RIDGEFIELD BOARD OF EDUCATION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Ridgefield Board of Education

Ridgefield, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

RIDGEFIELD BOARD OF EDUCATION TABLE OF CONTENTS

		Page
	INTRODUCTORY SECTION	
Organ Roste	of Transmittal nizational Chart r of Officials ultants and Advisors	i-iv v vi vii
	FINANCIAL SECTION	
Indep	endent Auditor's Report	1-3
REQ	UIRED SUPPLEMENTARY INFORMATION – PART I	
	Management's Discussion and Analysis	4-16
Basic	Financial Statements	
Α.	District-wide Financial Statements	
	A-1 Statement of Net Position A-2 Statement of Activities	17 18-19
В.	Fund Financial Statements	
	 Governmental Funds B-1 Balance Sheet B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements 	20-21 22 23
	 Proprietary Funds B-4 Statement of Net Position B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position B-6 Statement of Cash Flows 	24 25 26
	Fiduciary Funds – Not Applicable	
	Notes to the Financial Statements	27-70

RIDGEFIELD BOARD OF EDUCATION TABLE OF CONTENTS

			Page
REQ	UIREI	SUPPLEMENTARY INFORMATION – PART II	
C.	Budg	getary Comparison Schedules	
	C-1 C-2	Budgetary Comparison Schedule – General Fund Budgetary Comparison Schedule – Special Revenue Fund	71-76 77
NOT	ES TO	THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
	C-3	Required Supplementary Information – Budgetary Comparison Schedule Notes to the Required Supplementary Information	78
REQ	UIREI	SUPPLEMENTARY INFORMATION - PART III	
L.	Sche (OPI	dules Related to Accounting and Reporting for Pensions and Other Postemployn EB)	nent Benefits
	L-1	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	79
	L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	80
	L-3	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	81
	L-4	Notes to Required Supplementary Information	82
	L-5	Required Supplementary Information – Schedule of District's Proportionate	
		Share of Total OPEB Liability	83
	L-6	Notes to Required Supplementary Information – OPEB Liability	84
OTE	IER SU	PPLEMENTARY INFORMATION	
D.	Scho	ol Level Schedules - Not Applicable	
E.	Spec	ial Revenue Fund	
	E-1	Combining Schedule of Revenues and Expenditures	95 96
	E-2	Special Revenue Fund – Budgetary Basis Schedule of Preschool Education Aid – Schedule of Expenditures -	85-86
	1. ·- 2.	Budgetary Basis – Not Applicable	87
F.	Capi	tal Projects Fund – Not Applicable	

RIDGEFIELD BOARD OF EDUCATION TABLE OF CONTENTS

			<u>Page</u>
OTE	IER SU	PPLEMENTARY INFORMATION (Continued)	
G.	Prop	rietary Funds	
	Enter	prise Fund	
	G-1 G-2	Combining Statement of Net Position – Not Applicable Combining Statement of Revenues, Expenses and Changes in	88
		Net Position – Not Applicable	88
	G-3	Combining Statement of Cash Flows – Not Applicable	88
Н.	Fiduc	ciary Funds – Not Applicable	
I.	Long	-Term Debt	
	I-1	Schedule of Serial Bonds	89
	I-2	Schedule of Obligations Under Capital Leases and Lease Purchase Agreements	90
	I-3	Debt Service Fund Budgetary Comparison Schedule	91
J.		STATISTICAL SECTION (Unaudited)	
	J-1	Net Position by Component	92
	J-2	Changes in Net Position	93-94
	J-3	Fund Balances – Governmental Funds	95
	J-4	Changes in Fund Balances - Governmental Funds	96
	J-5	General Fund Other Local Revenue by Source	97
	J-6	Assessed Value and Actual Value of Taxable Property	98
	J-7	Direct and Overlapping Property Tax Rates	99
	J-8 J-9	Principal Property Taxpayers Property Tay Laving and Collections	100 101
	J-9 J-10	Property Tax Levies and Collections Ratios of Outstanding Debt by Type	101
	J-10 J-11	Ratios of Net General Bonded Debt Outstanding	102
	J-12	Direct and Overlapping Governmental Activities Debt	104
	J-13	Legal Debt Margin Information	105
	J-14	Demographic and Economic Statistics	106
	J-15	Principal Employers	107
	J-16	Full-Time Equivalent District Employees by Function/Program	108
	J-17	Operating Statistics	109
	J-18	School Building Information	110
	J-19	Schedule of Required Maintenance for School Facilities	111
	J-20	Insurance Schedule	112

RIDGEFIELD BOARD OF EDUCATION TABLE OF CONTENTS

K.

Page

SINGLE AUDIT SECTION K-1 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 113-114 K-2 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 115-117 Schedule of Expenditures of Federal Awards K-3 118 Schedule of Expenditures of State Financial Assistance K-4 119 K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance 120-121 K-6 Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor's Results 122-123 K-6 Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings 124 Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State K-6 Award Findings and Ouestioned Costs 125-126 Summary Schedule of Prior Year Findings K-7 127



Ridgefield Public Schools

...valuing each and every student

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

> Julyana Ortiz Business Administrator

Dr. Letizia Pantoliano Interim Superintendent of Schools

February 7, 2022

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, 2021 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, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The average daily enrollment of learners in the Ridgefield School District has continued to decrease; the District's Learning Center Program also continued to decline in 2020-2021 school year but continues to contribute 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 continues to be 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 2020-2021 fiscal year with an average daily enrollment 1,614 students.

Average Daily Enrollment (ADE)

<u>Fiscal Year</u>	Student Enrollment
2020-2021	1,614
2019-2020	1,680
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

2) ECONOMIC CONDITIONS AND OUTLOOK: Additional special education 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 continues to receive tuition from more than fifty (50) Districts and provide 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.

The district has also received various grants that have assisted in maintaining our buildings safe enough to keep our doors continuously open during this COVID 19 pandemic.

3) <u>MAJOR INITIATIVES</u>: Our administration has focused on maintaining our schools safe and open despite the constant obstacles and challenges that are presented due to the COVID 19 pandemic. The district has also invested in classroom technology and districtwide upgrades.

During the 2020-2021, the districtwide security project was completed. The project included updating cameras and software in addition to assisting the district become Alyssa Law Compliant. The district has also completed our districtwide classroom door replacement project that was started in 2019-2020. During the 2021-2022 year the district looks forward to continuing to improve our buildings and security to maintain the safety of our students.

In addition to the above-mentioned facilities improvements, the district has invested in Social Emotional Needs of our students. We have begun a partnership with Bergen County Therapy and started a mentoring program to support our students' emotional and social needs.

Ridgefield plans on continuing to provide its students with a high-quality education and improving our district technology.

4) <u>INTERNAL ACCOUNTING GOALS:</u> 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 compiled with applicable laws and regulations.

5) <u>BUDGETARY CONTROLS</u>: 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, 2021.

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) <u>ACCOUNTING SYSTEM AND REPORTS:</u> 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, 2021 the District had \$4,377,000 in serial bonds.
- 8) <u>CASH MANAGEMENT</u>: 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) <u>RISK MANAGEMENT:</u> 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.

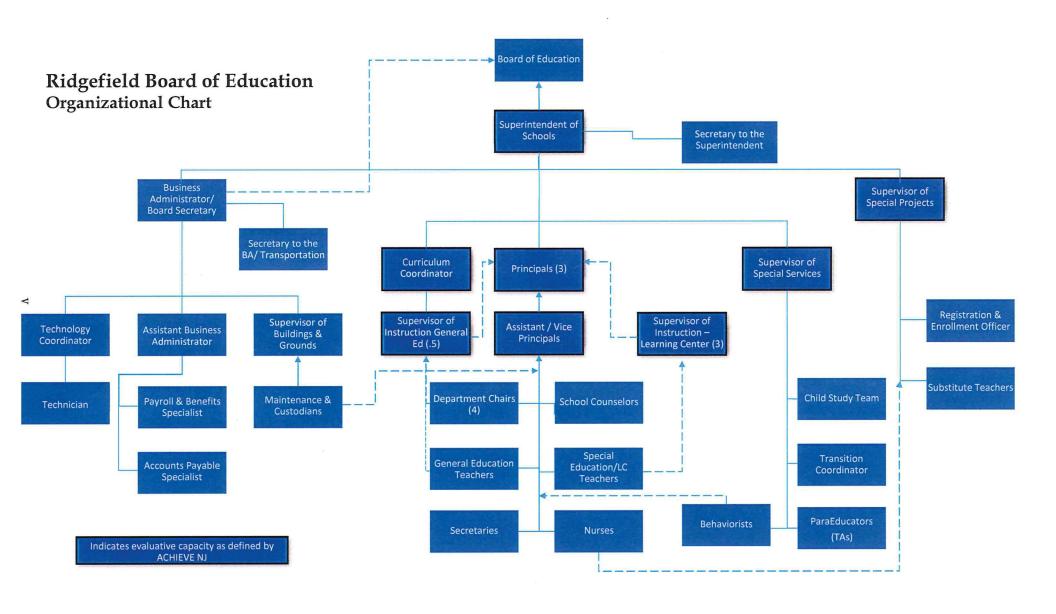
Respectfully submitted,

Dr. Letizia Pantoliano

Interim Superintendent of Schools

Julyana Ortiz

Business Administrator / Board Secretary



RIDGEFIELD BOARD OF EDUCATION BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS JUNE 30, 2021

President	Term Expires					
Michael Jacobs	2022					
Vice President						
Andrew Grippa	2023					
Members of Board of Education						
Javier Acosta	2021					
Maryam Juliet Inan	2021					
Ralph Morilla	2023					
Claudia Navarez	2022					
William Pych	2023					

Other Officials

Interim Superintendent Dr. Letizia Pantoliano

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, 2021

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



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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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 and each major fund of the Ridgefield Board of Education, as of and for the fiscal year ended June 30, 2021 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 <u>Government Auditing Standards</u>, 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 and each major fund of the Ridgefield Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Ridgefield Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, <u>Fiduciary Activities</u> which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgefield Board of Education's basic financial statements. The introductory section, 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 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 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 <u>Government Auditing Standards</u>, we have also issued our report dated February 7, 2022 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 solely 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 <u>Government Auditing Standards</u> in considering the Ridgefield Board of Education's internal control over financial reporting and compliance.

LERCH, Vivei & HIGGIOS, CCP

1

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

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 7, 2022





Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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, 2021. 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 discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- The assets and deferred outflows of resources of the Ridgefield Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$981,985.
- The District's overall net position increased \$2,235,607.
- Overall District revenues were \$53,923,948. General revenues accounted for \$25,060,317 or 46% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,863,631 or 54% of total revenues.
- The School District had \$51,110,569 in expenses for governmental activities; \$28,248,985 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$25,060,269 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 \$9,715,739.
- The General Fund unassigned fund balance at June 30, 2021 was \$814,671 an increase of \$726,442 when compared to the previous year's fund balance of \$88,229.
- The General Fund unassigned <u>budgetary</u> fund balance at June 30, 2021 was \$1,792,803 which represents an increase of \$771,695 when compared to the ending unassigned <u>budgetary</u> fund balance at June 30, 2020 of \$1,021,108.
- The District's total outstanding long-term liabilities decreased \$1,863,963 during the current fiscal year.

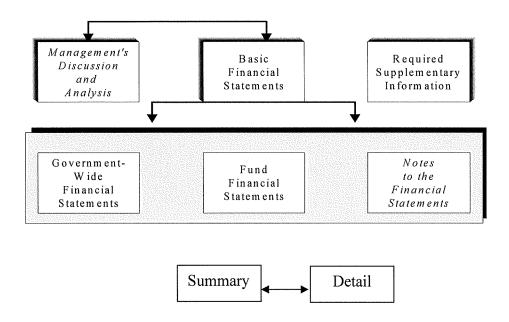
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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*.

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.



Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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	Fund Financial Statements						
	Statements	Governmental Funds	Proprietary Funds					
Scope	Entire district (except fiduciary funds	The activities of the district that are not proprietary or fiduciary, such as	Activities the district operates similar to					
		Regular and Special Education Instruction and Building maintenance	Enterprise Fund					
Required financial	Statements of Net Position	Balance Sheet	Statement of Net Position					
statements	Statement of Activities	Statement of Revenues,	Statement of Revenue,					
		Expenditures and Changes in	Expenses, and Changes in					
		Fund Balances	Fund Net Position					
			Statement of Cash Flows					
Accounting Basis and	Accrual accounting and	Modified accrual accounting	Accrual accounting and					
Measurement focus	economic resources focus	and current financial focus	economic resources focus					
Type of asset; liability;	All assets, liabilities, and	Generally assets expected to be	All assets, liabilities, and					
deferred outflow and	deferred outflows/inflows of	used up and liabilities that come	deferred outflows/inflows					
inflow of resources	resources both financial	due during the year or soon there	of resources both financial					
information	and capital, short-term and	after; no capital assets or long-term	and capital, and short-term					
	long-term	liabilities included	and long- term					
Type of inflow/outflow	All revenues and expenses	Revenues for which cash is received	All revenues and expenses					
information	during year, regardless of	during or soon after the end of the	during the year, regardless					
	when cash is received or	year; expenditures when goods or	of when cash is received					
	Paid	services have been received and the	or paid.					
		related liability is due and payable.						

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.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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 two 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)

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$981,985 as of June 30, 2021 and as of June 30, 2020 liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,253,622.

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 represents amounts reserved for specific purposes by outside parties or statutory requirements. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Net Position As of June 30, 2021 and 2020

	Governmental Business-Type Activities Activities				<u>Total</u>			
	2021	2020	2021	2020	2021	2020		
Assets					***************************************			
Current Assets	\$ 11,341,630	\$ 10,114,396	\$ 251,695	\$ 208,381	\$ 11,593,325	\$ 10,322,777		
Capital Assets	10,737,664	10,586,489	2,869	4,152	10,740,533	10,590,641		
Total Assets	22,079,294	20,700,885	254,564	212,533	22,333,858	20,913,418		
Deferred Outflows of Resources	2,001,157	2,945,598	<u> </u>	-	2,001,157	2,945,598		
Liabilities								
Long-Term Liabilities	17,284,564	19,148,527			17,284,564	19,148,527		
Other Liabilities	1,226,296	1,337,234	26,746	21,142	1,253,042	1,358,376		
Total Liabilities	18,510,860	20,485,761	26,746	21,142	18,537,606	20,506,903		
Deferred Inflows of Resources	4,815,006	4,604,822	418	923	4,815,424	4,605,745		
Net Position:								
Net Investment in Capital Assets	6,276,660	5,296,339	2,869	4,152	6,279,529	5,300,491		
Restricted	6,344,658	5,614,164			6,344,658	5,614,164		
Unrestricted	(11,866,733)	(12,354,603)	224,531	186,326	(11,642,202)	(12,168,277)		
Total Net Position	\$ 754,585	\$ (1,444,100)	\$ 227,400	\$ 190,478	\$ 981,985	\$ (1,253,622)		

The District's total net position of \$981,985 at June 30, 2021 represents a \$2,235,607 or 178% increase in net position from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020, respectively.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Changes in Net Position For the Fiscal Years Ended June 30, 2021 and 2020

	Governmental			ss-Type	m			
_	· · · · · · · · · · · · · · · · · · ·	ivities		<u>vities</u>	<u>To</u>			
Revenues	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>		
Program Revenues	d 11 mm < 0.0 m	ф. 12.4 m 0.010	d 20.453		ф. 11.00 <i>с</i> 27 0			
Charges for Services	\$ 11,776,805		· ·	ŕ		\$ 14,021,413		
Operating Grants and Contributions	16,428,417	12,190,483	585,173	273,765	17,013,590	12,464,248		
Capital Grants and Contributions	43,763				43,763	-		
General Revenues	22 200 124	22 024 (27			22 200 124	22.024.625		
Property Taxes	23,280,134	22,834,627			23,280,134	22,834,627		
State Aid - Unrestricted Other	1,749,206 30,929	1,683,265 155,958	48	2,783	1,749,206 30,977	1,683,265 158,741		
Office		133,936		2,785	30,777	130,741		
Total Revenues	53,309,254	50,344,245	614,694	818,049	53,923,948	51,162,294		
Expenses Instruction								
Regular	16,810,156	14,492,081			16,810,156	14,492,081		
Special Education	13,179,210	12,370,936			13,179,210	12,370,936		
Other Instruction	792,855	519,430			792,855	519,430		
School Sponsored Activities and Ath.	718,066	633,712			718,066	633,712		
Support Services								
Student and Instruction Related Serv.	10,739,825	10,485,008			10,739,825	10,485,008		
General Administrative Services	1,094,047	1,077,242			1,094,047	1,077,242		
School Administrative Services	2,314,844	2,149,064			2,314,844	2,149,064		
Central Services and Info. Technology	1,183,757	1,056,650			1,183,757	1,056,650		
Plant Operations and Maintenance	3,541,336	3,649,181			3,541,336	3,649,181		
Pupil Transportation	598,876	721,046			598,876	721,046		
Interest on Long Term Debt	137,597	163,990			137,597	163,990		
Food Services			432,106	516,310	432,106	516,310		
Saturday Happenings Program			145,666	257,711	145,666	257,711		
Total Expenses	51,110,569	47,318,340	577,772	774,021	51,688,341	48,092,361		
Increase (Decrease) in Net Position	2,198,685	3,025,905	36,922	44,028	2,235,607	3,069,933		
Net Position, Beginning of Year	(1,444,100)	(4,682,419)	190,478	146,450	(1,253,622)	(4,535,969)		
Prior Period Adjustment	-	212,414	***	-		212,414		
Net Position, End of Year	\$ 754,585	\$ (1,444,100)	\$ 227,400	\$ 190,478	\$ 981,985	\$ (1,253,622)		

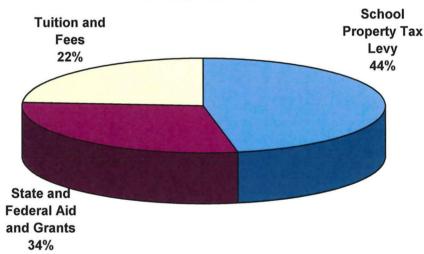
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$53,309,254 for the fiscal year ended June 30, 2021, property taxes of \$23,280,134 represented 44% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$18,221,386 represented 34% of revenues. Charges for services from special education tuition, one to one aides, OT/PT service and student activity fees was another predominant source of revenue; \$11,776,805 was earned during the year representing 22% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items.

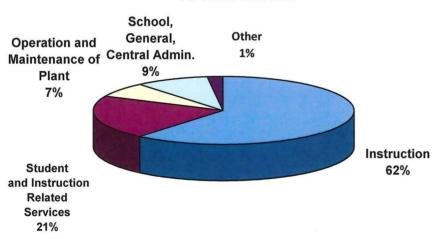
The total cost of all governmental activities programs and services was \$51,110,569 for the fiscal year ended June 30, 2021. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$31,500,287 (62%) of total expenses. Support services totaled \$19,472,685 (38%) 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 \$2,198,685 from the previous year.

Revenues by Source-Governmental Activities For Fiscal Year 2021



Expenses by Type- Governmental Activities For Fiscal Year 2021



Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Total and Net Cost of Governmental Activities. The District's total cost of services was \$51,110,569 for the fiscal year ended June 30, 2021. After applying program revenues, derived from charges for services of \$11,776,805, operating and capital grants and contributions of \$16,472,180; the net cost of services of the District is \$22,861,584.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2021 and 2020

		Cost of vices	`	Revenues) rvices	
	<u>2021</u>				
Instruction					
Regular	\$ 16,810,156	\$ 14,492,081	\$ 10,698,785	\$ 10,145,060	
Special Education	13,179,210	12,370,936	(2,572,357)	· ·	
Other Instruction	792,855	519,430	499,287	486,338	
School Sponsored Activities and Athletics	718,066	633,712	598,114	617,914	
Support Services	,	,	,	,	
Student and Instruction Related Svcs.	10,739,825	10,485,008	6,177,981	6,292,877	
General Administrative Services	1,094,047	1,077,242	962,496	963,094	
School Administrative Services	2,314,844	2,149,064	1,620,207	1,628,535	
Central Services and Info. Technology	1,183,757	1,056,650	971,022	918,283	
Plant Operations and Maintenance	3,541,336	3,649,181	3,241,570	3,505,603	
Pupil Transportation	598,876	721,046	559,884	706,394	
Interest on Long Term Debt	137,597	163,990	104,595	126,014	
Total	\$ 51,110,569	\$ 47,318,340	\$ 22,861,584	\$ 21,647,945	

Business-Type Activities – The District's total business-type activities revenues were \$614,694 for the fiscal year ended June 30, 2021. Charges for services accounted for 5% or \$29,473 of total revenues for the year. Operating grants and contributions accounted for 95% or \$585,173 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 \$577,772. 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 \$432,106 (75%) and the Saturday Happenings Programs which offers before and after school programs to all District students and residents at a total cost of \$145,666 (25%).

Total business-type activities revenues surpassed expenses increasing net position by \$36,922 from the previous year.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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 \$9,715,739. The prior year fund balance at June 30, 2020 was \$8,557,245. Therefore, the net increase for the year ended June 30, 2021 was \$1,158,494.

Revenues for the District's governmental funds were \$47,336,136 while total expenses were \$46,221,452 for the year ended June 30, 2021. The District had other financing sources totaling \$43,810 for the year ending June 30, 2021.

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

The following schedule presents a summary of General Fund Revenues.

		Fiscal Year Ended une 30, 2021	_	Fiscal Year Ended une 30, 2020	Amount of Increase (Decrease)	Percent <u>Change</u>	
Local Sources:							
Property Tax Levy	\$	22,566,627	\$	22,121,031	\$ 445,596	2%	
Tuition		9,901,962		11,398,576	(1,496,614)	-13%	
Miscellaneous		1,672,497		2,228,848	(556,351)	-25%	
State Sources		10,778,790		9,322,156	1,456,634	16%	
Federal Sources		132,637		85,798	 46,839	55%	
Total General Fund Revenues	<u>\$</u>	45,052,513	\$	45,156,409	\$ (103,896)	0%	

Total General Fund Revenues decreased by \$103,896 or less than 1% over the previous year. Local property taxes increased by \$445,596 or 2% over the previous year primarily to offset increases in budgeted operating costs. The District tuition revenue decreased 13% during the current school year due to a reduction in enrollment from other school districts. Miscellaneous revenues decreased 25% as a result of a decrease from fees earned for one to one aide services. In addition, State aid revenues increased \$1,456,634 or 16% 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.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2021</u>			Fiscal Year Ended une 30, 2020		Amount of Increase (Decrease)	Percent Change
Instruction	\$	26,230,157	\$	24,604,805	\$	1,625,352	7%
Support Services		16,650,293		17,109,535		(459,242)	-3%
Debt Service		90,663		234,292		(143,629)	-61%
Capital Outlay		920,530		323,398		597,132	185%
Total Expenditures	<u>\$</u>	43,891,643	\$	42,272,030	<u>\$</u>	1,619,613	4%

Total General Fund expenditures increased \$1,619,613 or approximately 4% from the previous year. The increase was for the most part attributable to an increase in expenditures for regular education instructional costs which was offset by decreases in student and instruction related student services support costs, as well as, student transportation and plan operation and maintenance support costs. Capital outlay expenditures increased significantly (185%) as a result of activity related to various equipment acquisitions and building improvement projects undertaken during the current year.

For the fiscal year ended June 30, 2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,159,369. As a result, total fund balance increased to \$9,504,200 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$726,442 to \$814,671 at June 30, 2021 from a fund balance of \$88,229 at June 30, 2020. Restricted fund balances for capital reserve, maintenance reserve, tuition adjustments and excess surplus increased \$895,507 from the previous year. Assigned fund balances for year end encumbrances, semi and amounts designated for the subsequent years budget (2021/2022) decreased \$462,580 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 \$1,380,925 for the year ended June 30, 2021. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 93% or \$1,280,025 of the total revenue for the year. The remaining 7% or \$100,960 of revenue came from local sources.

Total Special Revenue Fund revenues increased \$662,520 or 92% from the previous year. Federal sources increased \$598,435 or 88%. Local grants increased \$64,085 or 174% from the prior year.

Expenditures of the Special Revenue Fund were \$1,397,113. Instructional expenditures were \$1,047,389 or 75% and expenditures for support services were \$305,961 or 22% of the total amount expended for the year ended June 30, 2021. The remaining expenses of \$43,763 related to capital outlay expenses for the special revenue fund.

Proprietary Funds

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

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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:

- Reduction in appropriation for state aid loss of \$40,000.
- Appropriation of restricted maintenance reserve fund balance of \$9,263.
- Reappropriation of prior year encumbrances of \$648,904.
- Revisions to budget line accounts through budget transfers.

For fiscal year 2021 General Fund budgetary basis revenues and other financing sources were greater than expenditures and other financing uses by \$1,204,622. Therefore budgetary fund balance increased to \$10,482,332 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance at June 30, 2021 was \$1,792,803 an increase of \$771,695 when compared to the previous year's unassigned budgetary fund balance of \$1,021,108 at June 30, 2020. The amount restricted for tuition refund reserves decreased by \$50,000 to \$1,250,000, maintenance reserve remained the same, reserved excess surplus increased by \$164,138 to \$2,209,641 and capital reserve increased by \$781,369 to \$3,572,530 at June 30, 2021, 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, 2021 amounts to \$10,740,533 (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 2020-2021 amounted to \$810,060 for governmental activities and \$1,283 for business-type activities.

Capital Assets at June 30, 2021 and 2020 (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities				<u>Total</u>			
	<u>2021</u>	* * * * * * *	<u>2020</u>	<u>2021</u>	7,1,10	<u>2020</u>		<u>2021</u>		<u>2020</u>
Land	\$ 288,751	\$	288,751				\$	288,751	\$	288,751
Construction in Progress	471,240		280,497					471,240		280,497
Land Improvements	148,264		151,569					148,264		151,569
Buildings and Building Improvements	8,462,093		8,398,808					8,462,093		8,398,808
Leasehold Improvements	11,396		13,927					11,396		13,927
Machinery and Equipment	 1,355,920		1,452,937	\$ 2,869	<u>\$</u>	4,152		1,358,789		1,457,089
Total Capital Assets, Net	\$ 10,737,664	\$	10,586,489	\$ 2,869	<u>\$</u>	4,152	\$	10,740,533	<u>\$</u>	10,590,641

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

LONG TERM LIABILITIES

At June 30, 2021, the District's long-term liabilities totaled \$17,284,564 and consisted of serial bonds payable (including unamortized premium) of \$4,479,464, capital leases payable outstanding of \$43,810, compensated absences payable of \$1,520,566, deferred pension obligation of \$51,613, and net pension liability of \$11,189,111. At June 30, 2020, the District's long-term liabilities totaled \$19,148,527 and consisted of serial bonds payable of \$5,285,469, capital leases outstanding of \$88,832, compensated absences payable of \$1,248,779, deferred pension obligation of \$72,498, and net pension liability of \$12,452,949. The District's total outstanding long term liabilities decreased \$1,863,963 during the 2020/2021 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 2021-2022 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 2021-2022. Budgeted expenditures in the General Fund increased 4% to \$41,877,947 for fiscal year 2021-2022. A significant portion of the budget increase was for capital outlay construction projects funded by capital reserve fund balance.

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



RIDGEFIELD BOARD OF EDUCATION STATEMENT OF NET POSITION AS OF JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash Receivables, Net Inventory	\$ 9,342,384 1,999,246	\$ 76,253 171,105 4,337	\$ 9,418,637 2,170,351 4,337
Capital Assets, Not Being Depreciated Capital Assets, Being Depreciated, Net	759,991 9,977,673	2,869	759,991 9,980,542
Total Assets	22,079,294	254,564	22,333,858
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt Deferred Amounts on Net Pension Liability	62,270 1,938,887		62,270 1,938,887
Total Deferred Outflows of Resources	2,001,157	-	2,001,157
Total Assets and Deferred Outflows of Resources	24,080,451	254,564	24,335,015
LIABILITIES			
Accounts Payable and Other Current Liabilities Payable to Other Governments Accrued Interest Payable	942,564 20,498 51,368	685	943,249 20,498 51,368
Unearned Revenue Noncurrent Liabilities Due within one year	211,866 864,240	26,061	237,927 864,240
Due beyond one year	16,420,324	_	16,420,324
Total Liabilities	18,510,860	26,746	18,537,606
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability Deferred Commodities Revenue	4,815,006	418	4,815,006 418
Total Deferred Inflows of Resources	4,815,006	418	4,815,424
Total Liabilities and Deferred Inflows of Resources	23,325,866	27,164	23,353,030
NET POSITION			
Net Investment in Capital Assets Restricted for	6,276,660	2,869	6,279,529
Capital Projects Plant Maintenance	3,572,530 1,310,589		3,572,530 1,310,589
Tuition Adjustments Student Activities	1,250,000 101,153		1,250,000 101,153
Scholarships Debt Service	110,384		110,384
Unrestricted	(11,866,733)	224,531	(11,642,202)
Total Net Position	\$ 754,585	\$ 227,400	\$ 981,985

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

Total Primary Government

RIDGEFIELD BOARD OF EDUCATION STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net (Expense) Revenue and **Program Revenues Changes in Net Position** Operating Capital Charges for Grants and Grants and Governmental **Business-type** Functions/Programs Services Contributions Contributions Activities Activities Total Expenses **Governmental Activities** Instruction Regular S 16,810,156 6,067,608 \$ 43.763 \$ (10,698,785) \$ (10,698,785)Special Education 13,179,210 \$ 10,057,274 5,694,293 2,572,357 2,572,357 Other Instruction 792,855 293,568 (499,287)(499,287)School Sponsored Activities and Athletics 718,066 66,403 53,549 (598,114)(598,114)Support Services (6,177,981)Student and Instruction Related Services 10,739,825 1,653,128 2,908,716 (6,177,981)General Administrative Services 1,094,047 131,551 (962,496)(962,496)School Administrative Services 2,314,844 694,637 (1,620,207)(1,620,207)Central Services and Info. Technology 1,183,757 212,735 (971,022)(971,022)Plant Operations and Maintenance 3,541,336 299,766 (3,241,570)(3,241,570)(559.884)**Pupil Transportation** 598.876 38,992 (559.884)Interest on Long-Term Debt 137,597 (104,595)33,002 (104,595)51,110,569 11,776,805 16,428,417 43,763 (22,861,584)(22,861,584)Total Governmental Activities **Business-Type Activities** \$ 153,067 153,067 Food Service 432,106 585,173 Saturday Happenings 29,473 (116.193)145,666 (116, 193)29,473 585,173 36,874 36,874 Total Business-Type Activities 577,772

11,806,278

17,013,590

(22,824,710)

(22,861,584)

43,763

36,874

51,688,341

RIDGEFIELD BOARD OF EDUCATION STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net (Expense) Revenue and Changes in Net Position

	G	overnmental <u>Activities</u>	Business-typ Activities	e	<u>Total</u>	
General Revenues						
Taxes						
Property Taxes Levied for General Purposes	\$	22,566,627		\$	22,566,627	
Property Taxes Levied for Debt Service		713,507			713,507	
State Aid -Unrestricted		1,593,017			1,593,017	
State Aid for Debt Service Principal		156,189			156,189	
Investment Earnings		3,817	\$	48	3,865	
Miscellaneous Income	ALCO TO THE STATE OF THE STATE	27,112			27,112	
Total General Revenues		25,060,269		48	25,060,317	
Change in Net Position		2,198,685	36,9	22	2,235,607	
Net Position, Beginning of Year (Restated)		(1,444,100)	190,4	<u> 78</u>	(1,253,622)	
Net Position, End of Year	<u>\$</u>	754,585	\$ 227,4	00 \$	981,985	

FUND FINANCIAL STATEMENTS

RIDGEFIELD BOARD OF EDUCATION GOVERNMENTAL FUNDS BALANCE SHEET **AS OF JUNE 30, 2021**

		General Fund		Special Revenue Fund		Debt Service Fund	Go	Total overnmental Funds
ASSETS		****************						
Cash	\$	9,130,846	\$	211,536	\$	2	\$	9,342,384
Receivables from Other Governments, Net	•	1,637,918	•	361,328	•			1,999,246
Due from Other Funds		77,663		-		_		77,663
		<u> </u>						
Total Assets	\$	10,846,427	<u>\$</u>	572,864	<u>\$</u>	2	\$	11,419,293
LIABILITIES								
Liabilities								
Accounts Payable	\$	483,348	\$	71,798			\$	555,146
Accrued Salaries and Wages	Ψ	31,776	•	7.,750			•	31,776
Compensated Absences Payable		24,320						24,320
Payroll Deductions and Withholdings Payable		331,322						331,322
Payables to Local Governments		20,498						20,498
Due to Other Funds		20,470		77,663				77,663
Unearned Revenue		_		211,866		_		211,866
Cheathed Revenue		-		211,000				211,000
Total Liabilities		891,264	***************************************	361,327		-		1,252,591
DEBEDDED INELOWS OF DESCRIPCES								
DEFERRED INFLOWS OF RESOURCES		450.063						450.063
Unavailable Revenue - Tuition and Related Fees		450,963				_		450,963
Total Deferred Inflows of Resources	_	450,963	***************************************	-		•		450,963
FUND BALANCES								
Fund Balances								
Restricted								
		1,719,330						1,719,330
Capital Reserve		1,853,200						1,853,200
Capital Reserve - Designated for Subsequent Year's Expenditures								
Maintenance Reserve		1,039,479						1,039,479
Maintenance Reserve - Designated for		271 110						271 110
Subsequent Year's Expenditures		271,110						271,110
Tuition Adjustments		450,000						450,000
Tuition Adjustments - Designated for		000 000						000 000
Subsequent Year's Expenditures		800,000						800,000
Excess Surplus		849,592						849,592
Excess Surplus - Designed for Subsequent Year's Expenditures		1,360,049						1,360,049
Student Activities				101,153				101,153
Scholarships				110,384				110,384
Debt Service					\$	2		2
Assigned								
Year End Encumbrances		267,436						267,436
FFCRA/SEMI		7,721						7,721
Designated for Subsequent Year's Expenditures		71,612						71,612
Unassigned	_	814,671		-	*******	-	_	814,671
Total Fund Balances		9,504,200		211,537		2	*****	9,715,739
Total Liabilities, Deferred Inflows of Resources								
and Fund Balances	\$	10,846,427	\$	572,864	\$	2	\$	11,419,293

RIDGEFIELD BOARD OF EDUCATION GOVERNMENTAL FUNDS BALANCE SHEET AS OF JUNE 30, 2021

Total Fund Balances (Exhibit B-1)			\$	9,715,739
Amounts reported for <i>governmental activities</i> in the statement net position (A-1) are different because:	of			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,720,697 and the accumulated depreciation is \$12,983,033.	t.		1	10,737,664
	man il anno a Grann in I			,,
Deferred revenues in the funds that are unavailable and do not resources are realized as earned revenues in the statement of a	•			450,963
Amounts resulting from the refunding of debt are reported as a resources on the statement of net position and amortized over to				62,270
Certain amounts resulting from the measurement of the net per reported as either deferred outflows of resources or deferred in on the statement of net position and amortized over future year	flows of resources			
	Deferred Outflows of Resources Deferred Inflows of Resources	\$ 1,938,887 (4,815,006)		
The District has financed capital assets through the issuance			((2,876,119)
of long-term bonds. The interest accrual at year end is:				(51,368)
Long-term liabilities, including bonds payable and net pension are not due and payable in the current period and therefore are liabilities in the funds.	•			
	Bonds Payable (Including Unamortized Premium)	(4,479,464)		
	Capital Leases Compensated Absences	(43,810) (1,520,566)		
	Deferred Pension Obligation	(51,613)		
	Net Pension Liability	(11,189,111)	(1	17,284,564)
Net Position of Governmental Activities (Exhibit A-1)			\$	754,585

RIDGEFIELD BOARD OF EDUCATION GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		General <u>Fund</u>		Special Revenue <u>Fund</u>		Debt Service Fund	Go	Total overnmental <u>Funds</u>
REVENUES								
Local Sources								
Property Tax Levy	\$	22,566,627			\$	713,507	\$	23,280,134
Tuition		9,901,962						9,901,962
Interest		3,817						3,817
Miscellaneous - Restricted		1,641,568	•					1,641,568
Miscellaneous - Unrestricted		27,112	\$	100,900		14		128,012
Total - Local Sources		34,141,086		100,900		713,507		34,955,493
State Sources		10,778,790				189,191		10,967,981
Federal Sources		132,637		1,280,025		-		1,412,662
Total Revenues		45,052,513		1,380,925	_	902,698		47,336,136
EXPENDITURES								
Current								
Instruction								
Regular Instruction		13,833,774		565,827				14,399,601
Special Education Instruction		11,163,785 667,499		374,481				11,538,266 679,185
Other Special Instruction		•		11,686				·
School-Sponsored Activities and Athletics Support Services		565,099		95,395				660,494
Student and Instruction Related Services		9,196,611		305,961				9,502,572
General Administrative Services		1,019,669		303,701				1,019,669
School Administrative Services		1,988,649						1,988,649
Central Services and Info. Technology		1,068,736						1,068,736
Plant Operations and Maintenance		2,876,262						2,876,262
Student Transportation		500,366						500,366
Debt Service								
Principal		88,832				770,000		858,832
Interest and Other Charges		1,831				162,696		164,527
Capital Outlay		920,530	_	43,763		-		964,293
Total Expenditures		43,891,643	_	1,397,113		932,696		46,221,452
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,160,870		(16,188)		(29,998)		1,114,684
Over (Onder) Expenditures	_	1,100,670	_	(10,188)	_	(29,996)		1,114,004
OTHER FINANCING SOURCES (USES)								
Capital Lease Proceeds		43,810		-		-		43,810
Transfers In				15,311		30,000		45,311
Transfers Out		(45,311)	_	-				(45,311)
Total Other Financing Sources and Uses		(1,501)		15,311		30,000		43,810
N. C. I. D. I.D.		1 1 70 0 60		/0==		_		1 1 70 40 4
Net Change in Fund Balances		1,159,369		(877)		2		1,158,494
Fund Balance, Beginning of Year (Restated)	_	8,344,831		212,414		-		8,557,245
Fund Balance, End of Year	<u>\$</u>	9,504,200	<u>\$</u>	211,537	<u>\$</u>	2	\$	9,715,739

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, 2021

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)

\$ 1,158,494

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlays	\$ 964,293
Depreciation Expense	 (810,060)

The net effect of various miscellaneous transactions involving capital assets (i.e.sales, disposals donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements

Loss on Disposal of Capital Assets (3,058)

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 Leases (43,810)

Principal Repayments:

 General Obligations Bonds
 770,000

 Capital Leases
 88,832

 858,832
 858,832

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	(21,881)
Original Issue Premium	36,005
	14,124

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	(271.787)
Decrease in Deferred Pension Obligations	20,885
Decrease in Pension Expense	131,094
	(119,808)

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

Increase in Unavailable Revenue 166,872

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 12,806

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 2,198,685

RIDGEFIELD BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF NET POSITION AS OF JUNE 30, 2021

Busi	ness-Type	Activities
E	nterprise	Funds

	Enterprise Funds			
	Food <u>Service</u>	Saturday Happenings <u>Program</u>	<u>Total</u>	
ASSETS				
Cash	\$ 47,669	\$ 28,584	\$ 76,253	
Intergovernmental Receivable, Net	150,256		150,256	
Accounts Receivable, Net	18,454	2,395	20,849	
Inventory	4,337		4,337	
Total Current Assets	220,716	30,979	251,695	
Capital Assets				
Equipment	305,359	30,200	335,559	
Accumulated Depreciation	(302,490)	(30,200)	(332,690)	
Total Capital Assets, Net	2,869		2,869	
Total Assets	223,585	30,979	254,564	
LIABILITIES				
Current Liabilities				
Accounts Payable	685		685	
Unearned Revenue	11,557	14,504	26,061	
Total Current Liabilities	12,242	14,504	26,746	
DEFERRED INFLOW OF RESOURCES				
Deferred Commodities Revenue	418		418	
Total Liabilities and Deferred Inflow of Resources	12,660	14,504	27,164	
NET POSITION				
Investment in Capital Assets Unrestricted	2,869 208,056		2,869 224,531	
Omestricted		10,473		
Total Net Position	\$ 210,925	\$ 16,475	\$ 227,400	

Business-Type Activities

RIDGEFIELD BOARD OF EDUCATION PROPRIETARY FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Enterprise Funds				
		ood rvice	Saturday Happenings Program	Total	
OPERATING REVENUES					
Local Sources					
Charges for Services:					
Program Fees	***************************************		\$ 29,473	\$ 29,473	
Total Operating Revenues		-	29,473	29,473	
OPERATING EXPENSES					
Cost of Sales - Reimbursable Programs	\$	213,493		213,493	
Salaries and Benefits		149,268	144,831	294,099	
Purchased Management Services		30,053		30,053	
Other Purchased Services		9,037		9,037	
Repair and Maintenance Services		12,698		12,698	
General Supplies		11,642	64	11,706	
Miscellaneous		2,131	205	2,336	
Bad Debt Expense		3,067	***	3,067	
Depreciation		717	566	1,283	
Total Operating Expenses	Management	432,106	145,666	577,772	
Operating Income (Loss)		(432,106)	(116,193)	(548,299)	
NONOPERATING REVENUES					
State Sources					
State School Lunch Program		17,236		17,236	
Federal Sources					
National School Breakfast Program		186,465		186,465	
National School Lunch Program		294,523		294,523	
Emergency Operational Cost Program		40,816		40,816	
Administrative Cost Program		614		614	
Food Distribution Program		45,519	40	45,519	
Interest Income		-	48	48	
Total Nonoperating Revenues		585,173	48	585,221	
Changes in Net Position		153,067	(116,145)	36,922	
Total Net Position, Beginning of Year		57,858	132,620	190,478	
Total Net Position, End of Year	\$	210,925	\$ 16,475	\$ 227,400	

RIDGEFIELD BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Business-Type Activities Enterprise Funds

	Enterprise Funds Saturday				
		Food <u>Service</u>	Happenings <u>Program</u>		<u>Total</u>
Cash Flows from Operating Activities	ф	71.5	m 40.020	r.	50.652
Cash Received from Customers	\$	715	\$ 49,938	\$	50,653
Cash Payments for Employees Salaries and Benefits		(140.269)	(144 921)		(204,000)
		(149,268)	(144,831)		(294,099)
Cash Payments to Suppliers for Goods and Services		(237,855)	(269)		(238,124)
Cash Payments to Customers - Refunds		(237,833)	(8,508)		(8,508)
Net Cash Provided by (Used for) Operating Activities		(386,408)	(103,670)		(490,078)
Cash Flows from Noncapital Financing Activities					
Cash Received from State and Federal		201006			201006
Subsidy Reimbursements		394,906			394,906
Net Cash Provided by Noncapital Financing Activities		394,906		_	394,906
Cash Flows from Investing Activities Interest Received		<u>-</u>	48		48
Net Cash Provided by Investing Activities		<u> </u>	48		48
Net Increase (Decrease) in Cash		8,498	(103,622)		(95,124)
Cash, Beginning of Year		39,171	132,206		171,377
Cash, End of Year	<u>\$</u>	47,669	\$ 28,584	\$	76,253
Reconciliation of Operating (Loss) to Net Cash					
(Used for) Operating Activities					
Operating (Loss)	\$	(432,106)	\$ (116,193)	\$	(548,299)
Adjustments to Reconcile Operating (Loss)					
to Net Cash (Used for) Operating Activities					
Depreciation		717	566		1,283
Non-Cash Federal Assistance-Food Distribution Program		45,519			45,519
Change in Assets, Liabilities and Deferred Inflows of Resources		* 00.0	(1.000)		4.000
(Increase)/Decrease in Other Accounts Receivable		5,026	(1,023)		4,003
(Increase)/Decrease in Inventory		2,317			2,317
Increase/(Decrease) in Accounts Payable		(6,132)	12.000		(6,132)
Increase/(Decrease) in Unearned Revenue Increase/(Decrease) in Deferred Commodities Revenue		(1,244) (505)	12,980		11,736 (505)
Total Adjustments		45,698	12,523		58,221
Net Cash (Used for) Operating Activities	\$	(386,408)	\$ (103,670)	\$	(490,078)
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$	45,014		\$	45,014



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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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 2021, the District adopted the following GASB statement:

• GASB No. 84, *Fiduciary Activities*. 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. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 87, Leases, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, Subscription Based Information Technology Arrangements, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability or a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Currently the District has no fiduciary funds.

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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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 latch-key, pre-k, Saturday happenings and summer happening operations which provides before and after school child care, pre-k curriculum and community education programs for district students and residents.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end except for tuition and related service fees which are considered available if collected within 9- days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. 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.

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

7. 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 a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Deferred Outflows/Inflows of Resources (Continued)

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

8. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal and sick leave benefits. A long-term liability of accumulated vacation, personal 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, personal 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.

9. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. 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. Differences resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

11. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

<u>Capital Reserve - Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

<u>Maintenance Reserve</u> – 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).

<u>Maintenance Reserve - Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

<u>Tuition Adjustments</u> – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2020/2021 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 in the 2022/2023 original budget certified for taxes.

<u>Tuition Adjustment – Designated for Subsequent Year's Expenditures</u> – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2019/2020 contract year that is appropriated in the 2021/2022 original budget certified for taxes.

<u>Excess Surplus</u> – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

<u>Excess Surplus – Designated for Subsequent Year's Expenditures</u> - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

<u>Student Activities</u> – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

<u>Scholarships</u> – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

<u>Assigned Fund Balance</u> – 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.

<u>Year-End Encumbrances</u> – 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.

<u>FFCRA/SEMI</u> - Represents fund balance assigned specifically for the Family First Coronavirus Response Act in the General Fund that was not appropriated in the 2020/2021 school year. These funds are available for appropriation in subsequent year's budgets.

<u>Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

<u>Unassigned Fund Balance</u> – 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 (special revenue 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. 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.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

<u>Tuition Revenues</u> - 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.

<u>Tuition Expenditures</u> - Tuition charges for the fiscal years 2019-2020 and 2020-2021 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 and Saturday happenings program enterprise funds, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$2,658,543. The increase was funded by the additional appropriation of maintenance reserve, grant awards, student activities revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. In addition, the Board also approved to reduce General Fund appropriations by \$40,000 for the reduction of budgeted state aid.

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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$	2,791,161
Increased by			
Return of Unexpended Budget Withdrawals	\$ 9,251		
Deposits Approved by Board Resolution	 989,118		
			998,369
			3,789,530
Decreased by			
Withdrawals Approved in District Budget			217,000
Balance, June 30, 2021		<u>\$</u>	3,572,530

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. The Board was designated and appropriated \$1,853,200 of the capital reserve balance at June 30, 2021 for use in the 2021/2022 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020			\$ 1,310,589
Increased by Deposits Approved by Board Resolution			 78,263
			1,388,852
Decreased by			
Withdrawals Approved in District Budget	\$	69,000	
Withdrawals Approved by Resolution	<u></u>	9,263	
			 78,263
Balance, June 30, 2021			\$ 1,310,589

The June 30, 2021 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. The Board was designated and appropriated \$271,110 of the maintenance reserve balance at June 30, 2021 for use in the 2021/2022 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 4% 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, 2021 is \$2,209,641. Of this amount, \$1,360,049 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$849,592 will be appropriated in the 2022/2023 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.

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, 2021, the book value of the Board's deposits were \$9,418,637 and bank and brokerage firm balances of the Board's deposits amounted to \$9,017,131. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured \$ 9,017,131

<u>Custodial Credit Risk – Deposits</u> – 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, 2021 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, 2021, the Board had no outstanding investments.

<u>Interest Rate Risk</u> – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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.

<u>Credit Risk</u> – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

<u>Concentration of Credit Risk</u> – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2021 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

		Special	Food	Saturday	
	<u>General</u>	Revenue	<u>Service</u>	Happenings	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 1,840,588	\$ 108			\$ 1,840,696
State	10,466		\$ 2,627		13,093
Federal	52,654	361,220	147,629		561,503
Accounts	-		18,454	18,528	36,982
Gross Receivables Less: Allowance for	1,903,708	361,328	168,710	18,528	2,452,274
Uncollectibles	(265,790)			(16,133)	(281,923)
Net Total Receivables	\$ 1,637,918	\$ 361,328	\$ 168,710	\$ 2,395	\$ 2,170,351

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:

	Ţ	<u>Unearned</u>		
Special Revenue Fund				
Unencumbered Grant Draw Downs	\$	15,827		
Grnat Draw Downs Reserve for Encumbrances		196,039		
Total Unearned Revenue for Governmental Funds	\$	211,866		

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 288,751	-		\$ 288,751
Construction in Progress	280,497	\$ 190,743		471,240
Total Capital Assets, Not Being Depreciated	569,248	190,743	-	759,991
Capital Assets, Being Depreciated:				
Land Improvements	701,337	11,250		712,587
Buildings and Building Improvements	17,094,191	541,442		17,635,633
Leasehold Improvements	50,627			50,627
Machinery and Equipment	4,371,536	220,858	\$ (30,535)	4,561,859
Total Capital Assets Being Depreciated	22,217,691	773,550	(30,535)	22,960,706
Less Accumulated Depreciation for:				
Land Improvements	(549,768)	(14,555)		(564,323)
Buildings and Building Improvements	(8,695,383)	(478,157)		(9,173,540)
Leasehold Improvements	(36,700)	(2,531)		(39,231)
Machinery and Equipment	(2,918,599)	(314,817)	27,477	(3,205,939)
Total Accumulated Depreciation	(12,200,450)	(810,060)	27,477	(12,983,033)
Total Capital Assets, Being Depreciated, Net	10,017,241	(36,510)	(3,058)	9,977,673
Governmental Activities Capital Assets, Net	\$ 10,586,489	\$ 154,233	\$ (3,058)	\$ 10,737,664

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Business-Type Activities:	Balance, July 1, 2020	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2021
Capital Assets, Being Depreciated: Machinery and Equipment	\$ 335,559			\$ 335,559
Total Capital Assets Being Depreciated	335,559			335,559
Less Accumulated Depreciation for: Machinery and Equipment	(331,407)	\$ (1,283)		(332,690)
Total Accumulated Depreciation	(331,407)	(1,283)		(332,690)
Total Capital Assets, Being Depreciated, Net	4,152	(1,283)		2,869
Business-Type Activities Capital Assets, Net	\$ 4,152	\$ (1,283)	\$	\$ 2,869
Depreciation expense was charged to functions/p	rograms of the Di	istrict as follows:		
Governmental Activities: Instruction				
Regular Instruction Special Education Instruction			\$	191,939 3,009
Total Instruction				194,948
Support Services Students and Instruction Related Services General Administrative Services School Administrative Services Plant Operations and Maintenance Student Transportation				7,479 1,093 22,889 521,617 62,034
Total Support Services				615,112
Total Depreciation Expense - Governmental Act	tivities		\$	810,060
Business-Type Activities: Food Service Saturday Happenings Program			\$	717 566
Total Depreciation Expense-Business-Type Acti	ivities		<u>\$</u>	1,283

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	<u>Amount</u>		
General Fund	Special Revenue Fund	\$	77,663	

The above balances are to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	Tra			
	Special Revenu	ie Debt Service		
	<u>Fund</u>	<u>Fund</u>		<u>Total</u>
Transfer Out:				
General Fund	\$ 15,31	1 \$ 30,000	<u>\$</u>	45,311

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

F. Leases

Operating Leases

The District leases a school building and copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$533,948. The future minimum lease payments for these operating leases are as follows:

Fiscal		
Year Ending June 30	<u>Amount</u>	
2022	4 500 546	
2022	\$ 532,548	5
2023	530,748	3
2024	506,388	3
2025	352,000)
2026	339,200)
2027-2031	326,400	<u>)</u>
Total	\$ 2,587,284	1

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing copiers totaling \$43,810 under a capital lease. The lease is for a term of 5 years.

The capital assets acquired through capital leases are as follows:

Equipment Substitute S

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Fiscal		ernmental etivities
Year Ending June 30		
	(Capital
	Ī	Leases
2022	\$	10,140
2023		10,140
2024		10,140
2025		10,140
2026		10,140
Total minimum lease payments		50,700
Less: amount representing interest		(6,890)
Present value of minimum lease payments	\$	43,810

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 or other purposes permitted by statute. 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, 2021 are comprised of the following issues:

\$2,900,000, 2013 Bonds, due in annual installments of \$195,000 to \$220,000 through February 1, 2028, interest at 2.00% to 3.00% \$1,450,000 \$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% \$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% \$1,720,000 \$4,377,000

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

Governmental Activities:

Fiscal Year Ended		<u>Serial</u>	Bon	<u>ds</u>		
June 30,	<u>F</u>	rincipal		<u>Interest</u>		<u>Total</u>
2022	\$	800,000	\$	133,048	\$	933,048
2023		585,000		104,423		689,423
2024		600,000		91,635		691,635
2025		605,000		71,585		676,585
2026		605,000		51,098		656,098
2027-2031		1,182,000		64,560		1,246,560
	\$	4,377,000	\$	516,349	<u>\$</u>	4,893,349

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal) Less: Net Debt	\$ 79,684,423 4,377,000
Remaining Borrowing Power	\$ 75,307,423

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2021 is \$51,613.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal		
Year Ending		
<u>June 30,</u>	PER	<u>S</u>
2021	\$ 25,	960
2020	25,	892
2019	25.	684

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>J</u> 1	Balance, uly 1, 2020		Additions	Ī	Reductions	Balance, ne 30, 2021	<u>(</u>	Due Within One Year
Governmental activities:									
Bonds Payable	\$	5,147,000			\$	770,000	\$ 4,377,000	\$	800,000
Add:									
Unamortized Premium		138,469	-	-		36,005	 102,464		-
Total Bonds Payable		5,285,469		-		806,005	4,479,464		800,000
Capital Leases		88,832	\$	43,810		88,832	43,810		7,763
Compensated Absences		1,248,779		304,401		32,614	1,520,566		30,000
Deferred Pension Obligation		72,498		5,075		25,960	51,613		26,477
Net Pension Liability		12,452,949		_		1,263,838	 11,189,111		-
Governmental activity									
Long-term liabilities	\$	19,148,527	<u>\$</u>	353,286	\$	2,217,249	\$ 17,284,564	<u>\$</u>	864,240

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

The relationship between the Board and the insurance funds 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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

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

B. Contingent Liabilities

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

<u>Federal and State Awards</u> – 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, 2021, 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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

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.

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage 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.

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.

NOTE 4 OTHER INFORMATION (Continued)

D. <u>Employee Retirement Systems and Pension Plans</u> (Continued)

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

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 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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 or TPAF 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 PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 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.

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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. 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 exdividend 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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 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 the actuarial determined amount. For local 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 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	<u>DCRP</u>		
2021	\$ 750,601	\$ 4,642,623	\$	25,012
2020	672,260	3,499,662		24,681
2019	651,610	3,270,866		30,339

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$3,196 and \$3,307, respectively for PERS and the State contributed \$2,042, \$2,324 and \$2,554, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,269,797 during the fiscal year ended June 30, 2021 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 both 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, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$11,189,111 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .06861 percent, which was a decrease of .0005 percent from its proportionate share measured as of June 30, 2019 of .06911 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$619,507 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

		Deferred Outflows <u>of Resources</u>		Deferred Inflows <u>of Resources</u>	
Difference Between Expected and					
Actual Experience	\$	203,735	\$	39,570	
Changes of Assumptions		362,987		4,684,987	
Net Difference Between Projected and Actual					
Earnings on Pension Plan Investments		382,453			
Changes in Proportion and Differences Between					
District's Contributions and Proportionate Share					
of Contributions	***************************************	989,712	*	90,449	
Total	\$	1,938,887	\$	4,815,006	

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year		
Ending		
<u>June 30,</u>		<u>Total</u>
2022	\$	(1,236,834)
2023		(1,212,024)
2024		(935,213)
2025		420,928
2026		87,024
	`\$	(2,876,119)

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate: Price Wage	2.75% 3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 4 OTHER INFORMATION (Continued)

D. <u>Employee Retirement Systems and Pension Plans</u> (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, 2020) 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 rates 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%
~ ·		

Discount Rate

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

Fiscal <u>Year</u>	Measurement Date	Discount Rate
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1%	Current	1%	
	Decrease <u>6.00%</u>	Discount Rate 7.00%	Increase <u>8.00%</u>	
District's Proportionate Share of the PERS Net Pension Liability	\$ 14,085,224	\$ 11,189,111	\$ 8,731,680	

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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 measurement period July 1, 2019 through June 30, 2020. 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, 2020, 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,418,368 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$103,215,319. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .15675 percent, which was a decrease of .00615 percent from its proportionate share measured as of June 30, 2019 of .16290 percent.

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF
Inflation Rate: Price Wage	2.75% 3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) 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 TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%
- -		

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:

Fiscal <u>Year</u>	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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, 2062

Municipal Bond Rate *

From July 1, 2062 and Thereafter

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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1%		Current	1%
	Decrease (4.40%)	D	iscount Rate (5.40%)	Increase (6.40%)
State's Proportionate Share of	(414070)		13.40 70)	(0.1070)
the TPAF Net Pension Liability Attributable to the District	\$ 121,238,480	\$	103,215,319	\$ 88,250,109

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

^{*} The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. 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 multiple-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.

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
,	
Total	<u>366,108</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, 2020 is \$67.8 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, 2019 which were rolled forward to June 30, 2020.

NOTE 4 OTHER INFORMATION (Continued)

E. <u>Post-Retirement Medical Benefits</u> (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

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, 2021, 2020 and 2019 were \$1,454,926, \$1,298,310 and \$1,483,660, 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, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,485,432. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$95,128,640. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .14029 percent, which was a decrease of .00109 percent from its proportionate share measured as of June 30, 2019 of .14138 percent.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate 2.50%

Salary Increases*

PERS:

Initial Fiscal Year Applied Through 2026

Rate 2.00% to 6.00% Rate Thereafter 3.00% to 7.00%

TPAF:

Initial Fiscal Year Applied Through 2026

Rate 1.55% to 4.45% Rate Thereafter 1.55% to 4.45%

Mortality:

PERS Pre-retirement and Post-retirement based on Pub-2010

Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using

Scale MP-2020.

TPAF Pre-retirement and Post-retirement based on Pub-2010

Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections

from the central year using Scale MP-2020.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

^{*}Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

Discount Rate

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

Fiscal <u>Year</u>	Measurement Date	Discount Rate
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	otal OPEB Liability se Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 58,994,691
Changes Recognized for the Fiscal Year:	
Service Cost	2,840,412
Interest on the Total OPEB Liability	2,136,367
Differences Between Expected and Actual Experience	15,386,350
Changes of Assumptions	17,376,734
Gross Benefit Payments	(1,656,111)
Contributions from the Member	 50,197
Net Changes	\$ 36,133,949
Balance, June 30, 2020 Measurement Date	\$ 95,128,640

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1%	Current	1%
	Decrease (1.21%)	Discount Rate (2.21%)	Increase (3.21%)
State's Proportionate Share of			
the OPEB Liability Attributable to the District	\$ 114,682,486	\$ 95,128,640	\$ 79,839,416

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:

	1% <u>Decrease</u>	 Healthcare Cost Trend <u>Rates</u>		1% <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ 76,791,046	\$ 95,128,640	<u>\$</u>	116,964,639

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

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.

NOTE 5 RESTATEMENT

On July 1, 2020, the Ridgefield Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Ridgefield Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$212,414 from a deficit position of \$1,656,514 as previously reported to a deficit position of \$1,444,100 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$212,414 from \$8,344,831 as previously reported to \$8,557,245 as of June 30, 2020. Special Revenue Fund fund balance increased \$212,414 from \$0 as previously reported to \$212,414 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$97,580 from \$97,580 as previously reported to \$0 as of June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the "Governor") of the State of New Jersey (the "State") declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

NOTE 6 INFECTIOUS DISEASE OUTBREAK - COVID-19 PANDEMIC (Continued)

The largest portion of the School District's revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II BUDGETARY COMPARISON SCHEDULES

		Original Budget	Adjustments	Final Budget	Actual		Variance Final To Actual
REVENUES							
Local Sources							
Property Tax Levy	\$	22,566,627		\$ 22,566,627			
Tuition from Other LEAs within the State		10,802,921		10,802,921	9,879,510		(923,411)
Tuition from Other Governments					22,452		22,452
Interest Earned on Maintenance Reserve		470		470			(470)
Interest Earned on Capital Reserve Funds		550		550			(550)
Interest Earned					3,817		3,817
Miscellaneous - Restricted		1,870,000		1,870,000	1,641,568		(228,432)
Miscellaneous - Unrestricted		97,700		97,700	27,112		(70,588)
Total Local		35,338,268		35,338,268	34,141,086		(1,197,182)
State Sources							
Special Education Aid		1,051,622 \$	(14,847)	1,036,775	1,036,775	;	-
Equalization Aid		1,697,911	(109,494)	1,588,417	1,588,417	,	-
Security Aid		96,410	-	96,410	96,410)	-
Extraordinary Aid		400,000	-	400,000	733,053	}	333,053
On-behalf TPAF Contributions (Nonbudgeted)							
Pension Benefit Contribution					4,555,940)	4,555,940
Pension - NCGI Premium					86,683	;	86,683
Post Retirement Medical Benefit Contribution					1,454,926	<u> </u>	1,454,926
Long-Term Disability Insurance Premium					2,042	2	2,042
Reimbursed TPAF Social Security Contributions							
(Nonbudgeted)					1,269,797		1,269,797
Total State		3,245,943	(124,341)	3,121,602	10,824,043	<u> </u>	7,702,441
Federal Sources							
Medicaid Reimbursement		56,643	-	56,643	79,983	3	23,340
FEMA Reimbursement		-	<u> </u>		52,654	<u> </u>	52,654
Total Federal Sources		56,643		56,643	132,637	<u> </u>	75,994
Total Revenues		38,640,854	(124,341)	38,516,513	45,097,766	<u> </u>	6,581,253
CURRENT EXPENDITURES Regular Programs-Instruction Salaries of Teachers:							
Kindergarten		662,727	(33,000)	629,727	578,252	2	51,475
Grades 1-5		2,337,402	33,000	2,370,402	2,367,229)	3,173
Grades 6-8		1,796,567	24,000	1,820,567	1,815,204	1	5,363
Grades 9-12		3,274,393	(24,150)	3,250,243	3,047,954	1	202,289
Regular Programs-Home Instruction							
Salaries of Teachers		15,000	~	15,000			15,000
Purchased Professional Educational Services		3,000	3,489	6,489	1,938	3	4,551
Regular Programs-Undistributed Instruction							
Other Purchased Services		266,499	9,384	275,883	246,779)	29,104
General Supplies		145,067	27,086	172,153	154,13	l	18,022
Textbooks		10,000	10,056	20,056			340
Other Objects		31,500	(6,572)	24,928	20,664	1	4,264
Total Regular Programs	-	8,542,155	43,293	8,585,448	8,251,86	7	333,581
Behavioral Disabilities							
Salaries of Teachers		132,173	(400)	131,773	125,739	9	6,034
Other Salaries for Instruction		33,629	14,400	48,029			76
Purchased Professional Educational Services		9,300	-	9,300			8,474
Other Purchased Services		2,316	-	2,316			2,000
General Supplies		5,000	-	5,000			4,223
Other Objects		700	-	700			700
Total Behavioral Disabilities		183,118	14,000	197,118	175,61	<u> </u>	21,507

	FOR T	HE FISCAL YEAR	R ENDED JUNE 30,	2021					**
		Original Budget	Adjustments		Final Budget		Actual		Variance Final To Actual
CURRENT EXPENDITURES (Continued)									
Multiple Disabilities									
Salaries of Teachers	\$	1,483,152	. ,	-	1,509,152	\$	1,504,855	\$	4,297
Other Salaries for Instruction Purchased Professional Educational Service		1,149,889	(76,000))	1,073,889		898,399 18,728		175,490
Other Purchased Services		25,550 7,932	(2,395)	١	25,550 5,537		2,532		6,822 3,005
General Supplies		27,300	13,807		41,107		24,486		16,621
Other Objects		16,800	(14,553)		2,247		655	_	1,592
Total Multiple Disabilities		2,710,623	(53,141))	2,657,482		2,449,655		207,827
Resource Room/Resource Center		1 450 140			1 450 140		1 222 511		127 (27
Salaries of Teachers Other Salaries for Instruction		1,450,148 177,145	-		1,450,148 177,145		1,322,511 89,500		127,637 87,645
General Supplies		1,600	<u>-</u>		1,600		89,300		1,600
Total Resource Room/Resource Center		1,628,893	-		1,628,893	attenuetotea	1,412,011	Personante	216,882
Autism									
Salaries of Teachers		1,751,885	(30,000))	1,721,885		1,581,806		140,079
Other Salaries for Instruction		911,905	66,000		977,905		961,944		15,961
Purchased Professional Educational Services		44,500	(63))	44,437		20,954		23,483
Other Purchased Services		21,765	-		21,765		7,978		13,787
General Supplies Other Objects		61,510 30,190	(3,600) (5,459)		57,910 24,731		34,921 3,623		22,989 21,108
•		-		· —	2,848,633		2,611,226	-	237,407
Total Autism		2,821,755	26,878		2,848,033		2,011,220		237,407
Preschool Disabilities - Full-Time									
Salaries of Teachers		183,747	-		183,747		169,002		14,745
Other Salaries for Instruction		149,658	-		149,658		121,055		28,603
Purchased Professional Educational Services		2,500	(841	`	2,500 1,509		2,204 1,255		296 254
Other Purchased Services General Supplies		2,350 5,250	4,436		9,686		6,362		3,324
Other Objects		1,000			1,000			_	1,000
Total Preschool Disabilities - Full-Time	-	344,505	3,595		348,100		299,878		48,222
Home Instruction			1.000		1.000		202		617
Purchased Professional-Educational Services			1,000	-	1,000		383		617
Total Home Instruction	,	-	1,000	-	1,000		383		617
Total Special Education	_	7,688,894	(7,668)	7,681,226		6,948,764	******	732,462
Basic Skills/Remedial - Instruction Salaries of Teachers		9,877	-		9,877		-		9,877
Total Basic Skills/Remedial - Instruction		9,877		-	9,877		•	******	9,877
				*		***********			
Bilingual Education - Instruction Salaries of Teachers		399,270	150	ı	399,420		399,412		8
Textbooks		1,800	-		1,800				1,800
Total Bilingual Education - Instruction	***************************************	401,070	150	<u> </u>	401,220		399,412	_	1,808
School Sponsored Co/Extra Curricular Activities									
Salaries		169,349	-		169,349		141,733		27,616
Supplies and Materials Other Objects		22,980 59,090	(1,557 (3,402		21,423 55,688		14,367 6,383		7,056 49,305
Ž				-					
Total School Sponsored Co/Extra Curricular Activities	***************************************	251,419	(4,959	"	246,460		162,483		83,977
School Sponsored Athletics Salaries		262,402	_		262,402		182,857		79,545
Purchased Services		21,495	-		21,495		12,385		9,110
Supplies and Materials		48,700	_		48,700		46,410		2,290
Other Objects		48,600	(15,311)	33,289		24,807	_	8,482
Total School Sponsored Athletics		381,197	(15,311)	365,886		266,459		99,427
Total Instruction		17,274,612	15,505	<u> </u>	17,290,117		16,028,985	_	1,261,132

		,·			Variance
	Original Budget	Adjustments	Final Budget	Actual	Final To Actual
CURRENT EXPENDITURES (Continued)	Dauget	Aujustinents	Duuget	Actual	Actual
Undistributed Expenditures Instruction (Tuition):					
Tuition to County Voc. School District-Regular Tuition to County Voc. School District-Special	\$ 416,068 87,636	• •	\$ 416,068 87,636	\$ 349,360	\$ 66,708 87,636
Tuition to CSSD and Regional Day Schools Tuition to APSSD Within State	272,184 211,620	\$ (24,000)	272,184 187,620	238,024	34,160 187,620
Total Undistributed Expenditures- Instruction (Tuition)	987,508	(24,000)	963,508	587,384	376,124
Attendance and Social Work					
Salaries	47,851	Ab.	47,851	46,080	1,771
Total Attendance and Social Work	47,851		47,851	46,080	1,771
Health Services Salaries	429,165	(24,969)	404,196	263,317	140,879
Purchased Professional/Technical Services Supplies and Materials	4,750 7,775	67,399 22,570	72,149 30,345	43,015 13,862	29,134 16,483
Total Health Services	441,690	65,000	506,690	320,194	186,496
Speech, OT, PT, & Related Services					
Salaries	1,384,657	(161,200)	1,223,457	1,192,469	30,988
Purchased Professional/Educational Services Supplies and Materials	280,000 7,850	161,200	441,200 7,850	371,525	69,675 7,850
Total Speech, OT, PT & Related Services	1,672,507		1,672,507	1,563,994	108,513
Other Support Services -Students- Extra Services					
Salaries Purchased Professional/Educational Services	2,535,897 154,000	-	2,535,897 154,000	2,331,030 103,251	204,867 50,749
Total Other Support Services - Students - Extra Services	2,689,897		2,689,897	2,434,281	255,616
Guidance					
Salaries of Other Professional Staff	396,336	(3,100)		389,870	3,366
Salaries of Secretarial and Clerical Assistants	37,426	3,100	40,526	40,480	46
Other Salaries Purchased Professional/Educational Services	28,000 12,000	-	28,000 12,000	4,524	28,000 7,476
Other Purchased Professional & Technical Services	1,930	-	1,930	4,324	1,930
Supplies and Materials	3,360	-	3,360	1,355	2,005
Other Objects	445		445	90	355
Total Guidance	479,497		479,497	436,319	43,178
Child Study Team					
Salaries of Other Professional Staff	692,697	(7,000)		597,676	88,021
Salaries of Secretarial and Clerical Assistants	160,032	7,000	167,032	146,134	20,898
Purchased Professional-Educational Services	17,500	(130)		1,850	15,520
Other Purchased Professional & Technical Services Other Purchased Services	2,000 1,950	-	2,000 1,950	1,500 1,800	500 150
Supplies and Materials	2,400	5,000	7,400	5,595	1,805
Other Objects	275	130	405	130	275
Total Child Study Team	876,854	5,000	881,854	754,685	127,169
Improvement of Inst. Serv.	107.505		107 707	470.074	0.171
Salaries of Supervisor of Instruction	487,535 10,000	(6 500)	487,535 3,500	479,364 3,500	8,171
Other Purchased Services Supplies and Materials	7,728	(6,500) (85)		3,300 7,227	416
Other Objects	2,550	85	2,635	2,535	100
Total Improvement of Inst. Serv.	507,813	(6,500)	501,313	492,626	8,687

	FOR THE FISCAL TEA	IN ENDED SOILE SO, 2			Variance
	Original Budget	Adjustments	Final Budget	Actual	Final To Actual
CURRENT EXPENDITURES (Continued)					
Educational Media/School Library					
Salaries Supplies and Materials	\$ 81,874 3,096	\$ 3,000	\$ 84,874 3,096	\$ 84,710 1,363	\$ 164 1,733

Total Educational Media/School Library	84,970	3,000	87,970	86,073	1,897
Instructional Staff Training					
Purchased Professional-Educational Services	14,500	(3,287)	11,213	1,456	9,757
Supplies and Materials Other Objects	<u>-</u>	470 125	470 125	470 125	
Total Instructional Staff Training	14,500	(2,692)	11,808	2,051	9,757
General Administration					
Salaries	409,273	(3,000)	406,273	366,224	40,049
Legal Services	60,000	(6,257)	53,743	47,238	6,505
Audit Fees	49,000	57,474	106,474	61,468	45,006
Other Purchased Professional Services	46,900	(200)	46,700	34,153	12,547
Communications/Telephone	128,800	11,359	140,159	140,158	10.615
Miscellaneous Purchased Services	219,030 4,550	(16,376)	202,654 4,550	162,039 3,292	40,615
General Supplies BOE In-House Training / Meeting Supplies	2,000	<u>.</u>	2,000	3,292 997	1,258 1,003
Judgements Against School District	30,000	-	30,000	997	30,000
Miscellaneous Expenditures	4,325	_	4,325	2,119	2,206
BOE Membership Dues and Fees	16,700	-	16,700	15,872	828
Total General Administration	970,578	43,000	1,013,578	833,560	180,018
School Administration					
Salaries of Principals/Assistant Principals	946,174	_	946,174	944,964	1,210
Salaries of Secretarial and Clerical Assistants	270,284	_	270,284	263,790	6,494
Purchased Professional/Technical Services	270,201	1,000	1,000	1,000	0,171
Other Purchased Services	500	990	1,490	1,074	416
Supplies and Materials	56,703	595	57,298	39,807	17,491
Other Objects	11,200		11,200	8,104	3,096
Total School Administration	1,284,861	2,585	1,287,446	1,258,739	28,707
Central Services					
Salaries	419,190	-	419,190	417,805	1,385
Purchased Professional Services	40.000	14,534	14,534	14,533	1
Miscellaneous Purchased Services	10,800	(3,997)		3,468	3,335
Supplies and Materials Miscellaneous Expenditures	10,400 2,600	938 4,395	11,338 6,995	10,644 6,994	694 1
Total Central Services	442,990	15,870	458,860	453,444	5,416
					2,110
Admin. Info. Technology Salaries	145,520		145,520	144,433	1,087
Purchased Professional Services	128,100	55,858	183,958	170,551	13,407
Supplies and Materials	96,261	(85,565)	10,696	10,468	228
Total Admin. Info. Technology	369,881	(29,707)	340,174	325,452	14,722
Required Maintenance for School Facilities					
Salaries	218,928	(16,550)	202,378	172,038	30,340
Cleaning, Repair and Maintenance Services	262,050	79,877	341,927	268,805	73,122
General Supplies Other Objects	38,100 850	3,476	41,576 850	36,455 450	5,121 400
Total Required Maintenance for School Facilities	519,928	66,803	586,731	477,748	108,983
·					100,700
Custodial Services Salaries	760,966	_	760,966	691,227	69,739
Rental of Land/Bldgs Other Than Lease Purchase Agreement	513,000	-	513,000	513,000	
Other Purchased Property Services	57,250	1,000	58,250		65
Insurance	123,470	-,500	123,470	119,184	4,286
General Supplies	81,000	41,173	122,173	117,085	
Energy (Electricity)	466,506		466,506	386,654	79,852
Total Custodial Services	2,002,192	42,173	2,044,365	1,885,335	159,030

	FOR THE FISCAL YEAR	R ENDED JUNE 30, 2	021		v ariance
	Original Budget	Adjustments	Final Budget	Actual	Final To Actual
CURRENT EXPENDITURES (Continued) Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc. General Supplies	\$ 4,000 S 4,000	(1,500)	\$ 2,500 4,000	\$ 829 \$ 95	3,905
Total Care and Upkeep of Grounds	8,000	(1,500)	6,500	924	5,576
Security	120.017		120.017	46 470	04.420
Salaries Purchased Professional & Technical Services	130,917 125,600	(32,577)	130,917 93,023	46,479 84,162	84,438 8,861
General Supplies	1,200	-	1,200		1,200
Total Security	257,717	(32,577)	225,140	130,641	94,499
Student Transportation Services	141,009	100,000	241,009	235,951	£ 0.50
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec. Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	213,281	(100,000)	113,281	233,931	5,058 112,880
Cleaning, Repair & Maint. Services	48,000	-	48,000	12,739	35,261
Contr. Serv. (Bet. Home & Sch))-Vendor	155,000	-	155,000	102,290	52,710
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	10,000	-	10,000		10,000
Contr. Serv. (Bet Home & Sch)-Joint Agreements	65,000	(41,946)	23,054		23,054
Contr. Serv. (Spec. Ed. Students)-Vendors	25,000	41,946	66,946	21,719	45,227
Miscellaneous Purchased Services - Transportation	17,000	-	17,000	15,649	1,351
General Supplies Transportation Supplies	7,000 40,000	-	7,000 40,000	1,802 10,671	5,198 29,329
Total Student Transportation Services	721,290	-	721,290	401,222	320,068
Unallocated Employee Benefits					
Group Insurance	3,000	-	3,000	1,834	1,166
Social Security Contributions	597,000	-	597,000	500,066	96,934
Other Retirement Contributions - PERS	777,952	-	777,952	776,561	1,391
Other Retirement Contributions - DCRP	35,000	-	35,000	25,012	9,988
Unemployment Compensation	100,000	56,000	156,000	150,280	5,720
Workers Compensation	279,000	(205 772)	279,000	254,166	24,834
Health Benefits Tuition Reimbursement	6,273,138 50,000	(395,772)	5,877,366 50,000	5,137,823 25,480	739,543 24,520
Other Employee Benefits	150,000		150,000	90,638	59,362
Unused Sick Payments to Terminated/Retired Staff	45,200		45,200	32,614	12,586
Total Unallocated Employee Benefits	8,310,290	(339,772)	7,970,518	6,994,474	976,044
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				4,555,940	(4,555,940)
Pension - NCGI Premium Post Retirement Medical Benefit Contribution				86,683 1,454,926	(86,683)
Long-Term Disability Insurance Premium				2,042	(1,454,926) (2,042)
Reimbursed TPAF Social Security Contributions				2,042	(2,042)
(Nonbudgeted)		_		1,269,797	(1,269,797)
Total TPAF On-Behalf	<u> </u>			7,369,388	(7,369,388)
Total Undistributed Expenditures	22,690,814	(193,317)	22,497,497	26,854,614	(4,357,117)
Interest Earned on Maintenance Reserve	470	-	470	je.	470
Total Current Expenditures	39,965,896	(177,812)	39,788,084	42,883,599	(3,095,515)
CAPITAL OUTLAY Equipment					
Kindergarten		5,242	5,242	5,242	-
Grades 1-5		26,340	26,340	26,339	1
Grades 6-8		16,515	16,515	16,515	-
Special Education - Instruction					
Multiple Disabilities		14,131	14,131	10,122	4,009
Autism		10,078	10,078	10,077	1
Preschool Disabilities - Full-Time		564	564	564	-
School Sponsored and Other Instructional Program Undistributed Expenditures		4,959	4,959	4,959	-
Central Services		10 700	10.703	10.700	-
Admin Info Tech Required Maintenance for Sahool Facilities		10,783	10,783	10,783	44 001
Required Maintenance for School Facilities Security		93,565 395,421	93,565 395,421	48,684 395,421	44,881
Total Equipment		577,598	577,598	528,706	48,892
тога Едирион		311,398	311,398	320,700	40,032

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		\$ 22,744	\$ 22,744	\$ 22,743	\$ 1
Other Purchased Prof. and Tech. Services		45,840	45,840	13,036	32,804
Construction Services	\$ 175,000	134,486	309,486	300,985	8,501
Land and Improvements	12,000	-	12,000	11,250	750
Lease Purchase Agreements - Principal Assessment for Debt Service on SDA Funding	88,833 474		88,833 474	87,040 474	1,793
Total Facilities Acquisition and Construction Services	276,307	203,070	479,377	435,528	43,849
Interest Deposit to Capital Reserve	550		550	-	550
Assets Acquired Under Capital Leases (Nonbudgeted) Equipment					
Acquisition of Copiers		*	-	43,810	(43,810)
Total Capital Outlay	276,857	780,668	1,057,525	1,008,044	49,481
Total Expenditures	40,242,753	602,856	40,845,609	43,891,643	(3,046,034)
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1,601,899)	(727,197)	(2,329,096)	1,206,123	3,535,219
Other Financing Sources/(Uses)					
Capital Lease Purchase Proceeds				43,810	43,810
Capital Reserve - Transfer to Repayment of Debt	(30,000)	(15.211)	(30,000)	(30,000)	
Transfers Out - Special Revenue Fund Total Other Financing Sources/(Uses)	(30,000)	(15,311) (15,311)		(15,311)	43,810
	(1,631,899)				
Net Change in Fund Balance		(742,508)		1,204,622	3,579,029
Fund Balances, Beginning of Year	9,277,710	-	9,277,710	9,277,710	•
Fund Balances, End of Year	\$ 7,645,811	\$ (742,508)	\$ 6,903,303	\$ 10,482,332	\$ 3,579,029
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 1,719,330	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,853,200	
Maintenance Reserve				1,039,479	
Maintenance Reserve - Designated for Subsequent Year's Expenditur	es			271,110	
Tuition Adjustments - 2020/2021 Tuition Adjustments - 2019/2020 - Designated for Subsequent Year	s Evnenditures			450,000 800,000	
Excess Surplus	s Expenditures			849,592	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,360,049	
Assigned Fund Balance					
Year End Encumbrances				267,436	
FFCRA/SEMI				7,721	
Designated for Subsequent Year's Expenditures Unassigned Fund Balance				71,612 1,792,803	
Fund Balance - Budgetary Basis				10,482,332	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				(978,132)	
Fund Balance Per Governmental Funds (GAAP)				\$ 9,504,200	

		riginal <u>Budget</u>	<u>A</u>	<u>djustments</u>		Final <u>Budget</u>		<u>Actual</u>		Variance al to Actual
REVENUES										
Intergovernmental Federal	\$	639,061	d	1,909,116	\$	2,548,177	c	1,316,805	ď	(1.321.273)
Local	Ф		Ф	131,260	.	131,260		104,646	\$	(1,231,372) (26,614)
Total Revenues		639,061		2,040,376		2,679,437		1,421,451		(1,257,986)
EXPENDITURES										
Instruction										
Salaries of Teachers		262,015		279,045		541,060		199,820		341,240
Other Purchased Services General Supplies		295,256 22,504		191,435 369,750		486,691 392,254		354,751 330,042		131,940 62,212
Co-Curricular / Extracurricular Activities		22,304		80,083		80,083		80,083		02,212
Athletic Activities				15,312		15,312		15,312		-
Other Objects				4,234		4,234		779		3,455
Total Instruction		579,775		939,859		1,519,634	***************************************	980,787		538,847
Support Services										
Salaries				70,385		70,385		21,470		48,915
Purchased Professional / Technical Services Purchased Property Services		59,286		37,221		96,507		44,311		52,196
Other Purchased Services				33,290 64,795		33,290 64,795		25,661 12,985		7,629 51,810
Supplies and Materials		_		352,031		352,031		227,452		124,579
Scholarship Awards				14,000		14,000		14,000		
Total Support Services		59,286		571,722	***************************************	631,008		345,879	***************************************	285,129
Unallocated Benefits										
Personnel Services - Employee Benefits		-		231,978		231,978	-	67,210		164,768
Total Unallocated Benefits	***************************************	-	hadan and an	231,978		231,978		67,210		164,768
Facilities Acquisition and Construction Buildings										
Instructional Equipment				256,774		256,774		_		256,774
Non-Instructional Equipment		-		40,043		40,043		43,763		(3,720)
Total Facilities Acq. & Construction		-		296,817	Maderican	296,817		43,763		253,054
Total Expenditures		639,061		2,040,376		2,679,437		1,437,639		1,241,798
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures		<u> </u>		<u>-</u>				(16,188)		(16,188)
OTHER FINANCING SOURCES (USES) Transfers In				15,311		15,311		15,311		
Total Other Financing Sources (Uses)				15,311	***************************************	15,311		15,311		_
Net Changes in Fund Balances		-		15,311		15,311		(877)		(16,188)
Fund Balance, Beginning of Year		212,414		<u> </u>		212,414		212,414		
Fund Balance, End of Year	\$	212,414	<u>\$</u>	_	\$	227,725	\$	211,537	\$	(16,188)
Recapitulation of Fund Balances Restricted Fund Balance Student Activities Scholarships							\$ <u>\$</u>	101,153 110,384 211,537		

RIDGEFIELD BOARD OF EDUCATION REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

		General <u>Fund</u>		Special Revenue <u>Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule (Exhibits C-1, C-2)	\$	45,097,766	\$	1,421,451
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that				
encumbrances are recognized as expenditures, and the related				
revenue is recognized.				
Encumbrances - June 30, 2020				155,513
Encumbrances - June 30, 2021				(196,039)
Encumorances - June 30, 2021				(190,039)
State Aid payments recognized for GAAP purposes not				
recognized for budgetary statements (2019/2020 State Aid)		932,879		
State Aid payments recognized for budgetary purpose not				
recognized for GAAP statements (2020/2021 State Aid)	_	(978,132)	_	-
Total revenues as reported on the Statement of Revenues, Expenditures				
and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$</u>	45,052,513	\$	1,380,925
Uses/outflows of resources				
Actual amounts (budgetary basis) "total expenditures" from the				
budgetary comparison schedule	\$	43,891,643	\$	1,437,639
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but				
not received are reported in the year the order is placed for				
budgetary purposes, but in the year the supplies are received				
for financial reporting purposes.				
Encumbrances - June 30, 2020				155,513
Encumbrances - June 30, 2021		<u> </u>		(196,039)
Total expenditures as reported on the Statement of Revenues,				
Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	\$	43,891,643	\$	1,397,113

NOTES TO THE REQUIRED SUPPLEMENT	TARY INFORMATION - PART II
(

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 Eight Fiscal Years*

	2021		2020	 2019	 2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.06861%		0,06911%	0.06551%	0.06194%	0.06011%	0.05995%	0.06122%	0.05919%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,189,111	s	12,452,949	\$ 12,898,536	\$ 14,418,895	\$ 17,804,103	\$ 13,456,915	\$ 11,462,175	\$ 11,312,269
District's Covered Payroll	\$ 4,928,570	\$	4,901,559	\$ 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	227.03%		254,06%	271.51%	325.93%	426.83%	333.38%	297.53%	290.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%		56.27%	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 Eight Fiscal Years

	2021	2020 2019		2018	2017	2016	2015	2014	
Contractually Required Contribution	\$ 750,601	\$ 672,260	\$ 651,610	\$ 573,818	\$ 534,046	\$ 515,384	\$ 499,478	\$ 451,196	
Contributions in Relation to the Contractually Required Contribution	750,601	672,260	651,610	573,818	534,046	515,384	499,478	451,196	
Contribution Deficiency (Excess)	<u> </u>	\$ -	<u> </u>	\$ -	<u> </u>	<u> </u>	<u>\$</u>	<u> </u>	
District's Covered Payroll	\$ 4,855,539	\$ 4,928,570	\$ 4,901,559	\$ 4,750,615	\$ 4,423,947	\$ 4,171,277	\$ 4,036,455	\$ 3,852,382	
Contributions as a Percentage of Covered Payroll	15.46%	13.64%	13.29%	12.08%	12.07%	12.36%	12.37%	11.71%	

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 Eight Fiscal Years*

	 2021	2020		2019		2018		2017		2016		2015		2014	
District's Proportion of the Net Position Liability (Asset)	0.00%		0.00%		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	\$ 103,215,319	<u>\$</u>	99,971,792	<u>\$</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
Total	\$ 103,215,319	\$	99,971,792	<u>\$</u>	104,637,012	\$	107,055,071	\$	124,885,079	<u>s</u>	98,810,252	<u>\$</u>	82,839,005	\$	82,264,814
District's Covered Payroll	\$ 17,263,247	\$	16,922,780	\$	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%		0.00%		0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%		26.95%		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, 2021

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 Four Fiscal Years*

		2021		2020		2019		2018
Total OPEB Liability								
Service Cost	\$	2,840,412	\$	2,929,320	\$	3,171,091	\$	3,879,673
Interest on Total OPEB Liability		2,136,367		2,571,178		2,649,847		2,254,098
Differences Between Expected and Actual Experience		15,386,350		(10,007,829)		(4,062,042)		-
Changes of Assumptions		17,376,734		879,616		(7,387,891)		(9,468,733)
Gross Benefit Payments		(1,656,111)		(1,810,961)		(1,721,490)		(1,766,058)
Contribution from the Member		50,197		53,682	_	59,497		65,031
Net Change in Total OPEB Liability		36,133,949		(5,384,994)		(7,290,988)		(5,035,989)
Total OPEB Liability - Beginning		58,994,691		64,379,685		71,670,673		76,706,662
Total OPEB Liability - Ending	<u>\$</u>	95,128,640	\$	58,994,691	\$	64,379,685	\$	71,670,673
District's Proportionate Share of OPEB Liability	\$	-	\$	-	\$	-	\$	-
State's Proportionate Share of OPEB Liability		95,128,640		58,994,691	_	64,379,685	_	71,670,673
Total OPEB Liability - Ending	<u>\$</u>	95,128,640	<u>\$</u>	58,994,691	<u>\$</u>	64,379,685	<u>\$</u>	71,670,673
District's Covered Payroll	\$	22,191,817	\$	21,824,339	<u>\$</u>	21,640,038	<u>\$</u>	21,510,114
District's Proportionate Share of the								
Total OPEB Liability as a Percentage of its								
Covered Payroll		0%		0%		0%		0%
*								

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

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.

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

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, 2021

Changes in Benefit Terms:

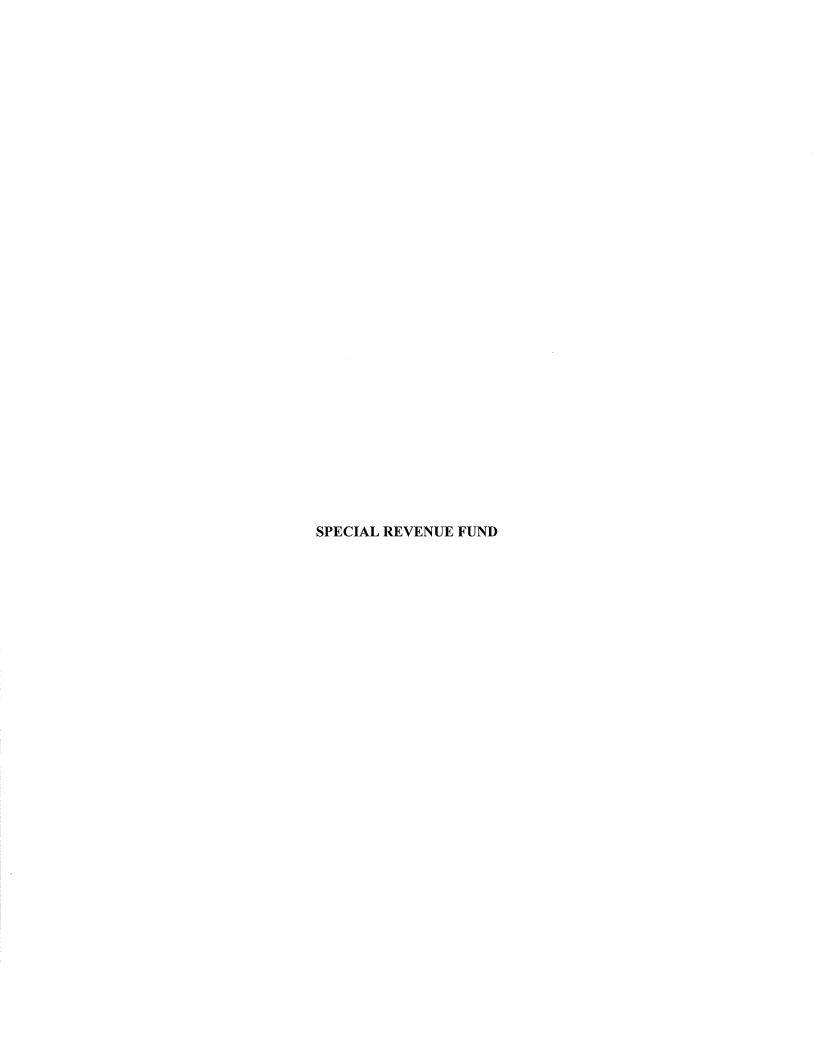
None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability

are presented in Note 4E.

SCHOOL LEVEL SCHEDULES NOT APPLICABLE



RIDGEFIELD BOARD OF EDUCATION SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES	<u>Ti</u>	itle <u>I</u>	<u>Ti</u> :	tle II A		<u>Title III</u>	ļ	Title III Immigrant		Title IV	1	CARES Emergency <u>Relief</u>		Digital <u>Divide</u>	gen County CARES		<u>Subtotal</u>
Federal	\$	257,307	\$	91,831	\$	11,761	\$	4,596	\$	14,916	\$	104,716	\$	149,098	\$ 73,910	\$	708,135
Local	-				_		_		_		_		_	-	 		-
Total Revenues	\$	257,307	\$	91,831	\$	11,761	\$	4,596	\$	14,916	\$	104,716	\$	149,098	\$ 73,910	\$	708,135
EXPENDITURES																	
Instruction Salaries of Teachers	\$	174,048			\$	9,680										\$	183,728
Other Purchased Services	Ψ	174,040			Ψ	7,000										Ψ	-
General Supplies		4,728				2,006					\$	29,457	\$	149,098			185,289
Co-curricular / Extracurricular Activities Athletic Activities																	
Other Objects						-		-		-	_	-	_		 -		-
Total Instruction		178,776				11,686	***************************************		_	-		29,457		149,098	 _		369,017
Support Services																	
Salaries		16,897					\$	4,573									21,470
Personnel Services - Employee Benefits Purchased Prof. / Technical Services		61,572	e	15.026					Φ.	14.017		12.450					61,572
Other Purchased Services			\$	15,936 12,910		75			\$	14,916		13,459					44,311 12,985
Supplies and Materials		62		62,985		75		23		_		61,800			43,047		167,917
Scholarship Awards						-				_		-	_	-	 		
Total Support Services		78,531		91,831	_	75		4,596		14,916		75,259		-	 43,047		308,255
Facilities Acquisition and Construction																	
Non-Instructional Equipment					_	-		-	_		_		_		 30,863		30,863
Total Facilities Acq. & Construction					_		_	-			_		_	-	 30,863		30,863
Total Expenditures		257,307		91,831		11,761		4,596		14,916	_	104,716	_	149,098	 73,910		708,135
Excess (Deficiency) of Revenues Over/(Under) Expenditures							*****	-	_		_	-	_	_	 -		-
OTHER FINANCING SOURCES (USES) Transfers In				-	_		_								 		<u>-</u>
Total Other Financing Sources (Uses)	<u>.</u>					-		_	_	-	_			-	 -		
Net Changes in Fund Balances		-		-		-		-		•		-		-	-		-
Fund Balance, Beginning of Year, (Restated)	***************************************			_			_					_		_	 -		
Fund Balance, End of Year		-		-								-			 		

RIDGEFIELD BOARD OF EDUCATION SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

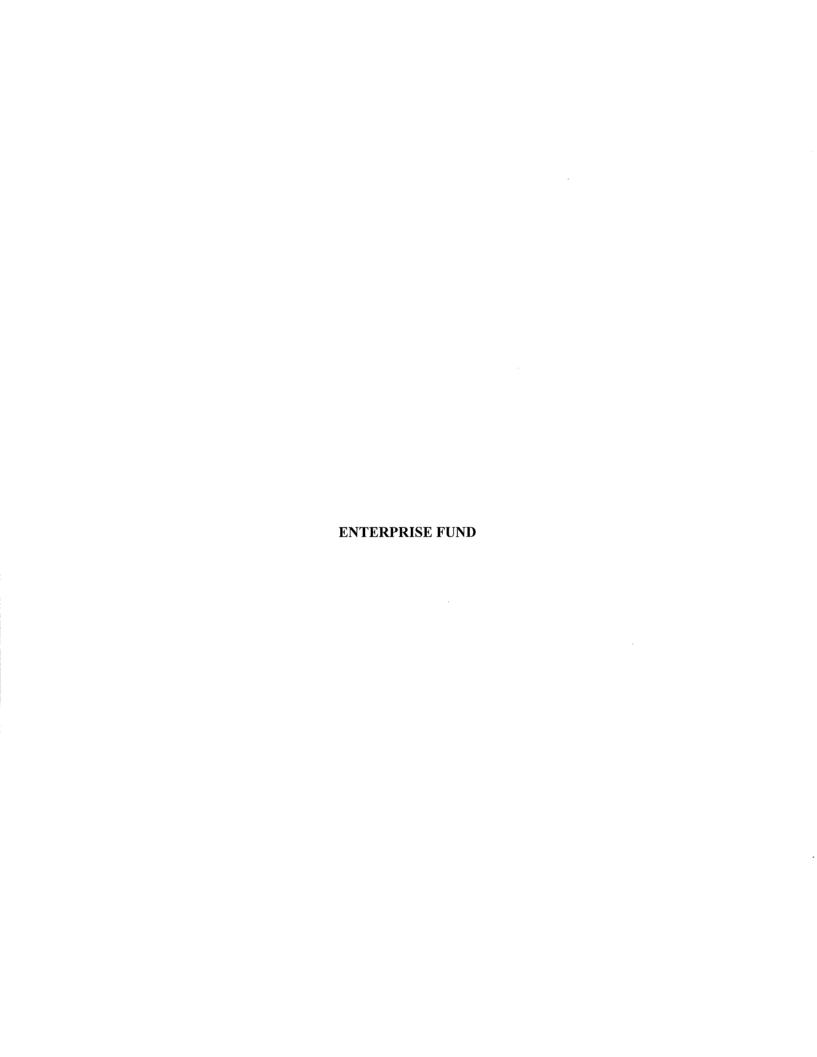
REVENUES		IDEA <u>Basic</u>	IDE A		 ronavirus lief Fund		CRRSA ESSER II	£	Learning Acceleration		Local <u>Grants</u>	Student Activities and Athletics	<u>S</u>	cholarship	Total per <u>Exhibit E-1</u>		<u>Total</u>
Federal Local	\$	354,751	\$ 1	9,730	\$ 84,407	\$	148,273	\$	1,509	\$	11,439	\$ 66,403	\$	26,804	\$ 708,135	\$	1,316,805 104,646
Total Revenues	\$	354,751	\$ 1	9,730	\$ 84,407	\$	148,273	<u>\$</u>	1,509	<u>\$</u>	11,439	\$ 66,403	\$	26,804	\$ 708,135	<u>\$</u>	1,421,451
EXPENDITURES Instruction Salaries of Teachers Other Purchased Services General Supplies Co-curricular / Extracurricular Activities Athletic Activities Other Objects	\$	354,751	\$ 1	4,092	 	\$	135,576	\$	1,509	\$	2,000 7,668 779	\$ 80,083 15,312 	***************************************	_	\$ 183,728 185,289		199,820 354,751 330,042 80,083 15,312 779
Total Instruction		354,751	1	4,092	 		135,576		1,509		10,447	95,395	-	<u>-</u> _	369,017		980,787
Support Services Salaries Personnel Services - Employee Benefits Purchased Prof. / Technical Services Purchased Property Services Other Purchased Services Supplies and Materials		_		5,638	\$ 25,661 45,846		12,697				992	_			21,470 61,572 44,311 12,985 167,917		21,470 67,210 44,311 25,661 12,985 227,452
Scholarship Awards					 -			_	-			-	<u>\$</u>	14,000			14,000
Total Support Services	_			5,638	 71,507		12,697	_		_	992			14,000	308,255		413,089
Facilities Acquisition and Construction Non-Instructional Equipment					 12,900		-							_	30,863	_	43,763
Total Facilities Acq. & Construction		-			 12,900	_	-	_	-		-			-	30,863	_	43,763
Total Expenditures		354,751	1	9,730	 84,407		148,273	_	1,509	_	11,439	95,395		14,000	708,135		1,437,639
Excess (Deficiency) of Revenues Over/(Under) Expenditures					 <u>-</u>				-	_		(28,992)		12,804		_	(16,188)
OTHER FINANCING SOURCES (USES) Transfers In				-	 		-					15,311			-		15,311
Total Other Financing Sources (Uses)					 	_	-	_				15,311				_	15,311
Net Changes in Fund Balances		-		-	-		-		-		-	(13,681)		12,804	-		(877)
Fund Balance, Beginning of Year, (Restated)					 				-		-	114,834		97,580	-		212,414
Fund Balance, End of Year					 -						-	101,153		110,384			211,537

RIDGEFIELD BOARD OF EDUCATION SPECIAL REVENUE FUND SCHEDULE OF PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES - BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

CAPITAL PROJECTS FUND

NOT APPLICABLE



RIDGEFIELD BOARD OF EDUCATION ENTERPRISE FUND COMBINING STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

COMBINING STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE



RIDGEFIELD BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF SERIAL BONDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	Date of <u>Issue</u>	Amount of <u>Issue</u>	Annual Maturit Date Amo			<u>Issued</u>	<u>Matured</u>	Balance, <u>June 30, 2021</u>
School Bonds	2/5/2013	\$ 2,900,000	2/1/2022 \$ 19	95,000 2.00%	6			
			2/1/2023 20	00,000 2.25%	6			
			2/1/2024 20	05,000 2.25%	6			
			2/1/2025 20	05,000 2.25%	6			
				10,000 2.25%				
			2/1/2027 2	15,000 3.00%	6			
			2/1/2028 22	20,000 3.00%	6 \$ 1,645,000		\$ 195,000	\$ 1,450,000
School Bonds	1/28/2015	1,807,000	2/15/2022	00,000 2.000	%			
	2,-3,-11	1,007,010		50,000 2.000				
				50,000 2.125				
			2/15/2025 13	50,000 2.250	%			
				50,000 2.375				
				32,000 3.000				
				25,000 3.000				
				25,000 3.000 ^o 25,000 3.000 ^o			100,000	1,207,000
			2/13/2030 12	23,000 3.000	70 1,507,000		100,000	1,207,000
Refunding School Bonds	12/2/2015	3,540,000	2/15/2022 50	05,000 4.500	%			
				35,000 2.250				
				45,000 5.000				
				50,000 5.000				
				45,000 3.000			477.000	1 720 000
			2/15/2027 24	40,000 3.000	% 2,195,000		475,000	1,720,000
					\$ 5,147,000	\$	\$ 770,000	\$ 4,377,000
				Paid by	Budget Appropriation	ı	\$ 770,000	

RIDGEFIELD BOARD OF EDUCATION SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	Interest Rate <u>Payable</u>	 mount of Original <u>Issue</u>		lance, 1, 2020		Issued Current <u>Year</u>		Retired Current <u>Year</u>	llance, 30, 2021
Capital Leases: Acquisition of Modular Classrooms	2.06%	\$ 433,000	\$	88,832			\$	88,832	
Acquisition of Copiers	5.74%	43,810		-	<u>\$</u>	43,810		-	\$ 43,810
Grand Total			\$	88,832	<u>\$</u>	43,810	\$	88,832	\$ 43,810
			Paid by	Budget A	ppro	priation	<u>\$</u>	88,832	

RIDGEFIELD BOARD OF EDUCATION DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		Original Budget	Adjustments		Final <u>Budget</u>		<u>Actual</u>	Variance Final to Actual
REVENUES								
Local Sources								
Property Tax Levy	\$	713,507		\$	713,507	\$	713,507	
State Sources								
State Aid Type II		189,191			189,191		189,191	
Total Revenues		902,698	-		902,698		902,698	
EXPENDITURES								
Regular Debt Service								
Interest on Bonds		162,698	-		162,698		162,696	2
Redemption of Bond Principal		770,000	-		770,000	***************************************	770,000	-
Total Expenditures		932,698			932,698	_	932,696	2
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	-	(30,000)	-	_	(30,000)		(29,998)	2
OTHER FINANCING SOURCES								
Transfers In - Capital Reserve	_	30,000			30,000		30,000	<u>-</u>
Total Other Financing Sources	***************************************	30,000			30,000		30,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures		-	-		-		2	2
Fund Balance, Beginning of Year					_		-	-
Fund Balance, End of Year	\$	-	\$ -	\$		<u>\$</u>	2	<u>\$</u> 2

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	

5

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

relates to the services the government provides and the activities it performs. J-16 to J-20

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report

RIDGEFIELD BOARD OF EDUCATION NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Unaudited)

(accrual basis of accounting)

					Fiscal Year	r Ended June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment In Capital Assets	\$ 2,167,362	\$ 1,898,855	\$ 2,098,963	\$ 2,212,623	\$ 3,656,164	\$ 4,188,437	\$ 4,322,249	\$ 4,835,164	\$ 5,296,339	\$ 6,276,660
Restricted	830,272	1,400,272	1,851,025	2,192,589	2,033,055	1,661,600	2,648,387	4,034,638	5,614,164	6,344,658
Unrestricted	(604,785)	(255,318)	(11,385,408)	(11,276,955)	(13,002,895)	(13,795,052)	(13,618,411)	(13,552,221)	(12,354,603)	(11,866,733)
Total Governmental Activities Net Position	\$ 2,392,849	\$ 3,043,809	\$ (7,435,420)	\$ (6,871,743)	\$ (7,313,676)	\$ (7,945,015)	\$ (6,647,775)	\$ (4,682,419)	\$ (1,444,100)	\$ 754,585
Business-Type Activities										
Net Investment In Capital Assets	\$ 63,381	\$ 51,236	\$ 67,051	\$ 52,441	\$ 51,151	\$ 29,485	\$ 16,193	\$ 8,075	\$ 4,152	\$ 2,869
Restricted										
Unrestricted	187,998	236,657	252,906	276,464	174,569	95,895	99,463	138,375	186,326	224,531
Total Business-Type Activities Net Position	\$ 251,379	\$ 287,893	\$ 319,957	\$ 328,905	\$ 225,720	\$ 125,380	\$ 115,656	\$ 146,450	\$ 190,478	\$ 227,400
District-Wide										
Net Investment In Capital Assets	\$ 2,230,743	\$ 1,950,091	\$ 2,166,014	\$ 2,265,064	\$ 3,707,315	\$ 4,217,922	\$ 4,338,442	\$ 4,843,239	\$ 5,300,491	\$ 6,279,529
Restricted	830,272	1,400,272	1,851,025	2,192,589	2,033,055	1,661,600	2,648,387	4,034,638	5,614,164	6,344,658
Unrestricted	(416,787)	(18,661)	(11,132,502)	(11,000,491)	(12,828,326)	(13,699,157)	(13,518,948)	(13,413,846)	(12,168,277)	(11,642,202)
Total District Net Position	\$ 2,644,228	\$ 3,331,702	\$ (7,115,463)	\$ (6,542,838)	\$ (7,087,956)	\$ (7,819,635)	\$ (6,532,119)	\$ (4,535,969)	\$ (1,253,622)	\$ 981,985

Source: District financial statements

92

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

RIDGEFIELD BOARD OF EDUCATION CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)

(accrual basis of accounting)

	Fiscal Year Ended June 30,																
	2012		2013		2014		2015		2016		2017	2018		2019		2020	2021
Expenses																	
Governmental Activities																	
Instruction																	
Regular	\$ 11,620,8		,,	\$	12,122,395	\$	13,905,168	\$	14,867,592	\$	16,273,752	\$ 15,999,711	\$	15,107,076	\$	14,492,081	\$ 16,810,156
Special Education	8,577,7		10,143,827		10,821,587		11,413,437		12,082,598		12,744,598	13,176,320		12,901,995		12,370,936	13,179,210
Other Special Education	342,9		504,280		480,261		578,320		582,419		345,694	530,157		595,646		519,430	792,855
School Sponsored Activities And Athletics	793,0	52	825,877		742,480		728,119		771,627		782,762	795,956		744,729		633,712	718,066
Support Services:																	
Student & Instruction Related Services	5,280,9	39	5,255,119		5,324,929		7,140,043		8,830,806		11,546,508	12,248,099		11,272,114		10,485,008	10,739,825
General Administration	1,058,5	84	798,885		929,529		1,121,078		1,273,490		1,247,360	1,248,747		1,054,795		1,077,242	1,094,047
School Administrative Services	1,547,3	55	1,207,722		1,447,400		2,003,753		2,300,397		2,439,979	2,254,948		2,091,202		2,149,064	2,314,844
Central Services and Info. Technology	688,8		774,518		796,983		882,660		1,031,131		1,025,802	1,105,356		1,029,283		1,056,650	1,183,757
Plant Operations And Maintenance	3,293,9		3,123,932		3,476,968		3,343,003		3,334,212		3,592,574	3,724,244		3,808,963		3,649,181	3,541,336
Pupil Transportation	579,3		555,123		632,085		605,601		664,366		710,929	825,445		837,960		721,046	598,876
Interest on long-term debt	306,8		312,560		303,418		315,406		276,025		232,163	 207,693	_	191,308		163,990	 137,597
Total Governmental Activities Expenses	34,090,4	51	35,985,232		37,078,035		42,036,588		46,014,663		50,942,121	 52,116,676		49,635,071		47,318,340	 51,110,569
Business-Type Activities:																	
Food service	651,5	40	680,824		718,142		689,261		684,198		675,477	641,350		677,225		516,310	432,106
Saturday Happenings	257,4	43	266,953		271,238		278,432		381,873		378,962	333,192		308,921		257,711	145,666
Total Business-Type Activities Expense	908,9	83	947,777	_	989,380		967,693		1,066,071		1,054,439	 974,542		986,146		774,021	 577,772
Total District Expenses	\$ 34,999,4	34	36,933,009	\$	38,067,415	\$	43,004,281	S	47,080,734	\$	51,996,560	\$ 53,091,218	\$	50,621,217	\$	48,092,361	\$ 51,688,341
Program Revenues																	
Governmental Activities:																	
Charges for services:																	
Instruction	\$ 9,043,2	40 5	9,909,016	S	10,577,992	\$	10,313,918	s	9,948,544	s	11,033,118	\$ 11,649,589	\$	11,722,828	S	11,409,159	\$ 10,123,677
Support Services	1,314,4	14	1,500,875		1,586,942		1,723,247		1,988,995		2,067,812	2,188,807	-	2,165,568	•	2,070,753	1,653,128
Operating grants and contributions	4,981,6	12	5,547,823		5,111,328		9,530,959		11,181,811		14,539,944	16,300,048		13,618,948		12,190,483	16,428,417
Capital grants and contributions	, ,		4,088		73,769		202,000		983,320		5,459	10,327		, ,		, ,	43,763
Total Governmental Activities Program Revenues	15,339,2	96	16,961,802		17,350,031		21,770,124		24,102,670		27,646,333	 30,148,771	-	27,507,344		25,670,395	 28,248,985
Business-Type Activities:																	
Charges for services																	
Food Service	412,14	16	392,740		413,430		693,693		348,755		334,249	324,485		349,244		257,562	-
Saturday Happenings	327,30		325,861		332,382		282,256		304,718		294,540	318,379		318,279		283,939	29,473
Operating grants and contributions	249,5		264,850		274,770				308,680		324,642	320,309		345,861		273,765	585,173
Capital grants and contributions	•		•						,		-,			, -			-
Total Business Type Activities Program Revenues	988,9	33	983,451		1,020,582		975,949		962,153		953,431	 963,173	-	1,013,384		815,266	 614,646
Total District Program Revenues	\$ 16,328,2	79 9		\$	18,370,613	\$	22,746,073	\$	25,064,823	\$	28,599,764	\$ 31,111,944	\$	28,520,728	\$	26,485,661	\$ 28,863,631
-				=		-							-				

RIDGEFIELD BOARD OF EDUCATION CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)

(accrual basis of accounting)

	_									Fiscal Year Ender	d June	: 30,						
		2012		2013		2014		2015		2016		2017		2018	 2019		2020	2021
Net (Expense)/Revenue																		
Governmental Activities	\$	(18,751,155)	\$	(19,023,430)	\$	(19,728,004)	\$	(20,266,464)	\$	(21,911,993)	\$	(23,295,788)	\$ (21,967,905)	\$ (22,127,727)	\$	(21,647,945)	\$ (22,861,584)
Business-Type Activities		80,000		35,674		31,202		8,256		(103,918)		(101,008)	,	(11,369)	27,238		41,245	36,874
Total District-Wide Net Expense	\$	(18,671,155)	\$	(18,987,756)	\$	(19,696,802)	\$	(20,258,208)	\$	(22,015,911)	S	(23,396,796)	\$ (21,979,274)	\$ (22,100,489)	\$	(21,606,700)	\$ (22,824,710)
General Revenues And Other Changes In Net Positio Governmental Activities:	on																	
Property taxes levied for general purposes, net	\$	17,509,863	\$	17,860,060	\$	18,367,261	\$	18,734,606	\$	19,216,798	\$	19,950,339	\$:	20,717,526	\$ 21,531,657	\$	22,121,031	\$ 22,566,627
Property taxes levied for debt service		75,437		74,667		301,212		300,291		415,750		818,901		707,287	722,018		713,596	713,507
Unrestricted aid and contributions		1,340,168		1,613,884		1,656,830		1,697,776		1,739,574		1,731,810		1,693,906	1,684,227		1,683,265	1,749,206
Investment earnings		18,851		26,893		29,366		17,736		9,667		13,733		50,108	82,275		75,274	3,817
Miscellaneous income		143,286		98,886		206,375		79,732		88,271		149,666		96,318	72,906		80,684	27,112
Transfers																		
Special Items						_		-		<u> </u>				-	 		-	
Total Governmental Activities		19,087,605		19,674,390		20,561,044		20,830,141		21,470,060		22,664,449		23,265,145	 24,093,083		24,673,850	 25,060,269
Business-Type Activities:																		
Investment earnings		883		840		862		692		733		668		1,645	3,556		2,783	48
Transfers																		
Special Items		-		-		<u>-</u>									 			 -
Total Business-Type Activities		883	_	840		862	_	692		733		668		1,645	 3,556	_	2,783	 48
Total District-Wide	_\$	19,088,488		19,675,230		20,561,906	<u>\$</u>	20,830,833	<u>\$</u> _	21,470,793		22,665,117	\$:	23,266,790	\$ 24,096,639		24,676,633	\$ 25,060,317
Change In Net Position																		
Governmental Activities	\$	336,450	\$	650,960	\$	833,040	\$	563,677	\$	(441,933)	\$	(631,339)	S	1,297,240	\$ 1,965,356	\$	3,025,905	\$ 2,198,685
Business-Type Activities	_	80,883		36,514	_	32,064		8,948		(103,185)		(100,340)		(9,724)	30,794		44,028	36,922
Total District	\$	417,333	\$	687,474	\$	865,104	\$	572,625	\$	(545,118)	\$	(731,679)	S	1,287,516	\$ 1,996,150	\$	3,069,933	\$ 2,235,607

Source: District financial statements

RIDGEFIELD BOARD OF EDUCATION FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Unaudited)

(modified accrual basis of accounting)

					Fiscal Year Ended	l June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund Restricted Committed	\$ 830,001	\$ 1,414,615 299,677	\$ 1,949,361	\$ 2,276,311	\$ 1,987,000	\$ 1,615,54	5 \$ 3,015,452	\$ 5,115,859	\$ 7,447,253	\$ 8,342,760 -
Assigned Unassigned	557,523 106,068	257,017 89,035	487,665 164,944	740,305 124,418	225,062 (3,366)	361,90 76,75	· ·	265,097 108,198	809,349 88,229	346,769 814,671
Total General Fund	\$ 1,493,592	\$ 2,060,344	\$ 2,601,970	\$ 3,141,034	\$ 2,208,696	\$ 2,054,20	6 \$ 3,642,229	\$ 5,489,154	\$ 8,344,831	\$ 9,504,200
All Other Governmental Funds Reserved Unreserved										\$ 211,539
Restricted	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228	\$ 130,416	\$ 74,75	7 \$ 32,935	\$ 4,233	<u>-</u>	-
Total All Other Governmental Funds	\$ 2,371,106	\$ 4,619,191	\$ 2,098,351	\$ 2,994,228	\$ 130,416	\$ 74,75	7 \$ 32,935	\$ 4,233	<u>s</u> -	\$ 211,539

Note 1 - Fund Balances at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District financial statements

95

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,

	2012	2013	2014	2016	2016	2017	2010	2010	2020	2021
Davanuas	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues	e 17 coc 200	6 17 004 707	6 10//0/20	6 10 024 607	6 10 (22 612	6 20 7/0 2/0	6 01 404 610	6 22 252 /==	6 22 224 627	6 22 200 124
Tax Levy	\$ 17,585,300	\$ 17,934,727	\$ 18,668,473	\$ 19,034,897	\$ 19,632,548	\$ 20,769,240	\$ 21,424,813	\$ 22,253,675	\$ 22,834,627	\$ 23,280,134
Tuition Charges	9,005,163	9,951,375	10,519,040	10,385,640	9,922,070	10,970,846	11,454,863	11,799,369	11,398,576	9,901,962
Interest Earnings	18,851	26,893	29,366	11,343	9,667	13,733	50,108	82,275	75,274	3,817
Miscellaneous	1,549,270	1,702,865	1,839,884	1,934,739	2,143,371	2,271,016	2,399,770	2,285,529	2,190,389	1,769,580
State Sources	5,524,738	6,422,989	6,046,248	7,007,392	8,186,861	7,774,191	8,674,120	9,253,448	9,512,523	10,967,981
Federal Sources	705,983	634,952	741,077	666,039	868,032	832,167	787,732	842,764	767,388	1,412,662
Total Revenue	34,389,305	36,673,801	37,844,088	39,040,050	40,762,549	42,631,193	44,791,406	46,517,060	46,778,777	47,336,136
Expenditures										
Instruction										
Regular Instruction	11,658,685	12,408,824	11,952,495	12,129,537	12,422,906	12,677,897	12,519,366	12,936,922	12,864,997	14,399,601
Special Education Instruction	8,555,317	10,125,834	10,805,134	10,401,121	10,580,814	10,468,913	10,729,506	11,341,704	11,253,103	11,538,266
Other Special Instruction	342,974	504,280	479,365	505,703		, ,		, ,	, ,	679,185
•					488,692	269,415	416,666	512,760	488,330	
School Sponsored Activities And Athletics	793,052	825,877	741,446	720,468	741,526	718,938	712,502	679,784	604,251	660,494
Support Services:										
Student & Inst. Related Services	5,267,986	5,252,661	5,309,257	6,496,514	7,730,920	9,550,246	10,058,865	9,989,876	9,604,030	9,502,572
General Administration	1,078,106	744,567	926,596	1,081,292	1,081,767	1,106,180	1,108,874	995,960	1,020,976	1,019,669
School Administrative Services	1,661,255	1,209,466	1,418,902	1,757,901	1,934,575	1,926,689	1,780,143	1,805,440	1,923,444	1,988,649
Central Services and Info. Technology	688,151	773,845	795,627	845,270	936,202	881,184	939,482	942,598	984,512	1,068,736
Plant Operations And Maintenance	2,890,789	2,755,021	2,971,328	2,911,056	2,957,830	2,898,610	2,965,911	3,135,825	3,055,526	2,876,262
Pupil Transportation	540,152	530,473	608,157	580,340	611,742	631,008	712,402	729,685	633,576	500,366
Capital Outlay	309,901	443,480	2,842,862	1,009,193	3,892,273	530,791	264,002	515,666	323,398	964,293
Debt Service:										
Principal	631,647	1,057,286	649,299	672,746	815,987	925,292	906,227	985,426	977,931	858,832
Interest And Other Charges	313,744	296,132	322,833	300,969	260,761	256,179	237,937	223,189	193,259	164,527
Payment to Escrow Agent	•	,	,	,	823,736			,	,	,
Bond Issuance Costs		42,880			100,918					
Total Expenditures	34,731,759	36,970,626	39,823,301	39,412,110	45,380,649	42,841,342	43,351,883	44,794,835	43,927,333	46,221,452
Excess (Deficiency) Of Revenues	34,731,737	30,770,020	37,025,501	37,412,110	45,500,045	72,071,372	+5,551,005	44,774,033	+3,721,333	40,221,432
Over (Under) Expenditures	(342,454)	(296,825)	(1,979,213)	(372,060)	(4 (10 100)	(210 140)	1 420 622	1,722,225	2 051 444	1 114 604
Over (Olider) Experiantures	(342,434)	(290,823)	(1,979,213)	(372,000)	(4,618,100)	(210,149)	1,439,523	1,722,223	2,851,444	1,114,684
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)							106,678	95,998		43,810
Lease Purchase Proceeds (Non-Budgeted)		211,662			721,032					
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	382,792	383,755	383,166	388,393	1,241,394	145,051	39,794		28,702	45,311
Transfers Out	(382,792)	(383,775)	(383,166)	(388,393)	(1,241,394)	(145,051)	(39,794)		(28,702)	(45,311)
Total Other Financing Sources (Uses)	(302,772)	3,111,642	(303,100)	1,807,000	821,950	(145,051)	106,678	95,998	(20,702)	43,810
Total Other I matering Sources (Oses)		3,111,042		1,007,000	021,550		100,076			45,610
Net Change In Fund Balances	\$ (342,454)	\$ 2,814,817	\$ (1,979,213)	\$ 1,434,940	\$ (3,796,150)	\$ (210,149)	\$ 1,546,201	\$ 1,818,223	\$ 2,851,444	\$ 1,158,494
Debt Service As A Percentage Of										
Noncapital Expenditures	2.75%	3.71%	2.63%	2.54%	2.60%	2.79%	2.66%	2.73%	2.69%	2.26%
• •										

^{*} Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

9

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

Fiscal Year Ended <u>June 30,</u>	Interest Earned	<u>Tuition</u>	<u>t</u>	One o One Aides	OT/PT Fees	<u>Rentals</u>	Prior Year <u>Refunds</u>	Gate <u>Receipts</u>	E-Rate		<u>Miscellaneous</u>	<u>Total</u>
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	5	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
2020	75,274	11,398,576		1,297,713	775,177	2,958	24,377	1,876			51,473	13,627,424
2021	3,817	9,901,962		1,058,378	583,190		26,349				763	11,574,459

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,	 acant Land	 Residential	Farm Reg.	Qfarm	Commercial	 Industrial	 Apartment	Tota	al Assessed Value	Pu	blic Utilities	Net V	Valuation Taxable	stimated Actual ounty Equalized) Value	Scho	nl Direct ool Tax ate (*)
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	\$	1.146
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		1.180
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		1.197
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		1.252
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		1.309
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		1.333
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		1.396
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		1.441
2020	59,621,800	988,414,500			190,107,600	251,573,600	68,540,800		1,558,258,300		978,508		1,559,236,808	1,977,396,289		1.479
2021	59,541,900	993,625,000			195,454,700	250,348,100	68,740,800		1,567.710.500		947,288		1,568,657,788	2,091,806,103		1.500

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)

Total Direct School Tax

Rate ____ Overlapping Rates

Calendar Year	Loca	dgefield al School District	Municipality of Ridgefield		unicipal ibrary	ounty of Bergen	Total Direct and Overlapping Tax Rate		
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	
2020		1.479		0.703	0.042	0.314		2.538	
2021		1.500		0.709	0.044	0.335		2.588	

Source: County Abstract of Ratables

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

	20)21	 20	12
	 Taxable	% of Total	Taxable	% of Total
	Assessed	District Net	Assessed	District Net
Taxpayer	 Value	Assessed Value	 Value	Assessed Value
PSEG Power LLC	\$ 62,111,900	3.96%	\$ 33,693,400	2.17%
Ratner/NY Urban LLC			35,068,600	2.26%
New York Central Lines			32,855,800	2.12%
Marvin F. Poer & Company	23,002,800	1.47%		
Genzyme Biosurgery	21,500,000	1.37%	22,936,400	1.48%
SF Hillside Village	20,605,700	1.31%		
FNL Realty LP	19,532,000	1.25%	19,532,000	1.26%
CSX			19,289,700	1.24%
DCT 101 RRNJ LLC	-		17,837,300	1.15%
Ridgefield Holding Corp.	17,707,700	1.13%	17,707,700	1.14%
Ridgefield Industrial LLC	17,550,000	1.12%	18,158,900	1.17%
PSEG Fossil LLC			17,000,500	1.10%
LRF1 Railroad Avenue LLC c/o Longpoint	17,000,000	1.08%		
Ridgefield Storage, LLC	12,513,400	0.80%		
Hudson Transmission Partners	12,500,000	0.80%		
	\$ 224,023,500	14.29%	\$ 234,080,300	15.09%

Source: Municipal Tax Assessor

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

Fiscal Year		Collected within t	he Fiscal Year of the Levy	Collections in
Ended June 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Subsequent Years
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
2020	22,834,627	22,834,627	100.00%	N/A
2021	23,280,134	23,280,134	100.00%	N/A

Source: District records

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

Governmental Activities

Fiscal Year Ended June 30,	Gene	ral Obligation Bonds	Lea	al Leases and se Purchase greements	 e/Leaseback Contracts	To	otal District	<u>Population</u>	Per	Capita
2012	\$	6,633,000	\$	237,831	\$ 380,825	\$	7,251,656	11,142	\$	651
2013		9,128,000		178,032			9,306,032	11,184		832
2014		8,538,000		118,733			8,656,733	11,217		772
2015		9,730,000		60,987			9,790,987	11,227		872
2016		8,107,000		721,032			8,828,032	11,253		785
2017		7,342,000		560,740			7,902,740	11,256		702
2018		6,627,000		476,191			7,103,191	11,272		630
2019		5,897,000		316,763			6,213,763	11,239		553
2020		5,147,000		88,832			5,235,832	11,189		468
2021		4,377,000		43,810			4,420,810	11,125		397

Source: District records

E - Estimate

102

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds		Deductions		В	let General onded Debt outstanding	Percentage of Actual Taxable Value of Property	Per Capita		
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%		638	
2014		8,538,000		1,620,835		6,917,165	0.44%		617	
2015		9,730,000		1,238,835		8,491,165	0.55%		756	
2016		8,107,000		46,154		8,060,846	0.52%		716	
2017		7,342,000		46,154		7,295,846	0.47%		648	
2018		6,627,000		32,935		6,594,065	0.42%		585	
2019		5,897,000		4,233		5,892,767	0.38%		524	
2020		5,147,000		_		5,147,000	0.33%		460	
2021		4,377,000		2		4,376,998	0.28%		393	

Source: District records

RIDGEFIELD BOARD OF EDUCATION DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2020 (Unaudited)

	Total <u>Debt</u>
Municipal Debt: (1)	
Ridgefield Board of Education (as of June 30, 2021) Borough of Ridgefield	\$ 4,377,000 29,476,687
	33,853,687
Overlapping Debt Apportioned to the Municipality:	
Bergen County: County of Bergen (A) Bergen County Utilities Authority -	16,141,711
Water Pollution (B)	3,262,440
	19,404,151
Total Direct and Overlapping Debt	\$ 53,257,838

Source:

- (1) Borough's 2020 Annual Debt Statement
- (A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.
- (B) The debt was computed based upon dividing the Borough's 2020 billings by the total 2020 billing's of the Authority.

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuat	tion basis
	2018	\$ 1,937,679,891
	2019	1,971,173,688
	2020	2,067,478,174
		\$ 5,976,331,753
Average equalized valuation of taxable property		\$ 1,992,110,584
Debt limit (4% of average equalization		
value)		\$ 79,684,423
Total Net Debt Applicable to Limit		4,377,000
Legal debt margin		\$ 75,307,423

	Fiscal Year											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Debt limit	\$ 76,660,344	\$ 72,449,453	\$ 72,032,894	\$ 71,457,620	\$ 70,354,482	\$ 70,720,878	\$ 73,022,109 \$	76,125,671 \$	78,028,007	\$ 79,684,423		
Total net debt applicable to limit	6,633,000	9,128,000	8,538,000	9,730,538	8,107,538	7,342,000	6,627,000	5,897,000	5,147,000	4,377,000		
Legal debt margin	\$ 70,027,344	\$ 63,321,453	\$ 63,494,894	\$ 61,727,082	\$ 62,246,944	\$ 63,378,878	\$ 66,395,109 \$	70,228,671 \$	72,881,007	\$ 75,307,423		
Total net debt applicable to the limit as a percentage of debt limit	8.65%	12.60%	11.85%	13.62%	11.52%	10.38%	9.08%	7.75%	6.60%	5.49%		

Source: Annual Debt Statements

EXHIBIT J-14

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

Year	Population	Capi	ounty Per ta Personal Income	Unemployment Rate
2012	11,142	\$	72,164	8.00%
2013	11,184		71,699	9.70%
2014	11,217		74,480	5.40%
2015	11,227		77,767	4.30%
2016	11,253		79,407	3.90%
2017	11,256		81,676	3.40%
2018	11,272		86,404	3.10%
2019	11,239		89,456	2.70%
2020	11,189		N/A	11.30% (E)
2021	11,125		N/A	N/A

Source: New Jersey State Department of Education

(E) - Estimate N/A - Not Available

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

		2021		2012
		Percentage of Total Municipal		Percentage of Total Municipal
Employer	Employees	Employment	Employees	Employment

INFORMATION NOT AVAILABLE

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Instruction	244	235	240	239	240	242	242	241	242	242
Support Services:										
Student & instruction related services	49	61	61	63	68	68	68	81	88	88
General administration	2	2	3	5	5	5	5	3	3	3
School administrative services	9	9	12	13	13	13	13	12	12	12
Central and other support services	6	7	7	8	8	8	8	8	8	8
Security								3	4	1
Plant operations and maintenance	18	15	17	17	17	17	17	17	17	17
Pupil transportation	7	8	7	7	7	7	7	6	6	4
Saturday Happenings	34	13	13	14	14	14	16			15
OT/PT Services	13	14	14	14	14	14	13	18_	15	
Total	382	364	374	380	386	388	389	389	395	390

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment a	Operating spenditures b	· .				Percentage Change	Teaching Staff	Elementary	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage	
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	1:5.96	1:8.33	1,699.0	1,609.0	2.35%	94.70%			
2020	1,666.0	42,432,745		25,470	-0.12%	197	1:9.18	1;6.83	1,680.2	1,614.3	-1.11%	96,08%			
2021	1,614.0	44,233,800		27,406	7.60%	197	1:9.18	1:6.83	1,614.0	1,531.3	-3.94%	94.88%			

Sources: District records

Note:

a Enrollment based on annual October district count.

Deperating expenditures equal total expenditures less debt service and capital outlay.
 Cost per pupil represents operating expenditures divided by enrollment.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u> <u>Elementary</u>										
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	178	193	201	180	190	177	182	196	188	163
Bergen Boulevard School										
Square Feet	28,125	28,125	28,125	28,125	28,125	30,167	30,167	30,167	30,167	30,167
Capacity (students)	325	325	325	325	325	339	339	339	339	339
Enrollment	199	216	213	231	214	206	187	203	231	202
Slocum/Skewes School										
Square Feet	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107	80,107
Capacity (students)	875	875	875	875	875	875	875	875	875	875
Enrollment ^a	802	790	793	766	730	771	740	775	762	735
High School										
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	619.5	587	562	555	553	541	551	525	485	514

Number of Schools at June 30, 2021 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

		Building <u>Area (SF)</u>	2	012	2013	2	2014	2015	2016		2017		2018	2019	2020	2021
*School Facilities	Project # (s)											-		 	 -	
Ridgefield Memorial High	N/A	87,850	\$ 1	53,179	\$ 155,662	\$	186,741	\$ 179,726	\$ 129,276	\$	192,356	\$	212,267	\$ 252,529	\$ 255,387	\$ 183,177
Bergen Boulevard School	N/A	28,125		49,040	49,835		59,785	57,539	114,782		61,582		67,957	80,847	81,762	58,643
Shaler Academy	N/A	33,042		57,614	58,547		70,237	67,598	38,314		72,349		79,837	94,981	96,056	68,896
Slocum/Skewes School	N/A	80,107	1	39,678	141,942		170,282	163,886	 200,447		175,402		193,558	 230,271	232,877	 167,032
										-						
Grand Total			\$ 3	99,511	\$ 405,986	\$ 4	487,045	\$ 468,749	\$ 482,819	\$	501,689	\$	553,619	\$ 658,628	\$ 666,082	\$ 477,748

Source: District Records

N/A - Not Available

RIDGEFIELD BOARD OF EDUCATION INSURANCE SCHEDULE JUNE 30, 2021 (Unaudited)

	Coverage		Deductible					
Property - Blanket Buildings & Contents Property - Extra Expense Comprehensive General Liability	\$ 35,085,717 5,000,000 \$1,000,000 per occurrence/		\$	5,000				
Auto Liability School Board Legal Liability	\$2,000,000 Aggregate 1,000,000 1,000,000							
Employees Legal Liability Coverage Excess Liability Environmental Liability	1,000,000 9,000,000 \$4,000,000 Aggregate							
Workers Compensation Student Accident	Statutory 5,000,000							
Comprehensive Crime Coverage Public Employee Dishonesty	100,000 500,000	Per Theft Per Loss		100,000 500,000				
Computer Fraud Forgery and Alteration Funds Transfer Fraud	100,000 100,000 100,000			1,000 1,000 1,000				
Cyber Liability Coverages Limit of Liability	1,000,000			15,000				
Surety Bonds School Business Administrator Assistant School Business Administrator	275,000 260,000							

Source: School District records

SINGLE AUDIT SECTION

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members of the Board of Trustees or 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 <u>Government Auditing Standards</u> 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 and each major fund of the Ridgefield Board of Education as of and for the fiscal year ended June 30, 2021 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 February 7, 2021.

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) as a basis for designing 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 <u>deficiency in internal control</u> 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 <u>material weakness</u> 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 <u>significant deficiency</u> 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 financial statements. 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 <u>Government Auditing Standards</u> 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 <u>Government Auditing Standards</u> 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 February 7, 2022.

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 <u>Government Auditing Standards</u> 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

Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 7, 2022 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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, 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 Trustees Ridgefield Board of Education Ridgefield, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Ridgefield Board of Education's compliance with the types of compliance requirements described in the <u>U.S. Office of Management and Budget (OMB) Compliance Supplement</u> and the <u>New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement</u> 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, 2021. 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 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 <u>Government Auditing Standards</u>, 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. <u>Code of Federal Regulations</u> Part 200, <u>Uniform Administrative Requirements</u>, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, <u>Single Audit Policy for Recipients of Federal Grants</u>, 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, 2021.

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 <u>deficiency in internal control over compliance</u> 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 <u>material weakness in internal control over compliance</u> 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 <u>significant deficiency in internal control over compliance</u> is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Ridgefield Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 7, 2022, 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.

Leech. Vinci & Hissins. LCP

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

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 7, 2022

RIDGEFIELD BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

						FOR THE FISCAL YEAR ENDED JUNE 30, 2021		Uncarned			Balance, June 30, 2021						
	Federal					Rais	nce July 1, 2020)	Revenue Carryover	Receivable Carryover							Memo
Federal/Grantor/Pass-Through Grantor/	CFDA		Grant or State	Grant	Award	(Accounts	Unearned	Due to	Amount and	Amount and	Cash	Budgetary		(Account	Uncarned	Due to	GAAP
Program Title	Number	FAIN	Project Number	Period	Amount	Receivable)	Revenue	Grantor	Transfers	Transfers	Received	Expenditures	Adjustment (A)	Receivable)	Revenue	Grantor	Receivable
U.S. Department of Agriculture Passed-through State Department of Agricultu	ure												V-7				
Enterprise Fund:																	1
Child Nutrition Cluster National School Breakfast Program																	
Cash Assistance	10.553	211NJ304N1099	N/A	7/1/20-6/30/21	185,928							\$ 185,928		\$ (23,288)			\$ (23,288)
Cash Assistance National School Lunch Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	37,084						537	537					-
Non-Cash Assistance	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	45,014						45,014	44,596			\$ 418		-
Non-Cash Assistance Cash Assistance	10.555 10.555	201NJ304N1099 211NJ304N1099	N/A N/A	7/1/19-6/30/20 7/1/20-6/30/21	51,146 294,523		\$ 923				211,612	923 294,523		(82,911)	•		(82.911)
Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	180,439	\$ (5,422)					5,422	-	-		-	-	1
Emergency Operational Cost Program P-EBT Administrative Costs	10.555 10.649	202121H170341 2021215900941	N/A N/A	7/1/20-6/30/21 7/1/20-6/30/21	40,816 614	-		_	_	_		40,816 614	_	(40.816) (614)		_	(40,816) (614)
Total U.S. Department of Agriculture/Child N	lutrition Cluster					(5,422)	923				425,225	567,937		(147,629)	418		(147,629)
U.S. Department of Education Passed-through State Department of Educatio	n																
SPECIAL REVENUE FUND																	
Special Education Cluster (IDEA)																	
I.D.E.A. Part B, Basic Regular I.D.E.A. Part B, Basic Regular	84.027 84.027	H027A200100 H027A190100	FT-100002 FT-100002	7/1/20-9/30/21 7/1/19-9/30/20	343,545 327,951	(173,930)	120,051		\$ 120,051 (120,051)	\$ (120,051) 120,051	318,123 53,879	354,751		(145,473)	108,845		(36,628)
I.D.E.A. Part B, Preschool I.D.E.A. Part B, Preschool	84.173 84.173	H173A200114	PS-100005 PS-100005	7/1/20-9/30/21 7/1/19-9/30/20	19,729				1	(1)	12,681	19,730		(7,049)			(7,049)
Total Special Education Cluster IDEA	04.173	H173A190114	F3-100003	7/1/19-9/30/20	19,751	(6,584)	120,052		(1)	1	6,583 391,266	374,481		(152,522)	108,845		(43,677)
NCLB/ESEA																	1
Title I	84.010	S010A200030	ESEACV-140300	7/1/20-9/30/21	318,656		10.000		18,979	(18,979)	168,260	257,307	\$ 2,605	(169,375)	82,933		(86,442)
Title I Total NCLB Title I	84.010	S010A190030	ESEACV-140300	7/1/19-9/30/20	306,406	(118,088)	18,979		(18,979)	18,979	99,109	257,307	2,605	(169,375)	82,933		(86,442)
Title II, Part A	84.367A	S367A200029	ESEACV-140300	7/1/19-9/30/20	59,591				55,530	(55,530)	25,339	91,831		(89,782)	23,290		(66,492)
Title II, Part A	84.367A	S367A190029	ESEACV-140300	7/1/18-6/30/19	52,164	(57,308)	55,530		(55,530)	55,530	1,778		-				
Total NCLB Title II						(57,308)	55,530			-	27,117	91,831		(89,782)	23,290		(66,492)
Title III Title III	84.365 84.365	S365A200030 S365A190030	ESEACV-140300 ESEACV-140300	7/1/20-9/30/21 7/1/19-9/30/20	24,610 22,384	(22,534)	21.525		21,725	(21,725)	12,272	11,761		(34,063)	34,574		
Title III Immigrant	84.365	S365A200030	ESEACV-140300	7/1/20-9/30/21	6,758		21,725		(21,725) 8,121	21,725 (8,121)	809	4,596		(14,879)	10,283		(4,596)
Title III Immigrant Total NCLB Title III	84.365	S365A190030	ESEACV-140300	7/1/19-9/30/20	5,708	(8,121)	29,846		(8,121)	8,121	13,081	16,357	-	(48,942)	44,857		(4.596)
						(30,033)	29,840										
Title IV Title IV	84.424 84.424	\$424A200031 \$424A190031	ESEACV-140300 ESEACV-140300	7/1/20-9/30/21 7/1/19-9/30/20	22,628 19,114	(9,321)	9,321		9,321 (9,321)	(9,321) 9,321	4,685	14,916		(27,264)	17,033		(10,231)
Total NCLB Title IV						(9,321)	9,321		-		4,685	14,916		(27,264)	17,033		(10,231)
CARES Emergency Relief Grant	84.425D	S425D200027		3/13/20-9/30/22	259,828	(259,828)	105,123				259,421	104,716		(407)	407	-	
Digital Divide	84.425D	S425D200027		7/16/20-10/31/20	149,508	•	-				149,098	149,098		-	-		-
ESSER II Learning Acceleration	84.425D 84.425D	S425D210027 S425D210027		3/13/20-9/30/23 3/13/20-9/30/23	1,007,122 64,632							148,273 1,509		(1,007,122) (64,632)	858,849 63,123	-	(148,273) (1,509)
Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000		-							(45,000)	45,000		
Total CARES Programs Cluster						(259,828)	105,123				408,519	403,596	-	(1,117,161)	967,379		(149,782)
Coronavirus Relief Fund (CRF) CARES Act - Bergen County Pass Thru	21.019	N/A	N/A	3/1/20-12/31/21	73,911						73,911	73,910		_	1		
Coronavirus Relief Fund	21.019	N/A	N/A	3/1/20-12/31/21	92,036					<u> </u>	92,036	84,407			7,629		
Total CRF Program Cluster								<u> </u>			165,947	158,317	-		7,630	<u> </u>	1
Total Special Revenue Fund						(655,714)	338.851		<u>-</u> _	-	1,277,984	1,316,805	2,605	(1,605,046)	1,251,967		(361,220)
Total U.S. Department of Education						(655,714)	338,851		<u> </u>		1,277,984	1,316,805	2,605	(1,605,046)	1,251,967		(361,220)
U.S. Department of Health and Human Services Medicaid Cluster General Fund:	•																
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	7/1/20-6/30/21	79,983		-	-	-	-	79,983	79,983	-	-		-	-
U.S. Department of Homeland Security																	
General Fund: FEMA - Disaster Grants - Public Assistance	97.036	N/A	N/A	3/1/20-12/31/20	52,654		-			-		52,654		(52,654)	_		(52,654)
Total Federal Awards						\$ (661.136)	\$ 339,774	s -		*	\$ 1,783,192	\$ 2,017,379	\$ 2,605	\$ (1,805,329)	\$ 1,252,385		\$ (561,503)
						- (001,150)	- 227.179			·······	1,703,172	× =,011,019	2,003	· (1,003,529)	- 1,25,363		- (501,503)

RIDGEFIELD BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		FOR	THE FISCAL Y	EAR ENDED JUI	NE 30, 2021		Refund	Rale	nce, June 30, 20	21	м	emo
							of	(Accounts	Unearned	Due to		Cumulative
State Grantor/Program Title	Grant or State Project Number	Grant <u>Period</u>	Award <u>Amount</u>	Balance, July 1, 2020	Cash <u>Received</u>	Budgetary Expenditures	Prior Years' Balances	Receivable) June 30, 2021	Revenue June 30, 2021	Grantor June 30, 2021	GAAP Receivable	Total Expenditures
State Department of Education												
Current Expense:												
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 1,588,417		\$ 1,445,381	\$ 1,588,417		\$ (143,036)				\$ 1,588,417
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	1,530,497		147,636	-,,		. (1.5,050)				- 1,0 - 0,7
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,036,775	. , .	943,414	1,036,775		(93,361)				1,036,775
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,036,775	(100,011)	100,011							· · · · ·
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	96,410		87,728	96,410		(8,682)				96,410
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	96,410	(9,300)	9,300						-	
Total State Aid - Public Cluster				(256,947)	2,733,470	2,721,602	•	(245,079)	-	-	•	2,721,602
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	733,053			733,053		(733,053)				733,053
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	675,932	(675,932)	675,932			` ' <u>-</u> '				, <u> </u>
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	1,269,797		1,259,331	1,269,797		(10,466)			\$ (10,466)	1,269,797
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	1,184,018	(57,111)	57,111			`			` ' '	·
On-Behalf TPAF												-
Pension Benefit Cost	21-495-034-5094-002	7/1/20-6/30/21	4,555,940		4,555,940	4,555,940		-				4,555,940
Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	86,683		86,683	86,683		-				86,683
Post Retire, Medical	21-495-034-5094-001	7/1/20-6/30/21	1,454,926		1,454,926	1,454,926		-				1,454,926
Long-Term Disability Insurance Prem.	21-495-034-5094-004	7/1/20-6/30/21	2,042		2,042	2,042						2,042
Total General Fund				(989,990)	10,825,435	10,824,043		(988,598)			(10,466)	10,824,043
Debt Service Fund												
School Construction Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	189,191		189,191	189,191			-			189,191
State Department of Agriculture												
Enterprise Funds:												
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	15,410		12,783	15,410		(2.627)			(2.627)	15,410
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	5,289	(86)	1,912	1,826	-	(2,627)			(2,627)	1,826
State School Editer Frogram	20-100-010-3330-023	7/1/19-0/30/20	3,289	(80)	1,912	1,820						1,820
Total Enterprise Funds/Child Nutrition Cluster				(86)	14,695	17,236	_	(2,627)			(2,627)	17,236
Total State Financial Assistance Subject to Singl	le Audit Determination			(990,076)	11,029,321	11,030,470		(991,225)	-		(13,093)	11,030,470
State Financial Assistance Not Subject to Major Program Determination General Fund												
On-Behalf TPAF	21 405 024 5004 202	7/1/20 (/20/21	4 555 0 10		(4 555 0 10)	(4.555.0:0)						(4.555.5:
Pension Benefit Cost	21-495-034-5094-002	7/1/20-6/30/21	4,555,940		(4,555,940)	(4,555,940)				ĺ		(4,555,940)
Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	86,683		(86,683)	(86,683)						(86,683)
Post Retire. Medical	21-495-034-5094-001	7/1/20-6/30/21	1,454,926		(1,454,926)	(1,454,926)						(1,454,926)
Long-Term Disability Insurance Prem.	21-495-034-5094-004	7/1/20-6/30/21	2,042		(2,042)	(2,042)			-			(2,042)
Total State Financial Assistance Subject to M	lajor Program Determinat	ion		\$ (990,076)	\$ 4,929,730	\$ 4,930,879	<u>\$</u>	\$ (991,225)	<u>s -</u>	<u>s</u>	\$ (13,093)	\$ 4,930,879

RIDGEFIELD BOARD OF EDUCATION NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$45,253 for the general fund and a decrease of \$40,526 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>			<u>State</u>	<u>Total</u>		
General Fund	\$	132,637	\$	10,778,790	\$	10,911,427	
Special Revenue Fund		1,280,025				1,280,025	
Debt Service Fund				189,191		189,191	
Food Service Fund	***************************************	567,937		17,236		585,173	
Total Financial Assistance	\$	1,980,599	<u>\$</u>	10,985,217	\$	12,965,816	

RIDGEFIELD BOARD OF EDUCATION NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$1,269,797 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$4,642,623, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,454,926 and TPAF Long-Term Disability Insurance in the amount of \$2,042 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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.

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?	yesXno							
2) Significant deficiencies identified not considered to be material weaknesses?	yesXnone reported							
Noncompliance material to basic financial statements noted?	yesXno							
Federal Awards Section								
Internal Control over major programs:								
1) Material weakness(es) identified?	yesX no							
2) Significant deficiencies identified not considered to be material weaknesses?	yesXnone 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?	yesXno							
Identification of major federal programs:								
CFDA Number(s)	Name of Federal Program or Cluster							
84.425D	CARES Emergency Relief Grant							
84.425D	Digital Divide							
84.425D	ESSER II							
84.425D	Learning Acceleration							
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000							
Auditee qualified as low-risk auditee?	X ves no							

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: GMIS Number(s) Name of State Program or Cluster 495-034-5120-078 Equalization Aid 495-034-5120-089 Special Education Aid 495-034-5120-084 Security Aid School Construction Debt Service Aid 495-034-5120-075 Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

X yes

no

Auditee qualified as low-risk auditee?

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.

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.

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

There are none.

RIDGEFIELD BOARD OF EDUCATION SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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.