(13,699,157)</u>
Total Net Position	<u>\$ (6,647,775)</u>	<u>\$ (7,945,015)</u>	<u>\$ 115,656</u>	<u>\$ 125,380</u>	<u>\$ (6,532,119)</u>	<u>\$ (7,819,635)</u>

The District's total net position deficit of \$6,532,119 at June 30, 2018 represents a \$1,287,516 or 16% decrease in the deficit from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2018 and 2017, respectively.

**RIDGEFIELD BOARD OF EDUCATION
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**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017**

Revenues	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 13,838,396	\$ 13,100,930	\$ 642,864	\$ 628,789	\$ 14,481,260	\$ 13,729,719
Operating Grants and Contributions	16,300,048	14,539,944	320,309	324,642	16,620,357	14,864,586
Capital Grants and Contributions	10,327	5,459			10,327	5,459
General Revenues						
Property Taxes	21,424,813	20,769,240			21,424,813	20,769,240
State Aid - Unrestricted	1,693,906	1,731,810			1,693,906	1,731,810
Other	146,426	163,399	1,645	668	148,071	164,067
Total Revenues	53,413,916	50,310,782	964,818	954,099	54,378,734	51,264,881
Expenses						
Instruction						
Regular	15,999,711	16,273,752			15,999,711	16,273,752
Special Education	13,176,320	12,744,598			13,176,320	12,744,598
Other Instruction	530,157	345,694			530,157	345,694
School Sponsored Activities and Ath.	795,956	782,762			795,956	782,762
Support Services						
Student and Instruction Related Serv.	12,248,099	11,546,508			12,248,099	11,546,508
General Administrative Services	1,248,747	1,247,360			1,248,747	1,247,360
School Administrative Services	2,254,948	2,439,979			2,254,948	2,439,979
Central and Other Support Services	1,105,356	1,025,802			1,105,356	1,025,802
Plant Operations and Maintenance	3,724,244	3,592,574			3,724,244	3,592,574
Pupil Transportation	825,445	710,929			825,445	710,929
Interest on Long Term Debt	207,693	232,163			207,693	232,163
Food Services			641,350	675,477	641,350	675,477
Saturday Happenings Program	-	-	333,192	378,962	333,192	378,962
Total Expenses	52,116,676	50,942,121	974,542	1,054,439	53,091,218	51,996,560
Change in Net Position	1,297,240	(631,339)	(9,724)	(100,340)	1,287,516	(731,679)
Net Position, Beginning of Year	(7,945,015)	(7,313,676)	125,380	225,720	(7,819,635)	(7,087,956)
Net Position, End of Year	\$ (6,647,775)	\$ (7,945,015)	\$ 115,656	\$ 125,380	\$ (6,532,119)	\$ (7,819,635)

**RIDGEFIELD BOARD OF EDUCATION
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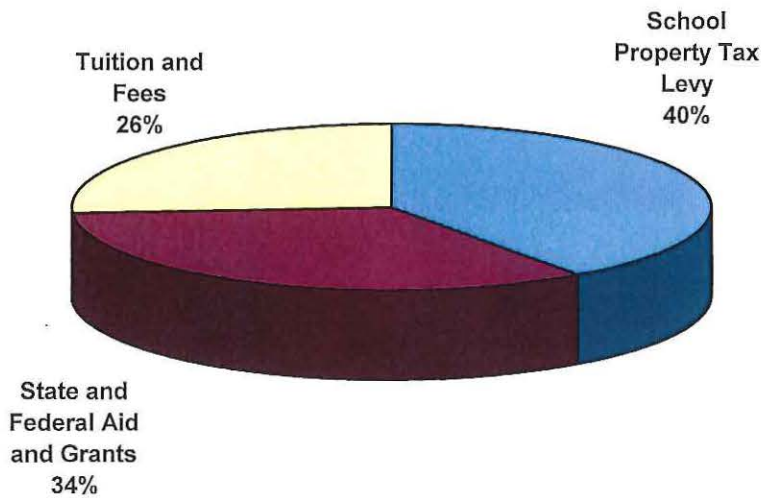
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$53,413,916 for the fiscal year ended June 30, 2018, property taxes of \$21,424,813 represented 40% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$18,004,281 represented 34% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$13,838,396 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.

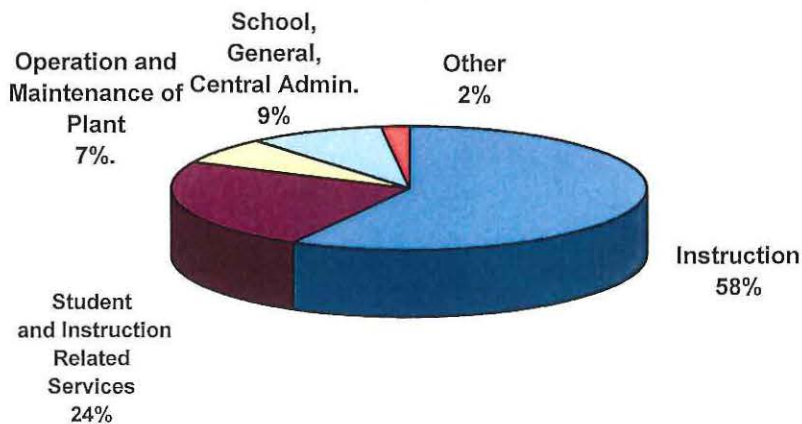
The total cost of all governmental activities programs and services was \$52,116,676 for the fiscal year ended June 30, 2018. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,502,144 (58%) of total expenses. Support services totaled \$21,406,839 (41%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

Total governmental activities revenues exceeded expenses increasing net position \$1,297,240 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2018**



**Expenses by Type- Governmental Activities
For Fiscal Year 2018**



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**Management's Discussion and Analysis
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Total and Net Cost of Governmental Activities. The District's total cost of services was \$52,116,676 for the fiscal year ended June 30, 2018. After applying program revenues, derived from charges for services of \$13,838,396, operating and capital grants and contributions of \$16,310,375; the net cost of services of the District is \$21,967,905.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2018 and 2017**

	<u>Total Cost of Services</u>		<u>Net Cost (Revenues) of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 15,999,711	\$ 16,273,752	\$ 10,113,983	\$ 10,522,347
Special Education	13,176,320	12,744,598	(4,042,213)	(3,178,438)
Other Instruction	530,157	345,694	317,307	212,106
School Sponsored Activities and Athletics	795,956	782,762	741,410	782,762
Support Services				
Student and Instruction Related Svcs.	12,248,099	11,546,508	6,900,633	6,883,380
General Administrative Services	1,248,747	1,247,360	1,029,133	1,052,579
School Administrative Services	2,254,948	2,439,979	1,569,262	1,747,531
Central and Other Support Services	1,105,356	1,025,802	893,158	869,711
Plant Operations and Maintenance	3,724,244	3,592,574	3,524,211	3,531,048
Pupil Transportation	825,445	710,929	759,538	690,397
Interest on Long Term Debt	207,693	232,163	161,483	182,365
Total	<u>\$ 52,116,676</u>	<u>\$ 50,942,121</u>	<u>\$ 21,967,905</u>	<u>\$ 23,295,788</u>

Business-Type Activities – The District's total business-type activities revenues were \$964,818 for the fiscal year ended June 30, 2018. Charges for services accounted for 67% or \$642,864 of total revenues for the year. Operating grants and contributions accounted for 33% or \$320,309 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 \$974,542. 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 \$641,350 (66%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$333,192 (34%).

Total business-type activities expenses surpassed revenues decreasing net position by \$9,724 from the previous year.

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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 \$3,675,164. The prior year fund balance at June 30, 2017 was \$2,128,963. Therefore, the net increase for the year ended June 30, 2018 was \$1,546,201.

Revenues for the District's governmental funds were \$44,791,406 while total expenses were \$43,351,883 for the year ended June 30, 2018. The District also had other financing sources (net of other financing uses) in the amount of \$106,678.

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.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 20,717,526	\$ 19,950,339	\$ 767,187	4%
Tuition	11,454,863	10,970,846	484,017	4%
Miscellaneous	2,381,577	2,185,255	196,322	9%
State Sources	8,456,841	7,544,950	911,891	12%
Federal Sources	<u>69,592</u>	<u>53,918</u>	<u>15,674</u>	29%
 Total General Fund Revenues	 <u>\$ 43,080,399</u>	 <u>\$ 40,705,308</u>	 <u>\$ 2,375,091</u>	 6%

Total General Fund Revenues increased by \$2,375,091 or 6% over the previous year. Local property taxes increased by \$767,187 or 4% over the previous year primarily to offset increases in operating costs. The District realized a 4% increase in tuition revenue during the current school year due to an increase in the special education tuition rates charged to other school districts. Miscellaneous revenues increased 9% as a result of an increase from fees earned for one to one aide and OT/PT services. In addition, State aid revenues increased \$911,891 or 12% 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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**Management's Discussion and Analysis
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The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 23,687,389	\$ 23,375,479	\$ 311,910	1%
Support Services	17,453,491	16,877,506	575,985	3%
Debt Service	200,266	162,671	37,595	23%
Capital Outlay	<u>253,675</u>	<u>299,193</u>	<u>(45,518)</u>	-15%
Total Expenditures	<u>\$ 41,594,821</u>	<u>\$ 40,714,849</u>	<u>\$ 879,972</u>	2%

Total General Fund expenditures increased \$879,972 or approximately 2% from the previous year. The increase was for the most part attributable to an increase in special education instruction costs and 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, 2018 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,588,023. As a result, total fund balance increased to \$3,642,229 at June 30, 2018. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$6,343 to \$83,095 at June 30, 2018 from a fund balance of \$76,752 at June 30, 2017. Restricted fund balances for capital reserve, maintenance reserve, tuition adjustments and excess surplus increased \$1,399,907 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 \$813,164 for the year ended June 30, 2018. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 88% or \$718,140 of the total revenue for the year. State sources accounted for 3% or \$26,723 of the total revenue for the year. The remaining 9% or \$68,301 of revenue came from local sources.

Total Special Revenue Fund revenues decreased \$67,866 or 8% from the previous year. State sources decreased \$2,619 or less than 1%, Federal sources decreased \$60,109 or 8%. Local grants decreased \$5,138 or 7% from the prior year.

Expenditures of the Special Revenue Fund were \$813,164. Instructional expenditures were \$690,651 or 85% and expenditures for support services were \$112,186 or 14% of the total amount expended for the year ended June 30, 2018. The remaining expenditures of \$10,327 were for capital outlay expenditures

Proprietary Funds

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

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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 \$71,577.
- Appropriation of \$159,608 of surplus generated from state aid excluded from the excess surplus calculation in the prior year.
- Appropriation of \$60,000 of unbudgeted and under budgeted tuition revenue.
- Appropriation of \$230,000 of restricted miscellaneous local revenue.
- Appropriation of \$32,842 of unbudgeted and under budgeted state aid.

For fiscal year 2018 General Fund budgetary basis revenues and other financing sources were greater than expenditures and other financing uses by \$1,550,819. Therefore budgetary fund balance increased to \$4,415,280 at June 30, 2018. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2018 was \$856,146 a decrease of \$30,861 when compared to the previous year's unassigned budgetary fund balance of \$887,007 at June 30, 2017. The amount restricted for tuition refund reserves increased by \$50,000, maintenance reserve increased by \$250,000, reserved excess surplus increased by \$400,000 and capital reserve increased by \$699,907, 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, 2018 amounts to \$11,389,426 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, leasehold improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2017-2018 amounted to \$853,243 for governmental activities and \$13,292 for business-type activities.

**Capital Assets at June 30, 2018 and 2017
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 288,751	\$ 288,751			\$ 288,751	\$ 288,751
Land Improvements	139,407	151,469			139,407	151,469
Buildings and Building Improvements	9,280,402	9,734,508			9,280,402	9,734,508
Leasehold Improvements	18,989	21,520			18,989	21,520
Machinery and Equipment	<u>1,645,684</u>	<u>1,766,226</u>	\$ 16,193	\$ 29,485	<u>1,661,877</u>	<u>1,795,711</u>
Total Capital Assets, Net	<u>\$ 11,373,233</u>	<u>\$ 11,962,474</u>	<u>\$ 16,193</u>	<u>\$ 29,485</u>	<u>\$ 11,389,426</u>	<u>\$ 11,991,959</u>

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

LONG TERM LIABILITIES

At June 30, 2018, the District's long-term liabilities totaled \$22,918,642 and consisted of serial bonds payable of \$6,861,043, capital leases and lease purchase agreements outstanding of \$476,191, compensated absences payable of \$1,052,572, deferred pension obligation of \$109,941, and net pension liability of \$14,418,895. At June 30, 2017, the District's long-term liabilities totaled \$27,089,489 and consisted of serial bonds payable of \$7,637,768, capital leases and 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, 2017. The District's total outstanding long term liabilities decreased \$4,170,847 during the 2017/2018 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 2018-2019 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 2018-2019. Budgeted expenditures in the General Fund increased 4% to \$38,708,990 in fiscal year 2018-2019.

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, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 4,052,951	\$ 87,759	\$ 4,140,710
Receivables, Net	1,097,587	51,728	1,149,315
Internal Balances	8,422	(8,422)	-
Inventory		7,483	7,483
Capital Assets, Not Being Depreciated	288,751		288,751
Capital Assets, Being Depreciated, Net	<u>11,084,482</u>	<u>16,193</u>	<u>11,100,675</u>
Total Assets	<u>16,532,193</u>	<u>154,741</u>	<u>16,686,934</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	142,234		142,234
Deferred Amounts on Net Pension Liability	<u>3,836,586</u>	<u>-</u>	<u>3,836,586</u>
Total Deferred Outflows of Resources	<u>3,978,820</u>	<u>-</u>	<u>3,978,820</u>
Total Assets and Deferred Outflows of Resources	<u>20,511,013</u>	<u>154,741</u>	<u>20,665,754</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,080,210	20,051	1,100,261
Payable to Other Governments	48,165		48,165
Accrued Interest Payable	87,833		87,833
Unearned Revenue	13,101	17,802	30,903
Noncurrent Liabilities			
Due within one year	996,290		996,290
Due beyond one year	<u>21,922,352</u>	<u>-</u>	<u>21,922,352</u>
Total Liabilities	<u>24,147,951</u>	<u>37,853</u>	<u>24,185,804</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	3,010,837		3,010,837
Deferred Commodities Revenue	<u>-</u>	<u>1,232</u>	<u>1,232</u>
Total Deferred Inflows of Resources	<u>3,010,837</u>	<u>1,232</u>	<u>3,012,069</u>
Total Liabilities and Deferred Inflows of Resources	<u>27,158,788</u>	<u>39,085</u>	<u>27,197,873</u>
NET POSITION			
Net Investment in Capital Assets	4,322,249	16,193	4,338,442
Restricted for			
Capital Projects	1,321,552		1,321,552
Tuition Adjustments	670,000		670,000
Plant Maintenance	623,900		623,900
Debt Service	32,935		32,935
Unrestricted	<u>(13,618,411)</u>	<u>99,463</u>	<u>(13,518,948)</u>
Total Net Position	<u>\$ (6,647,775)</u>	<u>\$ 115,656</u>	<u>\$ (6,532,119)</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, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 15,999,711		\$ 5,885,728		\$ (10,113,983)		\$ (10,113,983)
Special Education	13,176,320	\$ 11,649,589	5,564,076	\$ 4,868	4,042,213		4,042,213
Other Instruction	530,157		207,391	5,459	(317,307)		(317,307)
School Sponsored Activities and Athletics	795,956		54,546		(741,410)		(741,410)
Support Services							
Student and Instruction Related Services	12,248,099	2,188,807	3,158,659		(6,900,633)		(6,900,633)
General Administrative Services	1,248,747		219,614		(1,029,133)		(1,029,133)
School Administrative Services	2,254,948		685,686		(1,569,262)		(1,569,262)
Central and Other Support Services	1,105,356		212,198		(893,158)		(893,158)
Plant Operations and Maintenance	3,724,244		200,033		(3,524,211)		(3,524,211)
Pupil Transportation	825,445		65,907		(759,538)		(759,538)
Interest on Long-Term Debt	207,693	-	46,210	-	(161,483)	-	(161,483)
Total Governmental Activities	52,116,676	13,838,396	16,300,048	10,327	(21,967,905)	-	(21,967,905)
Business-Type Activities							
Food Service	641,350	324,485	320,309	-	-	\$ 3,444	3,444
Saturday Happenings	333,192	318,379	-	-	-	(14,813)	(14,813)
Total Business-Type Activities	974,542	642,864	320,309	-	-	(11,369)	(11,369)
Total Primary Government	\$ 53,091,218	\$ 14,481,260	\$ 16,620,357	\$ 10,327	(21,967,905)	(11,369)	(21,979,274)

Continued

**RIDGEFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 20,717,526		\$ 20,717,526
Property Taxes Levied for Debt Service	707,287		707,287
State Aid -Unrestricted	1,549,560		1,549,560
State Aid for Debt Service Principal	144,346		144,346
Investment Earnings	50,108	\$ 1,645	51,753
Miscellaneous Income	96,318	-	96,318
	23,265,145	1,645	23,266,790
Change in Net Position	1,297,240	(9,724)	1,287,516
Net Position, Beginning of Year	(7,945,015)	125,380	(7,819,635)
Net Position, End of Year	\$ (6,647,775)	\$ 115,656	\$ (6,532,119)

FUND FINANCIAL STATEMENTS

**RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 4,020,016			\$ 32,935	\$ 4,052,951
Receivables from Other Governments, Net	872,374	\$ 213,064			1,085,438
Other Accounts Receivables	10,721				10,721
Due from Other Funds	<u>117,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,456</u>
Total Assets	<u>\$ 5,020,567</u>	<u>\$ 213,064</u>	<u>\$ -</u>	<u>\$ 32,935</u>	<u>\$ 5,266,566</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 915,037	\$ 79,116			\$ 994,153
Accrued Salaries and Wages	83,717	2,340			86,057
Payable to State Government		10,901			10,901
Payables to Local Governments	37,264				37,264
Due to Other Funds		107,606			107,606
Unearned Revenue	<u>-</u>	<u>13,101</u>	<u>-</u>	<u>-</u>	<u>13,101</u>
Total Liabilities	<u>1,036,018</u>	<u>213,064</u>	<u>-</u>	<u>-</u>	<u>1,249,082</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Tuition and Related Fees	<u>342,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,320</u>
Total Deferred Inflows of Resources	<u>342,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,320</u>
FUND BALANCES					
Fund Balances					
Restricted					
Capital Reserve	1,175,552				1,175,552
Capital Reserve - Designated for Subsequent Year's Expenditures	146,000				146,000
Maintenance Reserve	561,900				561,900
Maintenance Reserve - Designated for Subsequent Year's Expenditures	62,000				62,000
Tuition Adjustments	350,000				350,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	320,000				320,000
Excess Surplus	400,000				400,000
Debt Service				\$ 32,935	32,935
Assigned					
Year End Encumbrances	241,373				241,373
Designated for Subsequent Year's Expenditures	302,309				302,309
Unassigned	<u>83,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,095</u>
Total Fund Balances	<u>3,642,229</u>	<u>-</u>	<u>-</u>	<u>32,935</u>	<u>3,675,164</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,020,567</u>	<u>\$ 213,064</u>	<u>\$ -</u>	<u>\$ 32,935</u>	<u>\$ 5,266,566</u>

**RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

Total Fund Balances (Exhibit B-1)		\$ 3,675,164
<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 \$21,947,875 and the accumulated depreciation is \$10,574,642.		11,373,233
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.		342,320
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		142,234
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	\$ 3,836,586
	Deferred Inflows of Resources	<u>(3,010,837)</u>
		825,749
The District has financed capital assets through the issuance of long-term bonds. The interest accrual at year end is:		(87,833)
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)	(6,861,043)
	Capital Leases	(332,175)
	Lease Purchase Agreements	(144,016)
	Compensated Absences	(1,052,572)
	Deferred Pension Obligation	(109,941)
	Net Pension Liability	<u>(14,418,895)</u>
		<u>(22,918,642)</u>
Net Position of Governmental Activities (Exhibit A-1)		\$ <u>(6,647,775)</u>

**RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 20,717,526			\$ 707,287	\$ 21,424,813
Tuition	11,454,863				11,454,863
Interest	50,108				50,108
Miscellaneous - Restricted	2,235,151				2,235,151
Miscellaneous - Unrestricted	96,318	\$ 68,301	-	-	164,619
Total - Local Sources	34,553,966	68,301	-	707,287	35,329,554
State Sources	8,456,841	26,723		190,556	8,674,120
Federal Sources	69,592	718,140	-	-	787,732
Total Revenues	43,080,399	813,164	-	897,843	44,791,406
EXPENDITURES					
Current					
Instruction					
Regular Instruction	12,164,891	354,475			12,519,366
Special Education Instruction	10,407,918	321,588			10,729,506
Other Special Instruction	402,078	14,588			416,666
School-Sponsored Activities and Athletics	712,502				712,502
Support Services					
Student and Instruction Related Services	9,946,679	112,186			10,058,865
General Administrative Services	1,108,874				1,108,874
School Administrative Services	1,780,143				1,780,143
Central and Other Support Service	939,482				939,482
Plant Operations and Maintenance	2,965,911				2,965,911
Student Transportation	712,402				712,402
Debt Service					
Principal	191,227			715,000	906,227
Interest and Other Charges	9,039			228,898	237,937
Capital Outlay	253,675	10,327	-	-	264,002
Total Expenditures	41,594,821	813,164	-	943,898	43,351,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,485,578	-	-	(46,055)	1,439,523
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	106,678	-	-	-	106,678
Transfers In	1,313		\$ 5,546	32,935	39,794
Transfers Out	(5,546)	-	(34,248)	-	(39,794)
Total Other Financing Sources and Uses	102,445	-	(28,702)	32,935	106,678
Net Change in Fund Balances	1,588,023	-	(28,702)	(13,120)	1,546,201
Fund Balance, Beginning of Year	2,054,206	-	28,702	46,055	2,128,963
Fund Balance, End of Year	\$ 3,642,229	\$ -	\$ -	\$ 32,935	\$ 3,675,164

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, 2018**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,546,201

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	\$ 264,002	
Depreciation Expense	<u>(853,243)</u>	(589,241)

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.

Debt Issued or Incurred:		
Capital Lease Proceeds	(106,678)	
Principal Repayments:		
General Obligations Bonds	715,000	
Capital Leases and Lease Purchase Agreements	<u>191,227</u>	799,549

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):

Increase in Compensated Absences	(92,313)	
Decrease in Deferred Pension Obligations	16,678	
Increase in Pension Expense	<u>(562,260)</u>	(637,895)

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		148,382
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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.

Decrease in Accrued Interest		<u>6,030</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,297,240**

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, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
ASSETS			
Cash		\$ 87,759	\$ 87,759
Intergovernmental Receivable, Net	\$ 18,430		18,430
Accounts Receivable, Net	12,600	20,698	33,298
Inventory	7,483	-	7,483
Total Current Assets	<u>38,513</u>	<u>108,457</u>	<u>146,970</u>
Capital Assets			
Equipment	305,359	30,200	335,559
Accumulated Depreciation	<u>(293,350)</u>	<u>(26,016)</u>	<u>(319,366)</u>
Total Capital Assets, Net	<u>12,009</u>	<u>4,184</u>	<u>16,193</u>
Total Assets	<u>50,522</u>	<u>112,641</u>	<u>163,163</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	8,609	781	9,390
Accrued Salaries and Wages		10,661	10,661
Due to Other Funds	8,422		8,422
Unearned Revenue	<u>7,298</u>	<u>10,504</u>	<u>17,802</u>
Total Current Liabilities	<u>24,329</u>	<u>21,946</u>	<u>46,275</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>1,232</u>	<u>-</u>	<u>1,232</u>
Total Liabilities and Deferred Inflow of Resources	<u>25,561</u>	<u>21,946</u>	<u>47,507</u>
NET POSITION			
Investment in Capital Assets	12,009	4,184	16,193
Unrestricted	<u>12,952</u>	<u>86,511</u>	<u>99,463</u>
Total Net Position	<u>\$ 24,961</u>	<u>\$ 90,695</u>	<u>\$ 115,656</u>

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

**RIDGEFIELD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Service</u>	<u>Saturday Happenings Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 168,211		\$ 168,211
Daily Sales - Non-Reimbursable Program	152,457		152,457
Other	3,817		3,817
Program Fees	-	\$ 318,379	318,379
Total Operating Revenues	<u>324,485</u>	<u>318,379</u>	<u>642,864</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs	256,014		256,014
Cost of Sales - Non-Reimbursable Programs	43,243		43,243
Salaries and Benefits	249,901	298,208	548,109
Purchased Management Services	27,830		27,830
Other Purchased Services	17,242		17,242
General Supplies	25,007	3,842	28,849
Miscellaneous	2,198	3,964	6,162
Repair and Maintenance	7,221		7,221
Rental and Utility Expense		26,580	26,580
Depreciation	12,694	598	13,292
Total Operating Expenses	<u>641,350</u>	<u>333,192</u>	<u>974,542</u>
Operating (Loss)	<u>(316,865)</u>	<u>(14,813)</u>	<u>(331,678)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	7,248		7,248
Federal Sources			
National School Breakfast Program	41,529		41,529
National School Lunch Program	218,127		218,127
Food Distribution Program	53,405		53,405
Interest Income	-	1,645	1,645
Total Nonoperating Revenues	<u>320,309</u>	<u>1,645</u>	<u>321,954</u>
Changes in Net Position	3,444	(13,168)	(9,724)
Total Net Position, Beginning of Year	<u>21,517</u>	<u>103,863</u>	<u>125,380</u>
Total Net Position, End of Year	<u>\$ 24,961</u>	<u>\$ 90,695</u>	<u>\$ 115,656</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, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 326,303	\$ 300,693	\$ 626,996
Cash Payments for Employees Salaries and Benefits	(249,901)	(287,547)	(537,448)
Cash Payments to Suppliers for Goods and Services	(325,036)	(34,023)	(359,059)
Net Cash (Used for) Operating Activities	(248,634)	(20,877)	(269,511)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	266,615	-	266,615
Cash Payments to Other Funds	(17,981)	-	(17,981)
Net Cash Provided by Noncapital Financing Activities	248,634	-	248,634
Cash Flows from Investing Activities			
Interest Received	-	1,645	1,645
Net Cash Provided by Investing Activities	-	1,645	1,645
Net (Decrease) in Cash	-	(19,232)	(19,232)
Cash, Beginning of Year	-	106,991	106,991
Cash, End of Year	\$ -	\$ 87,759	\$ 87,759
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities			
Operating (Loss)	\$ (316,865)	\$ (14,813)	\$ (331,678)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	12,694	598	13,292
Non-Cash Federal Assistance-Food Distribution Program	53,405		53,405
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	1,168	(5,157)	(3,989)
(Increase)/Decrease in Inventory	1,026		1,026
Increase/(Decrease) in Accounts Payable	(1,304)	363	(941)
Increase/(Decrease) in Accrued Salaries and Wages		10,661	10,661
Increase/(Decrease) in Unearned Revenue	650	(12,529)	(11,879)
Increase/(Decrease) in Deferred Commodities Revenue	592	-	592
Total Adjustments	68,231	(6,064)	62,167
Net Cash (Used for) Operating Activities	\$ (248,634)	\$ (20,877)	\$ (269,511)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 53,997		

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, 2018**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 64,253	\$ 337,811
Total Assets	<u>64,253</u>	<u>\$ 337,811</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 242,138
Due to Other Funds		1,428
Due to Student Groups	<u>-</u>	<u>94,245</u>
Total Liabilities	<u>-</u>	<u>\$ 337,811</u>
NET POSITION		
Held in Trust for Scholarship Awards	<u>\$ 64,253</u>	

**RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	
Donations - Private	\$ 25,400
Investment Earnings	
Interest	<u>958</u>
Total Additions	26,358
DEDUCTIONS	
Scholarship Awards	<u>19,850</u>
Change in Net Position	6,508
Net Position, Beginning of the Year	<u>57,745</u>
Net Position, End of the Year	<u><u>\$ 64,253</u></u>

NOTES TO THE FINANCIAL STATEMENTS

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 2018, the District adopted the following GASB statements:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2018**

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, 2018**

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 operation which provides before and after school child care, Pre-K curriculum and community education programs for District students and residents.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* is used to account for resources legally held in trust for private donations for scholarship awards. 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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 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, 2018**

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 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 inventory 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, 2018**

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 amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

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 2018/2019 District budget certified for taxes.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2017/2018 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Tuition Adjustments- Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2016/2017 contract year that is appropriated in the 2018/2019 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

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

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 2018/2019 District budget certified for taxes.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District had no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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, 2018**

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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 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, 2018**

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 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$913,412. The increase was funded by additional fund balance (surplus) appropriated, appropriation of under budgeted tuition revenue and restricted miscellaneous local revenues, additional state aid and grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$159,608 from the general fund on August 17, 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 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</u> <u>Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
General Fund			
Capital Outlay			
Facilities Acquisitions and			
Construction Services			
Lease Purchase Agreements - Principal	\$ 82,261	\$ 83,561	\$ (1,300)

The above variances were offset with other available resources.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018 is as follows:

Balance, July 1, 2017		\$ 621,645
Increased by		
Deposits Approved by Board Resolution	\$ 705,453	
Transfer of Unexpended Project Balances from Capital Outlay	<u>124,454</u>	
		<u>829,907</u>
		1,451,552
Decreased by		
Withdrawals Approved in District Budget		<u>130,000</u>
Balance, June 30, 2018		<u>\$ 1,321,552</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$146,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 373,900
Increased by	
Deposits Approved by Board Resolution	<u>250,000</u>
Balance, June 30, 2018	<u>\$ 623,900</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,310,589. \$62,000 of the maintenance reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$400,000 which will be appropriated in the 2019/2020 original budget certified for taxes.

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 and NCUSIF.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2018, the book value of the Board's deposits were \$4,542,774 and bank and brokerage firm balances of the Board's deposits amounted to \$4,704,776. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ <u>4,704,776</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, 2018 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, the Board had no outstanding investments.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2018 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Saturday Happenings</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 948,195	\$ 11,063			\$ 959,258
State			\$ 489		489
Federal		202,001	17,941		219,942
Accounts	<u>10,721</u>	<u>-</u>	<u>12,600</u>	<u>\$ 42,605</u>	<u>65,926</u>
Gross Receivables	958,916	213,064	31,030	42,605	1,245,615
Less: Allowance for Uncollectibles	<u>(75,821)</u>	<u>-</u>	<u>-</u>	<u>(21,907)</u>	<u>(97,728)</u>
Net Total Receivables	<u>\$ 883,095</u>	<u>\$ 213,064</u>	<u>\$ 31,030</u>	<u>\$ 20,698</u>	<u>\$ 1,147,887</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>\$ 13,101</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 13,101</u>

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, July 1, 2017	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 288,751	-	-	\$ 288,751
Total Capital Assets, Not Being Depreciated	<u>288,751</u>	<u>-</u>	<u>-</u>	<u>288,751</u>
Capital Assets, Being Depreciated:				
Land Improvements	662,720			662,720
Buildings and Building Improvements	17,021,267	\$ 22,638		17,043,905
Leasehold Improvements	50,627			50,627
Machinery and Equipment	3,660,508	241,364	-	3,901,872
Total Capital Assets Being Depreciated	<u>21,395,122</u>	<u>264,002</u>	<u>-</u>	<u>21,659,124</u>
Less Accumulated Depreciation for:				
Land Improvements	(511,251)	(12,062)		(523,313)
Buildings and Building Improvements	(7,286,759)	(476,744)		(7,763,503)
Leasehold Improvements	(29,107)	(2,531)		(31,638)
Machinery and Equipment	(1,894,282)	(361,906)	-	(2,256,188)
Total Accumulated Depreciation	<u>(9,721,399)</u>	<u>(853,243)</u>	<u>-</u>	<u>(10,574,642)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,673,723</u>	<u>(589,241)</u>	<u>-</u>	<u>11,084,482</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,962,474</u>	<u>\$ (589,241)</u>	<u>\$ -</u>	<u>\$ 11,373,233</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 335,559	-	-	\$ 335,559
Total Capital Assets Being Depreciated	<u>335,559</u>	<u>-</u>	<u>-</u>	<u>335,559</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(306,074)	\$ (13,292)	-	(319,366)
Total Accumulated Depreciation	<u>(306,074)</u>	<u>(13,292)</u>	<u>-</u>	<u>(319,366)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,485</u>	<u>(13,292)</u>	<u>-</u>	<u>16,193</u>
Business-Type Activities Capital Assets, Net	<u>\$ 29,485</u>	<u>\$ (13,292)</u>	<u>\$ -</u>	<u>\$ 16,193</u>

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 231,546
Special Education	<u>3,121</u>
Total Instruction	<u>234,667</u>
Support Services	
Students and Instruction Related Services	4,127
General Administrative Services	2,010
School Administrative Services	36,838
Plant Operations and Maintenance	531,618
Pupil Transportation	<u>43,983</u>
Total Support Services	<u>618,576</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 853,243</u>
Business-Type Activities:	
Food Service	\$ 12,694
Saturday Happenings Program	<u>598</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,292</u>

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 107,606
General Fund	Food Service Fund	8,422
General Fund	Payroll Agency Fund	<u>1,428</u>
		<u>\$ 117,456</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>	<u>Debt Service Fund</u>	
Transfer Out:				
General Fund		\$ 5,546		\$ 5,546
Capital Projects Fund	\$ 1,313	-	\$ 32,935	<u>34,248</u>
Total	<u>\$ 1,313</u>	<u>\$ 5,546</u>	<u>\$ 32,935</u>	<u>\$ 39,794</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, 2018**

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, 2018 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>
2019	\$ 516,900
2020	516,100
2021	510,000
2022	508,600
2023	506,800
2024-2027	<u>1,522,200</u>
Total	<u>\$ 4,080,600</u>

Capital Leases and Lease Purchase Agreements

The District is leasing modular classrooms totaling \$433,000 and a school bus totaling \$106,678 under capital leases. The leases are for terms of 5 and 3 years, respectively. Also, the District is leasing computers (supplies) totaling \$288,032 under a lease purchase agreement. The lease is for a term of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	\$ 431,850
Machinery and Equipment	<u>106,678</u>
Total	<u>\$ 538,528</u>

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases and Lease Purchase Agreements (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Fiscal Year Ending June 30	Governmental Activities		
	Capital Leases	Lease- Purchase Agreements	Total
2019	\$ 128,258	\$ 72,008	\$ 200,266
2020	128,258	72,008	200,266
2021	90,662	-	90,662
Total minimum lease payments	347,178	144,016	491,194
Less: amount representing interest	(15,003)	-	(15,003)
Present value of minimum lease payments	<u>\$ 332,175</u>	<u>\$ 144,016</u>	<u>\$ 476,191</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, 2018 are comprised of the following issues:

\$2,900,000, 2013 Bonds, due in annual installments of \$190,000 to \$220,000 through February 1, 2028, interest at 2.00% to 3.00%	\$2,025,000
\$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%	1,507,000
\$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>3,095,000</u>
Total	<u>\$6,627,000</u>

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	585,000	104,423	689,423
2024-2028	2,742,000	267,627	3,009,627
2029-2030	<u>250,000</u>	<u>11,250</u>	<u>261,250</u>
	<u>\$ 6,627,000</u>	<u>\$ 1,076,242</u>	<u>\$ 7,703,242</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 73,022,109
Less: Net Debt	<u>6,627,000</u>
Remaining Borrowing Power	<u>\$ 66,395,109</u>

H. Other Long-Term Liabilities

Deferred Pension Obligation

During the 2008/2009 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 7.00% effective July 1, 2017) at June 30, 2018 is \$109,941.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, was as follows:

	Balance, July 1, 2017	Additions	Reductions	Balance, June 30, 2018	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 7,342,000		\$ 715,000	\$ 6,627,000	\$ 730,000
Add:					
Unamortized Premium	295,768	-	61,725	234,043	-
Total Bonds Payable	7,637,768	-	776,725	6,861,043	730,000
Capital Leases	344,716	106,678	119,219	332,175	120,115
Lease Purchase Agreements	216,024	\$ -	72,008	144,016	72,008
Compensated Absences	960,259	146,056	53,743	1,052,572	48,483
Deferred Pension Obligation	126,619	8,863	25,541	109,941	25,684
Net Pension Liability	17,804,103	-	3,385,208	14,418,895	-
Governmental activity					
Long-term liabilities	\$ 27,089,489	\$ 261,597	\$ 4,432,444	\$ 22,918,642	\$ 996,290

For the governmental activities, the liabilities for compensated absences, deferred pension obligations, net pension liability, capital leases and lease purchase agreements 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.

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

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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, 2018, 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, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of \$90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 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, 2016 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 7.00 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.

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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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>
2018	\$ 573,818	\$ 2,480,952	\$ 30,180
2017	534,046	1,785,960	22,168
2016	515,384	1,271,037	7,634

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$7,123 and \$2,409, respectively for PERS and the State contributed \$2,560 and \$3,184, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$1,188,297 during the fiscal year ended June 30, 2018 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. 85.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$14,418,895 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District’s proportionate share was .06194 percent, which was an increase of .00183 percent from its proportionate share measured as of June 30, 2016 of .06011 percent.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,136,078 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 339,515	
Changes of Assumptions	2,904,910	\$ 2,894,260
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	98,183	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>493,978</u>	<u>116,577</u>
Total	<u>\$ 3,836,586</u>	<u>\$ 3,010,837</u>

At June 30, 2018, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 477,500
2020	477,499
2021	440,523
2022	(312,311)
2023	<u>(257,462)</u>
	<u>\$ 825,749</u>

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. 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 5.00%, 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 (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>17,887,618</u>	\$ <u>14,418,895</u>	\$ <u>11,529,019</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,416,233 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$107,055,071. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .15878 percent, which was an increase of .00003 percent from its proportionate share measured as of June 30, 2016 of .15875 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases: 2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
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, 2036
Municipal Bond Rate *	From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 127,184,782</u>	<u>\$ 107,055,071</u>	<u>\$ 90,472,127</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$1,602,394, \$1,488,111 and \$1,513,454, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,141,241. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$71,670,673. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .13361 percent, which was an increase of .00097 percent from its proportionate share measured as of June 30, 2016 of .13264 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>76,706,662</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 3,879,673
Interest on the Total OPEB Liability	2,254,098
Changes of Assumptions	(9,468,733)
Gross Benefit Payments	(1,766,058)
Contributions from the Member	<u>65,031</u>
Net Changes	\$ <u>(5,035,989)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>71,670,673</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>85,078,260</u>	\$ <u>71,670,673</u>	\$ <u>61,035,648</u>

**RIDGEFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>58,942,200</u>	\$ <u>71,670,673</u>	\$ <u>88,573,935</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

NOTE 5 SUBSEQUENT EVENTS

Appropriation of Fund Balance

On August 23, 2018, the Board approved the appropriation of an additional \$129,775 of unassigned fund balance of the General Fund to the 2018/2019 budget.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 20,717,526		\$ 20,717,526	\$ 20,717,526	
Tuition from Other LEAs within the State	10,700,760	\$ 60,000	10,760,760	11,454,863	\$ 694,103
Interest Income	1,020		1,020	50,108	49,088
Miscellaneous - Restricted	1,890,000	230,000	2,120,000	2,235,151	115,151
Miscellaneous - Unrestricted	107,230	-	107,230	96,318	(10,912)
Total Local	33,416,536	290,000	33,706,536	34,553,966	847,430
State Sources					
Special Education Aid	974,383		974,383	974,383	-
Equalization Aid	1,497,655	32,842	1,530,497	1,530,497	-
Extraordinary Aid	380,000		380,000	511,756	131,756
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	-
Lead Testing for Schools Aid				1,263	1,263
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				2,422,172	2,422,172
Pension - NCGI Premium				58,780	58,780
Post Retirement Medical Benefit Contribution				1,602,394	1,602,394
Long-Term Disability Insurance Premium				2,560	2,560
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,188,297	1,188,297
Total State	2,979,573	32,842	3,012,415	8,419,637	5,407,222
Federal Sources					
Medicaid Reimbursement	31,844	-	31,844	69,592	37,748
Total Federal Sources	31,844	-	31,844	69,592	37,748
Total Revenues	36,427,953	322,842	36,750,795	43,043,195	6,292,400
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	569,470	(8,720)	560,750	546,854	13,896
Grades 1-5	2,210,014	(105,464)	2,104,550	2,054,668	49,882
Grades 6-8	1,600,087	(99,712)	1,500,375	1,470,272	30,103
Grades 9-12	3,123,280	(55,500)	3,067,780	3,052,193	15,587
Regular Programs-Home Instruction					
Salaries of Teachers	15,000	(800)	14,200	5,774	8,426
Purchased Professional Educational Services	3,000	(1,200)	1,800	1,031	769
Regular Programs-Undistributed Instruction					
Other Purchased Services	290,463	(62,222)	228,241	211,141	17,100
General Supplies	171,045	93,699	264,744	235,140	29,604
Textbooks	4,000	108,882	112,882	112,528	354
Other Objects	30,300	3,500	33,800	26,994	6,806
Total Regular Programs	8,016,659	(127,537)	7,889,122	7,716,595	172,527
Behavioral Disabilities					
Salaries of Teachers	132,880	(30,320)	102,560	99,028	3,532
Other Salaries for Instruction	55,589	13,236	68,825	68,460	365
Purchased Professional Educational Services	13,700	(5,316)	8,384	2,599	5,785
Other Purchased Services	5,700	(684)	5,016	1,900	3,116
General Supplies	5,900	1,450	7,350	3,186	4,164
Textbooks		4,650	4,650	4,558	92
Other Objects	1,500	(100)	1,400	677	723
Total Behavioral Disabilities	215,269	(17,084)	198,185	180,408	17,777

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 1,534,967	\$ (266,627)	\$ 1,268,340	\$ 1,252,705	\$ 15,635
Other Salaries for Instruction	781,225	92,273	873,498	825,268	48,230
Purchased Professional Educational Service	16,200	200	16,400	12,486	3,914
Other Purchased Services	9,300	4,533	13,833	10,408	3,425
General Supplies	49,600	15,700	65,300	56,031	9,269
Other Objects	23,000	-	23,000	13,101	9,899
Total Multiple Disabilities	2,414,292	(153,921)	2,260,371	2,169,999	90,372
Resource Room/Resource Center					
Salaries of Teachers	1,426,843	(41,885)	1,384,958	1,268,643	116,315
Other Salaries for Instruction	172,234	8,475	180,709	178,011	2,698
General Supplies	-	800	800	-	800
Total Resource Room/Resource Center	1,599,077	(32,610)	1,566,467	1,446,654	119,813
Autism					
Salaries of Teachers	1,986,467	(294,833)	1,691,634	1,671,116	20,518
Other Salaries for Instruction	1,218,410	(249,369)	969,041	948,161	20,880
Purchased Professional Educational Services	52,900	(3,500)	49,400	23,315	26,085
Other Purchased Services	25,250	5,606	30,856	22,506	8,350
General Supplies	68,730	66,383	135,113	126,242	8,871
Other Objects	48,601	(8,200)	40,401	25,562	14,839
Total Autism	3,400,358	(483,913)	2,916,445	2,816,902	99,543
Preschool Disabilities - Full-Time					
Salaries of Teachers	163,060	(26,508)	136,552	125,609	10,943
Other Salaries for Instruction	145,972	29,799	175,771	172,765	3,006
Purchased Professional Educational Services	3,500	-	3,500	3,500	-
Other Purchased Services	3,406	359	3,765	1,502	2,263
General Supplies	7,656	(98)	7,558	7,558	-
Other Objects	1,500	(260)	1,240	626	614
Total Preschool Disabilities - Full-Time	325,094	3,292	328,386	311,560	16,826
Total Special Education	7,954,090	(684,236)	7,269,854	6,925,523	344,331
Basic Skills/Remedial - Instruction					
Salaries of Teachers	26,297	(15,627)	10,670	10,669	1
Total Basic Skills/Remedial - Instruction	26,297	(15,627)	10,670	10,669	1
Bilingual Education - Instruction					
Salaries of Teachers	214,880	39,287	254,167	246,511	7,656
Textbooks	2,000	(2,000)	-	-	-
Total Bilingual Education - Instruction	216,880	37,287	254,167	246,511	7,656
School Sponsored Co/Extra Curricular Activities					
Salaries	155,876	-	155,876	144,697	11,179
Supplies and Materials	23,877	4,580	28,457	26,883	1,574
Other Objects	59,640	(14,553)	45,087	26,606	18,481
Total School Sponsored Co/Extra Curricular Activities	239,393	(9,973)	229,420	198,186	31,234
School Sponsored Athletics					
Salaries	252,932	(9,876)	243,056	230,505	12,551
Purchased Services	27,250	(2,809)	24,441	20,478	3,963
Supplies and Materials	51,014	6,316	57,330	57,328	2
Other Objects	52,050	(1,080)	50,970	46,546	4,424
Total School Sponsored Athletics	383,246	(7,449)	375,797	354,857	20,940
Total Instruction	16,836,565	(807,535)	16,029,030	15,452,341	576,689

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to County Voc. School District-Regular	\$ 428,922	-	\$ 428,922	\$ 348,360	\$ 80,562
Tuition to County Voc. School District-Special	46,241	-	46,241	28,027	18,214
Tuition to Priv. Sch. for the Disabled -Within State	157,968	\$ (57,700)	100,268	49,000	51,268
Total Undistributed Expenditures- Instruction	633,131	(57,700)	575,431	425,387	150,044
Attendance and Social Work					
Salaries	41,841	(380)	41,461	41,461	-
Total Attendance and Social Work	41,841	(380)	41,461	41,461	-
Health Services					
Salaries	337,524	41,371	378,895	372,981	5,914
Purchased Professional/Technical Services	750	24,100	24,850	21,829	3,021
Supplies and Materials	12,650	6,996	19,646	15,538	4,108
Total Health Services	350,924	72,467	423,391	410,348	13,043
Speech, OT, PT, & Related Services					
Salaries	1,796,943	(328,524)	1,468,419	1,464,468	3,951
Purchased Professional/Educational Services	230,000	95,800	325,800	304,687	21,113
Supplies and Materials	26,350	(13,181)	13,169	2,346	10,823
Total Speech, OT, PT & Related Services	2,053,293	(245,905)	1,807,388	1,771,501	35,887
Other Support Services -Students- Extra Services					
Salaries	1,466,799	1,393,538	2,860,337	2,832,118	28,219
Total Other Support Services - Students - Extra Services	1,466,799	1,393,538	2,860,337	2,832,118	28,219
Guidance					
Salaries of Other Professional Staff	291,963	(1,246)	290,717	290,717	-
Salaries of Secretarial and Clerical Assistants	69,149	(394)	68,755	68,755	-
Purchased Professional/Educational Services	6,300	3,700	10,000	8,830	1,170
Other Purchased Professional & Technical Services	5,930	1,531	7,461	7,461	-
Supplies and Materials	3,850	830	4,680	3,448	1,232
Other Objects	445	170	615	125	490
Total Guidance	377,637	4,591	382,228	379,336	2,892
Child Study Team					
Salaries of Other Professional Staff	645,429	(7,585)	637,844	637,842	2
Salaries of Secretarial and Clerical Assistants	145,002	(2,318)	142,684	139,458	3,226
Purchased Professional-Educational Services	19,000	(8,500)	10,500	8,007	2,493
Other Purchased Professional & Technical Services	-	3,000	3,000	250	2,750
Other Purchased Services	140	-	140	140	-
Supplies and Materials	1,500	2,981	4,481	3,731	750
Other Objects	850	-	850	820	30
Total Child Study Team	811,921	(12,422)	799,499	790,108	9,391
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	432,420	(22,615)	409,805	407,261	2,544
Salaries of Other Professional Staff	-	1,178	1,178	1,178	-
Purchased Professional-Educational Services	6,126	(4,150)	1,976	499	1,477
Other Purchased Services	13,000	781	13,781	12,613	1,168
Supplies and Materials	6,900	1,900	8,800	8,370	430
Other Objects	2,975	-	2,975	2,960	15
Total Improvement of Inst. Serv.	461,421	(22,906)	438,515	432,881	5,634

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Educational Media/School Library					
Salaries	\$ 73,600	\$ 1,234	\$ 74,834	\$ 74,653	\$ 181
Supplies and Materials	5,216	(80)	5,136	2,969	2,167
Total Educational Media/School Library	78,816	1,154	79,970	77,622	2,348
Instructional Staff Training					
Purchased Professional-Educational Services	17,900	23,500	41,400	9,021	32,379
Total Instructional Staff Training	17,900	23,500	41,400	9,021	32,379
General Administration					
Salaries	387,629	(29,359)	358,270	343,538	14,732
Legal Services	90,000	(41,400)	48,600	44,492	4,108
Audit Fees	40,000	32,200	72,200	36,374	35,826
Other Purchased Professional Services	7,300	41,400	48,700	32,687	16,013
Communications/Telephone	124,300	12,400	136,700	136,213	487
BOE Other Purchased Services	1,000	-	1,000	975	25
Miscellaneous Purchased Services	203,814	(3,000)	200,814	196,356	4,458
General Supplies	4,200	1,200	5,400	4,595	805
BOE In-House Training / Meeting Supplies	2,500	-	2,500	553	1,947
Judgements Against School District	47,225	57,370	104,595	104,442	153
Miscellaneous Expenditures	4,000	4,720	8,720	7,438	1,282
BOE Membership Dues and Fees	16,800	(620)	16,180	15,872	308
Total General Administration	928,768	74,911	1,003,679	923,535	80,144
School Administration					
Salaries of Principals/Assistant Principals	1,009,574	(121,569)	888,005	865,965	22,040
Salaries of Secretarial and Clerical Assistants	252,390	-	252,390	250,975	1,415
Other Purchased Services	1,500	1,500	3,000	-	3,000
Supplies and Materials	68,325	10,909	79,234	62,906	16,328
Other Objects	9,175	-	9,175	5,740	3,435
Total School Administration	1,340,964	(109,160)	1,231,804	1,185,586	46,218
Central Services					
Salaries	405,469	(682)	404,787	403,785	1,002
Purchased Professional Services	1,000	1,500	2,500	213	2,287
Miscellaneous Purchased Services	2,900	12,600	15,500	11,965	3,535
Sales / Lease-back Payments	6,600	(6,600)	-	-	-
Supplies and Materials	15,400	9,500	24,900	18,193	6,707
Interest on Lease Purchase Agreements	7,102	(5,500)	1,602	-	1,602
Miscellaneous Expenditures	2,580	-	2,580	2,512	68
Total Central Services	441,051	10,818	451,869	436,668	15,201
Admin. Info. Technology					
Salaries	124,747	(4,184)	120,563	120,563	-
Purchased Professional Services	124,650	(6,965)	117,685	105,497	12,188
Supplies and Materials	27,210	1,300	28,510	28,504	6
Total Admin. Info. Technology	276,607	(9,849)	266,758	254,564	12,194
Required Maintenance for School Facilities					
Salaries	207,775	(6,410)	201,365	200,525	840
Cleaning, Repair and Maintenance Services	188,100	184,351	372,451	315,993	56,458
General Supplies	37,600	1,093	38,693	36,651	2,042
Other Objects	500	-	500	450	50
Total Required Maintenance for School Facilities	433,975	179,034	613,009	553,619	59,390
Custodial Services					
Salaries	738,933	(1,157)	737,776	732,423	5,353
Rental of Land/Bldgs Other Than Lease Purchase Agreement	520,300	-	520,300	520,300	-
Other Purchased Property Services	57,250	(4,263)	52,987	51,819	1,168
Insurance	97,000	(4,445)	92,555	92,430	125
General Supplies	81,000	8,002	89,002	88,693	309
Energy (Electricity)	359,000	51,000	410,000	391,475	18,525
Total Custodial Services	1,853,483	49,137	1,902,620	1,877,140	25,480

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	\$ 4,000	\$ (2,000)	\$ 2,000	\$ 1,325	\$ 675
General Supplies	4,000	(1,500)	2,500	2,438	62
Total Care and Upkeep of Grounds	8,000	(3,500)	4,500	3,763	737
Security					
Salaries	82,589	4,192	86,781	86,350	431
General Supplies	-	11,847	11,847	11,842	5
Total Security	82,589	16,039	98,628	98,192	436
Student Transportation Services					
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	302,518	(162,289)	140,229	137,817	2,412
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)		175,089	175,089	172,670	2,419
Cleaning, Repair & Maint. Services	54,750	(4,917)	49,833	48,581	1,252
Lease Purchase Payments - School Buses	37,597	37,597	75,194	75,192	2
Contr. Serv. (Bet. Home & Sch)-Vendor	130,700	(18,500)	112,200	110,713	1,487
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	15,485	(6,300)	9,185	5,786	3,399
Contr. Serv. (Spec. Ed. Students)-Vendors	25,000	(13,000)	12,000	9,722	2,278
Miscellaneous Purchased Services - Transportation	15,000	695	15,695	15,695	-
General Supplies		13,274	13,274	3,200	10,074
Transportation Supplies	37,500	2,500	40,000	38,667	1,333
Total Student Transportation Services	618,550	24,149	642,699	618,043	24,656
Unallocated Employee Benefits					
Social Security Contributions	566,100	9,090	575,190	573,822	1,368
Other Retirement Contributions - PERS	575,000	93,901	668,901	668,841	60
Other Retirement Contributions - Deferred PERS Pymt		25,541	25,541	25,541	-
Other Retirement Contributions - Regular	33,000	-	33,000	30,180	2,820
Unemployment Compensation	92,000	4,500	96,500	96,351	149
Workers Compensation	293,914	79,000	372,914	372,817	97
Health Benefits	6,120,281	(462,426)	5,657,855	5,503,197	154,658
Tuition Reimbursement	40,000	(11,504)	28,496	9,519	18,977
Other Employee Benefits	40,000	42,215	82,215	75,663	6,552
Unused Sick Payments to Terminated/Retired Staff	60,000	-	60,000	53,743	6,257
Total Unallocated Employee Benefits	7,820,295	(219,683)	7,600,612	7,409,674	190,938
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				2,422,172	(2,422,172)
Pension - NCGI Premium				58,780	(58,780)
Post Retirement Medical Benefit Contribution				1,602,394	(1,602,394)
Long-Term Disability Insurance Premium				2,560	(2,560)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,188,297	(1,188,297)
Total TPAF On-Behalf	-	-	-	5,274,203	(5,274,203)
Total Undistributed Expenditures	20,097,965	1,167,833	21,265,798	25,804,770	(4,538,972)
Interest Earned on Maintenance Reserve	470	-	470	-	470
Total Current Expenditures	36,935,000	360,298	37,295,298	41,257,111	(3,961,813)
CAPITAL OUTLAY					
Equipment					
Kindergarten		2,538	2,538	2,538	-
Grades 6-8		15,195	15,195	15,195	-
Grades 9-12		39,735	39,735	39,530	205
School Sponsored and Other Instructional Program		6,907	6,907	6,907	-
Special Education - Instruction					
Autism		60,189	60,189	60,189	-
Undistributed Expenditures					
Admin Info Tech		18,120	18,120	-	18,120
Required Maintenance for School Facilities		7,697	7,697	-	7,697
Security		35,322	35,322	22,638	12,684
Student Trans-Non-Instructional Equipment	-	8,026	8,026	-	8,026
Total Equipment	-	193,729	193,729	146,997	46,732

**RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Facilities Acquisition and Construction Services					
Lease Purchase Agreements - Principal	\$ 82,261	-	\$ 82,261	\$ 83,561	\$ (1,300)
Assessment for Debt Service on SDA Funding	474	-	474	474	-
Total Facilities Acquisition and Construction Services	82,735	-	82,735	84,035	(1,300)
Interest Deposit to Capital Reserve	550	-	550	-	550
Assets Acquired Under Capital Leases (Nonbudgeted)					
Equipment					
Student Transportation - School Bus	-	-	-	106,678	(106,678)
Total Capital Outlay	83,285	\$ 193,729	277,014	337,710	(60,696)
Total Expenditures	37,018,285	554,027	37,572,312	41,594,821	(4,022,509)
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(590,332)	(231,185)	(821,517)	1,448,374	2,269,891
Other Financing Sources/(Uses)					
Transfers In - Capital Projects Fund				1,313	1,313
Transfer - Capital Reserve to Capital Projects Fund	(130,000)	-	(130,000)	(5,546)	124,454
Capital Lease Proceeds	-	-	-	106,678	106,678
Total Other Financing Sources/(Uses)	(130,000)	-	(130,000)	102,445	232,445
Excess/(Deficiency) of Revenues & Other Financing					
Sources Over/(Under) Expenditures & Other					
Financing Uses	(720,332)	(231,185)	(951,517)	1,550,819	2,502,336
Fund Balances, Beginning of Year	2,864,461	-	2,864,461	2,864,461	-
Fund Balances, End of Year	\$ 2,144,129	\$ (231,185)	\$ 1,912,944	\$ 4,415,280	\$ 2,502,336
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 1,175,552	
Capital Reserve - Designated for Subsequent Year's Expenditures				146,000	
Maintenance Reserve				561,900	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				62,000	
Tuition Adjustments - 2017/2018				350,000	
Tuition Adjustments - 2016/2017 - Designated for Subsequent Year's Expenditures				320,000	
Excess Surplus				400,000	
Assigned Fund Balance					
Year End Encumbrances				241,373	
Designated for Subsequent Year's Expenditures				302,309	
Unassigned Fund Balance				856,146	
Fund Balance - Budgetary Basis				4,415,280	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				(773,051)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,642,229	

**RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 30,960	-	\$ 30,960	\$ 26,723	\$ (4,237)
Federal	583,350	\$ 269,854	853,204	718,140	(135,064)
Local	-	89,531	89,531	68,301	(21,230)
Total Revenues	<u>614,310</u>	<u>359,385</u>	<u>973,695</u>	<u>813,164</u>	<u>(160,531)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	218,200	69,791	287,991	253,515	34,476
Other Purchased Services	315,150	32,044	347,194	286,772	60,422
General Supplies	12,000	77,931	89,931	72,013	17,918
Other Objects	-	3,500	3,500	1,785	1,715
Total Instruction	<u>545,350</u>	<u>183,266</u>	<u>728,616</u>	<u>614,085</u>	<u>114,531</u>
Support Services					
Salaries	30,960	1,051	32,011	27,337	4,674
Other Salaries		48,702	48,702	44,130	4,572
Purchased Professional / Technical Services	38,000	11,350	49,350	24,540	24,810
Purchased Property Services		2,500	2,500	2,405	95
Other Purchased Services		9,749	9,749	7,565	2,184
Supplies and Materials		9,752	9,752	6,209	3,543
Other Objects	-	1,031	1,031	-	1,031
Total Support Services	<u>68,960</u>	<u>84,135</u>	<u>153,095</u>	<u>112,186</u>	<u>40,909</u>
Unallocated Benefits					
Personnel Services - Employee Benefits	-	80,925	80,925	76,566	4,359
Total Unallocated Benefits	<u>-</u>	<u>80,925</u>	<u>80,925</u>	<u>76,566</u>	<u>4,359</u>
Facilities Acquisition and Construction					
Instructional Equipment		11,059	11,059	10,327	732
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acq. & Construction	<u>-</u>	<u>11,059</u>	<u>11,059</u>	<u>10,327</u>	<u>732</u>
Total Expenditures	<u>614,310</u>	<u>359,385</u>	<u>973,695</u>	<u>813,164</u>	<u>160,531</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund 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, 2018**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 43,043,195	\$ 813,164
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2016/2017 State Aid)	810,255	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2017/2018 State Aid)	<u>(773,051)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 43,080,399</u>	<u>\$ 813,164</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 41,594,821</u>	<u>\$ 813,164</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 41,594,821</u>	<u>\$ 813,164</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PENSION INFORMATION
AND**

OTHER POST-EMPLOYMENT BENEFITS 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 Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06194%	0.06011%	0.05995%	0.06122%	0.05919%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,418,895	\$ 17,804,103	\$ 13,456,915	\$ 11,462,175	\$ 11,312,269
District's Covered-Employee Payroll	\$ 4,423,947	\$ 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	325.93%	426.83%	333.38%	297.53%	290.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.52%

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* 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 Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 573,818	\$ 534,046	\$ 515,384	\$ 499,478	\$ 451,196
Contributions in Relation to the Contractually Required Contribution	<u>573,818</u>	<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>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 4,423,947	\$ 4,171,277	\$ 4,036,455	\$ 3,852,382	\$ 3,897,331
Contributions as a Percentage of Covered-Employee Payroll	12.97%	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 Five Fiscal Years*

	<u>2018</u>	<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%	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>107,055,071</u>	<u>124,885,079</u>	<u>98,810,252</u>	<u>82,839,005</u>	<u>82,264,814</u>
Total	<u>\$ 107,055,071</u>	<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	\$ 17,086,167	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	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, 2018**

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.

**RIDGEFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 3,879,673
Interest on Total OPEB Liability	2,254,098
Changes of Assumptions	(9,468,733)
Gross Benefit Payments	(1,766,058)
Contribution from the Member	65,031
Net Change in Total OPEB Liability	(5,035,989)
Total OPEB Liability - Beginning	76,706,662
Total OPEB Liability - Ending	\$ 71,670,673
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	71,670,673
Total OPEB Liability - Ending	\$ 71,670,673
District's Covered-Employee Payroll	\$ 21,510,114
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2018

REVENUES	IDEA Basic	IDEA Preschool	Title I	Title II A	Title III	Title III Immigrant	Title IV	Temporary Emergency Impact Aid	Bergen County Workforce	Respite DDD	Local Grants	Total
Intergovernmental												
State										\$ 26,723		\$ 26,723
Federal	\$ 306,667	\$ 19,789	\$ 289,176	\$ 35,905	\$ 15,409	\$ 4,940	\$ 9,254	\$ 37,000				718,140
Local	-	-	-	-	-	-	-	-	\$ 46,865	-	\$ 21,436	68,301
Total Revenues	\$ 306,667	\$ 19,789	\$ 289,176	\$ 35,905	\$ 15,409	\$ 4,940	\$ 9,254	\$ 37,000	\$ 46,865	\$ 26,723	\$ 21,436	\$ 813,164
EXPENDITURES												
Instruction												
Salaries of Teachers		\$ 15,315	\$ 198,130					\$ 28,069	\$ 5,571		\$ 6,430	\$ 253,515
Other Purchased Services	\$ 286,772											286,772
General Supplies	15,027	185	9,726	\$ 15,000	\$ 9,648	\$ 4,940		8,931			8,556	72,013
Other Objects	-	-	-	-	-	-	-	-	-	-	1,785	1,785
Total Instruction	301,799	15,500	207,856	15,000	9,648	4,940	-	37,000	5,571	-	16,771	614,085
Support Services												
Salaries			13,770		302					\$ 13,265		27,337
Other Salaries									33,950	10,180		44,130
Personnel Services - Employee Benefits		4,289	67,460						3,024	1,793		76,566
Purchased Prof. / Technical Services				15,600			\$ 8,940					24,540
Purchased Property Services											2,405	2,405
Other Purchased Services				5,305							2,260	7,565
Supplies and Materials	-	-	90	-	-	-	314	-	4,320	1,485	-	6,209
Total Support Services	-	4,289	81,320	20,905	302	-	9,254	-	41,294	26,723	4,665	188,752
Facilities Acquisition and Construction												
Instructional Equipment	4,868				5,459							10,327
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acq. & Construction	4,868	-	-	-	5,459	-	-	-	-	-	-	10,327
Total Expenditures	\$ 306,667	\$ 19,789	\$ 289,176	\$ 35,905	\$ 15,409	\$ 4,940	\$ 9,254	\$ 37,000	\$ 46,865	\$ 26,723	\$ 21,436	\$ 813,164

**RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Transfers to Other Funds</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	466,891	466,891		
Slocum-Skewes Middle School	1,522,442	1,522,442		
Memorial High School	1,069,804	1,069,804		
Installation of Modular Classrooms	<u>433,163</u>	<u>431,850</u>	<u>1,313</u>	<u>-</u>
	<u>\$ 6,392,300</u>	<u>\$ 6,358,151</u>	<u>\$ 34,149</u>	<u>\$ -</u>

Analysis of Reserve for Debt Service

<u>Issue</u>	<u>Unexpended Bond Proceeds Balance, July 1, 2017</u>	<u>Transfer out to Debt Service Fund</u>	<u>Balance, June 30, 2018</u>
2007 Bonds - Boiler Replacement High School and Elementary Schools	<u>\$ 99</u>	<u>99</u>	<u>\$ -</u>
	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ -</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, 2018**

Revenues and Other Financing Sources

Other Financing Sources

Transfer from Capital Reserve

\$ 5,546

Total Revenues and Other Financing sources

5,546**Expenditures and Other Financing Uses**

Other Financing Uses

Transfer Out General Fund

1,313

Transfer Out Debt Service Fund

32,935

Total Expenditures and Other Financing Uses

34,248

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses

(28,702)

Fund Balance, Beginning of Year

28,702

Fund Balance, End of Year

\$ -

**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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 2,900,000	-	\$ 2,900,000	\$ 2,900,000
Total Revenues and Other Financing Sources	<u>2,900,000</u>	<u>-</u>	<u>2,900,000</u>	<u>2,900,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	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
Transfer to Debt Service Fund	-	\$ 32,836	32,836	-
Total Expenditures and Other Financing Uses	<u>2,867,164</u>	<u>32,836</u>	<u>2,900,000</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>\$ (32,836)</u>	<u>\$ -</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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Transfers</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 339,750		\$ (64,180)	\$ 275,570	\$ 275,570
State Sources - SDA Grant	191,321	-	-	191,321	191,321
	<u>531,071</u>	<u>-</u>	<u>(64,180)</u>	<u>466,891</u>	<u>466,891</u>
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	37,309			37,309	37,309
Construction Services	420,000			420,000	420,000
Other Objects - Cost of Issuance	9,582	-	-	9,582	9,582
	<u>466,891</u>	<u>-</u>	<u>-</u>	<u>466,891</u>	<u>466,891</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 64,180</u>	<u>\$ -</u>	<u>\$ (64,180)</u>	<u>\$ -</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	(99,359)
Revised Authorized Cost	\$ 466,891

Percentage Increase(Decrease) Over Original

Authorized Cost	-17.55%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Transfers</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 996,215		\$ (89,661)	\$ 906,554	\$ 906,554
State Sources - SDA Grant	<u>615,888</u>	<u>-</u>	<u>-</u>	<u>615,888</u>	<u>615,888</u>
Total Revenues and Other Financing Sources	<u>1,612,103</u>	<u>-</u>	<u>(89,661)</u>	<u>1,522,442</u>	<u>1,522,442</u>
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	120,077			120,077	120,077
Construction Services	1,374,268			1,374,268	1,374,268
Other Objects - Cost of Issuance	<u>28,097</u>	<u>-</u>	<u>-</u>	<u>28,097</u>	<u>28,097</u>
Total Expenditures and Other Financing Uses	<u>1,522,442</u>	<u>-</u>	<u>-</u>	<u>1,522,442</u>	<u>1,522,442</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 89,661</u>	<u>\$ -</u>	<u>\$ (89,661)</u>	<u>\$ -</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	(137,917)
Revised Authorized Cost	\$ 1,522,442

Percentage Increase(Decrease) Over Original

Authorized Cost	-8.31%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Transfers</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 471,035		\$ 153,841	\$ 624,876	\$ 624,876
State Sources - SDA Grant	294,382			294,382	294,382
Transfer from Capital Reserve	145,000	\$ 5,546	-	150,546	150,546
	<u>910,417</u>	<u>5,546</u>	<u>153,841</u>	<u>1,069,804</u>	<u>1,069,804</u>
Expenditures and Other Financing Uses					
Purchased Professional and Technical Services	89,423			89,423	89,423
Construction Services	967,081			967,081	967,081
Other Objects - Cost of Issuance	13,300	-	-	13,300	13,300
	<u>1,069,804</u>	<u>-</u>	<u>-</u>	<u>1,069,804</u>	<u>1,069,804</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (159,387)</u>	<u>\$ 5,546</u>	<u>\$ 153,841</u>	<u>\$ -</u>	<u>\$ -</u>

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	283,849
Revised Authorized Cost	\$ 1,069,804

Percentage Increase(Decrease) Over Original

Authorized Cost	36.12%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 433,000		\$ 433,000	\$ 433,000
Interest	163	-	163	163
	<u>433,163</u>	<u>-</u>	<u>433,163</u>	<u>433,163</u>
Expenditures and Other Financing Uses				
Construction Services	431,850		431,850	433,163
Transfer to General Fund	-	\$ 1,313	1,313	-
	<u>431,850</u>	<u>1,313</u>	<u>433,163</u>	<u>433,163</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,313</u>	<u>\$ (1,313)</u>	<u>\$ -</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, 2018**

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, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 94,245	\$ 243,566	\$ 337,811
Total Assets	<u>\$ 94,245</u>	<u>\$ 243,566</u>	<u>\$ 337,811</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 242,138	\$ 242,138
Due to Other Funds		1,428	1,428
Due to Student Groups	<u>\$ 94,245</u>	<u>-</u>	<u>94,245</u>
Total Liabilities	<u>\$ 94,245</u>	<u>\$ 243,566</u>	<u>\$ 337,811</u>

**RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

	<u>Balance, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
ELEMENTARY SCHOOLS				
Bergen Boulevard	\$ 3,506	\$ 11,432	\$ 12,022	\$ 2,916
Shaler Academy	1,239	8,216	8,139	1,316
Slocum Skewes	41,007	93,744	94,138	40,613
	<hr/>	<hr/>	<hr/>	<hr/>
Total High School	45,752	113,392	114,299	44,845
HIGH SCHOOL				
Student Activities Fund	33,286	197,603	181,491	49,398
Athletic Account	476	29,279	29,753	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total High School	33,762	226,882	211,244	49,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	\$ 79,514	\$ 340,274	\$ 325,543	\$ 94,245

**RIDGEFIELD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2018</u>
ASSETS				
Cash	\$ 214,284	\$ 26,927,348	\$ 26,898,066	\$ 243,566
Total Assets	<u>\$ 214,284</u>	<u>\$ 26,927,348</u>	<u>\$ 26,898,066</u>	<u>\$ 243,566</u>
LIABILITIES				
Accrued Salaries and Wages		\$ 14,902,862	\$ 14,902,862	
Payroll Deductions and Withholdings	\$ 213,156	12,019,992	11,991,010	\$ 242,138
Due to Other Funds	<u>1,128</u>	<u>4,494</u>	<u>4,194</u>	<u>1,428</u>
Total Liabilities	<u>\$ 214,284</u>	<u>\$ 26,927,348</u>	<u>\$ 26,898,066</u>	<u>\$ 243,566</u>

LONG-TERM DEBT

**RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2018</u>
School Bonds	2/5/2013	\$ 2,900,000	2/1/2019	\$ 190,000	2.00%	\$ 2,210,000			
			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%				
							\$ 185,000	\$ 2,025,000	
School Bonds	1/28/2015	\$ 1,807,000	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%	1,607,000		\$ 100,000	\$ 1,507,000
			2/15/2030	125,000	3.000%				
Refunding School Bonds	12/2/2015	3,540,000	2/15/2019	440,000	4.000%				
			2/15/2020	460,000	4.000%				
			2/15/2021	475,000	5.000%				
			2/15/2022	505,000	4.500%				
			2/15/2023	235,000	2.250%				
			2/15/2024	245,000	5.000%				
			2/15/2025	250,000	5.000%				
			2/15/2026	245,000	3.000%				
			2/15/2027	240,000	3.000%				
					3,525,000	-	430,000	3,095,000	
					<u>\$ 7,342,000</u>	<u>\$ -</u>	<u>\$ 715,000</u>	<u>\$ 6,627,000</u>	
							<u>\$ 715,000</u>		

Paid by Budget Appropriation

\$ 715,000

**RIDGEFIELD BOARD OF EDUCATION
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2017</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance, June 30, 2018</u>
Lease Purchase Agreements:						
Computers - Apple (Supplies)	0.00%	\$ 288,032	\$ 216,024		\$ 72,008	\$ 144,016
Capital Leases:						
Acquisition of Modular Classrooms	2.06%	433,000	344,716		83,561	261,155
School Bus	3.89%	106,678	<u>-</u>	<u>\$ 106,678</u>	<u>35,658</u>	<u>71,020</u>
Grand Total			<u>\$ 560,740</u>	<u>\$ 106,678</u>	<u>\$ 191,227</u>	<u>\$ 476,191</u>
				Paid by Budget Appropriation	<u>\$ 191,227</u>	

**RIDGEFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 707,287		\$ 707,287	\$ 707,287	
State Sources					
State Aid Type II	<u>190,556</u>	<u>-</u>	<u>190,556</u>	<u>190,556</u>	<u>-</u>
Total Revenues	<u>897,843</u>	<u>-</u>	<u>897,843</u>	<u>897,843</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	228,898	-	228,898	228,898	-
Redemption of Bond Principal	<u>715,000</u>	<u>-</u>	<u>715,000</u>	<u>715,000</u>	<u>-</u>
Total Expenditures	<u>943,898</u>	<u>-</u>	<u>943,898</u>	<u>943,898</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,055)	-	(46,055)	(46,055)	-
OTHER FINANCING SOURCES					
Transfers In - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	32,935	<u>\$ 32,935</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	32,935	<u>32,935</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(46,055)	-	(46,055)	(13,120)	32,935
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,935</u>	<u>\$ 32,935</u>

Recapitulation of Fund Balance

Restricted for Debt Service:	
Available for Debt Service Expenditures	<u>\$ 32,935</u>
Total Fund Balance Restricted for Debt Service	<u>\$ 32,935</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 4,322,249
Restricted	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	2,648,387
Unrestricted	(553,566)	(1,501,274)	(1,121,981)	(604,785)	(255,318)	(11,385,408)	(11,276,955)	(13,002,895)	(13,795,052)	(13,618,411)
Total Governmental Activities Net Position	<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>	<u>\$ (6,647,775)</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 61,717	\$ 47,354	\$ 59,088	\$ 63,381	\$ 51,236	\$ 67,051	\$ 52,441	\$ 51,151	\$ 29,485	\$ 16,193
Restricted										
Unrestricted	151,842	134,686	111,408	187,998	236,657	252,906	276,464	174,569	95,895	99,463
Total Business-Type Activities Net Position	<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>	<u>\$ 115,656</u>
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 4,338,442
Restricted	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	2,648,387
Unrestricted	(401,724)	(1,366,588)	(1,010,573)	(416,787)	(18,661)	(11,132,502)	(11,000,491)	(12,828,326)	(13,699,157)	(13,518,948)
Total District Net Position	<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>	<u>\$ (6,532,119)</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 15,999,711
Special Education	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	13,176,320
Other Special Education	511,354	506,271	504,255	342,974	504,280	480,261	578,320	582,419	345,694	530,157
School Sponsored Activities And Athletics	1,021,802	919,972	827,881	793,052	825,877	742,480	728,119	771,627	782,762	795,956
Support Services:										
Student & Instruction Related Services	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	12,248,099
General Administration	900,900	866,824	969,508	1,058,584	798,885	929,529	1,121,078	1,273,490	1,247,360	1,248,747
School Administrative Services	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	2,254,948
Central and Other Support Services	652,208	640,569	648,492	688,824	774,518	796,983	882,660	1,031,131	1,025,802	1,105,356
Plant Operations And Maintenance	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	3,724,244
Pupil Transportation	787,212	820,703	762,056	579,360	555,123	632,085	605,601	664,366	710,929	825,445
Interest on long-term debt	332,069	347,694	341,950	306,829	312,560	303,418	315,406	276,025	232,163	207,693
Total Governmental Activities Expenses	34,781,071	36,165,534	34,486,774	34,090,451	35,985,232	37,078,035	42,036,588	46,014,663	50,942,121	52,116,676
Business-Type Activities:										
Food service	681,243	647,835	642,297	651,540	680,824	718,142	689,261	684,198	675,477	641,350
Saturday Happenings	299,513	276,291	299,322	257,443	266,953	271,238	278,432	381,873	378,962	333,192
Total Business-Type Activities Expense	980,756	924,126	941,619	908,983	947,777	989,380	967,693	1,066,071	1,054,439	974,542
Total District Expenses	\$ 35,761,827	\$ 37,089,660	\$ 35,428,393	\$ 34,999,434	\$ 36,933,009	\$ 38,067,415	\$ 43,004,281	\$ 47,080,734	\$ 51,996,560	\$ 53,091,218
Program Revenues										
Governmental Activities:										
Charges for services:										
Instruction	\$ 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	\$ 11,649,589
Support Services	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	2,188,807
Operating grants and contributions	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	16,300,048
Capital grants and contributions	-	-	36,216	-	4,088	73,769	202,000	983,320	5,459	10,327
Total Governmental Activities Program Revenues	16,010,572	17,179,448	15,616,954	15,339,296	16,961,802	17,350,031	21,770,124	24,102,670	27,646,333	30,148,771
Business-Type Activities:										
Charges for services										
Food Service	463,676	459,671	431,919	412,146	392,740	413,430	693,693	348,755	334,249	324,485
Saturday Happenings	256,181	232,184	281,527	327,306	325,861	332,382	282,256	304,718	294,540	318,379
Operating grants and contributions	184,598	200,305	215,745	249,531	264,850	274,770	308,680	324,642	320,309	320,309
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	904,455	892,160	929,191	988,983	983,451	1,020,582	975,949	962,153	953,431	963,173
Total District Program Revenues	\$ 16,915,027	\$ 18,071,608	\$ 16,546,145	\$ 16,328,279	\$ 17,945,253	\$ 18,370,613	\$ 22,746,073	\$ 25,064,823	\$ 28,599,764	\$ 31,111,944

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (18,770,499)	\$ (18,986,086)	\$ (18,869,820)	\$ (18,751,155)	\$ (19,023,430)	\$ (19,728,004)	\$ (20,266,454)	\$ (21,911,993)	\$ (23,295,788)	\$ (21,967,905)
Business-Type Activities	(76,301)	(31,966)	(12,428)	80,000	35,674	31,202	8,256	(103,918)	(101,008)	(11,369)
Total District-Wide Net Expense	\$ (18,846,800)	\$ (19,018,052)	\$ (18,882,248)	\$ (18,671,155)	\$ (18,987,756)	\$ (19,696,802)	\$ (20,258,208)	\$ (22,015,911)	\$ (23,396,796)	\$ (21,979,274)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 20,717,526
Taxes levied for debt service	256,775	42,772	75,437	75,437	74,667	301,212	300,291	415,750	818,901	707,287
Unrestricted aid and contributions	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	1,693,906
Investment earnings	81,471	37,028	33,847	18,851	26,893	29,366	17,736	9,667	13,733	50,108
Miscellaneous income	83,013	129,596	68,183	143,286	98,886	206,375	79,732	88,271	149,666	96,318
Transfers	(74,596)	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	17,500,874	18,071,553	17,876,189	19,087,605	19,674,390	20,561,044	20,830,141	21,470,060	22,664,449	23,265,145
Business-Type Activities:										
Investment earnings	639	447	884	883	840	862	692	733	668	1,645
Transfers	74,596	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	75,235	447	884	883	840	862	692	733	668	1,645
Total District-Wide	\$ 17,576,109	\$ 18,072,000	\$ 17,877,073	\$ 19,088,488	\$ 19,675,230	\$ 20,561,906	\$ 20,830,833	\$ 21,470,793	\$ 22,665,117	\$ 23,266,790
Change In Net Position										
Governmental Activities	\$ (1,269,625)	\$ (914,533)	\$ (993,631)	\$ 336,450	\$ 650,960	\$ 833,040	\$ 563,677	\$ (441,933)	\$ (631,339)	\$ 1,297,240
Business-Type Activities	(1,066)	(31,519)	(11,544)	80,883	36,514	32,064	8,948	(103,185)	(100,340)	(9,724)
Total District	\$ (1,270,691)	\$ (946,052)	\$ (1,005,175)	\$ 417,333	\$ 687,474	\$ 865,104	\$ 572,625	\$ (545,118)	\$ (731,679)	\$ 1,287,516

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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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,205,137	\$ 1,952,850								
Unreserved	(83,880)	(96,900)								
Restricted			\$ 870,001	\$ 830,001	\$ 1,414,615	\$ 1,949,361	\$ 2,276,311	\$ 1,987,000	\$ 1,615,545	\$ 3,015,452
Committed			74,570		299,677					
Assigned			319,314	557,523	257,017	487,665	740,305	225,062	361,909	543,682
Unassigned	-	-	197,371	106,068	89,035	164,944	124,418	(3,366)	76,752	83,095
Total General Fund	\$ 2,121,257	\$ 1,855,950	\$ 1,461,256	\$ 1,493,592	\$ 2,060,344	\$ 2,601,970	\$ 3,141,034	\$ 2,208,696	\$ 2,054,206	\$ 3,642,229
All Other Governmental Funds										
Reserved		\$ 3,120,895								
Unreserved	\$ 3,488,562	1								
Restricted	-	-	\$ 2,745,896	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228	\$ 130,416	\$ 74,757	\$ 32,935
Total All Other Governmental Funds	\$ 3,488,562	\$ 3,120,896	\$ 2,745,896	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228	\$ 130,416	\$ 74,757	\$ 32,935

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>									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 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	\$ 21,424,813
Tuition Charges	10,478,751	10,659,427	10,385,049	9,005,163	9,951,375	10,519,040	10,383,640	9,922,070	10,970,846	11,454,863
Interest Earnings	81,471	37,028	33,847	18,851	26,893	29,366	11,343	9,667	13,733	50,108
Miscellaneous	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	2,399,770
State Sources	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	8,674,120
Federal Sources	679,607	1,348,625	707,914	705,983	634,952	741,077	666,039	868,032	832,167	787,732
Total Revenue	33,748,241	34,799,633	33,886,869	34,389,305	36,673,801	37,844,088	39,040,050	40,762,549	42,631,193	44,791,406
Expenditures										
Instruction										
Regular Instruction	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	12,519,366
Special Education Instruction	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	10,729,506
Other Special Instruction	507,951	504,636	505,615	342,974	504,280	479,365	505,703	488,692	269,415	416,666
School Sponsored Activities And Athletics	1,003,167	919,972	827,881	793,052	825,877	741,446	720,468	741,526	718,938	712,502
Support Services:										
Student & Inst. Related Services	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	10,058,865
General Administration	906,105	845,869	965,461	1,078,106	744,567	926,596	1,081,292	1,081,767	1,106,180	1,108,874
School Administrative Services	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	1,780,143
Central and Other Support Services	672,759	640,569	648,492	688,151	773,845	795,627	845,270	936,202	881,184	939,482
Plant Operations And Maintenance	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	2,965,911
Pupil Transportation	732,629	798,217	728,805	540,152	530,473	608,157	580,340	611,742	631,008	712,402
Employee Benefits										
Capital Outlay	317,012	353,009	46,369	309,901	443,480	2,842,862	1,009,193	3,892,273	530,791	264,002
Debt Service:										
Principal	418,147	421,563	566,319	631,647	1,057,286	649,299	672,746	815,987	925,292	906,227
Interest And Other Charges	331,069	322,759	337,216	313,744	296,132	322,833	300,969	260,761	256,179	237,937
Payment to Escrow Agent								823,736		
Bond Issuance Costs					42,880			100,918		
Total Expenditures	34,919,516	36,397,603	34,656,563	34,731,759	36,970,626	39,823,301	39,412,110	45,380,649	42,841,342	43,351,883
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,171,275)	(1,597,970)	(769,694)	(342,454)	(296,825)	(1,979,213)	(372,060)	(4,618,100)	(210,149)	1,439,523
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	183,744	21,047								106,678
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	40,843	384,305	387,470	382,792	383,755	383,166	388,393	1,241,394	145,051	39,794
Transfers Out	(115,439)	(384,305)	(387,470)	(382,792)	(383,775)	(383,166)	(388,393)	(1,241,394)	(145,051)	(39,794)
Total Other Financing Sources (Uses)	109,148	964,997	-	-	3,111,642	-	1,807,000	821,950	-	106,678
Net Change In Fund Balances	\$ (1,062,127)	\$ (632,973)	\$ (769,694)	\$ (342,454)	\$ 2,814,817	\$ (1,979,213)	\$ 1,434,940	\$ (3,796,150)	\$ (210,149)	\$ 1,546,201
Debt Service As A Percentage Of Noncapital Expenditures	2.17%	2.07%	2.61%	2.75%	3.71%	2.63%	2.54%	4.82%	2.79%	2.66%

* 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>
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
2018	50,108	11,454,863	1,521,911	713,240	7,504	3,171	2,663	39,435	43,545	13,836,440

Source: District financial statements

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

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (%)
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
2018	57,699,500	982,878,900			204,896,500	249,934,400	67,523,300	1,562,932,600	1,018,288	1,563,950,888	1,955,370,692	1.3960

Source: County Abstract of Ratables

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		
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	
2018	1.396	0.674	0.041	0.306	2.417	

Source: County Abstract of Ratables

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

Taxpayer	2018		2009	
	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	1.75%
PSEG Power LLC	33,693,400	2.15%	34,678,500	1.88%
Hudson Transmission Partners	25,786,500	1.65%		
Metro Point LLC C/O CBRE	23,212,100	1.48%		
Genzyme Biosurgery	21,500,000	1.37%		
FNL Realty LP	19,532,000	1.25%	20,089,500	1.09%
Ridgefield Industrial LLC	18,178,500	1.16%	18,500,000	1.00%
Ridgefield Holding Corp.	17,707,700	1.13%	18,000,000	0.98%
PSEG Fossil LLC	17,000,500	1.09%	18,000,000	0.98%
DCT 101 RRNJ LLC	17,000,000	1.09%		
CSX			20,336,500	1.10%
Plastic Specialties & Tech. Inc.			15,868,000	0.86%
Ridgefield Gardens LLC			15,500,000	0.84%
Public Service Electric & Gas Co.			14,483,100	0.79%
	<u>\$ 228,679,300</u>	<u>14.62%</u>	<u>\$ 207,655,600</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	
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
2018	21,424,813	21,424,813	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>Capital Leases and Lease Purchase Agreements</u>	<u>Sale/Leaseback Contracts</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2009	\$ 7,758,000	\$ 148,188		\$ 7,906,188	10,880	\$ 727
2010	7,398,000	551,622	\$ 500,000	8,449,622	11,048	765
2011	7,023,000	360,303	500,000	7,883,303	11,138	708
2012	6,633,000	237,831	380,825	7,251,656	11,212	647
2013	9,128,000	178,032		9,306,032	11,274	825
2014	8,538,000	118,733		8,656,733	11,317	765
2015	9,730,000	60,987		9,790,987	11,366	861
2016	8,107,000	721,032		8,828,032	11,396	775
2017	7,342,000	560,740		7,902,740	11,435	691
2018	6,627,000	476,191		7,103,191	11,435 E	621

Source: District records

E - Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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%	380
2013	9,128,000	1,996,106	7,131,894	0.46%	633
2014	8,538,000	1,620,835	6,917,165	0.44%	611
2015	9,730,000	1,238,835	8,491,165	0.55%	747
2016	8,107,000	46,154	8,060,846	0.52%	707
2017	7,342,000	46,154	7,295,846	0.47%	638
2018	6,627,000	32,935	6,594,065	0.42%	577

Source: District records

**RIDGEFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Ridgefield Board of Education (as of June 30, 2018)	\$ 6,627,000
Borough of Ridgefield	<u>12,219,434</u>
	<u>18,846,434</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	13,707,951
Bergen County Utilities Authority - Water Pollution (B)	<u>4,735,492</u>
	<u>18,443,443</u>
Total Direct and Overlapping Debt	<u>\$ 37,289,877</u>

Source:

(1) Borough's 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2017 equalized value by the total 2017 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2017 billings by the total 2017 billings of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis
Average equalized valuation of taxable property	\$ 1,704,912,717
	1,828,498,517
	1,943,246,923
	\$ 5,476,658,157
	\$ 1,825,552,719
Debt limit (4% of average equalization)	\$ 73,022,109
Total Net Debt Applicable to Limit	6,627,000
Legal debt margin	\$ 66,395,109

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 73,022,109
Total net debt applicable to limit	7,758,000	7,398,000	7,023,000	6,633,000	9,128,000	8,538,000	9,730,538	8,107,538	7,342,000	6,627,000
Legal debt margin	\$ 74,023,841	\$ 77,361,616	\$ 74,628,052	\$ 70,027,344	\$ 63,321,453	\$ 63,494,894	\$ 61,727,082	\$ 62,246,944	\$ 63,378,878	\$ 66,395,109
Total net debt applicable to the limit as a percentage of debt limit	9.49%	8.73%	8.60%	8.65%	12.60%	11.85%	13.62%	11.52%	10.38%	9.08%

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Source: Annual Debt Statements

EXHIBIT J-14

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	10,880	\$ 65,097	7.80%
2010	11,048	66,080	8.00%
2011	11,138	69,044	7.90%
2012	11,212	71,953	8.00%
2013	11,274	71,449	9.70%
2014	11,317	73,293	5.40%
2015	11,366	76,388	4.30%
2016	11,396	77,187	3.90%
2017	11,435	77,187 (E)	3.40%
2018	11,435 (E)	77,187 (E)	3.40% (E)

Source: New Jersey State Department of Education

(E) - Estimate

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

	2018		2009	
<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>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>	<u>2018</u>
Instruction	293	287	240	244	235	240	239	240	242	242
Support Services:										
Student & instruction related services	58	58	53	49	61	61	63	68	68	68
General administration	2	2	2	2	2	3	5	5	5	5
School administrative services	10	9	10	9	9	12	13	13	13	13
Central and other support services	7	6	7	6	7	7	8	8	8	8
Plant operations and maintenance	20	19	17	18	15	17	17	17	17	17
Pupil transportation	9	8	7	7	8	7	7	7	7	7
Saturday Happenings	34	34	34	34	13	13	14	14	14	16
OT/PT Services	-			13	14	14	14	14	14	13
Total	433	423	370	382	364	374	380	386	388	389

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
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%
2018	1,665.0	41,943,717	25,191	3.88%	197	1:8.32	1:8.69	1,660.0	1,576.0	-2.12%	94.94%

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)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
Shaler Academy (Leased)										
Square Feet	17,708	33,042	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	182	181	168	178	193	201	180	190	177	182
Bergen Boulevard School										
Square Feet	28,125	28,125	28,125	28,125	28,125	28,125	28,125	28,125	30,167	30,167
Capacity (students)	325	325	325	325	325	325	325	325	339	339
Enrollment	208	190	200	199	216	213	231	214	206	187
Slocum/Skewes School										
Square Feet	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107
Capacity (students)	875	875	875	875	875	875	875	875	875	875
Enrollment ^a	891	875	828	802	790	793	766	730	771	740
<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	665	666.5	636.5	619.5	587	562	555	553	541	551

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Number of Schools at June 30, 2018
 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)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
*School Facilities												
Ridgefield Memorial High	N/A	87,850	\$ 197,218	\$ 199,013	\$ 153,789	\$ 153,179	\$ 155,662	\$ 186,741	\$ 179,726	\$ 129,276	\$ 192,356	\$ 212,267
Bergen Boulevard School	N/A	28,125	63,139	63,714	49,235	49,040	49,835	59,785	57,539	114,782	61,582	67,957
Shaler Academy	N/A	33,042	39,753	74,853	57,843	57,614	58,547	70,237	67,598	38,314	72,349	79,837
Slocum/Skewes School	N/A	80,107	179,834	181,472	140,235	139,678	141,942	170,282	163,886	200,447	175,402	193,558
Grand Total			\$ 479,944	\$ 519,052	\$ 401,102	\$ 399,511	\$ 405,986	\$ 487,045	\$ 468,749	\$ 482,819	\$ 501,689	\$ 553,619

Source: District Records

N/A - Not Available

**RIDGEFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2018
(Unaudited)**

	<u>Coverage</u>		<u>Deductible</u>
Property - Blanket Buildings & Contents	\$ 33,893,395		\$ 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
	500,000	Per Loss	100,000
Computer Fraud	100,000		1,000
Forgery and Alteration	100,000		1,000
Surety Bonds			
School 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
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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, 2018 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 January 25, 2019.

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 January 25, 2019.

Purpose of this Report

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

Leach, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

**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, 2018. 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, 2018.

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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

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, 2018 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 January 25, 2019, 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
January 25, 2019

RIDGEFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2017			Unearned Revenue Carryover Amount and Transfers	Account Receivable Carryover Amount and Transfers	Cash Received	Budgetary Expenditures	Adjustment (A)	Refund of Prior Years Balances	Balance, June 30, 2018			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	181N304N1099	N/A	7/1/17-6/30/18	\$ 41,529					\$ 38,557	\$ 41,529			\$ (2,972)			\$ (2,972)	
Cash Assistance	10.553	171N304N1099	N/A	7/1/16-6/30/17	40,974	(3,068)				3,068								
National School Lunch Program																		
Non-Cash Assistance	10.555	181N304N1099	N/A	7/1/17-6/30/18	53,997					53,997	52,765				\$ 1,232			
Non-Cash Assistance	10.555	171N304N1099	N/A	7/1/16-6/30/17	51,865		640				640							
Cash Assistance	10.555	181N304N1099	N/A	7/1/17-6/30/18	218,127					203,158	218,127			(14,969)			(14,969)	
Cash Assistance	10.555	171N304N1099	N/A	7/1/16-6/30/17	225,253	(14,628)				14,628								
Total U.S. Department of Agriculture/Child Nutrition Cluster						(17,696)	640			313,408	313,061			(17,941)	1,232		(17,941)	
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	H027A170100	FT-100002	7/1/17-6/30/18	350,341			\$ 22,136	\$ (22,136)	369,338	306,667			(103,139)	65,810		(37,339)	
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	FT-100002	7/1/16-6/30/17	359,346	(110,656)	22,135		(22,136)	88,582		\$ 1	\$ 62					
I.D.E.A. Part B, Basic Regular	84.027	N/A	FT-100002	7/1/14-6/30/15	361,483		2,063						2,063					
I.D.E.A. Part B, Preschool	84.173	H173A170114	PS-100005	7/1/17-6/30/18	19,609			368	(368)	12,548	19,789			(7,429)	188		(7,241)	
I.D.E.A. Part B, Preschool	84.173	H173A160114	PS-100005	7/1/16-6/30/17	19,752	(7,533)	368		368	7,165								
I.D.E.A. Part B, Preschool	84.173	N/A	PS-100005	7/1/14-6/30/15	19,147		33						33					
Total Special Education Cluster IDEA						(118,189)	22,503	2,096		377,633	326,456		1	2,158	(110,568)	65,998	(44,570)	
NCLB/ESEA																		
Title I	84.010	S010A170030	ESEACV-140300	7/1/17-6/30/18	325,582			4,933	(4,933)	186,002	289,176			(144,513)	41,339		(103,174)	
Title I	84.010	S010A160030	NCLBCV-140300	7/1/16-6/30/17	324,652	(123,237)	4,933		(4,933)	4,933	118,304							
Title I	84.010		NCLBCV-140300	7/1/14-6/30/15	224,893		5,624							5,624				
Total NCLB Title I						(123,237)	4,933	5,624		304,306	289,176			(144,513)	41,339		(103,174)	
Title II, Part A	84.367A	S367A170029	ESEACV-140300	7/1/17-6/30/18	51,836			2,535	(2,535)	19,356	35,905			(35,015)	18,466		(16,549)	
Title II, Part A	84.367A	S367A160029	NCLBCV-140300	7/1/16-6/30/17	51,906	(20,864)	2,535		(2,535)	18,329								
Total NCLB Title II						(20,864)	2,535			37,685	35,905			(35,015)	18,466		(16,549)	
Title III	84.365	S365A170030	ESEACV-140300	7/1/17-6/30/18	16,837			5,086	(5,086)	15,107	15,409			(6,816)	6,514		(302)	
Title III	84.365	S365A160030	NCLBCV-140300	7/1/16-6/30/17	18,127	(10,545)	5,086		(5,086)	5,459								
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	S365A170030	ESEACV-140300	7/1/17-6/30/18	3,990			2,951	(2,951)	4,848	4,940			(2,093)	2,001		(92)	
Title III Immigrant	84.365	S365A160030	NCLBCV-140300	7/1/16-6/30/17	4,155	(3,524)	2,951		(2,951)	573								
Title III Immigrant	84.365	S365A150030	NCLBCV-140300	7/1/15-6/30/16	1,261		728						728					
Total NCLB Title III						(14,069)	8,037	4,062		25,997	20,349			(8,909)	8,515		(394)	
Title IV	84.424	S424A170031	ESEACV-140300	7/1/17-6/30/18	10,000					8,940	9,254			(1,060)	746		(314)	
Total NCLB Title IV										8,940	9,254			(1,060)	746		(314)	
Temporary Emergency Impact Aid	84.938C	5938C18005	N/A	7/1/17-6/30/18	37,000						37,000			(37,000)			(37,000)	
Total Special Revenue Fund						(276,359)	38,008	11,782			754,551	718,140		1	11,844	(337,065)	135,064	(202,001)
Total U.S. Department of Education						(276,359)	38,008	11,782			754,551	718,140		1	11,844	(337,065)	135,064	(202,001)
U.S. Department of Health and Human Services																		
Medicaid Cluster																		
General Fund:																		
Medicaid Assistance Program (SEMI)	93.778	1805N5MAP	N/A	7/1/17-6/30/18	69,592					69,592	69,592							
Total Federal Awards						\$ (284,055)	\$ 38,648	\$ 11,782	\$ -	\$ -	\$ 1,137,551	\$ 1,109,793	\$ 1	\$ 11,844	\$ (355,006)	\$ 136,296	\$ -	\$ (219,942)

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RIDGEFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2018			Memo		
									(Accounts Receivable) June 30, 2018	Unearned Revenue June 30, 2018	Due to Grantor June 30, 2018	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
Current Expense:														
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 1,530,497		\$ 1,378,579	\$ 1,530,497				\$ (151,918)			\$ 1,530,497	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	1,497,655	(144,402)	144,402									
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	974,383		877,665	974,383				(96,718)			974,383	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	974,383		(93,949)	93,949								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	50,732		45,696	50,732				(5,036)			50,732	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	50,732	(4,891)	4,891									
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	11,745		10,579	11,745				(1,166)			11,745	
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	11,745	(1,132)	1,132									
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	14,910		13,430	14,910				(1,480)			14,910	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	14,910	(1,438)	1,438									
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	14,910		13,430	14,910				(1,480)			14,910	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	14,910	(1,438)	1,438									
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	14,410		12,980	14,410				(1,430)			14,410	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	14,410	(1,389)	1,389									
Total State Aid - Public Cluster				(248,639)	2,600,398	2,611,587	-	-	-	(239,228)	-	-	2,611,587	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	20,828		18,761	20,828				(2,067)			20,828	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	20,828	(2,008)	2,008									
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	511,756			511,756				(511,756)			511,756	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	559,608	(559,608)	559,608									
Lead Testing for Schools Aid	18-495-034-5120-104	7/1/17-6/30/18	1,263		1,263								1,263	
Reimbursed TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	1,188,297		1,188,297	1,188,297							1,188,297	
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,212,665	(56,547)	56,547									
On-Behalf TPAF														
Pension Benefit Cost	18-495-034-5094-002	7/1/17-6/30/18	2,422,172		2,422,172	2,422,172							2,422,172	
Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	58,780		58,780	58,780							58,780	
Post Retire. Medical	18-495-034-5094-001	7/1/17-6/30/18	1,602,394		1,602,394	1,602,394							1,602,394	
Long-Term Disability Insurance Prem.	18-495-034-5094-004	7/1/17-6/30/18	2,560		2,560	2,560							2,560	
Total General Fund				(866,802)	8,513,388	8,419,637	-	-	-	(773,051)	-	-	8,419,637	
Special Revenue:														
Respite (NJDHS/DDD)	01BURN	7/1/17-6/30/18	30,960		33,949	26,723					\$ 7,220		26,723	
Respite (NJDHS/DDD)	01BURN	7/1/16-6/30/17	30,960	1,618							1,618			
Respite (NJDHS/DCF)	01BURN	7/1/13-6/30/14	35,123	2,063							2,063			
Total Special Revenue Fund				3,681	33,943	26,723	-	-	-	-	10,901	-	26,723	
Capital Projects:														
State Development Authority (SDA)														
Educational Facility Construction and Financing Act														
Various Upgrades HS	4370-050-14-G3DC-00	N/A	314,382	(14,719)	14,719								294,382	
Various Upgrades BB	4370-065-14-G3DD-00	N/A	226,500	(9,566)	9,566								191,321	
Various Upgrades SS	4370-100-14-G3DE-00	N/A	664,144	(30,794)	30,794								615,888	
Total Capital Projects Fund/SDA Cluster				(55,079)	55,079								1,101,591	
Debt Service Fund														
School Construction Debt Service Aid	18-495-034-5120-075	7/1/17-6/30/18	190,556		190,556	190,556							190,556	
State Department of Agriculture														
Enterprise Funds:														
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	7,248		6,739	7,248				(489)		\$ (489)	7,248	
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	6,814	(445)	445									
Total Enterprise Funds/Child Nutrition Cluster				(445)	7,204	7,248	-	-	-	(489)	-	(489)	7,248	
Total State Financial Assistance Subject to Single Audit Determination				(918,645)	8,800,170	8,644,164	-	-	-	(773,540)	-	10,901	(489)	9,745,755
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
On-Behalf TPAF														
Pension Benefit Cost	18-495-034-5094-002	7/1/17-6/30/18	2,422,172		(2,422,172)	(2,422,172)							(2,422,172)	
Pension - NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	58,780		(58,780)	(58,780)							(58,780)	
Post Retire. Medical	18-495-034-5094-001	7/1/17-6/30/18	1,602,394		(1,602,394)	(1,602,394)							(1,602,394)	
Long-Term Disability Insurance Prem.	18-495-034-5094-004	7/1/17-6/30/18	2,560		(2,560)	(2,560)							(2,560)	
Total State Financial Assistance Subject to Major Program Determination				\$ (918,645)	\$ 4,714,264	\$ 4,558,258	\$ -	\$ -	\$ -	\$ (773,540)	\$ -	\$ 10,901	\$ (489)	\$ 5,659,849

**RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 an increase of \$37,204 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	\$ 69,592	\$ 8,456,841	\$ 8,526,433
Special Revenue Fund	718,140	26,723	744,863
Debt Service Fund		190,556	190,556
Food Service Fund	<u>313,061</u>	<u>7,248</u>	<u>320,309</u>
Total Financial Assistance	<u>\$ 1,100,793</u>	<u>\$ 8,681,368</u>	<u>\$ 9,782,161</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, 2018**

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 \$1,188,297 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$2,480,952, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,602,394 and TPAF Long-Term Disability Insurance in the amount of \$2,560 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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 payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

Financial Statement Section

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

Federal Awards Section

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

Type of auditor's report issued on compliance for major programs	Unmodified _____	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ yes	_____ X _____ no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>I.D.E.A. Part B, Basic Regular</u>
<u>84.173</u>	<u>I.D.E.A. Part B, Preschool</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	_____ X _____ yes _____ no

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

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

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

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

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

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</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? X yes _____ no

**RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

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.

CURRENT YEAR STATE AWARDS

There were none.

**RIDGEFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 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.

Current Status

Corrective action was taken.