

**RIDGEFIELD BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Ridgefield, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
Ridgefield Board of Education  
Ridgefield, New Jersey  
For The Fiscal Year Ended June 30, 2019**

**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

Rory McCourt  
Superintendent of Schools

Julyana Ortiz  
Business Administrator

December 17, 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, 2019 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, 2019, 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 showed a slight increase; the District's Learning Center Program has continued to grow 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. 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 2018-2019 fiscal year with an average daily enrollment 1,699 students.

Average Daily Enrollment  
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2018-2019	1,699
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

**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 fifty (50) 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 2018 – 2019:**

Under Facilities during the 2018-2019 school year security features for all our schools were completed and finalized. This includes the door ajar system, panic buttons and lock-down system. Some building repairs were also done. In Shaler Academy water fountain filters were installed and Bergen Boulevard had a chair lift upgrade as well as a soffit repair. The district continues to improve their facilities on a year to year basis. Next year the district plans on replacing classroom doors districtwide.

Improving security has been one of our major priorities. During the 2018-2019 school year we were able to implement new security protocols to make sure our students are safe. Every school has an ID scanner and color coordinated land yards to indicate whether a person is a visitor/faculty member/contractor. These measures were implemented after several meetings with administration and the Ridgefield Police Department. We were also able to add a Class III Security Officer to the high school on a full-time basis. The Ridgefield Public schools plans to continue to implement better security measures for our schools.

The 2019 school year ended with a change in leadership. Our new administration is currently working on developing a strategic plan. The plan will focus on improving technology, security, and curriculum districtwide. It is important to keep our students aligned with the curriculum using the most up to date tools.

**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, 2019.

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, 2019 the District had \$5,897,000 in serial bonds.

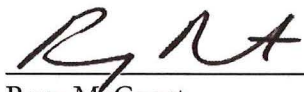
**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions 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.

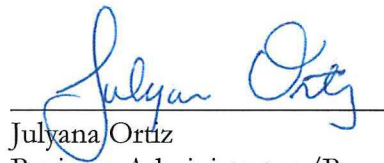
10) **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes,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

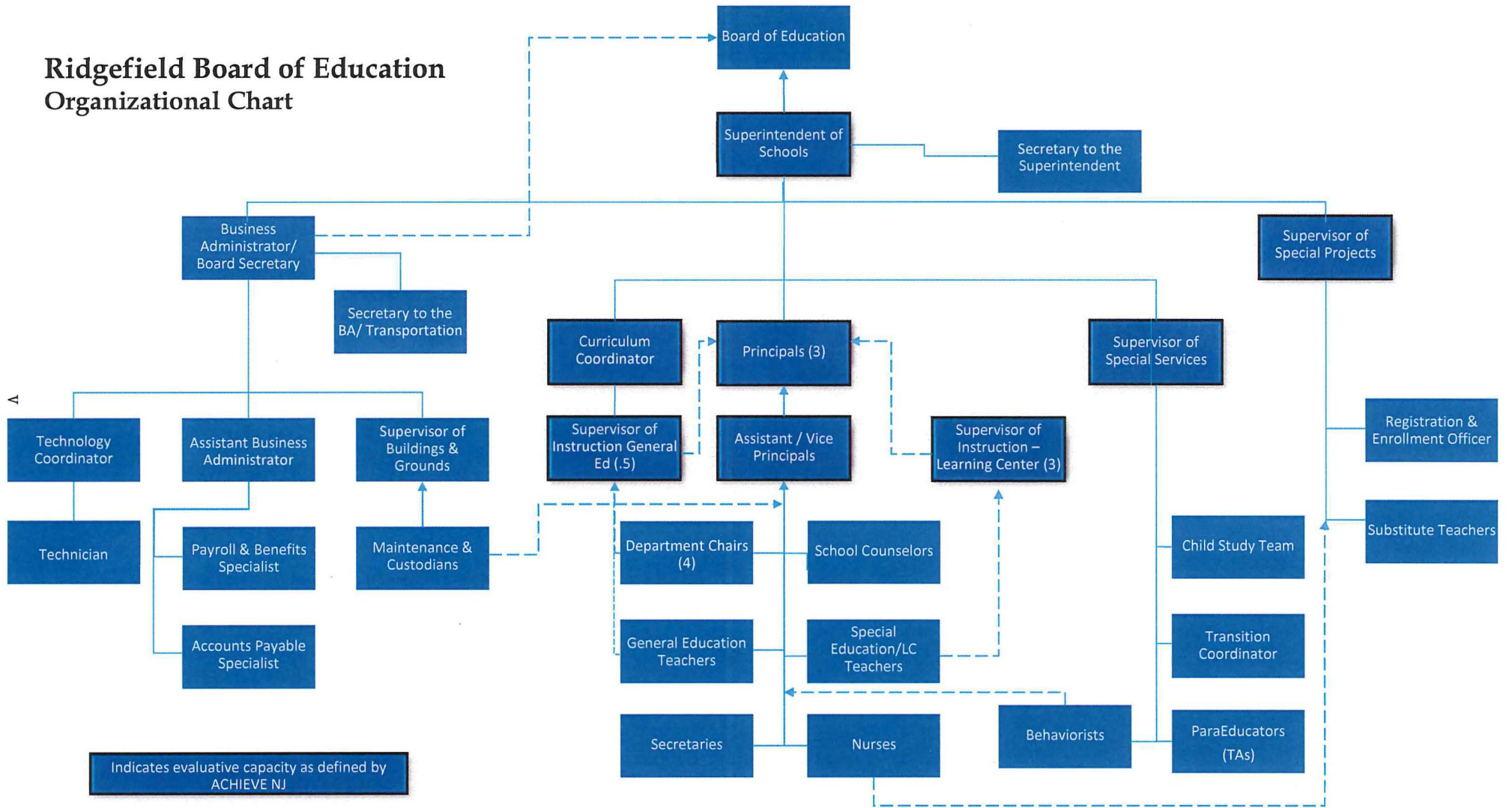


Rory McCourt  
Superintendent of Schools



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, 2019**

**President** **Term Expires**

Rosemary Huzovic 2019

**Vice President**

Andrew Grippa 2020

**Members of Board of Education**

Javier Acosta 2021

Maryam Juliet Inan 2021

Rafael Morilla 2020

Claudia Navarez 2019

William Pych 2020

**Other Officials**

**Superintendent** Rory McCourt

**School Business Administrator/  
Board Secretary** Julyana Ortiz.

**Solicitors** Matthew Giacobbe-Cleary, Giacobbe, Alfieri,  
Jacobs, LLC

**Ridgefield Board of Education  
Consultants and Advisors  
as of June 30, 2018**

**Architect/Engineering**

Feitlowitz & Kosten Architects  
306 Ramapo Valley Road  
Oakland, NJ 07436

**Audit Firm**

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

**Attorney**

Cleary, Giacobbe, Alfieri,  
Jacobs, LLC  
169 Ramapo Road  
Oakland, NJ 07436

**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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 December 17, 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  
December 17, 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, 2019**

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, 2019. 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 2018-2019 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 \$4,535,969 (net position).
- The District's overall net position increased \$1,996,150.
- Overall District revenues were \$52,617,367. General revenues accounted for \$24,096,639 or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,520,728 or 54% of total revenues.
- The School District had \$49,635,071 in expenses for governmental activities; \$27,507,344 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$24,093,083 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 \$5,493,387.
- The General Fund unassigned fund balance at June 30, 2019 was \$108,198, an increase of \$25,103 when compared to the previous year's unassigned fund balance of \$83,095.
- The General Fund unassigned budgetary fund balance at June 30, 2019 was \$1,010,364 which represents an increase of \$154,218 when compared to the ending unassigned budgetary fund balance at June 30, 2018 of \$856,146.
- The District's total outstanding long-term liabilities decreased \$2,381,080 during the current fiscal year.

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

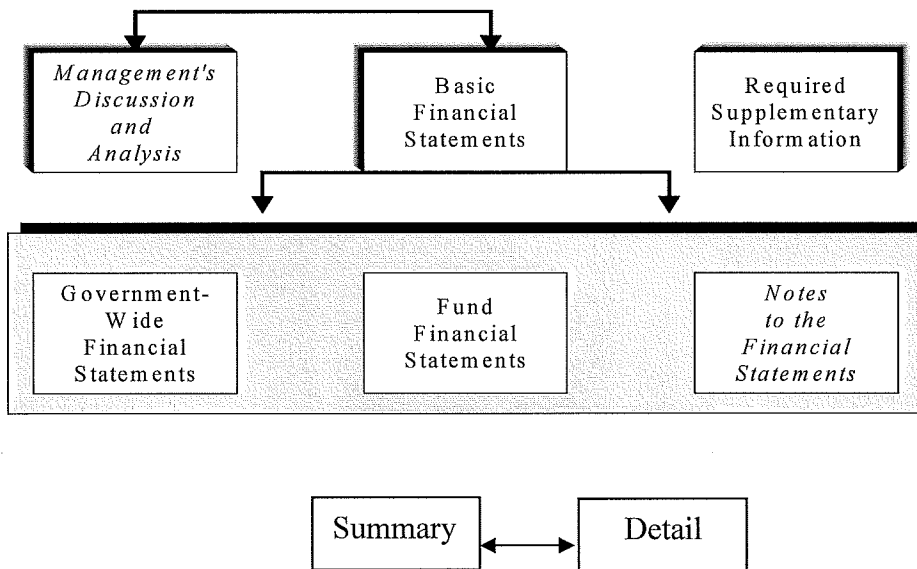
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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, 2019**

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

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

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

**District-Wide Financial Statements**

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

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

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

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

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

- Food Service (Cafeteria)
- Saturday Happenings Program (Before/After School Programs)



**RIDGEFIELD BOARD OF EDUCATION  
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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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 \$4,535,969 and \$6,532,119 as of June 30, 2019 and 2018, 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  
RIDGEFIELD, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Net Position  
As of June 30, 2019 and 2018**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current Assets	\$ 6,814,875	\$ 5,158,960	\$ 195,552	\$ 138,548	\$ 7,010,427	\$ 5,297,508
Capital Assets	<u>11,048,487</u>	<u>11,373,233</u>	<u>8,075</u>	<u>16,193</u>	<u>11,056,562</u>	<u>11,389,426</u>
<b>Total Assets</b>	<u>17,863,362</u>	<u>16,532,193</u>	<u>203,627</u>	<u>154,741</u>	<u>18,066,989</u>	<u>16,686,934</u>
<b>Deferred Outflows of Resources</b>	<u>3,499,297</u>	<u>3,978,820</u>	<u>-</u>	<u>-</u>	<u>3,499,297</u>	<u>3,978,820</u>
<b>Liabilities</b>						
Long-Term Liabilities	20,537,562	22,918,642			20,537,562	22,918,642
Other Liabilities	<u>1,122,036</u>	<u>1,229,309</u>	<u>56,447</u>	<u>37,853</u>	<u>1,178,483</u>	<u>1,267,162</u>
<b>Total Liabilities</b>	<u>21,659,598</u>	<u>24,147,951</u>	<u>56,447</u>	<u>37,853</u>	<u>21,716,045</u>	<u>24,185,804</u>
<b>Deferred Inflows of Resources</b>	<u>4,385,480</u>	<u>3,010,837</u>	<u>730</u>	<u>1,232</u>	<u>4,386,210</u>	<u>3,012,069</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	4,835,164	4,322,249	8,075	16,193	4,843,239	4,338,442
Restricted	4,034,638	2,648,387			4,034,638	2,648,387
Unrestricted	<u>(13,552,221)</u>	<u>(13,618,411)</u>	<u>138,375</u>	<u>99,463</u>	<u>(13,413,846)</u>	<u>(13,518,948)</u>
<b>Total Net Position</b>	<u>\$ (4,682,419)</u>	<u>\$ (6,647,775)</u>	<u>\$ 146,450</u>	<u>\$ 115,656</u>	<u>\$ (4,535,969)</u>	<u>\$ (6,532,119)</u>

The District's total net position deficit of \$4,535,969 at June 30, 2019 represents a \$1,996,150 or 31% increase in net position from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2019 and 2018, respectively.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
<b>Revenues</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Program Revenues						
Charges for Services	\$ 13,888,396	\$ 13,838,396	\$ 667,523	\$ 642,864	\$ 14,555,919	\$ 14,481,260
Operating Grants and Contributions	13,618,948	16,300,048	345,861	320,309	13,964,809	16,620,357
Capital Grants and Contributions		10,327			-	10,327
General Revenues						
Property Taxes	22,253,675	21,424,813			22,253,675	21,424,813
State Aid - Unrestricted	1,684,227	1,693,906			1,684,227	1,693,906
Other	155,181	146,426	3,556	1,645	158,737	148,071
	<u>51,600,427</u>	<u>53,413,916</u>	<u>1,016,940</u>	<u>964,818</u>	<u>52,617,367</u>	<u>54,378,734</u>
<b>Expenses</b>						
Instruction						
Regular	15,107,076	15,999,711			15,107,076	15,999,711
Special Education	12,901,995	13,176,320			12,901,995	13,176,320
Other Instruction	595,646	530,157			595,646	530,157
School Sponsored Activities and Ath.	744,729	795,956			744,729	795,956
Support Services						
Student and Instruction Related Serv.	11,272,114	12,248,099			11,272,114	12,248,099
General Administrative Services	1,054,795	1,248,747			1,054,795	1,248,747
School Administrative Services	2,091,202	2,254,948			2,091,202	2,254,948
Central Services and Info. Technology	1,029,283	1,105,356			1,029,283	1,105,356
Plant Operations and Maintenance	3,808,963	3,724,244			3,808,963	3,724,244
Pupil Transportation	837,960	825,445			837,960	825,445
Interest on Long Term Debt	191,308	207,693			191,308	207,693
Food Services			677,225	641,350	677,225	641,350
Saturday Happenings Program	-	-	308,921	333,192	308,921	333,192
	<u>49,635,071</u>	<u>52,116,676</u>	<u>986,146</u>	<u>974,542</u>	<u>50,621,217</u>	<u>53,091,218</u>
<b>Change in Net Position</b>	<b>1,965,356</b>	<b>1,297,240</b>	<b>30,794</b>	<b>(9,724)</b>	<b>1,996,150</b>	<b>1,287,516</b>
<b>Net Position, Beginning of Year</b>	<b>(6,647,775)</b>	<b>(7,945,015)</b>	<b>115,656</b>	<b>125,380</b>	<b>(6,532,119)</b>	<b>(7,819,635)</b>
<b>Net Position, End of Year</b>	<b>\$ (4,682,419)</b>	<b>\$ (6,647,775)</b>	<b>\$ 146,450</b>	<b>\$ 115,656</b>	<b>\$ (4,535,969)</b>	<b>\$ (6,532,119)</b>

**RIDGEFIELD BOARD OF EDUCATION  
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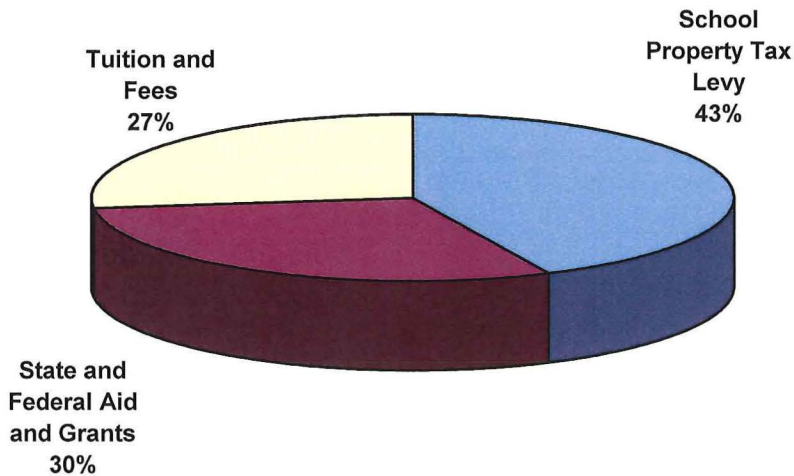
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$51,600,427 for the fiscal year ended June 30, 2019, property taxes of \$22,253,675 represented 43% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$15,303,175 represented 30% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; \$13,888,396 was earned during the year representing 27% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items.

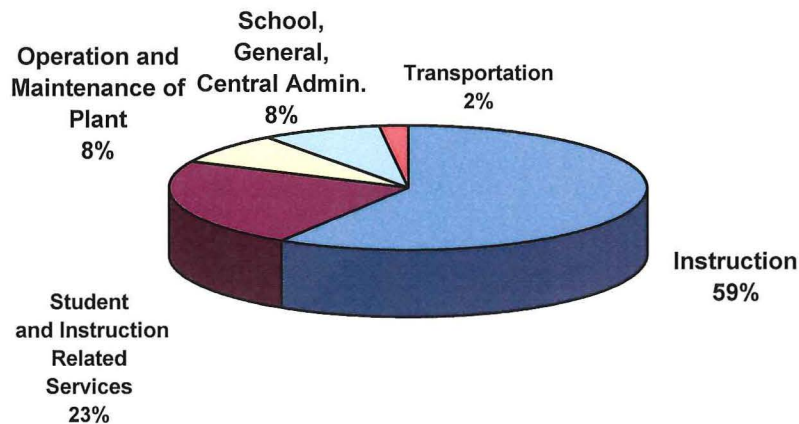
The total cost of all governmental activities programs and services was \$49,635,071 for the fiscal year ended June 30, 2019. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$29,349,446 (59%) of total expenses. Support services totaled \$20,094,317 (41%) of total expenses. Interest charges for long-term debt represents less than 1% of governmental expenses.

Total governmental activities revenues exceeded expenses increasing net position \$1,965,356 from the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2019**



**Expenses by Type- Governmental Activities  
For Fiscal Year 2019**



**RIDGEFIELD BOARD OF EDUCATION  
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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$49,635,071 for the fiscal year ended June 30, 2019. After applying program revenues, derived from charges for services of \$13,888,396, operating and capital grants and contributions of \$13,618,948; the net cost of services of the District is \$22,127,727.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost (Revenues) of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 15,107,076	\$ 15,999,711	\$ 10,261,402	\$ 10,113,983
Special Education	12,901,995	13,176,320	(3,839,786)	(4,042,213)
Other Instruction	595,646	530,157	386,826	317,307
School Sponsored Activities and Athletics	744,729	795,956	639,441	741,410
Support Services				
Student and Instruction Related Svcs.	11,272,114	12,248,099	6,673,579	6,900,633
General Administrative Services	1,054,795	1,248,747	969,050	1,029,133
School Administrative Services	2,091,202	2,254,948	1,542,576	1,569,262
Central Services and Info. Technology	1,029,283	1,105,356	915,373	893,158
Plant Operations and Maintenance	3,808,963	3,724,244	3,625,019	3,524,211
Pupil Transportation	837,960	825,445	805,338	759,538
Interest on Long Term Debt	191,308	207,693	148,909	161,483
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b><u>\$ 49,635,071</u></b>	<b><u>\$ 52,116,676</u></b>	<b><u>\$ 22,127,727</u></b>	<b><u>\$ 21,967,905</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$1,016,940 for the fiscal year ended June 30, 2019. Charges for services accounted for 66% or \$667,523 of total revenues for the year. Operating grants and contributions accounted for 34% or \$345,861 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 \$986,146. 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 \$677,225 (69%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$308,921 (31%).

Total business-type activities revenues surpassed expenses increasing net position by \$30,794 from the previous year.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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 \$5,493,387. The prior year fund balance at June 30, 2018 was \$3,675,164. Therefore, the net increase for the year ended June 30, 2019 was \$1,818,223.

Revenues for the District's governmental funds were \$46,517,060 while total expenses were \$44,794,835 for the year ended June 30, 2019. The District also had other financing sources (net of other financing uses) in the amount of \$95,998.

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

The following schedule presents a summary of General Fund Revenues.

	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Local Sources:				
Property Tax Levy	\$ 21,531,657	\$ 20,717,526	\$ 814,131	4%
Tuition	11,799,369	11,454,863	344,506	3%
Miscellaneous	2,310,883	2,381,577	(70,694)	-3%
State Sources	9,063,870	8,456,841	607,029	7%
Federal Sources	<u>70,575</u>	<u>69,592</u>	<u>983</u>	1%
 Total General Fund Revenues	 <u>\$ 44,776,354</u>	 <u>\$ 43,080,399</u>	 <u>\$ 1,695,955</u>	 4%

Total General Fund Revenues increased by \$1,695,955 or 4% over the previous year. Local property taxes increased by \$814,131 or 4% over the previous year primarily to offset increases in budgeted operating costs. The District realized a 3% 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 decreased 3% as a result of a decrease from fees earned for one to one aide services. In addition, State aid revenues increased \$607,029 or 7% 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.

**RIDGEFIELD BOARD OF EDUCATION  
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**Management's Discussion and Analysis  
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The following schedule presents a summary of General Fund expenditures.

	<b>Fiscal Year Ended June 30, 2019</b>	<b>Fiscal Year Ended June 30, 2018</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 24,796,990	\$ 23,687,389	\$ 1,109,601	5%
Support Services	17,444,454	17,453,491	(9,037)	0%
Debt Service	268,317	200,266	68,051	34%
Capital Outlay	<u>515,666</u>	<u>253,675</u>	<u>261,991</u>	103%
Total Expenditures	<u>\$ 43,025,427</u>	<u>\$ 41,594,821</u>	<u>\$ 1,430,606</u>	3%

Total General Fund expenditures increased \$1,430,606 or approximately 3% from the previous year. The increase was for the most part attributable to an increase in regular and special education instruction costs and support services for plant operations and maintenance as well as capital outlay equipment purchases.

For the fiscal year ended June 30, 2019 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,846,925. As a result, total fund balance increased to \$5,489,154 at June 30, 2019. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$25,103 to \$108,198 at June 30, 2019 from a fund balance of \$83,095 at June 30, 2018. Restricted fund balances for capital reserve, maintenance reserve, tuition adjustments and excess surplus increased \$2,100,407 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 \$829,110 for the year ended June 30, 2019. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 93% or \$772,189 of the total revenue for the year. The remaining 7% or \$56,921 of revenue came from local sources.

Total Special Revenue Fund revenues increased \$15,946 or 2% from the previous year. State sources decreased \$26,723 or 100%, Federal sources increased \$54,049 or 8%. Local grants decreased \$11,380 or 17% from the prior year.

Expenditures of the Special Revenue Fund were \$829,110. Instructional expenditures were \$674,180 or 81% and expenditures for support services were \$154,930 or 19% of the total amount expended for the year ended June 30, 2019.

**Proprietary Funds**

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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 \$241,373.
- Appropriation of \$129,778 of unassigned fund balance.

For fiscal year 2019 General Fund budgetary basis revenues and other financing sources were greater than expenditures by \$1,976,040. Therefore budgetary fund balance increased to \$6,391,320 at June 30, 2019. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2019 was \$1,010,364 an increase of \$154,218 when compared to the previous year's unassigned budgetary fund balance of \$856,146 at June 30, 2018. The amount restricted for tuition refund reserves increased by \$180,000 to \$850,000, maintenance reserve increased by \$413,000 to \$1,036,900, reserved excess surplus increased by \$685,454 to \$1,085,454 and capital reserve increased by \$821,953 to \$2,143,505 at June 30, 2019, 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, 2019 amounts to \$11,056,562 (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 2018-2019 amounted to \$840,412 for governmental activities and \$8,118 for business-type activities.

**Capital Assets at June 30, 2019 and 2018  
(Net of Accumulated Depreciation)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 288,751	\$ 288,751			\$ 288,751	\$ 288,751
Land Improvements	134,937	139,407			134,937	139,407
Buildings and Building Improvements	8,849,898	9,280,402			8,849,898	9,280,402
Leasehold Improvements	16,458	18,989			16,458	18,989
Machinery and Equipment	<u>1,758,443</u>	<u>1,645,684</u>	<u>\$ 8,075</u>	<u>\$ 16,193</u>	<u>1,766,518</u>	<u>1,661,877</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 11,048,487</u></b>	<b><u>\$ 11,373,233</u></b>	<b><u>\$ 8,075</u></b>	<b><u>\$ 16,193</u></b>	<b><u>\$ 11,056,562</u></b>	<b><u>\$ 11,389,426</u></b>

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



**RIDGEFIELD BOARD OF EDUCATION  
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**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**LONG TERM LIABILITIES**

At June 30, 2019, the District's long-term liabilities totaled \$20,537,562 and consisted of serial bonds payable of \$6,079,444, capital leases and lease purchase agreements outstanding of \$316,763, compensated absences payable of \$1,150,866, deferred pension obligation of \$91,953, and net pension liability of \$12,898,536. 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. The District's total outstanding long term liabilities decreased \$2,381,080 during the 2018/2019 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 2019-2020 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 2019-2020. Budgeted expenditures in the General Fund increased 3.1% to \$39,921,925 for fiscal year 2019-2020.

**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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 3,547,955	\$ 143,453	\$ 3,691,408
Receivables, Net	3,266,920	47,086	3,314,006
Internal Balances		-	-
Inventory		5,013	5,013
Capital Assets, Not Being Depreciated	288,751		288,751
Capital Assets, Being Depreciated, Net	<u>10,759,736</u>	<u>8,075</u>	<u>10,767,811</u>
Total Assets	<u>17,863,362</u>	<u>203,627</u>	<u>18,066,989</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	110,876		110,876
Deferred Amounts on Net Pension Liability	<u>3,388,421</u>	-	<u>3,388,421</u>
Total Deferred Outflows of Resources	<u>3,499,297</u>	-	<u>3,499,297</u>
Total Assets and Deferred Outflows of Resources	<u>21,362,659</u>	<u>203,627</u>	<u>21,566,286</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,032,219	20,783	1,053,002
Payable to Other Governments	11,037		11,037
Accrued Interest Payable	76,193		76,193
Unearned Revenue	2,587	35,664	38,251
Noncurrent Liabilities			
Due within one year	1,086,213		1,086,213
Due beyond one year	<u>19,451,349</u>	-	<u>19,451,349</u>
Total Liabilities	<u>21,659,598</u>	<u>56,447</u>	<u>21,716,045</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	4,385,480		4,385,480
Deferred Commodities Revenue	-	730	730
Total Deferred Inflows of Resources	<u>4,385,480</u>	<u>730</u>	<u>4,386,210</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,045,078</u>	<u>57,177</u>	<u>26,102,255</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,835,164	8,075	4,843,239
Restricted for			
Capital Projects	2,143,505		2,143,505
Plant Maintenance	1,036,900		1,036,900
Tuition Adjustments	850,000		850,000
Debt Service	4,233		4,233
Unrestricted	<u>(13,552,221)</u>	<u>138,375</u>	<u>(13,413,846)</u>
Total Net Position	<u>\$ (4,682,419)</u>	<u>\$ 146,450</u>	<u>\$ (4,535,969)</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, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 15,107,076		\$ 4,845,674		\$ (10,261,402)		\$ (10,261,402)
Special Education	12,901,995	\$ 11,722,828	5,018,953		3,839,786		3,839,786
Other Instruction	595,646		208,820		(386,826)		(386,826)
School Sponsored Activities and Athletics	744,729		105,288		(639,441)		(639,441)
Support Services							
Student and Instruction Related Services	11,272,114	2,165,568	2,432,967		(6,673,579)		(6,673,579)
General Administrative Services	1,054,795		85,745		(969,050)		(969,050)
School Administrative Services	2,091,202		548,626		(1,542,576)		(1,542,576)
Central Services and Info. Technology	1,029,283		113,910		(915,373)		(915,373)
Plant Operations and Maintenance	3,808,963		183,944		(3,625,019)		(3,625,019)
Pupil Transportation	837,960		32,622		(805,338)		(805,338)
Interest on Long-Term Debt	191,308	-	42,399	-	(148,909)	-	(148,909)
Total Governmental Activities	<u>49,635,071</u>	<u>13,888,396</u>	<u>13,618,948</u>	<u>-</u>	<u>(22,127,727)</u>	<u>-</u>	<u>(22,127,727)</u>
<b>Business-Type Activities</b>							
Food Service	677,225	349,244	345,861	-	-	\$ 17,880	17,880
Saturday Happenings	308,921	318,279	-	-	-	9,358	9,358
Total Business-Type Activities	<u>986,146</u>	<u>667,523</u>	<u>345,861</u>	<u>-</u>	<u>-</u>	<u>27,238</u>	<u>27,238</u>
Total Primary Government	<u>\$ 50,621,217</u>	<u>\$ 14,555,919</u>	<u>\$ 13,964,809</u>	<u>\$ -</u>	<u>(22,127,727)</u>	<u>27,238</u>	<u>(22,100,489)</u>

**RIDGEFIELD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes			
Property Taxes Levied for General Purposes	\$ 21,531,657		\$ 21,531,657
Property Taxes Levied for Debt Service	722,018		722,018
State Aid -Unrestricted	1,537,048		1,537,048
State Aid for Debt Service Principal	147,179		147,179
Investment Earnings	82,275	\$ 3,556	85,831
Miscellaneous Income	72,906	-	72,906
	<u>24,093,083</u>	<u>3,556</u>	<u>24,096,639</u>
Change in Net Position	1,965,356	30,794	1,996,150
Net Position, Beginning of Year	<u>(6,647,775)</u>	<u>115,656</u>	<u>(6,532,119)</u>
Net Position, End of Year	<u>\$ (4,682,419)</u>	<u>\$ 146,450</u>	<u>\$ (4,535,969)</u>

**FUND FINANCIAL STATEMENTS**

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 3,543,722		\$ 4,233	\$ 3,547,955
Receivables from Other Governments, Net	2,999,373	\$ 266,537		3,265,910
Due from Other Funds	<u>121,643</u>	<u>-</u>	<u>-</u>	<u>121,643</u>
Total Assets	<u>\$ 6,664,738</u>	<u>\$ 266,537</u>	<u>\$ 4,233</u>	<u>\$ 6,935,508</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts Payable	\$ 794,105	\$ 132,280		\$ 926,385
Accrued Salaries and Wages	105,834			105,834
Payable to Federal Government		136		136
Payable to State Government		10,901		10,901
Due to Other Funds		120,633		120,633
Unearned Revenue	<u>-</u>	<u>2,587</u>	<u>-</u>	<u>2,587</u>
Total Liabilities	<u>899,939</u>	<u>266,537</u>	<u>-</u>	<u>1,166,476</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Tuition and Related Fees	<u>275,645</u>	<u>-</u>	<u>-</u>	<u>275,645</u>
Total Deferred Inflows of Resources	<u>275,645</u>	<u>-</u>	<u>-</u>	<u>275,645</u>
<b>FUND BALANCES</b>				
Fund Balances				
Restricted				
Capital Reserve	1,646,505			1,646,505
Capital Reserve - Designated for Subsequent Year's Expenditures	497,000			497,000
Maintenance Reserve	908,900			908,900
Maintenance Reserve - Designated for Subsequent Year's Expenditures	128,000			128,000
Tuition Adjustments	500,000			500,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	350,000			350,000
Excess Surplus	685,454			685,454
Excess Surplus - Designed for Subsequent Year's Expenditures	400,000			400,000
Debt Service			\$ 4,233	4,233
Assigned				
Year End Encumbrances	102,822			102,822
Designated for Subsequent Year's Expenditures	162,275			162,275
Unassigned	<u>108,198</u>	<u>-</u>	<u>-</u>	<u>108,198</u>
Total Fund Balances	<u>5,489,154</u>	<u>-</u>	<u>4,233</u>	<u>5,493,387</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,664,738</u>	<u>\$ 266,537</u>	<u>\$ 4,233</u>	<u>\$ 6,935,508</u>

**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$ 5,493,387</b>																					
 Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:																						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,463,541 and the accumulated depreciation is \$11,415,054.	11,048,487																					
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.	275,645																					
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	110,876																					
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.																						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Deferred Outflows of Resources</td> <td style="width: 5%; text-align: center;">\$</td> <td style="width: 35%; text-align: right;">3,388,421</td> </tr> <tr> <td>Deferred Inflows of Resources</td> <td></td> <td style="text-align: right;"><u>(4,385,480)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(997,059)</td> </tr> </table>	Deferred Outflows of Resources	\$	3,388,421	Deferred Inflows of Resources		<u>(4,385,480)</u>			(997,059)												
Deferred Outflows of Resources	\$	3,388,421																				
Deferred Inflows of Resources		<u>(4,385,480)</u>																				
		(997,059)																				
The District has financed capital assets through the issuance of long-term bonds. The interest accrual at year end is:	(76,193)																					
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.																						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bonds Payable (Including Unamortiz</td> <td style="width: 5%;"></td> <td style="width: 35%; text-align: right;">(6,079,444)</td> </tr> <tr> <td>Capital Leases</td> <td></td> <td style="text-align: right;">(244,755)</td> </tr> <tr> <td>Lease Purchase Agreements</td> <td></td> <td style="text-align: right;">(72,008)</td> </tr> <tr> <td>Compensated Absences</td> <td></td> <td style="text-align: right;">(1,150,866)</td> </tr> <tr> <td>Deferred Pension Obligation</td> <td></td> <td style="text-align: right;">(91,953)</td> </tr> <tr> <td>Net Pension Liability</td> <td></td> <td style="text-align: right;"><u>(12,898,536)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>(20,537,562)</u></td> </tr> </table>	Bonds Payable (Including Unamortiz		(6,079,444)	Capital Leases		(244,755)	Lease Purchase Agreements		(72,008)	Compensated Absences		(1,150,866)	Deferred Pension Obligation		(91,953)	Net Pension Liability		<u>(12,898,536)</u>			<u>(20,537,562)</u>
Bonds Payable (Including Unamortiz		(6,079,444)																				
Capital Leases		(244,755)																				
Lease Purchase Agreements		(72,008)																				
Compensated Absences		(1,150,866)																				
Deferred Pension Obligation		(91,953)																				
Net Pension Liability		<u>(12,898,536)</u>																				
		<u>(20,537,562)</u>																				
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$ <u>(4,682,419)</u></b>																					



**RIDGEFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 21,531,657		\$ 722,018	\$ 22,253,675
Tuition	11,799,369			11,799,369
Interest	82,275			82,275
Miscellaneous - Restricted	2,155,702			2,155,702
Miscellaneous - Unrestricted	<u>72,906</u>	<u>\$ 56,921</u>	<u>-</u>	<u>129,827</u>
Total - Local Sources	35,641,909	56,921	722,018	36,420,848
State Sources	9,063,870		189,578	9,253,448
Federal Sources	<u>70,575</u>	<u>772,189</u>	<u>-</u>	<u>842,764</u>
Total Revenues	<u>44,776,354</u>	<u>829,110</u>	<u>911,596</u>	<u>46,517,060</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Instruction	12,630,932	305,990		12,936,922
Special Education Instruction	10,991,494	350,210		11,341,704
Other Special Instruction	494,780	17,980		512,760
School-Sponsored Activities and Athletics	679,784			679,784
Support Services				
Student and Instruction Related Services	9,834,946	154,930		9,989,876
General Administrative Services	995,960			995,960
School Administrative Services	1,805,440			1,805,440
Central Services and Info. Technology	942,598			942,598
Plant Operations and Maintenance	3,135,825			3,135,825
Student Transportation	729,685			729,685
Debt Service				
Principal	255,426		730,000	985,426
Interest and Other Charges	12,891		210,298	223,189
Capital Outlay	<u>515,666</u>	<u>-</u>	<u>-</u>	<u>515,666</u>
Total Expenditures	<u>43,025,427</u>	<u>829,110</u>	<u>940,298</u>	<u>44,794,835</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,750,927</u>	<u>-</u>	<u>(28,702)</u>	<u>1,722,225</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease Proceeds	<u>95,998</u>	<u>-</u>	<u>-</u>	<u>95,998</u>
Total Other Financing Sources and Uses	<u>95,998</u>	<u>-</u>	<u>-</u>	<u>95,998</u>
Net Change in Fund Balances	1,846,925	-	(28,702)	1,818,223
Fund Balance, Beginning of Year	<u>3,642,229</u>	<u>-</u>	<u>32,935</u>	<u>3,675,164</u>
Fund Balance, End of Year	<u>\$ 5,489,154</u>	<u>\$ -</u>	<u>\$ 4,233</u>	<u>\$ 5,493,387</u>

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

**RIDGEFIELD BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 1,818,223

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	\$ 515,666	
Depreciation Expense	(840,412)	
		(324,746)

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	(95,998)	
Principal Repayments:		
General Obligations Bonds	730,000	
Capital Leases and Lease Purchase Agreements	255,426	
		889,428

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	(31,358)	
Original Issue Premium	51,599	
		20,241

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	(98,294)	
Decrease in Deferred Pension Obligations	17,988	
Increase in Pension Expense	(302,449)	
		(382,755)

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

Decrease in Unavailable Revenue		(66,675)
---------------------------------	--	----------

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		11,640

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,965,356**

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, 2019**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Saturday Happenings Program</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 7,261	\$ 136,192	\$ 143,453
Intergovernmental Receivable, Net	19,773		19,773
Accounts Receivable, Net	19,024	8,289	27,313
Inventory	5,013	-	5,013
Total Current Assets	<u>51,071</u>	<u>144,481</u>	<u>195,552</u>
Capital Assets			
Equipment	305,359	30,200	335,559
Accumulated Depreciation	<u>(298,448)</u>	<u>(29,036)</u>	<u>(327,484)</u>
Total Capital Assets, Net	<u>6,911</u>	<u>1,164</u>	<u>8,075</u>
Total Assets	<u>57,982</u>	<u>145,645</u>	<u>203,627</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	6,574	5,980	12,554
Accrued Salaries and Wages		8,229	8,229
Unearned Revenue	<u>7,837</u>	<u>27,827</u>	<u>35,664</u>
Total Current Liabilities	<u>14,411</u>	<u>42,036</u>	<u>56,447</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	<u>730</u>	<u>-</u>	<u>730</u>
Total Liabilities and Deferred Inflow of Resources	<u>15,141</u>	<u>42,036</u>	<u>57,177</u>
<b>NET POSITION</b>			
Investment in Capital Assets	6,911	1,164	8,075
Unrestricted	<u>35,930</u>	<u>102,445</u>	<u>138,375</u>
Total Net Position	<u>\$ 42,841</u>	<u>\$ 103,609</u>	<u>\$ 146,450</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, 2019**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Saturday Happenings Program</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 197,780		\$ 197,780
Daily Sales - Non-Reimbursable Programs	143,299		143,299
Other - Non-Reimbursable Programs	8,165		8,165
Program Fees	-	\$ 318,279	318,279
	<u>349,244</u>	<u>318,279</u>	<u>667,523</u>
Total Operating Revenues			
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	272,137		272,137
Cost of Sales - Non-Reimbursable Programs	50,033		50,033
Salaries and Benefits	256,432	270,322	526,754
Purchased Management Services	28,900		28,900
Other Purchased Services	11,869	28,517	40,386
General Supplies	34,846	4,614	39,460
Miscellaneous	3,227	2,448	5,675
Repair and Maintenance	14,195		14,195
Rental and Utility Expense	488		488
Depreciation	5,098	3,020	8,118
	<u>677,225</u>	<u>308,921</u>	<u>986,146</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(327,981)</u>	<u>9,358</u>	<u>(318,623)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	7,258		7,258
Federal Sources			
National School Breakfast Program	48,303		48,303
National School Lunch Program	230,013		230,013
Food Distribution Program	60,287		60,287
Interest Income	-	3,556	3,556
	<u>345,861</u>	<u>3,556</u>	<u>349,417</u>
Total Nonoperating Revenues			
Changes in Net Position	17,880	12,914	30,794
Total Net Position, Beginning of Year	<u>24,961</u>	<u>90,695</u>	<u>115,656</u>
Total Net Position, End of Year	<u>\$ 42,841</u>	<u>\$ 103,609</u>	<u>\$ 146,450</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, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 343,359	\$ 348,011	\$ 691,370
Cash Payments for Employees			
Salaries and Benefits	(256,432)	(272,754)	(529,186)
Cash Payments to Suppliers for Goods and Services	(355,475)	(30,380)	(385,855)
Net Cash Provided by (Used for) Operating Activities	(268,548)	44,877	(223,671)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal			
Subsidy Reimbursements	284,231	-	284,231
Cash Payments to Other Funds	(8,422)	-	(8,422)
Net Cash Provided by Noncapital Financing Activities	275,809	-	275,809
<b>Cash Flows from Investing Activities</b>			
Interest Received	-	3,556	3,556
Net Cash Provided by Investing Activities	-	3,556	3,556
Net Increase in Cash	7,261	48,433	55,694
Cash, Beginning of Year	-	87,759	87,759
Cash, End of Year	\$ 7,261	\$ 136,192	\$ 143,453
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Income Operating Activities</b>			
Operating Income (Loss)	\$ (327,981)	\$ 9,358	\$ (318,623)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	5,098	3,020	8,118
Non-Cash Federal Assistance-Food Distribution Program	60,287		60,287
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	(6,424)	12,409	5,985
(Increase)/Decrease in Inventory	2,470		2,470
Increase/(Decrease) in Accounts Payable	(2,035)	5,199	3,164
Increase/(Decrease) in Accrued Salaries and Wages		(2,432)	(2,432)
Increase/(Decrease) in Unearned Revenue	539	17,323	17,862
Increase/(Decrease) in Deferred Commodities Revenue	(502)	-	(502)
Total Adjustments	59,433	35,519	94,952
Net Cash Provided by (Used for) Operating Activities	\$ (268,548)	\$ 44,877	\$ (223,671)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 59,785		\$ 59,785

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, 2019**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ 92,600	\$ 345,808
Total Assets	<u>92,600</u>	<u>\$ 345,808</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 238,531
Due to Other Funds		1,010
Due to Student Groups	<u>-</u>	<u>106,267</u>
Total Liabilities	<u>-</u>	<u>\$ 345,808</u>
<b>NET POSITION</b>		
Held in Trust for Scholarship Awards	<u>\$ 92,600</u>	

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b><u>Private Purpose Scholarship Fund</u></b>
<b>ADDITIONS</b>	
Contributions	
Donations - Private	\$ 44,650
Investment Earnings	
Interest	<u>1,997</u>
Total Additions	46,647
<b>DEDUCTIONS</b>	
Scholarship Awards	<u>18,300</u>
Change in Net Position	28,347
Net Position, Beginning of the Year	<u>64,253</u>
Net Position, End of the Year	<u><u>\$ 92,600</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. 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 consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

- 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. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal 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.

**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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

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

The *Saturday Happenings program fund* accounts for the activities of the District's Latchkey, Pre-K, Saturday Happening and Summer Happenings operations which provide 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* are used to account for resources legally held in trust for private donations for scholarship awards. All resources of the funds, 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 may have been reclassified in order to be consistent with the current year's presentation.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**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.

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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**3. *Inventories***

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

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

**4. *Capital Assets***

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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.

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 receivables that are not collected subsequent to year end within the period of availability. 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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**7. *Pensions***

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

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

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

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as of 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 and discounts, 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.

RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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 2B).

*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 2019/2020 District budget certified for taxes.

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

*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 2019/2020 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 2018/2019 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

*Tuition Adjustment – Designated for Subsequent Year's Expenditures* – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2017/2018 contract year that is appropriated in the 2019/2020 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was 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.



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

**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 2019/2020 District budget certified for taxes.

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

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 has 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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 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 the Saturday Happening 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, 2019**

**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 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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$680,616. The increase was funded by additional appropriation of unassigned fund balance (surplus), grant awards and the reappropriation of prior year general fund encumbrances.

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed 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. 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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 1,321,552
Increased by		
Deposits Approved by Board Resolution	\$ 950,000	
Unexpended Budget Appropriations		
Funded by Reserve	<u>17,953</u>	
		<u>967,953</u>
		2,289,505
Decreased by		
Withdrawals Approved in District Budget		<u>146,000</u>
Balance, June 30, 2019		<u>\$ 2,143,505</u>

The June 30, 2019 LRFPS balance of local support costs of uncompleted capital projects is \$6,932,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$497,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**C. Maintenance Reserve**

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

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

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 623,900
Increased by	
Deposits Approved by Board Resolution	<u>475,000</u>
	1,098,900
Withdrawals	
Withdrawals Approved in District Budget	<u>62,000</u>
Balance, June 30, 2019	<u>\$ 1,036,900</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,310,589. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$128,000 of the maintenance reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**D. 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, 2019 is \$1,085,454. Of this amount, \$400,000 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$685,454 will be appropriated in the 2020/2021 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, 2019**

**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, 2019, the book value of the Board's deposits were \$4,129,816 and bank and brokerage firm balances of the Board's deposits amounted to \$4,464,825. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	\$ <u>4,464,825</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, 2019 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, 2019, the Board had no outstanding investments.

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

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

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**B. Receivables**

Receivables as of June 30, 2019 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Saturday Happenings</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 3,118,574	\$ 7,053			\$ 3,125,627
State	55,076		\$ 474		55,550
Federal		259,484	19,299		278,783
Accounts	<u>10,721</u>	<u>-</u>	<u>19,024</u>	<u>\$ 30,336</u>	<u>60,081</u>
Gross Receivables	3,184,371	266,537	38,797	30,336	3,520,041
Less: Allowance for Uncollectibles	<u>(184,998)</u>	<u>-</u>	<u>-</u>	<u>(22,047)</u>	<u>(207,045)</u>
Net Total Receivables	<u>\$ 2,999,373</u>	<u>\$ 266,537</u>	<u>\$ 38,797</u>	<u>\$ 8,289</u>	<u>\$ 3,312,996</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>\$ 2,587</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 2,587</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 288,751	-	-	\$ 288,751
Total Capital Assets, Not Being Depreciated	<u>288,751</u>	<u>-</u>	<u>-</u>	<u>288,751</u>
Capital Assets, Being Depreciated:				
Land Improvements	662,720	\$ 7,992		670,712
Buildings and Building Improvements	17,043,905	50,286		17,094,191
Leasehold Improvements	50,627	-		50,627
Machinery and Equipment	<u>3,901,872</u>	<u>457,388</u>	<u>-</u>	<u>4,359,260</u>
Total Capital Assets Being Depreciated	<u>21,659,124</u>	<u>515,666</u>	<u>-</u>	<u>22,174,790</u>
Less Accumulated Depreciation for:				
Land Improvements	(523,313)	(12,462)		(535,775)
Buildings and Building Improvements	(7,763,503)	(480,790)		(8,244,293)
Leasehold Improvements	(31,638)	(2,531)		(34,169)
Machinery and Equipment	<u>(2,256,188)</u>	<u>(344,629)</u>	<u>-</u>	<u>(2,600,817)</u>
Total Accumulated Depreciation	<u>(10,574,642)</u>	<u>(840,412)</u>	<u>-</u>	<u>(11,415,054)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,084,482</u>	<u>(324,746)</u>	<u>-</u>	<u>10,759,736</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,373,233</u>	<u>\$ (324,746)</u>	<u>\$ -</u>	<u>\$ 11,048,487</u>



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 335,559	-	-	\$ 335,559
Total Capital Assets Being Depreciated	<u>335,559</u>	<u>-</u>	<u>-</u>	<u>335,559</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(319,366)	\$ (8,118)	-	(327,484)
Total Accumulated Depreciation	<u>(319,366)</u>	<u>(8,118)</u>	<u>-</u>	<u>(327,484)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,193</u>	<u>(8,118)</u>	<u>-</u>	<u>8,075</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,193</u>	<u>\$ (8,118)</u>	<u>\$ -</u>	<u>\$ 8,075</u>

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

**Governmental Activities:**

Instruction	
Regular Instruction	\$ 199,131
Special Education Instruction	<u>3,121</u>
Total Instruction	<u>202,252</u>
Support Services	
Students and Instruction Related Services	7,759
General Administrative Services	1,134
School Administrative Services	23,747
Plant Operations and Maintenance	541,162
Student Transportation	<u>64,358</u>
Total Support Services	<u>638,160</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 840,412</u>
<b>Business-Type Activities:</b>	
Food Service	\$ 5,098
Saturday Happenings Program	<u>3,020</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 8,118</u>

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 120,633
General Fund	Payroll Agency Fund	<u>1,010</u>
		<u>\$ 121,643</u>

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

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

**F. Leases**

**Operating Leases**

The District leases a school building under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2019 were \$516,900. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2020	\$ 516,100
2021	510,000
2022	508,600
2023	506,800
2024	504,600
2025-2027	<u>1,017,600</u>
Total	<u>\$ 3,563,700</u>

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**F. Leases (Continued)**

**Capital Leases**

The District is leasing modular classrooms totaling \$433,000 and school buses totaling \$202,676 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 3 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Building Improvements	\$ 433,000
Machinery and Equipment	<u>202,676</u>
Total	<u>\$ 635,676</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Capital Leases</u>	<u>Lease- Purchase Agreements</u>	<u>Total</u>
2020	\$ 128,258	\$ 72,008	\$ 200,266
2021	<u>124,687</u>	<u>-</u>	<u>124,687</u>
Total minimum lease payments	252,945	72,008	324,953
Less: amount representing interest	<u>(8,190)</u>	<u>-</u>	<u>(8,190)</u>
Present value of minimum lease payments	<u>\$ 244,755</u>	<u>\$ 72,008</u>	<u>\$ 316,763</u>

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2019 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%	\$1,835,000
\$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%	1,407,000
\$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>2,655,000</u>
Total	<u>\$5,897,000</u>

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

**Governmental Activities:**

Fiscal Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
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	600,000	91,635	691,635
2025-2029	2,267,000	183,490	2,450,490
2030-2034	<u>125,000</u>	<u>3,750</u>	<u>128,750</u>
	<u>\$ 5,897,000</u>	<u>\$ 865,942</u>	<u>\$ 6,762,942</u>

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 76,125,671
Less: Net Debt	<u>5,897,000</u>
Remaining Borrowing Power	<u>\$ 70,228,671</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, 2019 is \$91,953.

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, July 1, 2018	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2019	Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 6,627,000		\$ 730,000	\$ 5,897,000	\$ 750,000
Add:					
Unamortized Premium	<u>234,043</u>	<u>-</u>	<u>51,599</u>	<u>182,444</u>	<u>-</u>
Total Bonds Payable	6,861,043	-	781,599	6,079,444	750,000
Capital Leases	332,175	\$ 95,998	183,418	244,755	123,227
Lease Purchase Agreements	144,016		72,008	72,008	72,008
Compensated Absences	1,052,572	147,855	49,561	1,150,866	115,086
Deferred Pension Obligation	109,941	7,696	25,684	91,953	25,892
Net Pension Liability	<u>14,418,895</u>	<u>-</u>	<u>1,520,359</u>	<u>12,898,536</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 22,918,642</u>	<u>\$ 251,549</u>	<u>\$ 2,632,629</u>	<u>\$ 20,537,562</u>	<u>\$ 1,086,213</u>

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

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance fund is 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, 2019, 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, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**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 Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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.

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.



**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 651,610	\$ 3,270,866	\$ 30,339
2018	573,818	2,480,952	30,180
2017	534,046	1,785,960	22,168

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$3,307, \$7,123 and \$2,409, respectively for PERS and the State contributed \$2,554, \$2,560 and \$3,184, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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 \$1,184,018 during the fiscal year ended June 30, 2019 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.

**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. 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 measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

**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)**

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

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$12,898,536 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .06551 percent, which was an increase of .00357 percent from its proportionate share measured as of June 30, 2017 of .06194 percent.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$954,059 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 245,977	\$ 66,509
Changes of Assumptions	2,125,465	4,124,266
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		120,989
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,016,979</u>	<u>73,716</u>
Total	<u>\$ 3,388,421</u>	<u>\$ 4,385,480</u>

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

At June 30, 2019, 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:

Year Ending <u>June 30,</u>	<u>Total</u>
2020	\$ (219,462)
2021	(219,462)
2022	(219,462)
2023	(219,463)
2024	<u>(119,210)</u>
	<u>\$ (997,059)</u>

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2019**

**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***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%



**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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,099,972 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, 2019 the State's proportionate share of the net pension liability attributable to the District is \$104,637,012. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .16448 percent, which was an increase of .00570 percent from its proportionate share measured as of June 30, 2017 of .15878 percent.



**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u><b>TPAF</b></u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

**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**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 123,678,961</u>	<u>\$ 104,637,012</u>	<u>\$ 88,851,700</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program 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 for the fiscal year ended June 30, 2018. 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 Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>362,181</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.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,483,660, \$1,602,394 and \$1,488,111, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

**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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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.

**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,804,596. 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, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$64,379,685. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .13962 percent, which was an increase of .00601 percent from its proportionate share measured as of June 30, 2017 of .13361 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
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.

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

**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, 2018.

**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>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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.

**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, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 71,670,673
Changes Recognized for the Fiscal Year:	
Service Cost	3,171,091
Interest on the Total OPEB Liability	2,649,847
Differences Between Expected and Actual Experience	(4,062,042)
Changes of Assumptions	(7,387,891)
Gross Benefit Payments	(1,721,490)
Contributions from the Member	59,497
<b>Net Changes</b>	<b>\$ (7,290,988)</b>
Balance, June 30, 2018 Measurement Date	\$ 64,379,685



**RIDGEFIELD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 (Continued)**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 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 3.87%, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 76,109,893	\$ 64,379,685	\$ 55,055,381

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 52,946,067	\$ 64,379,685	\$ 79,563,395

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION**

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Ridgefield Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Tax Levy	\$ 21,531,657		\$ 21,531,657	\$ 21,531,657	
Tuition from Other LEAs within the State	10,997,068		10,997,068	11,799,369	\$ 802,301
Interest Income	1,020		1,020	82,275	81,255
Miscellaneous - Restricted	2,100,000		2,100,000	2,155,702	55,702
Miscellaneous - Unrestricted	97,700	-	97,700	72,906	(24,794)
<b>Total Local</b>	<b>34,727,445</b>	<b>-</b>	<b>34,727,445</b>	<b>35,641,909</b>	<b>914,464</b>
<b>State Sources</b>					
Special Education Aid	974,383		974,383	974,383	-
Equalization Aid	1,530,497		1,530,497	1,530,497	-
Extraordinary Aid	380,000		380,000	650,597	270,597
Security Aid	141,224	\$ (44,814)	96,410	96,410	-
Transportation Aid	90,234	(90,234)			-
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				3,203,802	3,203,802
Pension - NCGI Premium				67,064	67,064
Post Retirement Medical Benefit Contribution				1,483,660	1,483,660
Long-Term Disability Insurance Premium				2,554	2,554
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,184,018	1,184,018
<b>Total State</b>	<b>3,116,338</b>	<b>(135,048)</b>	<b>2,981,290</b>	<b>9,192,985</b>	<b>6,211,695</b>
<b>Federal Sources</b>					
Medicaid Reimbursement	34,898	-	34,898	70,575	35,677
<b>Total Federal Sources</b>	<b>34,898</b>	<b>-</b>	<b>34,898</b>	<b>70,575</b>	<b>35,677</b>
<b>Total Revenues</b>	<b>37,878,681</b>	<b>(135,048)</b>	<b>37,743,633</b>	<b>44,905,469</b>	<b>7,161,836</b>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs-Instruction</b>					
<b>Salaries of Teachers:</b>					
Kindergarten	578,122	\$ (28,890)	549,232	528,223	21,009
Grades 1-5	2,205,559	(95,350)	2,110,209	2,082,817	27,392
Grades 6-8	1,603,905	7,050	1,610,955	1,596,694	14,261
Grades 9-12	3,198,532	(133,700)	3,064,832	2,969,027	95,805
<b>Regular Programs-Home Instruction</b>					
Salaries of Teachers	15,000	1,300	16,300	6,509	9,791
Purchased Professional Educational Services	3,000	-	3,000	220	2,780
<b>Regular Programs-Undistributed Instruction</b>					
Purchased Professional Educational Services		1,040	1,040	1,040	-
Other Purchased Services	246,014	(3,664)	242,350	235,905	6,445
General Supplies	215,489	179,525	395,014	374,923	20,091
Textbooks	4,000	8,855	12,855	9,426	3,429
Other Objects	30,525	4,300	34,825	26,005	8,820
<b>Total Regular Programs</b>	<b>8,100,146</b>	<b>(59,534)</b>	<b>8,040,612</b>	<b>7,830,789</b>	<b>209,823</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	125,040	2,307	127,347	123,657	3,690
Other Salaries for Instruction	79,232	(2,307)	76,925	51,496	25,429
Purchased Professional Educational Services	14,200	-	14,200	1,294	12,906
Other Purchased Services	4,000	316	4,316	1,618	2,698
General Supplies	6,900	3,193	10,093	7,003	3,090
Textbooks		-			-
Other Objects	1,500	-	1,500	682	818
<b>Total Behavioral Disabilities</b>	<b>230,872</b>	<b>3,509</b>	<b>234,381</b>	<b>185,750</b>	<b>48,631</b>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Multiple Disabilities					
Salaries of Teachers	\$ 1,565,109	\$ (84,815)	\$ 1,480,294	\$ 1,422,880	\$ 57,414
Other Salaries for Instruction	862,564	39,790	902,354	883,145	19,209
Purchased Professional Educational Service	33,200	-	33,200	12,805	20,395
Other Purchased Services	7,300	2,533	9,833	6,699	3,134
General Supplies	59,000	(403)	58,597	44,361	14,236
Other Objects	21,083	-	21,083	12,180	8,903
<b>Total Multiple Disabilities</b>	<b>2,548,256</b>	<b>(42,895)</b>	<b>2,505,361</b>	<b>2,382,070</b>	<b>123,291</b>
Resource Room/Resource Center					
Salaries of Teachers	1,329,542	95,300	1,424,842	1,305,001	119,841
Other Salaries for Instruction	161,021	30,000	191,021	176,074	14,947
General Supplies	1,400	725	2,125	725	1,400
<b>Total Resource Room/Resource Center</b>	<b>1,491,963</b>	<b>126,025</b>	<b>1,617,988</b>	<b>1,481,800</b>	<b>136,188</b>
Autism					
Salaries of Teachers	2,212,268	(449,599)	1,762,669	1,727,597	35,072
Other Salaries for Instruction	928,233	(16,001)	912,232	899,710	12,522
Purchased Professional Educational Services	57,580	(480)	57,100	25,898	31,202
Other Purchased Services	36,157	5,940	42,097	13,675	28,422
General Supplies	104,500	3,950	108,450	80,408	28,042
Other Objects	50,880	(510)	50,370	18,208	32,162
<b>Total Autism</b>	<b>3,389,618</b>	<b>(456,700)</b>	<b>2,932,918</b>	<b>2,765,496</b>	<b>167,422</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	165,346	-	165,346	146,149	19,197
Other Salaries for Instruction	176,971	-	176,971	129,330	47,641
Purchased Professional Educational Services	2,500	-	2,500	2,418	82
Other Purchased Services	4,906	1,268	6,174	1,307	4,867
General Supplies	8,406	2,000	10,406	9,832	574
Other Objects	1,500	-	1,500	942	558
<b>Total Preschool Disabilities - Full-Time</b>	<b>359,629</b>	<b>3,268</b>	<b>362,897</b>	<b>289,978</b>	<b>72,919</b>
<b>Total Special Education</b>	<b>8,020,338</b>	<b>(366,793)</b>	<b>7,653,545</b>	<b>7,105,094</b>	<b>548,451</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	-	9,600	9,600	9,359	241
<b>Total Basic Skills/Remedial - Instruction</b>	<b>-</b>	<b>9,600</b>	<b>9,600</b>	<b>9,359</b>	<b>241</b>
Bilingual Education - Instruction					
Salaries of Teachers	263,139	33,200	296,339	295,900	439
Textbooks	2,000	-	2,000	-	2,000
<b>Total Bilingual Education - Instruction</b>	<b>265,139</b>	<b>33,200</b>	<b>298,339</b>	<b>295,900</b>	<b>2,439</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	155,876	(2,400)	153,476	140,171	13,305
Purchased Services	-	300	300	-	300
Supplies and Materials	24,267	6,414	30,681	28,389	2,292
Other Objects	58,390	(492)	57,898	25,558	32,340
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>238,533</b>	<b>3,822</b>	<b>242,355</b>	<b>194,118</b>	<b>48,237</b>
School Sponsored Athletics					
Salaries	253,700	(1,300)	252,400	200,846	51,554
Purchased Services	20,500	(1,310)	19,190	18,479	711
Supplies and Materials	53,190	(4,965)	48,225	47,643	582
Other Objects	49,500	(1,690)	47,810	46,549	1,261
<b>Total School Sponsored Athletics</b>	<b>376,890</b>	<b>(9,265)</b>	<b>367,625</b>	<b>313,517</b>	<b>54,108</b>
<b>Total Instruction</b>	<b>17,001,046</b>	<b>(388,970)</b>	<b>16,612,076</b>	<b>15,748,777</b>	<b>863,299</b>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction (Tuition):					
Tuition to County Voc. School District-Regular	\$ 437,382	\$ (48,558)	\$ 388,824	\$ 348,644	\$ 40,180
Tuition to County Voc. School District-Special	91,919	(27,702)	64,217	42,039	22,178
Tuition to CSSD and Regional Day Schools		27,702	27,702	27,702	-
Tuition to APSSD Within State	199,677	(149,316)	50,361	12,731	37,630
<b>Total Undistributed Expenditures- Instruction (Tuition)</b>	<b>728,978</b>	<b>(197,874)</b>	<b>531,104</b>	<b>431,116</b>	<b>99,988</b>
Attendance and Social Work					
Salaries	42,881	7,000	49,881	49,449	432
<b>Total Attendance and Social Work</b>	<b>42,881</b>	<b>7,000</b>	<b>49,881</b>	<b>49,449</b>	<b>432</b>
Health Services					
Salaries	391,040	16,900	407,940	404,007	3,933
Purchased Professional/Technical Services		4,620	4,620	3,078	1,542
Supplies and Materials	10,850	19,479	30,329	28,790	1,539
<b>Total Health Services</b>	<b>401,890</b>	<b>40,999</b>	<b>442,889</b>	<b>435,875</b>	<b>7,014</b>
Speech, OT, PT, & Related Services					
Salaries	1,799,758	(145,911)	1,653,847	1,651,795	2,052
Purchased Professional/Educational Services	265,000	130,000	395,000	330,611	64,389
Supplies and Materials	25,850	(536)	25,314		25,314
Other Objects	-	300	300	299	1
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>2,090,608</b>	<b>(16,147)</b>	<b>2,074,461</b>	<b>1,982,705</b>	<b>91,756</b>
Other Support Services -Students- Extra Services					
Salaries	1,872,017	509,311	2,381,328	2,334,542	46,786
<b>Total Other Support Services - Students - Extra Services</b>	<b>1,872,017</b>	<b>509,311</b>	<b>2,381,328</b>	<b>2,334,542</b>	<b>46,786</b>
Guidance					
Salaries of Other Professional Staff	303,129	(101)	303,028	301,932	1,096
Salaries of Secretarial and Clerical Assistants	68,255	(13,284)	54,971	51,621	3,350
Purchased Professional/Educational Services	8,100	8,585	16,685	8,271	8,414
Other Purchased Professional & Technical Services	5,930	(5,200)	730		730
Supplies and Materials	3,850	-	3,850	2,798	1,052
Other Objects	445	-	445	140	305
<b>Total Guidance</b>	<b>389,709</b>	<b>(10,000)</b>	<b>379,709</b>	<b>364,762</b>	<b>14,947</b>
Child Study Team					
Salaries of Other Professional Staff	655,390	(1,699)	653,691	652,706	985
Salaries of Secretarial and Clerical Assistants	149,864	1,699	151,563	147,453	4,110
Purchased Professional-Educational Services	17,200	(150)	17,050	9,992	7,058
Other Purchased Professional & Technical Services	4,000	-	4,000	140	3,860
Other Purchased Services	150	150	300	233	67
Supplies and Materials	3,300	(600)	2,700	1,164	1,536
Other Objects	850	-	850	-	850
<b>Total Child Study Team</b>	<b>830,754</b>	<b>(600)</b>	<b>830,154</b>	<b>811,688</b>	<b>18,466</b>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	421,940	64,800	486,740	481,217	5,523
Salaries of Other Professional Staff		-			-
Purchased Professional-Educational Services	5,000	-	5,000		5,000
Other Purchased Services	10,000	1,200	11,200	7,769	3,431
Supplies and Materials	6,900	-	6,900	6,875	25
Other Objects	2,975	650	3,625	3,280	345
<b>Total Improvement of Inst. Serv.</b>	<b>446,815</b>	<b>66,650</b>	<b>513,465</b>	<b>499,141</b>	<b>14,324</b>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media/School Library					
Salaries	\$ 74,366	-	\$ 74,366	\$ 74,365	\$ 1
Supplies and Materials	5,216	\$ (5)	5,211	1,824	3,387
Total Educational Media/School Library	<u>79,582</u>	<u>(5)</u>	<u>79,577</u>	<u>76,189</u>	<u>3,388</u>
Instructional Staff Training					
Purchased Professional-Educational Services	17,900	26,680	44,580	30,837	13,743
Other Purchased Services	-	3,320	3,320	320	3,000
Total Instructional Staff Training	<u>17,900</u>	<u>30,000</u>	<u>47,900</u>	<u>31,157</u>	<u>16,743</u>
General Administration					
Salaries	371,956	(22,000)	349,956	323,011	26,945
Legal Services	85,000	(14,500)	70,500	46,746	23,754
Audit Fees	34,700	40,800	75,500	34,400	41,100
Other Purchased Professional Services	18,100	62,000	80,100	57,783	22,317
Communications/Telephone	120,300	22,100	142,400	138,053	4,347
BOE Other Purchased Services	4,000	-	4,000	2,500	1,500
Miscellaneous Purchased Services	209,108	4,900	214,008	212,007	2,001
General Supplies	4,550	3,000	7,550	5,062	2,488
BOE In-House Training / Meeting Supplies	2,500	-	2,500	374	2,126
Judgements Against School District	35,000	18,082	53,082	-	53,082
Miscellaneous Expenditures	4,000	-	4,000	1,440	2,560
BOE Membership Dues and Fees	17,000	-	17,000	15,872	1,128
Total General Administration	<u>906,214</u>	<u>114,382</u>	<u>1,020,596</u>	<u>837,248</u>	<u>183,348</u>
School Administration					
Salaries of Principals/Assistant Principals	897,900	200	898,100	854,338	43,762
Salaries of Secretarial and Clerical Assistants	253,709	10,470	264,179	248,103	16,076
Other Purchased Services	1,500	300	1,800	290	1,510
Supplies and Materials	66,133	15,689	81,822	67,453	14,369
Other Objects	9,175	(350)	8,825	6,929	1,896
Total School Administration	<u>1,228,417</u>	<u>26,309</u>	<u>1,254,726</u>	<u>1,177,113</u>	<u>77,613</u>
Central Services					
Salaries	413,287	8,380	421,667	389,958	31,709
Purchased Professional Services	1,000	-	1,000	-	1,000
Miscellaneous Purchased Services	10,800	2,000	12,800	10,287	2,513
Interest on Lease Purchase Agreements	5,380	-	5,380	-	5,380
Supplies and Materials	15,400	12,260	27,660	27,577	83
Miscellaneous Expenditures	2,600	1,000	3,600	2,618	982
Total Central Services	<u>448,467</u>	<u>23,640</u>	<u>472,107</u>	<u>430,440</u>	<u>41,667</u>
Admin. Info. Technology					
Salaries	123,578	5,149	128,727	123,998	4,729
Purchased Professional Services	121,500	2,250	123,750	123,668	82
Supplies and Materials	28,261	10,100	38,361	20,376	17,985
Total Admin. Info. Technology	<u>273,339</u>	<u>17,499</u>	<u>290,838</u>	<u>268,042</u>	<u>22,796</u>
Required Maintenance for School Facilities					
Salaries	208,336	(11,649)	196,687	193,437	3,250
Cleaning, Repair and Maintenance Services	250,100	179,295	429,395	392,036	37,359
General Supplies	37,600	35,602	73,202	72,380	822
Other Objects	500	325	825	775	50
Total Required Maintenance for School Facilities	<u>496,536</u>	<u>203,573</u>	<u>700,109</u>	<u>658,628</u>	<u>41,481</u>
Custodial Services					
Salaries	751,168	(6,559)	744,609	712,498	32,111
Rental of Land/Bldgs Other Than Lease Purchase Agreement	519,900	(20,000)	499,900	499,900	-
Other Purchased Property Services	57,250	(13,495)	43,755	41,649	2,106
Insurance	100,000	-	100,000	93,005	6,995
General Supplies	81,000	8,590	89,590	89,317	273
Energy (Electricity)	427,500	14,000	441,500	408,261	33,239
Total Custodial Services	<u>1,936,818</u>	<u>(17,464)</u>	<u>1,919,354</u>	<u>1,844,630</u>	<u>74,724</u>

**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	\$ 4,000	\$ (2,400)	\$ 1,600	\$ 952	\$ 648
General Supplies	4,000	-	4,000	3,772	228
Total Care and Upkeep of Grounds	8,000	(2,400)	5,600	4,724	876
Security					
Salaries	88,010	(26,201)	61,809	56,668	5,141
Purchased Professional & Technical Services		42,050	42,050	42,050	-
General Supplies	-	31,599	31,599	31,552	47
Total Security	88,010	47,448	135,458	130,270	5,188
Student Transportation Services					
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	135,956	33,500	169,456	167,585	1,871
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	173,841	(14,000)	159,841	152,738	7,103
Cleaning, Repair & Maint. Services	50,750	(17,300)	33,450	29,795	3,655
Lease Purchase Payments - School Buses	71,612	34,036	105,648	105,646	2
Contr. Serv. (Bet. Home & Sch))-Vendor	130,700	27,500	158,200	152,789	5,411
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	16,800	(4,800)	12,000	8,895	3,105
Contr. Serv. (Spec. Ed. Students)-Vendors	25,000	-	25,000	12,289	12,711
Miscellaneous Purchased Services - Transportation	16,000	-	16,000	16,000	-
General Supplies	-	15,020	15,020	12,758	2,262
Transportation Supplies	45,500	(1,500)	44,000	38,698	5,302
Total Student Transportation Services	666,159	72,456	738,615	697,193	41,422
Unallocated Employee Benefits					
Social Security Contributions	581,400	10,042	591,442	577,017	14,425
Other Retirement Contributions - PERS	660,000	29,200	689,200	689,186	14
Other Retirement Contributions - Regular	33,000	-	33,000	30,339	2,661
Unemployment Compensation	95,000	1,700	96,700	95,305	1,395
Workers Compensation	332,000	9,208	341,208	341,208	-
Health Benefits	6,630,489	(598,988)	6,031,501	5,690,618	340,883
Tuition Reimbursement	30,000	4,000	34,000	28,943	5,057
Other Employee Benefits	100,000	-	100,000	73,399	26,601
Unused Sick Payments to Terminated/Retired Staff	60,184	-	60,184	49,561	10,623
Total Unallocated Employee Benefits	8,522,073	(544,838)	7,977,235	7,575,576	401,659
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				3,203,802	(3,203,802)
Pension - NCGI Premium				67,064	(67,064)
Post Retirement Medical Benefit Contribution				1,483,660	(1,483,660)
Long-Term Disability Insurance Premium				2,554	(2,554)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,184,018	(1,184,018)
Total TPAF On-Behalf	-	-	-	5,941,098	(5,941,098)
Total Undistributed Expenditures	21,475,167	369,939	21,845,106	26,581,586	(4,736,480)
Interest Earned on Maintenance Reserve	470	(470)	-	-	-
Total Current Expenditures	38,476,683	(19,501)	38,457,182	42,330,363	(3,873,181)
<b>CAPITAL OUTLAY</b>					
Equipment					
Kindergarten		-			-
Grades 1-5		29,102	29,102	29,102	-
Grades 6-8		74,887	74,887	74,887	-
Grades 9-12		37,566	37,566	37,464	102
Multiple Disabilities		11,715	11,715	11,715	-
Special Education - Instruction					
Autism		21,344	21,344	21,344	-
School Sponsored and Other Instructional Program		7,590	7,590	7,409	181
Undistributed Expenditures					
Central Services		6,896	6,896	5,876	1,020
Admin Info Tech		18,121	18,121	18,121	-
Required Maintenance for School Facilities		63,519	63,519	58,884	4,635
Security		12,684	12,684	12,684	-
Student Trans-Non-Instructional Equipment		8,026	8,026	8,026	-
School Buses - Special		99,750	99,750	99,750	-
Total Equipment	-	391,200	391,200	385,262	5,938



**RIDGEFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Facilities Acquisition and Construction Services					
Construction Services	\$ 146,000	-	\$ 146,000	\$ 128,047	\$ 17,953
Lease Purchase Agreements - Principal	85,283	-	85,283	85,283	-
Assessment for Debt Service on SDA Funding	474	-	474	474	-
Total Facilities Acquisition and Construction Services	<u>231,757</u>	<u>-</u>	<u>231,757</u>	<u>213,804</u>	<u>17,953</u>
Interest Deposit to Capital Reserve	550	\$ (550)	-	-	-
Assets Acquired Under Capital Leases (Nonbudgeted)					
Equipment					
Student Transportation - School Bus	-	-	-	95,998	(95,998)
Total Capital Outlay	<u>232,307</u>	<u>390,650</u>	<u>622,957</u>	<u>695,064</u>	<u>(72,107)</u>
Total Expenditures	<u>38,708,990</u>	<u>371,149</u>	<u>39,080,139</u>	<u>43,025,427</u>	<u>(3,945,288)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(830,309)</u>	<u>(506,197)</u>	<u>(1,336,506)</u>	<u>1,880,042</u>	<u>3,216,548</u>
Other Financing Sources/(Uses)					
Capital Lease Proceeds	-	-	-	95,998	95,998
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,998</u>	<u>95,998</u>
Net Change in Fund Balance	(830,309)	(506,197)	(1,336,506)	1,976,040	3,312,546
Fund Balances, Beginning of Year	<u>4,415,280</u>	<u>-</u>	<u>4,415,280</u>	<u>4,415,280</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,584,971</u>	<u>\$ (506,197)</u>	<u>\$ 3,078,774</u>	<u>\$ 6,391,320</u>	<u>\$ 3,312,546</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve				\$ 1,646,505	
Capital Reserve - Designated for Subsequent Year's Expenditures				497,000	
Maintenance Reserve				908,900	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				128,000	
Tuition Adjustments - 2018/2019				500,000	
Tuition Adjustments - 2017/2018 - Designated for Subsequent Year's Expenditures				350,000	
Excess Surplus				685,454	
Excess Surplus - Designated for Subsequent Year's Expenditures				400,000	
<b>Assigned Fund Balance</b>					
Year End Encumbrances				102,822	
Designated for Subsequent Year's Expenditures				162,275	
<b>Unassigned Fund Balance</b>				<u>1,010,364</u>	
Fund Balance - Budgetary Basis				6,391,320	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(902,166)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 5,489,154</u>	

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 30,960	\$ (30,960)		-	-
Federal	654,942	278,949	\$ 933,891	\$ 772,189	\$ (161,702)
Local	-	61,478	61,478	56,921	(4,557)
Total Revenues	<u>685,902</u>	<u>309,467</u>	<u>995,369</u>	<u>829,110</u>	<u>(166,259)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	273,666	(38,975)	234,691	227,771	6,920
Other Purchased Services	315,150	99,819	414,969	330,111	84,858
Travel		1,896	1,896	240	1,656
General Supplies	16,659	32,214	48,873	37,226	11,647
Other Objects	-	3,683	3,683	3,301	382
Total Instruction	<u>605,475</u>	<u>98,637</u>	<u>704,112</u>	<u>598,649</u>	<u>105,463</u>
Support Services					
Salaries	30,960	14,483	45,443	37,531	7,912
Other Salaries	-	26,900	26,900	25,800	1,100
Purchased Professional / Technical Services	49,467	(2,709)	46,758	25,220	21,538
Purchased Property Services		95	95	-	95
Other Purchased Services		51,357	51,357	31,104	20,253
Travel		2,000	2,000	2,000	
Supplies and Materials		30,299	30,299	20,865	9,434
Other Objects	-	-	-	-	-
Total Support Services	<u>80,427</u>	<u>122,425</u>	<u>202,852</u>	<u>142,520</u>	<u>60,332</u>
Unallocated Benefits					
Personnel Services - Employee Benefits	-	88,405	88,405	87,941	464
Total Unallocated Benefits	<u>-</u>	<u>88,405</u>	<u>88,405</u>	<u>87,941</u>	<u>464</u>
Total Expenditures	<u>685,902</u>	<u>309,467</u>	<u>995,369</u>	<u>829,110</u>	<u>166,259</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, 2019**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 44,905,469	\$ 829,110
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2017/2018 State Aid)	773,051	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2018/2019 State Aid)	<u>(902,166)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 44,776,354</u>	<u>\$ 829,110</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 43,025,427</u>	<u>\$ 829,110</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 43,025,427</u>	<u>\$ 829,110</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 Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06551%	0.06194%	0.06011%	0.05995%	0.06122%	0.05919%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,898,536	\$ 14,418,895	\$ 17,804,103	\$ 13,456,915	\$ 11,462,175	\$ 11,312,269
District's Covered Payroll	\$ 4,750,615	\$ 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 Payroll	271.51%	325.93%	426.83%	333.38%	297.53%	290.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.52%

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

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

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

**Public Employees Retirement System**

**Last Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 651,610	\$ 573,818	\$ 534,046	\$ 515,384	\$ 499,478	\$ 451,196
Contributions in Relation to the Contractually Required Contribution	<u>651,610</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 4,750,615	\$ 4,423,947	\$ 4,171,277	\$ 4,036,455	\$ 3,852,382	\$ 3,897,331
Contributions as a Percentage of Covered Payroll	13.72%	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 Six Fiscal Years\*

	<u>2019</u>	<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%	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>\$ 104,637,012</u>	<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>\$ 104,637,012</u>	<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 Payroll	\$ 16,889,423	\$ 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 Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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, 2019**

**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 Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 3,171,091	\$ 3,879,673
Interest on Total OPEB Liability	2,649,847	2,254,098
Differences Between Expected and Actual Experience	(4,062,042)	-
Changes of Assumptions	(7,387,891)	(9,468,733)
Gross Benefit Payments	(1,721,490)	(1,766,058)
Contribution from the Member	<u>59,497</u>	<u>65,031</u>
<b>Net Change in Total OPEB Liability</b>	(7,290,988)	(5,035,989)
<b>Total OPEB Liability - Beginning</b>	<u>71,670,673</u>	<u>76,706,662</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 64,379,685</u>	<u>\$ 71,670,673</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>64,379,685</u>	<u>71,670,673</u>
Total OPEB Liability - Ending	<u>\$ 64,379,685</u>	<u>\$ 71,670,673</u>
District's Covered Payroll	<u>\$ 21,640,038</u>	<u>\$ 21,510,114</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2019**

**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, 2019**

REVENUES	IDEA Basic	IDEA Preschool	Title I	Title II A	Title III	Title III Immigrant	Title IV	Bergen County Workforce	Local Grants	Total
Intergovernmental										
Federal	\$ 330,111	\$ 20,099	\$ 346,413	\$ 33,539	\$ 16,635	\$ 6,242	\$ 19,150			\$ 772,189
Local	-	-	-	-	-	-	-	\$ 32,707	\$ 24,214	\$ 56,921
<b>Total Revenues</b>	<b><u>\$ 330,111</u></b>	<b><u>\$ 20,099</u></b>	<b><u>\$ 346,413</u></b>	<b><u>\$ 33,539</u></b>	<b><u>\$ 16,635</u></b>	<b><u>\$ 6,242</u></b>	<b><u>\$ 19,150</u></b>	<b><u>\$ 32,707</u></b>	<b><u>\$ 24,214</u></b>	<b><u>\$ 829,110</u></b>
EXPENDITURES										
Instruction										
Salaries of Teachers		\$ 15,199	\$ 197,859		\$ 5,320			\$ 4,893	\$ 4,500	\$ 227,771
Other Purchased Services	\$ 330,111									330,111
Travel									240	240
General Supplies			12,808		9,614	\$ 3,046			11,758	37,226
Other Objects	-	-	-	-	-	-	-	-	3,301	3,301
<b>Total Instruction</b>	<b><u>330,111</u></b>	<b><u>15,199</u></b>	<b><u>210,667</u></b>	<b><u>-</u></b>	<b><u>14,934</u></b>	<b><u>3,046</u></b>	<b><u>-</u></b>	<b><u>4,893</u></b>	<b><u>19,799</u></b>	<b><u>598,649</u></b>
Support Services										
Salaries			35,783	\$ 1,308	326	114				37,531
Other Salaries								25,800		25,800
Personnel Services - Employee Benefits		4,900	81,027					2,014		87,941
Purchased Prof. / Technical Services				18,220			\$ 7,000			25,220
Other Purchased Services			15,968	14,011	700				425	31,104
Travel									2,000	2,000
Supplies and Materials	-	-	2,968	-	675	3,082	12,150	-	1,990	20,865
<b>Total Support Services</b>	<b><u>-</u></b>	<b><u>4,900</u></b>	<b><u>135,746</u></b>	<b><u>33,539</u></b>	<b><u>1,701</u></b>	<b><u>3,196</u></b>	<b><u>19,150</u></b>	<b><u>27,814</u></b>	<b><u>4,415</u></b>	<b><u>230,461</u></b>
<b>Total Expenditures</b>	<b><u>\$ 330,111</u></b>	<b><u>\$ 20,099</u></b>	<b><u>\$ 346,413</u></b>	<b><u>\$ 33,539</u></b>	<b><u>\$ 16,635</u></b>	<b><u>\$ 6,242</u></b>	<b><u>\$ 19,150</u></b>	<b><u>\$ 32,707</u></b>	<b><u>\$ 24,214</u></b>	<b><u>\$ 829,110</u></b>

**RIDGEFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**



**ENTERPRISE FUND**

**SCHEDULE G-1**

**RIDGEFIELD BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 106,267	\$ 239,541	\$ 345,808
Total Assets	<u>\$ 106,267</u>	<u>\$ 239,541</u>	<u>\$ 345,808</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 238,531	\$ 238,531
Due to Other Funds		1,010	1,010
Due to Student Groups	<u>\$ 106,267</u>	<u>-</u>	<u>106,267</u>
Total Liabilities	<u>\$ 106,267</u>	<u>\$ 239,541</u>	<u>\$ 345,808</u>

**RIDGEFIELD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
<b>ELEMENTARY SCHOOLS</b>				
Bergen Boulevard	\$ 2,916	\$ 11,965	\$ 11,419	\$ 3,462
Shaler Academy	1,316	11,102	11,136	1,282
Slocum Skewes	40,613	108,841	114,188	35,266
	<hr/>	<hr/>	<hr/>	<hr/>
Total High School	44,845	131,908	136,743	40,010
	<hr/>	<hr/>	<hr/>	<hr/>
<b>HIGH SCHOOL</b>				
Student Activities Fund	49,398	180,870	166,838	63,430
Athletic Account	2	25,319	22,494	2,827
	<hr/>	<hr/>	<hr/>	<hr/>
Total High School	49,400	206,189	189,332	66,257
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	\$ 94,245	\$ 338,097	\$ 326,075	\$ 106,267
	<hr/>	<hr/>	<hr/>	<hr/>

**RIDGEFIELD BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2019</u>
<b>ASSETS</b>				
Cash	\$ 243,566	\$ 26,644,262	\$ 26,648,287	\$ 239,541
Total Assets	<u>\$ 243,566</u>	<u>\$ 26,644,262</u>	<u>\$ 26,648,287</u>	<u>\$ 239,541</u>
<b>LIABILITIES</b>				
Accrued Salaries and Wages		\$ 14,906,214	\$ 14,906,214	
Payroll Deductions and Withholdings	\$ 242,138	11,729,744	11,733,351	\$ 238,531
Due to Other Funds	<u>1,428</u>	<u>8,304</u>	<u>8,722</u>	<u>1,010</u>
Total Liabilities	<u>\$ 243,566</u>	<u>\$ 26,644,262</u>	<u>\$ 26,648,287</u>	<u>\$ 239,541</u>

**LONG-TERM DEBT**



**RIDGEFIELD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	2/5/2013	\$ 2,900,000	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%	\$ 2,025,000		\$ 190,000	\$ 1,835,000
School Bonds	1/28/2015	1,807,000	2/15/2020	100,000	2.000%				
			2/15/2021	100,000	2.000%				
			2/15/2022	100,000	2.000%				
			2/15/2023	150,000	2.000%				
			2/15/2024	150,000	2.125%				
			2/15/2025	150,000	2.250%				
			2/15/2026	150,000	2.375%				
			2/15/2027	132,000	3.000%				
			2/15/2028	125,000	3.000%				
			2/15/2029	125,000	3.000%				
			2/15/2030	125,000	3.000%	1,507,000		100,000	1,407,000
Refunding School Bonds	12/2/2015	3,540,000	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%	3,095,000	-	440,000	2,655,000
						<u>\$ 6,627,000</u>	<u>\$ -</u>	<u>\$ 730,000</u>	<u>\$ 5,897,000</u>
								<u>\$ 730,000</u>	
									Paid by Budget Appropriation

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance, June 30, 2019</u>
<b>Lease Purchase Agreements:</b>						
Computers - Apple (Supplies)	0.00%	\$ 288,032	\$ 144,016		\$ 72,008	\$ 72,008
<b>Capital Leases:</b>						
Acquisition of Modular Classrooms	2.06%	433,000	261,155		85,283	175,872
2018 School Bus	3.89%	106,678	71,020		34,832	36,188
2019 School Bus	4.07%	95,998	-	<u>\$ 95,998</u>	<u>63,303</u>	<u>32,695</u>
 Grand Total			 <u>\$ 476,191</u>	 <u>\$ 95,998</u>	 <u>\$ 255,426</u>	 <u>\$ 316,763</u>
				Paid by Budget Appropriation	<u>\$ 255,426</u>	

**RIDGEFIELD BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 722,018		\$ 722,018	\$ 722,018	
State Sources					
State Aid Type II	<u>189,578</u>	<u>-</u>	<u>189,578</u>	<u>189,578</u>	<u>-</u>
 Total Revenues	 <u>911,596</u>	 <u>-</u>	 <u>911,596</u>	 <u>911,596</u>	 <u>-</u>
 <b>EXPENDITURES</b>					
Regular Debt Service					
Interest on Bonds	210,298	-	210,298	210,298	-
Redemption of Bond Principal	<u>730,000</u>	<u>-</u>	<u>730,000</u>	<u>730,000</u>	<u>-</u>
 Total Expenditures	 <u>940,298</u>	 <u>-</u>	 <u>940,298</u>	 <u>940,298</u>	 <u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,702)	-	(28,702)	(28,702)	-
 <b>OTHER FINANCING SOURCES</b>					
Transfers In - Capital Projects Fund	<u>28,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
 Total Other Financing Sources	 <u>28,702</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	(28,702)	(28,702)	-
Fund Balance, Beginning of Year	<u>32,935</u>	<u>-</u>	<u>32,935</u>	<u>32,935</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 32,935</u>	<u>\$ -</u>	<u>\$ 4,233</u>	<u>\$ 4,233</u>	<u>\$ -</u>

**Recapitulation of Fund Balance**

Restricted for Debt Service:	
Designated for Subsequent Year's Expenditures	\$ <u>4,233</u>
 Total Fund Balance Restricted for Debt Service	 <u>\$ 4,233</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 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	\$ 4,835,164
Restricted	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	4,034,638
Unrestricted	(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)	(13,552,221)
<b>Total Governmental Activities Net Position</b>	<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>	<u>\$ (4,682,419)</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 47,354	\$ 59,088	\$ 63,381	\$ 51,236	\$ 67,051	\$ 52,441	\$ 51,151	\$ 29,485	\$ 16,193	\$ 8,075
Restricted										
Unrestricted	134,686	111,408	187,998	236,657	252,906	276,464	174,569	95,895	99,463	138,375
<b>Total Business-Type Activities Net Position</b>	<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>	<u>\$ 146,450</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 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	\$ 4,843,239
Restricted	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	4,034,638
Unrestricted	(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)	(13,413,846)
<b>Total District Net Position</b>	<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>	<u>\$ (4,535,969)</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 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	\$ 15,107,076
Special Education	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	12,901,995
Other Special Education	506,271	504,255	342,974	504,280	480,261	578,320	582,419	345,694	530,157	595,646
School Sponsored Activities And Athletics	919,972	827,881	793,052	825,877	742,480	728,119	771,627	782,762	795,956	744,729
<b>Support Services:</b>										
Student & Instruction Related Services	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	11,272,114
General Administration	866,824	969,508	1,058,584	798,885	929,529	1,121,078	1,273,490	1,247,360	1,248,747	1,054,795
School Administrative Services	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	2,091,202
Central Services and Info. Technology	640,569	648,492	688,824	774,518	796,983	882,660	1,031,131	1,025,802	1,105,356	1,029,283
Plant Operations And Maintenance	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	3,808,963
Pupil Transportation	820,703	762,056	579,360	555,123	632,085	605,601	664,366	710,929	825,445	837,960
Interest on long-term debt	347,694	341,950	306,829	312,560	303,418	315,406	276,025	232,163	207,693	191,308
<b>Total Governmental Activities Expenses</b>	<u>36,165,534</u>	<u>34,486,774</u>	<u>34,090,451</u>	<u>35,985,232</u>	<u>37,078,035</u>	<u>42,036,588</u>	<u>46,014,663</u>	<u>50,942,121</u>	<u>52,116,676</u>	<u>49,635,071</u>
<b>Business-Type Activities:</b>										
Food service	647,835	642,297	651,540	680,824	718,142	689,261	684,198	675,477	641,350	677,225
Saturday Happenings	276,291	299,322	257,443	266,953	271,238	278,432	381,873	378,962	333,192	308,921
<b>Total Business-Type Activities Expense</b>	<u>924,126</u>	<u>941,619</u>	<u>908,983</u>	<u>947,777</u>	<u>989,380</u>	<u>967,693</u>	<u>1,066,071</u>	<u>1,054,439</u>	<u>974,542</u>	<u>986,146</u>
<b>Total District Expenses</b>	<u>\$ 37,089,660</u>	<u>\$ 35,428,393</u>	<u>\$ 34,999,434</u>	<u>\$ 36,933,009</u>	<u>\$ 38,067,415</u>	<u>\$ 43,004,281</u>	<u>\$ 47,080,734</u>	<u>\$ 51,996,560</u>	<u>\$ 53,091,218</u>	<u>\$ 50,621,217</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
Instruction	\$ 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	\$ 11,722,828
Support Services	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	2,165,568
Operating grants and contributions	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	13,618,948
Capital grants and contributions	-	36,216	-	4,088	73,769	202,000	983,320	5,459	10,327	-
<b>Total Governmental Activities Program Revenues</b>	<u>17,179,448</u>	<u>15,616,954</u>	<u>15,339,296</u>	<u>16,961,802</u>	<u>17,350,031</u>	<u>21,770,124</u>	<u>24,102,670</u>	<u>27,646,333</u>	<u>30,148,771</u>	<u>27,507,344</u>
<b>Business-Type Activities:</b>										
<b>Charges for services</b>										
Food Service	459,671	431,919	412,146	392,740	413,430	693,693	348,755	334,249	324,485	349,244
Saturday Happenings	232,184	281,527	327,306	325,861	332,382	282,256	304,718	294,540	318,379	318,279
Operating grants and contributions	200,305	215,745	249,531	264,850	274,770	-	308,680	324,642	320,309	345,861
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<u>892,160</u>	<u>929,191</u>	<u>988,983</u>	<u>983,451</u>	<u>1,020,582</u>	<u>975,949</u>	<u>962,153</u>	<u>953,431</u>	<u>963,173</u>	<u>1,013,384</u>
<b>Total District Program Revenues</b>	<u>\$ 18,071,608</u>	<u>\$ 16,546,145</u>	<u>\$ 16,328,279</u>	<u>\$ 17,945,253</u>	<u>\$ 18,370,613</u>	<u>\$ 22,746,073</u>	<u>\$ 25,064,823</u>	<u>\$ 28,599,764</u>	<u>\$ 31,111,944</u>	<u>\$ 28,520,728</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (18,986,086)	\$ (18,869,820)	\$ (18,751,155)	\$ (19,023,430)	\$ (19,728,004)	\$ (20,266,464)	\$ (21,911,993)	\$ (23,295,788)	\$ (21,967,905)	\$ (22,127,727)
Business-Type Activities	(31,966)	(12,428)	80,000	35,674	31,202	8,256	(103,918)	(101,008)	(11,369)	27,238
<b>Total District-Wide Net Expense</b>	<u>\$ (19,018,052)</u>	<u>\$ (18,882,248)</u>	<u>\$ (18,671,155)</u>	<u>\$ (18,987,756)</u>	<u>\$ (19,696,802)</u>	<u>\$ (20,258,208)</u>	<u>\$ (22,015,911)</u>	<u>\$ (23,396,796)</u>	<u>\$ (21,979,274)</u>	<u>\$ (22,100,489)</u>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 21,531,657
Taxes levied for debt service	42,772	75,437	75,437	74,667	301,212	300,291	415,750	818,901	707,287	722,018
Unrestricted aid and contributions	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	1,684,227
Investment earnings	37,028	33,847	18,851	26,893	29,366	17,736	9,667	13,733	50,108	82,275
Miscellaneous income	129,596	68,183	143,286	98,886	206,375	79,732	88,271	149,666	96,318	72,906
Transfers	-	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>18,071,553</u>	<u>17,876,189</u>	<u>19,087,605</u>	<u>19,674,390</u>	<u>20,561,044</u>	<u>20,830,141</u>	<u>21,470,060</u>	<u>22,664,449</u>	<u>23,265,145</u>	<u>24,093,083</u>
Business-Type Activities:										
Investment earnings	447	884	883	840	862	692	733	668	1,645	3,556
Transfers	-	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>447</u>	<u>884</u>	<u>883</u>	<u>840</u>	<u>862</u>	<u>692</u>	<u>733</u>	<u>668</u>	<u>1,645</u>	<u>3,556</u>
<b>Total District-Wide</b>	<u>\$ 18,072,000</u>	<u>\$ 17,877,073</u>	<u>\$ 19,088,488</u>	<u>\$ 19,675,230</u>	<u>\$ 20,561,906</u>	<u>\$ 20,830,833</u>	<u>\$ 21,470,793</u>	<u>\$ 22,665,117</u>	<u>\$ 23,266,790</u>	<u>\$ 24,096,639</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ (914,533)	\$ (993,631)	\$ 336,450	\$ 650,960	\$ 833,040	\$ 563,677	\$ (441,933)	\$ (631,339)	\$ 1,297,240	\$ 1,965,356
Business-Type Activities	(31,519)	(11,544)	80,883	36,514	32,064	8,948	(103,185)	(100,340)	(9,724)	30,794
<b>Total District</b>	<u>\$ (946,052)</u>	<u>\$ (1,005,175)</u>	<u>\$ 417,333</u>	<u>\$ 687,474</u>	<u>\$ 865,104</u>	<u>\$ 572,625</u>	<u>\$ (545,118)</u>	<u>\$ (731,679)</u>	<u>\$ 1,287,516</u>	<u>\$ 1,996,150</u>

Source: District financial statements

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

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
<b>General Fund</b>										
Reserved	\$ 1,952,850									
Unreserved	(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	\$ 5,115,859
Committed		74,570		299,677						
Assigned		319,314	557,523	257,017	487,665	740,305	225,062	361,909	543,682	265,097
Unassigned	-	197,371	106,068	89,035	164,944	124,418	(3,366)	76,752	83,095	108,198
<b>Total General Fund</b>	<u>\$ 1,855,950</u>	<u>\$ 1,461,256</u>	<u>\$ 1,493,592</u>	<u>\$ 2,060,344</u>	<u>\$ 2,601,970</u>	<u>\$ 3,141,034</u>	<u>\$ 2,208,696</u>	<u>\$ 2,054,206</u>	<u>\$ 3,642,229</u>	<u>\$ 5,489,154</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 3,120,895									
Unreserved	1									
Restricted	-	\$ 2,745,896	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228	\$ 130,416	\$ 74,757	\$ 32,935	\$ 4,233
<b>Total All Other Governmental Funds</b>	<u>\$ 3,120,896</u>	<u>\$ 2,745,896</u>	<u>\$ 2,371,106</u>	<u>\$ 4,619,191</u>	<u>\$ 2,098,351</u>	<u>\$ 2,994,228</u>	<u>\$ 130,416</u>	<u>\$ 74,757</u>	<u>\$ 32,935</u>	<u>\$ 4,233</u>

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

Source: District financial statements



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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 22,253,675
Tuition Charges	10,659,427	10,385,049	9,005,163	9,951,375	10,519,040	10,385,640	9,922,070	10,970,846	11,454,863	11,799,369
Interest Earnings	37,028	33,847	18,851	26,893	29,366	11,343	9,667	13,733	50,108	82,275
Miscellaneous	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	2,285,529
State Sources	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	9,253,448
Federal Sources	1,348,625	707,914	705,983	634,952	741,077	666,039	868,032	832,167	787,732	842,764
<b>Total Revenue</b>	<b>34,799,633</b>	<b>33,886,869</b>	<b>34,389,305</b>	<b>36,673,801</b>	<b>37,844,088</b>	<b>39,040,050</b>	<b>40,762,549</b>	<b>42,631,193</b>	<b>44,791,406</b>	<b>46,517,060</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	12,936,922
Special Education Instruction	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	11,341,704
Other Special Instruction	504,636	505,615	342,974	504,280	479,365	505,703	488,692	269,415	416,666	512,760
School Sponsored Activities And Athletics	919,972	827,881	793,052	825,877	741,446	720,468	741,526	718,938	712,502	679,784
<b>Support Services:</b>										
Student & Inst. Related Services	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	9,989,876
General Administration	845,869	965,461	1,078,106	744,567	926,596	1,081,292	1,081,767	1,106,180	1,108,874	995,960
School Administrative Services	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	1,805,440
Central Services and Info. Technology	640,569	648,492	688,151	773,845	795,627	845,270	936,202	881,184	939,482	942,598
Plant Operations And Maintenance	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	3,135,825
Pupil Transportation	798,217	728,805	540,152	530,473	608,157	580,340	611,742	631,008	712,402	729,685
Employee Benefits										
Capital Outlay	353,009	46,369	309,901	443,480	2,842,862	1,009,193	3,892,273	530,791	264,002	515,666
<b>Debt Service:</b>										
Principal	421,563	566,319	631,647	1,057,286	649,299	672,746	815,987	925,292	906,227	985,426
Interest And Other Charges	322,759	337,216	313,744	296,132	322,833	300,969	260,761	256,179	237,937	223,189
Payment to Escrow Agent										
Bond Issuance Costs				42,880			100,918			
<b>Total Expenditures</b>	<b>36,397,603</b>	<b>34,656,563</b>	<b>34,731,759</b>	<b>36,970,626</b>	<b>39,823,301</b>	<b>39,412,110</b>	<b>45,380,649</b>	<b>42,841,342</b>	<b>43,351,883</b>	<b>44,794,835</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(1,597,970)	(769,694)	(342,454)	(296,825)	(1,979,213)	(372,060)	(4,618,100)	(210,149)	1,439,523	1,722,225
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)	21,047								106,678	95,998
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	384,305	387,470	382,792	383,755	383,166	388,393	1,241,394	145,051	39,794	
Transfers Out	(384,305)	(387,470)	(382,792)	(383,775)	(383,166)	(388,393)	(1,241,394)	(145,051)	(39,794)	
<b>Total Other Financing Sources (Uses)</b>	<b>964,997</b>	<b>-</b>	<b>-</b>	<b>3,111,642</b>	<b>-</b>	<b>1,807,000</b>	<b>821,950</b>	<b>-</b>	<b>106,678</b>	<b>95,998</b>
<b>Net Change In Fund Balances</b>	<b>\$ (632,973)</b>	<b>\$ (769,694)</b>	<b>\$ (342,454)</b>	<b>\$ 2,814,817</b>	<b>\$ (1,979,213)</b>	<b>\$ 1,434,940</b>	<b>\$ (3,796,150)</b>	<b>\$ (210,149)</b>	<b>\$ 1,546,201</b>	<b>\$ 1,818,223</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	2.07%	2.61%	2.75%	3.71%	2.63%	2.54%	4.82%	2.79%	2.66%	2.73%

\* 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)**

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<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Tuition</b>	<b>One to One Aides</b>	<b>OT/PT Fees</b>	<b>Rentals</b>	<b>Prior Year Refunds</b>	<b>Gate Receipts</b>	<b>E-Rate</b>	<b>Miscellaneous</b>	<b>Total</b>
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
2019	82,275	11,799,369	1,421,246	734,459	2,332	18,631	2,734		49,206	14,110,252

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 (%)
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
2019	57,395,500	985,234,100			204,132,000	248,190,100	67,790,800	1,562,742,500	985,163	1,563,727,663	1,949,653,816	1.4410

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		
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	
2019	1.441	0.694	0.041	0.304	2.480	

Source: County Abstract of Ratables

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

Taxpayer	2019		2010	
	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	1.89%
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%	23,170,000	1.26%
FNL Realty LP	19,532,000	1.25%	20,089,500	1.09%
Ridgefield Industrial LLC	17,500,000	1.12%	18,500,000	1.01%
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	1.11%
Plastic Specialties & Tech. Inc.			15,868,000	0.86%
Ridgefield Gardens LLC			15,500,000	0.84%
	<u>\$ 228,000,800</u>	<u>14.58%</u>	<u>\$ 216,342,500</u>	<u>11.76%</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	
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
2019	22,253,675	22,253,675	100.00%	N/A

Source: District records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases and Lease Purchase Agreements	Sale/Leaseback Contracts				
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	11,052	713	
2012	6,633,000	237,831	380,825	7,251,656	11,122	652	
2013	9,128,000	178,032		9,306,032	11,166	833	
2014	8,538,000	118,733		8,656,733	11,199	773	
2015	9,730,000	60,987		9,790,987	11,210	873	
2016	8,107,000	721,032		8,828,032	11,239	785	
2017	7,342,000	560,740		7,902,740	11,243	703	
2018	6,627,000	476,191		7,103,191	11,265	631	
2019	5,897,000	316,763		6,213,763	11,265 E	552	

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			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	387
2012	6,633,000	2,371,106	4,261,894	0.27%	383
2013	9,128,000	1,996,106	7,131,894	0.46%	639
2014	8,538,000	1,620,835	6,917,165	0.44%	618
2015	9,730,000	1,238,835	8,491,165	0.55%	757
2016	8,107,000	46,154	8,060,846	0.52%	717
2017	7,342,000	46,154	7,295,846	0.47%	649
2018	6,627,000	32,935	6,594,065	0.42%	585
2019	5,897,000	4,233	5,892,767	0.38%	523

Source: District records



**RIDGEFIELD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2018  
(Unaudited)**

	<b><u>Total Debt</u></b>
Municipal Debt: (1)	
Ridgefield Board of Education (as of June 30, 2019)	\$ 5,897,000
Borough of Ridgefield	<u>12,286,114</u>
	<u>18,183,114</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	15,823,009
Bergen County Utilities Authority -	
Water Pollution (B)	<u>4,661,673</u>
	<u>20,484,682</u>
Total Direct and Overlapping Debt	<u>\$ 38,667,796</u>

## Source:

(1) Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2018 billings by the total 2018 billings of the Authority.

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

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized valuation basis
Average equalized valuation of taxable property	2016      \$    1,828,498,517
	2017                 1,943,246,923
	2018                 1,937,679,891
	<u>                    \$    5,709,425,331</u>
	<u>                    \$    1,903,141,777</u>
Debt limit (4% of average equalization)	
Total Net Debt Applicable to Limit	\$            76,125,671
Legal debt margin	<u>                    \$        5,897,000</u>
	<u>                    \$        70,228,671</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 76,125,671
Total net debt applicable to limit	<u>7,398,000</u>	<u>7,023,000</u>	<u>6,633,000</u>	<u>9,128,000</u>	<u>8,538,000</u>	<u>9,730,538</u>	<u>8,107,538</u>	<u>7,342,000</u>	<u>6,627,000</u>	<u>5,897,000</u>
Legal debt margin	<u>\$ 77,361,616</u>	<u>\$ 74,628,052</u>	<u>\$ 70,027,344</u>	<u>\$ 63,321,453</u>	<u>\$ 63,494,894</u>	<u>\$ 61,727,082</u>	<u>\$ 62,246,944</u>	<u>\$ 63,378,878</u>	<u>\$ 66,395,109</u>	<u>\$ 70,228,671</u>
Total net debt applicable to the limit as a percentage of debt limit	8.73%	8.60%	8.65%	12.60%	11.85%	13.62%	11.52%	10.38%	9.08%	7.75%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	11,048	\$ 67,308	8.00%
2011	11,052	64,280	7.90%
2012	11,122	65,992	8.00%
2013	11,166	68,865	9.70%
2014	11,199	71,789	5.40%
2015	11,210	71,100	4.30%
2016	11,238	73,637	3.90%
2017	11,243	76,821	3.40%
2018	11,265	77,901	3.10%
2019	11,268	81,203	3.10% (E)

Source: New Jersey State Department of Education

(E) - Estimate

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

	2019		2010	
<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>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>	<u>2019</u>
Instruction	287	240	244	235	240	239	240	242	242	241
Support Services:										
Student & instruction related services	58	53	49	61	61	63	68	68	68	81
General administration	2	2	2	2	3	5	5	5	5	3
School administrative services	9	10	9	9	12	13	13	13	13	12
Central and other support services	6	7	6	7	7	8	8	8	8	8
Security										3
Plant operations and maintenance	19	17	18	15	17	17	17	17	17	17
Pupil transportation	8	7	7	8	7	7	7	7	7	6
Saturday Happenings	34	34	34	13	13	14	14	14	16	
OT/PT Services			13	14	14	14	14	14	13	18
<b>Total</b>	<u>423</u>	<u>370</u>	<u>382</u>	<u>364</u>	<u>374</u>	<u>380</u>	<u>386</u>	<u>388</u>	<u>389</u>	<u>389</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
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%
2019	1,689.0	43,070,554	25,501	1.23%	197	1:5.6	1:8.33	1,699.0	1,609.0	2.35%	94.70%

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Shaler Academy (Leased)										
Square Feet	33,042	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	181	168	178	193	201	180	190	177	182	196
Bergen Boulevard School										
Square Feet	28,125	28,125	28,125	28,125	28,125	28,125	28,125	30,167	30,167	30,167
Capacity (students)	325	325	325	325	325	325	325	339	339	339
Enrollment	190	200	199	216	213	231	214	206	187	203
Slocum/Skewes School										
Square Feet	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107
Capacity (students)	875	875	875	875	875	875	875	875	875	875
Enrollment <sup>a</sup>	875	828	802	790	793	766	730	771	740	775
<b><u>High School</u></b>										
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	666.5	636.5	619.5	587	562	555	553	541	551	525

Number of Schools at June 30, 2019

  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)

		Gross Building Area (SF)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2,019
*School Facilities	<u>Project # (s)</u>											
Ridgefield Memorial High	N/A	87,850	\$ 199,013	\$ 153,789	\$ 153,179	\$ 155,662	\$ 186,741	\$ 179,726	\$ 129,276	\$ 192,356	\$ 212,267	\$ 252,529
Bergen Boulevard School	N/A	28,125	63,714	49,235	49,040	49,835	59,785	57,539	114,782	61,582	67,957	80,847
Shaler Academy	N/A	33,042	74,853	57,843	57,614	58,547	70,237	67,598	38,314	72,349	79,837	94,981
Slocum/Skewes School	N/A	80,107	181,472	140,235	139,678	141,942	170,282	163,886	200,447	175,402	193,558	230,271
Grand Total			<u>\$ 519,052</u>	<u>\$ 401,102</u>	<u>\$ 399,511</u>	<u>\$ 405,986</u>	<u>\$ 487,045</u>	<u>\$ 468,749</u>	<u>\$ 482,819</u>	<u>\$ 501,689</u>	<u>\$ 553,619</u>	<u>\$ 658,628</u>

Source: District Records

N/A - Not Available



**RIDGEFIELD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2019  
(Unaudited)**

	<u>Coverage</u>		<u>Deductible</u>
Property - Blanket Buildings & Contents	As per Statement of Values		\$ 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 Legal 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			
Public 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
Funds Transfer Fraud	100,000		1,000
Cyber Liability Coverages			
Third Party Liability Coverage	2,000,000		15,000
First Party Coverage	1,000,000		25,000
Data Breach Response and Crisis Management Coverage	1,000,000		25,000
Surety Bonds			
School Business Administrator	260,000		
Assistant 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  
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

## 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, 2019 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 December 17, 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.

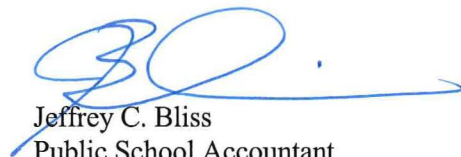
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgefield Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 17, 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.

*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  
December 17, 2019



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
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, 2019. 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, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 Ridgefield Board of Education as of and for the fiscal year ended June 30, 2019 have issued our report thereon dated December 17, 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  
December 17, 2019

RIDGEFIELD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	EAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018			Unearned Revenue Carryover Amount and Transfers	Account Receivable Carryover Amount and Transfers	Balance, June 30, 2019			Memo GAAP Receivable
						(Accounts Receivable)	Unearned Revenue	Due to Grantor			Cash Received	Budgetary Expenditures	(Account Receivable)	
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Agriculture</b>														
<b>Enterprise Fund:</b>														
<b>Child Nutrition Cluster</b>														
<b>National School Breakfast Program</b>														
Cash Assistance	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	\$ 48,303					\$ 44,572	\$ 48,303	\$ (3,731)		\$ (3,731)
Cash Assistance	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	41,529	(2,972)				2,972				
<b>National School Lunch Program</b>														
Non-Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	59,785					59,785	59,055	\$ 730		
Non-Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	53,997		1,232				1,232			
Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	230,013					214,445	230,013	(15,568)		(15,568)
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	218,127	(14,969)				14,969				
Total U.S. Department of Agriculture/Child Nutrition Cluster						(17,941)	1,232			336,743	338,603	(19,299)	730	(19,299)
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
<b>SPECIAL REVENUE FUND</b>														
<b>Special Education Cluster (IDEA)</b>														
L.D.E.A. Part B, Basic Regular	84.027	H027A170100	FT-100002	7/1/18-6/30/19	349,159			\$ 65,810	\$ (65,810)	217,920	330,111	(197,049)	84,858	(112,191)
L.D.E.A. Part B, Basic Regular	84.027	H027A170100	FT-100002	7/1/17-6/30/18	350,341	(103,139)	65,810	(65,810)	65,810	37,329				
L.D.E.A. Part B, Preschool	84.173	H173A170114	PS-100005	7/1/18-6/30/19	19,911			188	(188)	13,679	20,099	(6,420)		(6,420)
L.D.E.A. Part B, Preschool	84.173	H173A170114	PS-100005	7/1/17-6/30/18	19,609	(7,429)	188	(188)	188	7,241				
Total Special Education Cluster IDEA						(110,568)	65,998			276,169	350,210	(203,469)	84,858	(118,611)
<b>NCLB/ESEA</b>														
Title I	84.010	S010A160030	ESEACV-140300	7/1/18-6/30/19	327,519			41,339	(41,339)	217,331	346,413	(151,527)	22,445	(129,082)
Title I	84.010	S010A1780030	ESEACV-140300	7/1/17-6/30/18	325,582	(144,513)	41,339	(41,339)	41,339	103,174				
Total NCLB Title I						(144,513)	41,339			320,505	346,413	(151,527)	22,445	(129,082)
Title II, Part A	84.367A	S367A180029	ESEACV-140300	7/1/18-6/30/19	54,412			18,466	(18,466)	25,232	33,539	(47,646)	39,339	(8,307)
Title II, Part A	84.367A	S367A170029	ESEACV-140300	7/1/17-6/30/18	51,836	(35,015)	18,466	(18,466)	18,466	16,549				
Total NCLB Title II						(35,015)	18,466			41,781	33,539	(47,646)	39,339	(8,307)
Title III	84.365	S365A170030	ESEACV-140300	7/1/18-6/30/19	22,422			6,514	(6,514)	15,829	16,635	(13,107)	12,301	(806)
Title III	84.365	S365A170030	ESEACV-140300	7/1/17-6/30/18	16,837	(6,816)	6,514	(6,514)	6,514	438			\$ 136	
Title III Immigrant	84.365	S365A170030	ESEACV-140300	7/1/18-6/30/19	5,708			2,001	(2,001)	3,564	6,242	(4,145)	1,467	(2,678)
Title III Immigrant	84.365	S365A170030	ESEACV-140300	7/1/17-6/30/18	3,990	(2,093)	2,001	(2,001)	2,001	92				
Total NCLB Title III						(8,909)	8,515			19,923	22,877	(17,252)	13,768	(3,484)
Title IV	84.424	S424A170031	ESEACV-140300	7/1/18-6/30/19	19,696			746	(746)	19,150	19,150	(1,292)	1,292	
Title IV	84.424	S424A170031	ESEACV-140300	7/1/17-6/30/18	10,000	(1,060)	746	(746)	746	314				
Total NCLB Title IV						(1,060)	746			19,464	19,150	(1,292)	1,292	
Temporary Emergency Impact Aid	84.938C	5938C18005	N/A	7/1/17-6/30/18	37,000	(37,000)				37,000				
Total Special Revenue Fund						(337,065)	135,064			714,842	772,189	(421,186)	161,702	136
Total U.S. Department of Education						(337,065)	135,064			714,842	772,189	(421,186)	161,702	136
<b>U.S. Department of Health and Human Services</b>														
<b>Medicaid Cluster</b>														
<b>General Fund:</b>														
Medicaid Assistance Program (SEMI)	93.778	1805NJ5MAP	N/A	7/1/17-6/30/18	70,575					70,575	70,575			
Total Federal Awards						\$ (355,006)	\$ 136,296	\$ -	\$ -	\$ 1,122,160	\$ 1,181,367	\$ (440,485)	\$ 162,432	\$ 136



**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
									(Accounts Receivable) June 30, 2019	Unearned Revenue June 30, 2019	Due to Grantor June 30, 2019	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
Current Expense:													
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 1,530,497		\$ 1,382,484	\$ 1,530,497			\$ (148,013)				\$ 1,530,497
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	1,530,497	\$ (151,918)	151,918				-				-
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	974,383		880,151	974,383			(94,232)				974,383
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	974,383	(96,718)	96,718				-				-
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	96,410		87,086	96,410			(9,324)				96,410
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	50,732	(5,036)	5,036				-				-
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	11,745	(1,166)	1,166				-				-
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	14,910	(1,480)	1,480				-				-
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	14,910	(1,480)	1,480				-				-
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	14,410	(1,430)	1,430				-				-
Total State Aid - Public Cluster				(259,228)	2,608,949	2,601,290	-	-	(251,569)	-	-	-	2,601,290
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	20,828	(2,067)	2,067				-				-
Extraordinary Aid	18-495-034-5120-044	7/1/18-6/30/19	650,597			650,597			(650,597)				650,597
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	511,756	(511,756)	511,756				-				-
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,184,018		1,128,942	1,184,018			(55,076)			\$ (55,076)	1,184,018
On-Behalf TPAF													-
Pension Benefit Cost	19-495-034-5094-002	7/1/18-6/30/19	3,203,802		3,203,802	3,203,802							3,203,802
Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	67,064		67,064	67,064							67,064
Post Retire. Medical	19-495-034-5094-001	7/1/18-6/30/19	1,483,660		1,483,660	1,483,660							1,483,660
Long-Term Disability Insurance Prem.	19-495-034-5094-004	7/1/18-6/30/19	2,554	-	2,554	2,554	-	-	-	-	-	-	2,554
Total General Fund				(773,051)	9,008,794	9,192,985	-	-	(957,242)	-	-	(55,076)	9,192,985
Special Revenue:													
Respite (NJ DHS/DDD)	01BURN	7/1/17-6/30/18	30,960	7,220							\$ 7,220		-
Respite (NJ DHS/DDD)	01BURN	7/1/16-6/30/17	30,960	1,618								1,618	-
Respite (NJ DHS/DCF)	01BURN	7/1/13-6/30/14	35,123	2,063	-	-	-	-	-	-	2,063	-	-
Total Special Revenue Fund				10,901	-	-	-	-	-	-	10,901	-	-
Debt Service Fund													
School Construction Debt Service Aid	19-495-034-5120-075	7/1/18-6/30/19	189,578	-	189,578	189,578	-	-	-	-	-	-	189,578
<b>State Department of Agriculture</b>													
Enterprise Funds:													
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	7,258		6,784	7,258			(474)			\$ (474)	7,258
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	7,248	(489)	489				-			-	-
Total Enterprise Funds/Child Nutrition Cluster				(489)	7,273	7,258	-	-	(474)	-	-	(474)	7,258
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				(762,639)	9,205,645	9,389,821	-	-	(957,716)	-	10,901	(55,550)	9,389,821
<b>State Financial Assistance Not Subject to Major Program Determination</b>													
<b>General Fund</b>													
On-Behalf TPAF													
Pension Benefit Cost	19-495-034-5094-002	7/1/18-6/30/19	3,203,802		(3,203,802)	(3,203,802)							(3,203,802)
Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	67,064		(67,064)	(67,064)							(67,064)
Post Retire. Medical	19-495-034-5094-001	7/1/18-6/30/19	1,483,660		(1,483,660)	(1,483,660)							(1,483,660)
Long-Term Disability Insurance Prem.	19-495-034-5094-004	7/1/18-6/30/19	2,554	-	(2,554)	(2,554)	-	-	-	-	-	-	(2,554)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				\$ (762,639)	\$ 4,448,565	\$ 4,632,741	\$ -	\$ -	\$ (957,716)	\$ -	\$ 10,901	\$ (55,550)	\$ 4,632,741

**RIDGEFIELD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$129,115 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	\$ 70,575	\$ 9,063,870	\$ 9,134,445
Special Revenue Fund	772,189		772,189
Debt Service Fund		189,578	189,578
Food Service Fund	<u>338,603</u>	<u>7,258</u>	<u>345,861</u>
Total Financial Assistance	<u>\$ 1,181,367</u>	<u>\$ 9,260,706</u>	<u>\$ 10,442,073</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, 2019****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 \$1,184,018 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$3,270,866, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,483,660 and TPAF Long-Term Disability Insurance in the amount of \$2,554 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

**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, 2019**

**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>
84.027	I.D.E.A. Part B, Basic Regular
84.173	I.D.E.A. Part B, Preschool

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 (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X  yes    \_\_\_\_\_ no

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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, 2019**

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

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

**CURRENT YEAR FEDERAL AWARDS**

There were none.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**CURRENT YEAR STATE AWARDS**

**Finding 2019-001:**

The District had aggregate budget transfers from an advertised budget line that on a cumulative basis exceeded 10% of the total of the advertised budget line. The cumulative transfer over 10% was noted prior and was not submitted to nor approved by the Executive County Superintendent.

**State Program Information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or Specific Requirement:**

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

**Condition:**

Transfer requests were not submitted to the Executive County Superintendent for transfers out of an advertised line item that exceeded 10%.

**Questioned Costs:**

Unknown.

**Context:**

Transfer requests were not submitted to the Executive County Superintendent. Transfers were made out of Undistributed Programs – Instruction exceeding 10% which require approval of the Executive County Superintendent.

**Effect:**

The District is not in compliance with State Aid Grant program requirements.

**Cause:**

Unknown.

**Recommendation:**

Executive County Superintendent's approval be sought as required for all transfers that exceed ten percent (10%) of the original advertised budget appropriation amount in accordance with N.J.A.C. 6A:23A-13.3(g).

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

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



**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

**CURRENT YEAR STATE AWARDS**

**Finding 2019-002**

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

**State program information:**

Extraordinary Special Education Aid	495-034-5120-473
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**Criteria or specific requirement:**

State Grant Compliance Supplement – Extraordinary Aid – Eligibility

**Condition:**

Certain students included on the Extraordinary Aid application did not receive intensive related services nor did their IEP's indicate they were required to receive such services.

**Questioned Costs:**

Unknown.

**Context:**

Three (3) students tested out of forty-three (43) sampled did not have an intensive related service included in their IEP. The Extraordinary Aid application listed forty-eight (48) eligible students.

**Effect:**

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

**Cause:**

Certain students included on the Extraordinary Aid application received pupil to teacher ratio of 3 to 1 or less, however this related service was not required in their IEP, thus not eligible for extraordinary aid.

**RIDGEFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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.

**Finding 2019-002**

**Recommendation:**

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

**Views of Responsible Officials and Planned Corrective Action Plan:**

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

**RIDGEFIELD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**

There were none.