RIDGEFIELD BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Ridgefield, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Ridgefield Board of Education

Ridgefield, New Jersey

For The Fiscal Year Ended June 30, 2010

Prepared by

Business Office

RIDGEFIELD BOARD OF EDUCATION
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INTRODUCTORY SECTION

Ridgefield Board of Education

District Administration Building
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Ridgefield, New Jersey 07657

Tel: 201-945-0476
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December 6, 2010

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 ended June 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments," and the state Treasury Circular letter 04-04 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 made significant increases over the last decade. The District's Magnet School Program contributes to offsetting costs for the use of the school facilities, sharing staff between magnet school programs and regular education classes. As a result there is significant support for all District programs. Through combined efforts, the music staff has presented numerous public performances. A transition component mandated by New Jersey Department of Education for classified learners aged fourteen and older, has evolved into a recognized program for our magnet school and resident students. Focus is on school to work internships and quality of life independence. Continuum programs provide life span services to the disabled through an initiative funded by state agencies DDD

and DVRS. Expansion of programs continues to undergo constant revision in an effort to enhance educational/life skill opportunities for the disabled through the Magnet School initiative.

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 PreK through 12. These include general and a magnet school program for special education students. The District completed the 2008 – 2010 fiscal year with an average daily enrollment of 1972 students.

Average Daily Enrollment
(ADE)

Fiscal Year	Student Enrollment
2010-2010	
2008-2010	1972
2007-2008	2060
2006-2007	1990
2005-2006	2021
2004-2005	2088
2003-2004	2091
2002-2003	2176
2001-2002	2048
2000-2001	1969
1999-2000	1868

2) **ECONOMIC CONDITIONS AND OUTLOOK:** In the introduction of the New Jersey Department of Education 2003 Comparative Spending Guide, as in past years, it was stated: "It was impossible for the department to identify and limit the impact of unique circumstances in school districts that may increase per pupil cost calculations (i.e. the magnet school run by Ridgefield Borough in Bergen County which provides high cost special education programs, including one for students with autism).These additional costs are often supported by tuition and other such miscellaneous revenues and represent consolidated service efforts, which provide economical services to all parties involved. Such efforts are encouraged by the department."The Ridgefield School District receives tuition from more than sixty-three (63) Districts and in providing Special Education for all children needing specific programs. The Ridgefield school tax levy has had either no increase or a slight decrease in the past five years.

3) **MAJOR INITIATIVES UNDERTAKEN DURING 2009 – 2010:** The following are major program initiatives undertaken in the Ridgefield Public Schools during the 2009-2010 school year. Our security program was supplemented at the secondary level by the installation of ten additional CCTV cameras. These were posted on the exterior of the building, as well as covering the high school parking lot. Several new high technology labs were installed in the Ridgefield School District. Two additional labs were installed at the Slocum Skewes and Bergen Boulevard School, along with a special education lab being installed at the Shaler Academy. Many of our teacher and administrators received substantial in-service training in the principles and practices of the Understanding By Design theory of curriculum development. Also, several pilot curricula were developed at the high school level, which encouraged teachers to use interdisciplinary applications in their classrooms. Our middle school teachers were

required to develop curriculum maps using the new electron format found in Atlas Rubicon computer software.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds are explained in "Notes to the Financial Statement".

7) **DEBT ADMINISTRATION: At June 30, 2010 the District had $7,758,000 in serial bonds.**

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

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

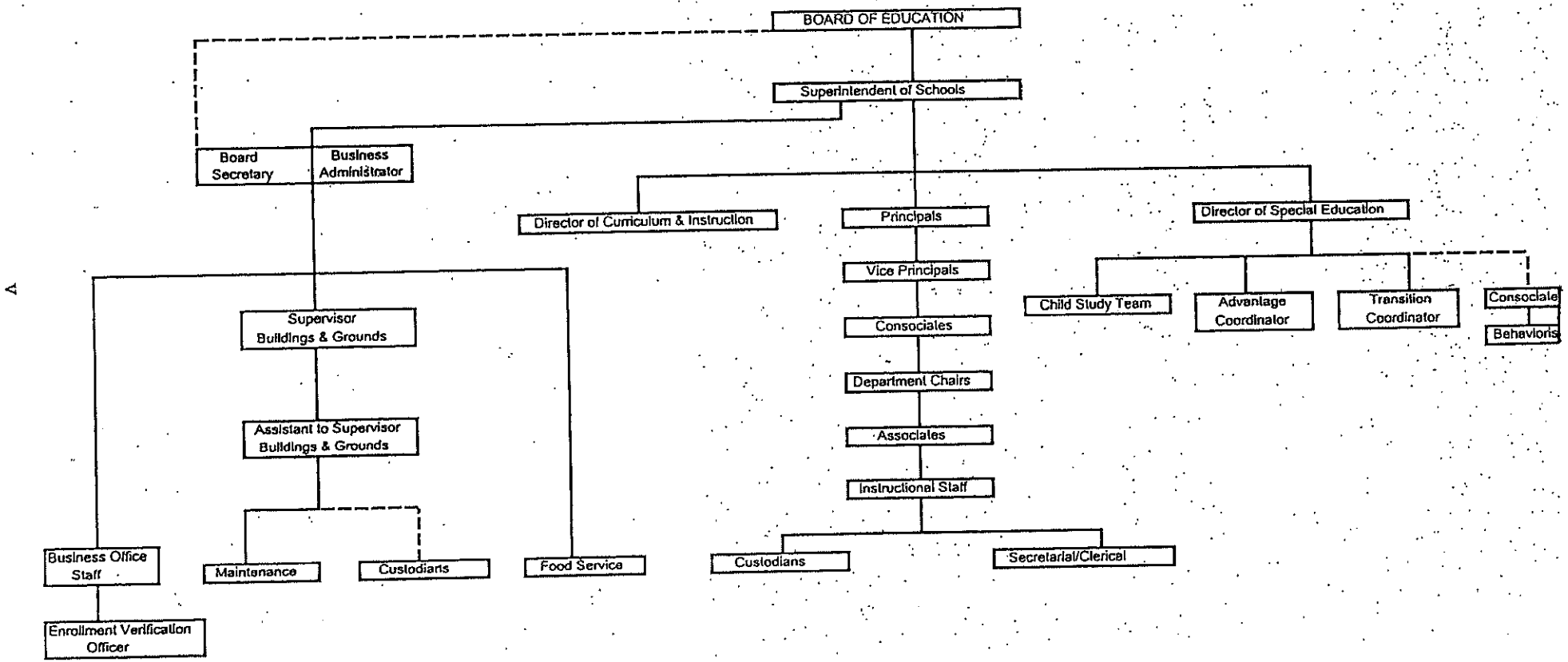
10) **OTHER INFORMATION:**

A) **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 OMB Circular A-133 and State Treasury Circular Letter 98-07 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGEMENT:** We would like to express our appreciation to the members of the Ridgefield School Board 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. Robert Jack
Superintendent of Schools


BOARD OF EDUCATION
Superintendent of Schools
Board Secretary
Business Administrator
Director of Curriculum & Instruction
Principals
Director of Special Education
Vice Principals
Child Study Team
Advantage Coordinator
Transition Coordinator
Consociate
Behaviorist
Consociates
Supervisor Buildings & Grounds
Department Chairs
Assistant to Supervisor Buildings & Grounds
Associates
Instructional Staff
Business Office Staff
Maintenance
Custodians
Food Service
Custodians
Secretarial/Clerical
Enrollment Verification Officer

RIDGEFIELD BOARD OF EDUCATION
BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2010

President	**Term Expires**
Deborah Fugnitti	2011
Vice President	
Caonabo Reyes	2012
Members of Board of Education	
Ingrid Barbosa	2011
Lisa Bicocchi	2013
Giovanni Calabrese	2012
Andrew Grippa	2012
Salvatore Zisa	2013

Other Officials

Superintendent	Dr. Robert A. Jack
Interim School Business Administrator/ Board Secretary	Bernice Parella
Treasurers	Joseph Luppino Eric Lenander
Solicitors	Stanley Turitz, Esq.

Borough of Ridgefield
Board of Education
Consultants and Advisors
as of June 30, 2010

Architect/Engineering

Ronald Schmidt & Associates, P.A.
222 Grand Avenue
Englewood, NJ 07631

Audit Firm

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

Attorney

Ferrara, Turitz, Harraka & Goldberg, P.C.
505 Main Street
Hackensack, NJ 07601

Schwartz, Simon, Edelstein,
Celso & Zitomer, LLC
44 Whippany Road, Suite 210
Morristown, NJ 07962

Office Depository

Valley National Bank
868 Broad Avenue
Ridgefield, NJ 07657

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
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GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Ridgefield Board of Education
Ridgefield, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2010 on our consideration of the Ridgefield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Lerch, Vinci & Higgins, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 6, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

This section of the Ridgefield Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-2010 fiscal year include the following:

- The assets of the Ridgefield Board of Education exceeded its liabilities at the close of the fiscal year by $3,299,859 (net assets).
- The district's overall net assets decreased $946,062.
- Overall district revenues were $36,143,608. General revenues accounted for $18,072,000 or 50% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $18,071,608 or 50% of total revenues.
- The school district had $36,165,544 in expenses for governmental activities; $17,179,448 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of $18,071,553 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 $4,976,846.
- The General Fund unreserved, undesignated fund deficit at June 30, 2010 was $642,730 a decrease of $474,337 when compared to the previous year's ending balance.
- The General Fund unreserved, undesignated budgetary fund balance at June 30, 2010 was $86,935, which represents a decrease of $280,405 when compared to the ending unreserved, undesignated budgetary fund balance at June 30, 2009 of $367,340.

RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

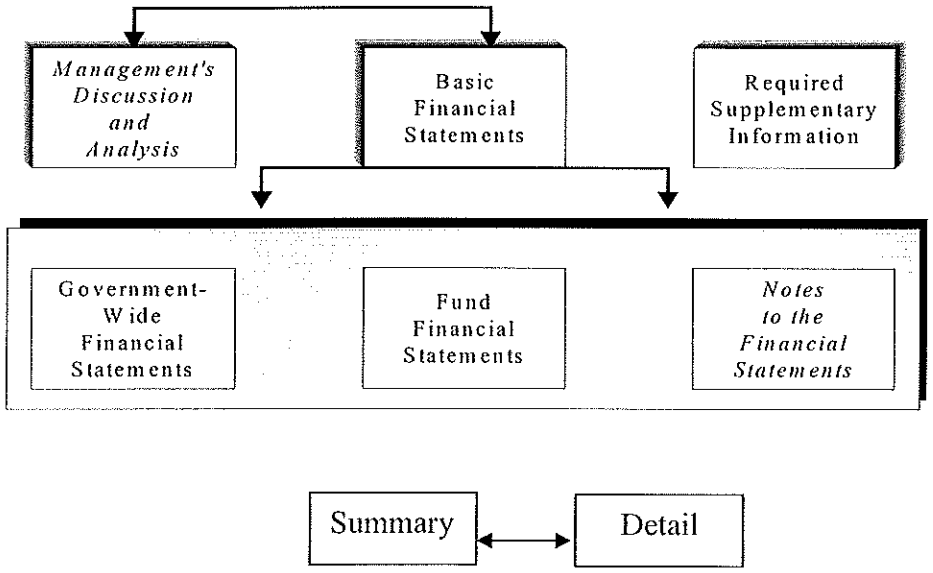
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

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

Major Features of the District-Wide and Fund Financial Statements

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

District-wide financial statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. 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 assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

District-wide financial statements (continued)

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position 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 Funds are included under this category.

Fund financial statements

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

- Some funds are required by State law and bond covenants.

- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

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

• *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

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

- Food Service (Cafeteria)
- Saturday Happenings Program

District-wide financial statements (continued)

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic 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 basic financial statements can be found following the basic financial statements.

Other Information

In addition to the basic 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. 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.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $3,299,859 and $4,245,921 as of June 30, 2010 and 2009, respectively.

By far the largest portion of the District's net assets 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.

RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current Assets	$ 7,505,704	$ 7,341,040	$ 199,053	$ 199,473	$ 7,704,757	$ 7,540,513
Capital Assets	6,996,255	7,082,708	47,354	61,717	7,043,609	7,144,425
Total Assets	14,501,959	14,423,748	246,407	261,190	14,748,366	14,684,938
Long-Term Liabilities	9,330,437	8,699,880			9,330,437	8,699,880
Other Liabilities	2,053,703	1,691,506	64,367	47,631	2,118,070	1,739,137
Total Liabilities	11,384,140	10,391,386	64,367	47,631	11,448,507	10,439,017
Net Assets:						
Invested in capital assets, net of related debt	2,771,021	2,864,260	47,354	61,717	2,818,375	2,925,977
Restricted	1,848,072	1,721,668			1,848,072	1,721,668
Unrestricted	(1,501,274)	(553,566)	134,686	151,842	(1,366,588)	(401,724)
Total Net Assets	$ 3,117,819	$ 4,032,362	$ 182,040	$ 213,559	$ 3,299,859	$ 4,245,921

The District's total net assets of $3,299,859 at June 30, 2010 represents a $946,062, or 22% decrease from the prior year. The following presents the changes in net assets for the years ended June 30, 2010 and 2009.

RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Program Revenues						
Charges for Services	$ 12,417,211	$ 11,805,806	$ 691,855	$ 719,857	$ 13,109,066	$ 12,525,663
Operating Grants and Contributions	4,762,237	4,204,766	200,305	184,598	4,962,542	4,389,364
General Revenues						
Property Taxes	15,807,804	15,584,000			15,807,804	15,584,000
State Aid - Unrestricted	2,097,125	1,826,986			2,097,125	1,826,986
Other	166,624	164,484	447	639	167,071	165,123
Total Revenues	**35,251,001**	**33,586,042**	**892,607**	**905,094**	**36,143,608**	**34,491,136**
Expenses						
Instruction						
Regular	12,229,676	11,539,699			12,229,676	11,539,699
Special Education	10,102,596	9,648,755			10,102,596	9,648,755
Other Instruction	506,281	511,354			506,281	511,354
School Sponsored Activities and Ath.	919,972	1,021,802			919,972	1,021,802
Support Services						
Student and Instruction Related Serv.	5,175,075	4,744,142			5,175,075	4,744,142
General Administrative Services	866,824	900,900			866,824	900,900
School Administrative Services	1,166,252	1,326,009			1,166,252	1,326,009
Central and Other Support Services	640,569	652,208			640,569	652,208
Plant Operations and Maintenance	3,389,902	3,316,921			3,389,902	3,316,921
Pupil Transportation	820,703	787,212			820,703	787,212
Interest on Long Term Debt	347,694	332,069			347,694	332,069
Food Services			647,835	681,243	647,835	681,243
Saturday Happenings Program	-	-	276,291	299,513	276,291	299,513
Total Expenses	**36,165,544**	**34,781,071**	**924,126**	**980,756**	**37,089,670**	**35,761,827**
Increase (Decrease) in Net Assets Before Transfers	(914,543)	(1,195,029)	(31,519)	(75,662)	(946,062)	(1,270,691)
Transfers	-	(74,596)	-	74,596	-	-
Change in Net Assets	**(914,543)**	**(1,269,625)**	**(31,519)**	**(1,066)**	**(946,062)**	**(1,270,691)**
Net Assets, Beginning of Year	**4,032,362**	**5,301,987**	**213,559**	**214,625**	**4,245,921**	**5,516,612**
Net Assets, End of Year	**$ 3,117,819**	**$ 4,032,362**	**$ 182,040**	**$ 213,559**	**$ 3,299,859**	**$ 4,245,921**

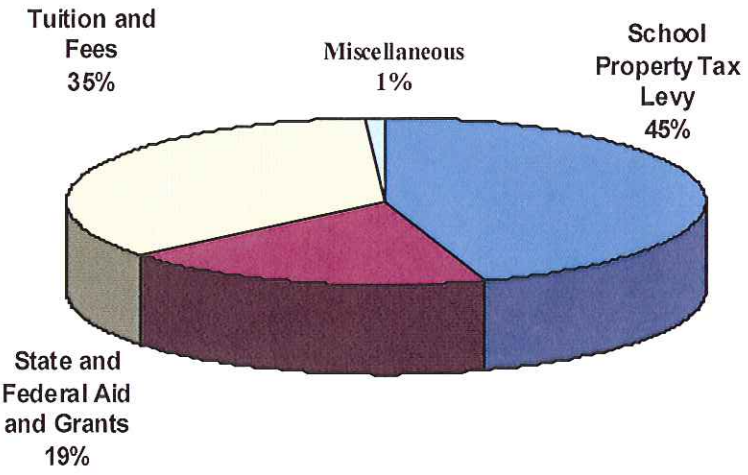
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were $35,251,001 for the year ended June 30, 2010, property taxes of $15,807,804 represented 45% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was $6,859,362 represented 19% of revenues. Charges for services from special education tuition, one to one aides, and OT/PT service fees was another predominant source of revenue; $12,417,211 was earned during the year representing 35% of revenues. In addition, miscellaneous revenue was earned which includes items such as interest, prior year refunds and other miscellaneous income items and represent 1% of revenues.

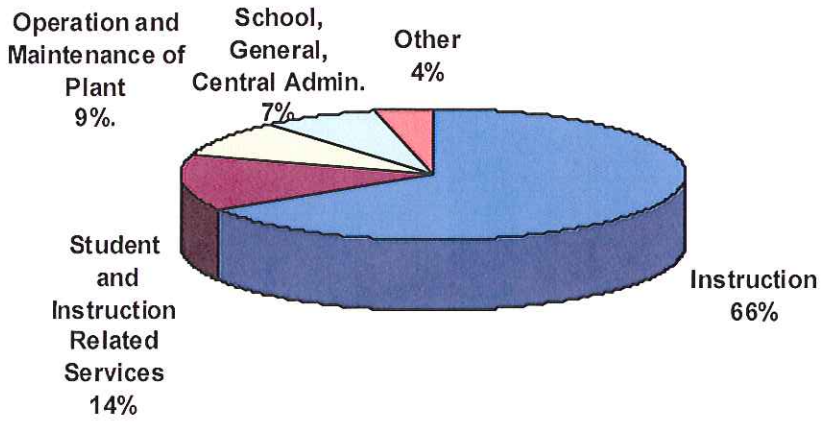
The total cost of all governmental activities programs and services was $36,165,544 for the year ended June 30, 2010. The District's expenses are predominantly related to educating and caring for students. Instruction totaled $23,758,525 (66%) of total expenditures. Support services totaled $12,059,325 (33%) of total expenditures.

Total governmental activities expenses exceeded revenues decreasing net assets $914,543 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2010



Expenditures by Type- Governmental Activities
For Fiscal Year 2010



Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

Net Cost of Governmental Activities. The District's total cost of services was $36,165,544 for the year ended June 30, 2010. After applying program revenues, derived from charges for services of $12,417,211; and operating grants and contributions of $4,762,237; the net cost of services of the District is $18,986,096.

Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2010 and 2009

	Total Cost of Services		Net Cost (Income) of Services	
	2010	2009	2010	2009
Instruction				
Regular	$ 12,229,676	$ 11,539,699	$ 11,027,708	$ 10,439,818
Special Education	10,102,596	9,648,755	(3,292,712)	(2,734,269)
Other Instruction	506,281	511,354	441,591	434,683
School Sponsored Activities and Athletics	919,972	1,021,802	919,972	1,021,802
Support Services				
Student and Instruction Related Svcs.	5,175,075	4,744,142	3,091,688	2,801,079
General Administrative Services	866,824	900,900	842,231	874,352
School Administrative Services	1,166,252	1,326,009	1,097,986	1,244,243
Central and Other Support Services	640,569	652,208	596,204	652,208
Plant Operations and Maintenance	3,389,902	3,316,921	3,264,679	3,171,764
Pupil Transportation	820,703	787,212	772,801	733,609
Interest on Long Term Debt	347,694	332,069	223,948	131,210
Total	**$ 36,165,544**	**$ 34,781,071**	**$ 18,986,096**	**$ 18,770,499**

Business-Type Activities – The District's total business-type activities revenues were $892,607 for the year ended June 30, 2010. Charges for services accounted for 78% or $691,855 of total revenues for the year. Operating grants and contributions accounted for 22% or $200,305 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 $924,126. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of $647,835 (70%) and the Saturday Happenings Programs offered to all District students and residents at a total cost of $276,291 (30%).

Total business-type activities expenses surpassed revenues decreasing net assets by $31,519 over the previous year.

RIDGEFIELD BOARD OF EDUCATION
RIDGEFIELD, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

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, unreserved 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 $4,976,846. The prior year fund balance at June 30, 2009 was $5,609,819. The decrease for the year ended June 30, 2010 was $632,973.

Revenues and other financing sources for the District's governmental funds were $36,148,935, while total expenses and other financing uses were $36,781,908 for the year ended June 30, 2010.

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

The following schedule presents a summary of General Fund Revenues.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources:				
Property Tax Levy	$ 15,765,032	$ 15,327,225	$ 437,807	3%
Tuition	10,659,427	10,478,751	180,676	2%
Interest Earnings	12,723	40,628	(27,905)	(69)%
Miscellaneous	1,436,012	1,558,973	(122,961)	(8)%
State Sources	5,159,249	4,870,402	288,847	6%
Federal Sources	362,953	-	362,953	100%
Total General Fund Revenues	$ 33,395,396	$ 32,275,979	$ 1,119,417	3%

Total General Fund Revenues increased by $1,119,417 or 3% over the previous year. Local property taxes increased by $437,807 or 3% over the previous year primarily to cover increased operating costs. The District realized a slight increase in tuition revenue during the current school year. In addition, State aid revenues increased $288,847 or 6% and the District received $362,953 from Federal sources for American Recovery and Reinvestment Act (ARRA) funds.

The following schedule presents a summary of General Fund expenditures.

	Year Ended June 30, 2010	Year Ended June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	$ 23,046,372	$ 22,047,220	$ 999,152	5%
Support Services	11,191,478	11,060,929	130,549	1%
Debt Services	59,146	79,949	(20,803)	(26%)
Capital Outlay	353,009	317,012	35,997	11%
Total Expenditures	$ 34,650,005	$ 33,505,110	$ 1,144,895	3%

Total General Fund expenditures increased $1,144,895 or 3% from the previous year. These increases were for the most part attributable to increases in contractual salary and related employee benefit costs. For the year ended June 30, 2010 General Fund expenditures exceeded revenues and other financing sources by $265,307. As a result, total fund balance decreased to $1,855,950 at June 30, 2010. After deducting statutory reserves and designations the unreserved undesignated fund balance decreased by $474,337 to a deficit balance of $642,730 at June 30, 2010 from a deficit balance of $168,393 at June 30, 2010.

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 $1,072,178, for the year ended June 30, 2010. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 92% or $985,672 of the total revenue for the year. State sources accounted for 5% or $54,250 of the total revenue for the year. The remaining 3% of revenue came from local sources.

Total Special Revenue Fund revenues increased $319,079 or 42% from the previous year. State sources decreased $807 or 1%, while Federal sources increased $306,065 or 45% all due to additional funding provided under ARRA. Local grants increased $13,821 over the prior year.

Expenditures of the Special Revenue Fund were $1,072,178. Instructional expenditures were $634,644 or 59% and expenditures for support services were $427,778 or 40% of the total amount expended for the year ended June 30, 2010. The remaining $9,756 of expenditures was for the payment of debt service.

Capital Projects - The capital projects other financing uses exceeded revenues by $360,000 resulting in a fund balance of $3,120,895 at June 30, 2010 all of which is reserved for the payment of outstanding serial bonds. There were no expenditures for the year.

Proprietary Funds

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

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. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget. The budget revisions were due to the following:

- Reappropriation of prior year encumbrances of $195,305.
- Reduction of budget appropriations of $67,865 for the reduction of State aid.

In fiscal year 2010 General Fund budgetary basis expenditures were greater than revenues and other financing sources by $71,375. Therefore budgetary fund balance decreased to $2,585,615 at June 30, 2010. After deducting statutory reserves and designations, the unreserved, undesignated budgetary fund balance at June 30, 2010 was $86,935, a decrease of $280,405 when compared to the previous year's unreserved, undesignated budgetary fund balance of $367,340 at June 30, 2009. Tuition refund reserves decreased $149,005 to $1,564,995 at June 30, 2010.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2010 amounts to $7,043,609 (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 2009-2010 amounted to $439,462 for governmental activities and $16,758 for business-type activities.

Capital Assets at June 30, 2010 and 2009
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 288,751	$ 288,751			$ 288,751	$ 288,751
Land Improvements	61,839	65,386			61,839	65,386
Buildings and Building Improvements	6,448,733	6,506,796			6,448,733	6,506,796
Leasehold Improvements	39,237	41,768			39,237	41,768
Machinery and Equipment	157,695	180,007	$ 47,354	$ 61,717	205,049	241,724
Total Capital Assets, Net	$ 6,996,255	$ 7,082,708	$ 47,354	$ 61,717	$ 7,043,609	$ 7,144,425

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

LONG TERM LIABILITIES

At June 30, 2010, the District's long-term liabilities consisted of serial bonds payable of $7,398,000, capital leases payable of $15,918, lease purchase agreements outstanding of $535,704, sale/leaseback contracts of $500,000, compensated absences payable of $704,479, and the deferred pension obligation of $176,336 compared to serial bonds payable of $7,758,000 capital leases payable of $13,939, lease purchase agreements outstanding of $134,249, compensated absences payable of $631,170 and the deferred pension obligation of $162,522 at June 30, 2009.

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 2010-2011 budget. The primary factors were the District's projected student population, anticipated state and federal aid, special education tuition and related service fees, special education costs, prior year tuition refunds as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2010-2011. Budgeted expenditures in the General Fund decreased 4% to $32,189,742 in fiscal year 2010-2011.

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

BASIC FINANCIAL STATEMENTS

RIDGEFIELD BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 4,779,094	$ 155,151	$ 4,934,245
Receivables, Net	2,375,188	35,216	2,410,404
Inventory		8,686	8,686
Deferred Charges	67,789		67,789
Restricted Assets:			
Investments with Fiscal Agent	283,633		283,633
Capital Assets, Not Being Depreciated	288,751		288,751
Capital Assets, Being Depreciated, Net	6,707,504	47,354	6,754,858
Total Assets	14,501,959	246,407	14,748,366
LIABILITIES			
Accounts Payable and Other Current Liabilities	837,983	27,639	865,622
Payable to Other Governments	1,128,727		1,128,727
Accrued Interest Payable	78,513		78,513
Unearned Revenue	8,480	36,728	45,208
Noncurrent Liabilities			
Due within one year	521,805		521,805
Due beyond one year	8,808,632	-	8,808,632
Total Liabilities	11,384,140	64,367	11,448,507
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,771,021	47,354	2,818,375
Restricted for			
Tuition Adjustments	1,564,995		1,564,995
Other Purposes	283,077		283,077
Unrestricted	(1,501,274)	134,686	(1,366,588)
Total Net Assets	$ 3,117,819	$ 182,040	$ 3,299,859

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

RIDGEFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
Instruction							
Regular	$ 12,229,676		$ 1,201,968		$ (11,027,708)		$ (11,027,708)
Special Education	10,102,596	$ 11,125,220	2,270,088		3,292,712		3,292,712
Other Instruction	506,281		64,690		(441,591)		(441,591)
School Sponsored Activities and Athletics	919,972				(919,972)		(919,972)
Support Services							
Student and Instruction Related Services	5,175,075	1,291,991	791,396		(3,091,688)		(3,091,688)
General Administrative Services	866,824		24,593		(842,231)		(842,231)
School Administrative Services	1,166,252		68,266		(1,097,986)		(1,097,986)
Central and Other Support Services	640,569		44,365		(596,204)		(596,204)
Plant Operations and Maintenance	3,389,902		125,223		(3,264,679)		(3,264,679)
Pupil Transportation	820,703		47,902		(772,801)		(772,801)
Interest on Long-Term Debt	347,694	-	123,746	-	(223,948)	-	(223,948)
Total Governmental Activities	36,165,544	12,417,211	4,762,237	-	(18,986,096)	-	(18,986,096)
Business-Type Activities							
Food Service	647,835	459,671	200,305	-	-	$ 12,141	12,141
Saturday Happenings	276,291	232,184	-	-	-	(44,107)	(44,107)
Total Business-Type Activities	924,126	691,855	200,305	-	-	(31,966)	(31,966)
Total Primary Government	$ 37,089,670	$ 13,109,066	$ 4,962,542	$ -	(18,986,096)	(31,966)	(19,018,062)

Continued

RIDGEFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		Net (Expense) Revenue and Changes in Net Assets		
		Governmental Activities	Business-type Activities	Total
General Revenues				
Taxes				
Property Taxes Levied for General Purposes	$	15,765,032		$ 15,765,032
Property Taxes Levied for Debt Service		42,772		42,772
State Aid -Unrestricted		1,955,889		1,955,889
State Aid for Debt Service Principal		141,236		141,236
Investment Earnings		37,028	$ 447	37,475
Miscellaneous Income		129,596	-	129,596
Total General Revenues		18,071,553	447	18,072,000
Change in Net Assets		(914,543)	(31,519)	(946,062)
Net Assets, Beginning of Year		4,032,362	213,559	4,245,921
Net Assets, End of Year	$	3,117,819	$ 182,040	$ 3,299,859

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

FUND FINANCIAL STATEMENTS

RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	$ 1,655,552		$ 3,123,541	$ 1	$ 4,779,094
Receivables from Other Governments, Net	1,614,886	$ 708,875			2,323,761
Other Accounts Receivable	24,681	9,298			33,979
Due from Other funds	666,475				666,475
Restricted Assets:					
Investments with Fiscal Agent	283,633	-	-	-	283,633
Total Assets	$ 4,245,227	$ 718,173	$ 3,123,541	$ 1	$ 8,086,942
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 775,197	$ 52,389			$ 827,586
Accrued Salaries and Wages	6,857	3,540			10,397
Payable to Federal Government		1,587			1,587
Payable to State Government		5,796			5,796
Payables to Local Governments	1,121,344				1,121,344
Due to Other Funds		646,381	$ 2,646		649,027
Deferred Revenue	485,879	8,480	-	-	494,359
Total Liabilities	2,389,277	718,173	2,646	-	3,110,096
Fund Balances					
Reserved for					
Encumbrances	104,779				104,779
Capital Reserve	1				1
Legally Restricted - Textbook Lease	283,075				283,075
Tuition Adjustments	707,995				707,995
Tuition Adjustments - Designated for Subsequent Year's Expenditures	857,000				857,000
Debt Service			3,120,895		3,120,895
Unreserved					
Designated for Subsequent Year's Expenditures	545,830				545,830
Undesignated, Reported in					
General Fund	(642,730)				(642,730)
Debt Service Fund	-	-	-	$ 1	1
Total Fund Balances	1,855,950	-	3,120,895	1	4,976,846
Total Liabilities and Fund Balances	$ 4,245,227	$ 718,173	$ 3,123,541	$ 1	$ 8,086,942

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

Continued

RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010

Total Fund Balances (Exhibit B-1)		$ 4,976,846
Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $12,735,216 and the accumulated depreciation is $5,738,961.		6,996,255
Deferred revenues in the funds that do not provide current financial resources are realized as revenues in the statement of activities.		485,879
The District has financed capital assets through the issuance of long-term lease obligations. The interest accrual at year end is:		(78,513)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Bonds Payable	$ (7,398,000)	
Less: Deferred Charges for Issuance Costs	67,789	
Capital Leases Payable	(15,918)	
Lease Purchase Agreements	(535,704)	
Sale/Leaseback Contracts	(500,000)	
Compensated Absences	(704,479)	
Deferred Pension Obligation	(176,336)	
		(9,262,648)
Net assets of governmental activities (Exhibit A-1)		$ 3,117,819

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

EXHIBIT B-2

RIDGEFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	$ 15,765,032			$ 42,772	$ 15,807,804
Tuition	10,659,427				10,659,427
Interest	12,723		$ 24,305		37,028
Miscellaneous - Restricted	1,306,416				1,306,416
Miscellaneous - Unrestricted	129,596	$ 32,256	-	-	161,852
Total - Local Sources	27,873,194	32,256	24,305	42,772	27,972,527
State Sources	5,159,249	54,250		264,982	5,478,481
Federal Sources	362,953	985,672	-	-	1,348,625
Total Revenues	33,395,396	1,072,178	24,305	307,754	34,799,633
EXPENDITURES					
Current					
Instruction					
Regular Instruction	12,029,527	146,369			12,175,896
Special Education Instruction	9,609,655	470,857			10,080,512
Other Special Instruction	487,218	17,418			504,636
School-Sponsored Activities and Athletics	919,972				919,972
Support Services					
Student and Instruction Related Services	4,749,632	427,778			5,177,410
General Administrative Services	845,869				845,869
School Administrative Services	1,158,827				1,158,827
Central and Other Support Service	640,569				640,569
Plant Operations and Maintenance	2,998,364				2,998,364
Student Transportation	798,217				798,217
Debt Service					
Principal	51,807	9,756		360,000	421,563
Interest and Other Charges	7,339			315,420	322,759
Capital Outlay	353,009	-	-	-	353,009
Total Expenditures	34,650,005	1,072,178	-	675,420	36,397,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,254,609)	-	24,305	(367,666)	(1,597,970)
OTHER FINANCING SOURCES (USES)					
Sale and Lease Back Contract Proceeds	500,000				500,000
Capital Lease Proceeds	21,047				21,047
Lease Purchase Agreement Proceeds	443,950				443,950
Transfers In	24,305			360,000	384,305
Transfers Out	-	-	(384,305)	-	(384,305)
Total Other Financing Sources and Uses	989,302	-	(384,305)	360,000	964,997
Net Change in Fund Balances	(265,307)	-	(360,000)	(7,666)	(632,973)
Fund Balance, Beginning of Year	2,121,257	-	3,480,895	7,667	5,609,819
Fund Balance, End of Year	$ 1,855,950	$ -	$ 3,120,895	$ 1	$ 4,976,846

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

RIDGEFIELD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (Exhibit B-2)		$ (632,973)
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 and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.		
Capital Outlays	$ 353,009	
Depreciation Expense	(439,462)	
		(86,453)
The issuance of long-term debt provides current financial resources to governmental funds, however these transactions have no effect in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Sale and Leaseback Contract Proceeds	(500,000)	
Capital Lease Proceeds	(21,047)	
Lease Purchase Agreement Proceeds	(443,950)	
Amortization of Issuance Costs	(4,807)	
		(969,804)
Repayment of long-term debt is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the Statement of Net Assets.		
Serial Bonds	360,000	
Capital Lease Principal	19,068	
Lease Purchase Agreement Principal	42,495	
		421,563
In the statement of activities, certain operating expenses are measured by the amounts earned 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		(73,309)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue but are deferred in the funds.		
Increase in Deferred Tuition Revenue		451,368
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Increase in Deferred Pension Obligations	(13,814)	
Increase in Accrued Interest	(11,121)	
		(24,935)
Change in net assets of governmental activities (Exhibit A-2)		$ (914,543)

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

RIDGEFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Business-Type Activities Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
ASSETS			
Cash	$ 102,508	$ 52,643	$ 155,151
Intergovernmental Receivable, Net			
State	889		889
Federal	14,174		14,174
Accounts Receivable		20,153	20,153
Inventory	8,686	-	8,686
Total Current Assets	126,257	72,796	199,053
Capital Assets			
Equipment	179,491	12,493	191,984
Accumulated Depreciation	(132,137)	(12,493)	(144,630)
Total Capital Assets, Net	47,354	-	47,354
Total Assets	173,611	72,796	246,407
LIABILITIES			
Current Liabilities			
Accounts Payable	27,639		27,639
Unearned Revenue	5,971	30,757	36,728
Total Current Liabilities	33,610	30,757	64,367
NET ASSETS			
Invested in Capital Assets	47,354		47,354
Unrestricted	92,647	42,039	134,686
Total Net Assets	$ 140,001	$ 42,039	$ 182,040

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

RIDGEFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
OPERATING REVENUES			
Local Sources			
Daily Sales			
School Lunch Program	$ 455,645		$ 455,645
Other	4,026		4,026
Program Fees	-	$ 232,184	232,184
Total Operating Revenues	459,671	232,184	691,855
OPERATING EXPENSES			
Cost of Sales	303,827		303,827
Salaries and Benefits	252,577	213,563	466,140
Purchased Management Services	25,727		25,727
General Supplies	27,065	12,728	39,793
Miscellaneous	14,139		14,139
Repair and Maintenance	7,742		7,742
Rent		50,000	50,000
Depreciation	16,758	-	16,758
Total Operating Expenses	647,835	276,291	924,126
Operating Loss	(188,164)	(44,107)	(232,271)
Nonoperating Revenues			
State Sources			
State School Breakfast Program	530		530
State School Lunch Program	10,417		10,417
Federal Sources			
National School Breakfast Program	5,452		5,452
National School Lunch Program	183,906		183,906
Interest Income	447	-	447
Total Nonoperating Revenues	200,752	-	200,752
Changes in Net Assets	12,588	(44,107)	(31,519)
Total Net Assets, Beginning of Year	127,413	86,146	213,559
Total Net Assets, End of Year	$ 140,001	$ 42,039	$ 182,040

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

RIDGEFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Funds		
	Food Service	Saturday Happenings Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ 459,671	$ 247,762	$ 707,433
Cash Payments for Employees Salaries and Benefits	(252,577)	(213,563)	(466,140)
Cash Payments to Suppliers for Goods and Services	(358,581)	(62,728)	(421,309)
Net Cash Provided by (Used for) Operating Activities	(151,487)	(28,529)	(180,016)
Cash Flows from Noncapital Financing Activities			
Cash Received from (Paid to) Other Funds	(74,266)	566	(73,700)
Cash Received from State and Federal Subsidy Reimbursements	177,548	-	177,548
Net Cash Provided by (Used for) Noncapital Financing Activities	103,282	566	103,848
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(2,395)	-	(2,395)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,395)	-	(2,395)
Cash Flows from Investing Activities			
Interest Received	447	-	447
Net Cash Provided by (Used for) Investing Activities	447	-	447
Net Increase (Decrease) in Cash	(50,153)	(27,963)	(78,116)
Cash, Beginning of Year	152,661	80,606	233,267
Cash, End of Year	$ 102,508	$ 52,643	$ 155,151
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	$ (188,164)	$ (44,107)	$ (232,271)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Depreciation	16,758		16,758
Non-Cash Federal Assistance-Food Distribution Program	20,864		20,864
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable		2,287	2,287
(Increase)/Decrease in Inventory	(4,390)		(4,390)
Increase/(Decrease) in Accounts Payable	(1,363)		(1,363)
Increase/(Decrease) in Unearned Revenue	4,808	13,291	18,099
Total Adjustments	36,677	15,578	52,255
Net Cash Provided by/(Used For) Operating Activities	$ (151,487)	$ (28,529)	$ (180,016)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	$ 25,672		$ 25,672

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

RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2010

	Private Purpose Scholarship Fund	Agency Fund
ASSETS		
Cash	$ 57,342	$ 237,483
Total Assets	57,342	$ 237,483
LIABILITIES		
Accounts Payable		$ 9,388
Payroll Deductions and Withholdings		178,577
Due to Other Funds		17,448
Due to Student Groups	-	32,070
Total Liabilities	-	$ 237,483
NET ASSETS		
Held in Trust for Scholarship Awards	$ 57,342	

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

RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions	
Donations - Private	$ 102,770
Investment Earnings	
Interest	40
Total Additions	102,810
DEDUCTIONS	
Scholarship Awards	85,571
Change in Net Assets	17,239
Net Assets, Beginning of the Year	40,103
Net Assets, End of the Year	$ 57,342

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end except for tuition and related service fees which are considered revenue if collected within 120 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.

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. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

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

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.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. Receivables and Payables

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".

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2008-2009 and 2009-2010 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is 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 revenues. 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. 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. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

4. Restricted Assets

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings	50
Building Improvements	10-40
Leasehold Improvements	20
Equipment and Furniture	5

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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 sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. 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 assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Fund Equity

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

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

Reserved for Legally Restricted - Textbook Lease – This reserve was created from unexpended proceeds of the lease purchase agreement held by the Trustee for the purchase of textbooks.

Reserved for Tuition Adjustments – This reserve was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments 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. The District has reserved $432,995 for the 2007/2008 contract year, $250,000 for the 2008/2009 contract year and $25,000 for the 2009/2010 contract year.

Reserved for Tuition Adjustments – Designated for Subsequent Year's Expenditures – This reserve was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2007/2008 contract year that is appropriated in the 2010/2011 original budget certified for taxes.

Designations of fund balance represent tentative management plans that are subject to change.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2010/2011 District budget certified for taxes.

9. Reclassifications

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

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 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. 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 2009/2010. During 2009/2010 the Board increased the original budget by $682,697 net of a reduction. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved a reduction of $67,865 to the General Fund budget due to the loss of state aid in the General Fund.

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

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

B. Deficit Fund Equity

The District has an unreserved/undesignated deficit fund balance of $642,730 in the General Fund as of June 30, 2010 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2009/2010 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund balance deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of $642,730 in the General Fund is less than the delayed state aid payments.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve Account

A capital reserve account was established by the District on October 12, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account 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 account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The balance of the capital reserve account was $1 on June 30, 2010. There was no activity in the capital reserve account for the fiscal year ending June 30, 2010.

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects is $21,339,612.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

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

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2010, the book value of the Board's deposits was $5,229,070 and bank balances of the Board's cash and deposits amounted to $6,168,606. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" are categorized as:

Depository Account	Bank Balance
Insured	$ 6,168,606

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2010 the Board's bank balance was not exposed to custodial credit risk.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

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

As of June 30, 2010, the Board had the following investments:

Investment Type:	Fair Value
U.S. Government Securities	
Money Market Securities	$ 283,633

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2010, $283,633 of the Board's investments was exposed to custodial credit risk as follows:

	Fair Value
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department not in the Board's name	$ 283,633

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

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

The fair value of the above-listed investment was based on quoted market prices.

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

B. Receivables

Receivables as of year-end for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Food Service	Saturday Happenings	Total
Receivables:					
Intergovernmental	$ 1,947,271	$ 708,875	$ 15,063		$ 2,671,209
Accounts	24,681	9,298	-	$ 20,153	54,132
Gross Receivables	1,971,952	718,173	15,063	20,153	2,725,341
Less: Allowance for Uncollectibles	(332,385)	-	-	-	(332,385)
Net Total Receivables	$ 1,639,567	$ 718,173	$ 15,063	$ 20,153	$ 2,392,956

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund		
Tuition Charges Receivable	$472,547	
Related Service Fees Receivable	13,332	
Special Revenue Fund		
Grant draw downs reserved for encumbrances		$8,480
Total deferred revenue for governmental funds	$485,879	$8,480

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 288,751	-	-	$ 288,751
Total Capital Assets, Not Being Depreciated	288,751	-	-	288,751
Capital Assets, Being Depreciated:				
Land Improvements	526,180			526,180
Buildings and Building Improvements	10,682,236	$ 313,235		10,995,471
Leasehold Improvements	50,627			50,627
Machinery and Equipment	834,413	39,774	-	874,187
Total Capital Assets Being Depreciated	12,093,456	353,009	-	12,446,465
Less Accumulated Depreciation for:				
Land Improvements	(460,794)	(3,547)		(464,341)
Buildings and Building Improvements	(4,175,440)	(371,298)		(4,546,738)
Leasehold Improvements	(8,859)	(2,531)		(11,390)
Machinery and Equipment	(654,406)	(62,086)	-	(716,492)
Total Accumulated Depreciation	(5,299,499)	(439,462)	-	(5,738,961)
Total Capital Assets, Being Depreciated, Net	6,793,957	(86,453)	-	6,707,504
Governmental Activities Capital Assets, Net	$ 7,082,708	$ (86,453)	$ -	$ 6,996,255
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 189,589	$ 2,395	-	$ 191,984
Total Capital Assets Being Depreciated	189,589	2,395	-	191,984
Less Accumulated Depreciation for:				
Machinery and Equipment	(127,872)	(16,758)	-	(144,630)
Total Accumulated Depreciation	(127,872)	(16,758)	-	(144,630)
Total Capital Assets, Being Depreciated, Net	61,717	(14,363)	-	47,354
Business-Type Activities Capital Assets, Net	$ 61,717	$ (14,363)	$ -	$ 47,354

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental activities:	
Instruction	
Regular	$ 5,492
Total Instruction	5,492
Support Services	
Students and Instruction Related Services	4,547
School Administration	6,107
Operations and Maintenance of Plant	390,065
Student Transportation	33,251
Total Support Services	433,970
Total Depreciation Expense - Governmental Activities	$ 439,462
Business-Type Activities:	
Food Service	$ 16,758
Total Depreciation Expense-Business-Type Activities	$ 16,758

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Fund	$ 646,381
General Fund	Capital Projects Fund	2,646
General Fund	Agency Fund	17,448
		$ 666,475

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	Transfer In:		
	General Fund	Debt Service Fund	Total
Transfer Out:			
Capital Projects Fund	$ 24,305	$ 360,000	$ 384,305
Total	$ 24,305	$ 360,000	$ 384,305

The above transfers are the result of revenues earned and other financing sources received in one fund to finance expenditures in another fund.

E. Leases

Operating Leases

The District leases a school building and copiers under noncancelable operating leases. Lease payments for the year ended June 30, 2010 were $691,486. The future minimum lease payments for these operating leases are as follows:

Year Ending June 30	Amount
2011	$ 689,186
2012	617,991
2013	613,300
2014	614,900
2015	616,100
2016-2020	2,684,500
2021-2025	2,532,000
2026-2030	665,600
Total	$ 9,033,577

Capital Leases, Lease Purchase Agreements and Sale/Leaseback Contracts

The District is leasing a telecommunications system totaling $21,047 under capital leases. The leases are for terms of 5 years. In addition, the District is leasing computers (general supplies) and textbooks totaling $612,318 under lease purchase agreements for terms of 3 to 5 years. The District has also entered into a contract for the sale and leaseback of textbooks totaling $500,000. The contract is for a term of 5 years. The sale/leaseback contract was issued to finance District operating costs in the 2009/2010 budget.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases and Lease Purchase Agreements (Continued)

The capital assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and Equipment	$ 21,047

The unexpended proceeds from a lease purchase agreement for textbooks in the amount of $283,633 at June 30, 2010 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	Governmental Activities			
	Capital Leases	Lease-Purchase Agreements	Sale/ Leaseback Contract	Total
2011	$ 5,129	$ 84,583	$ 39,727	$ 129,439
2012	5,129	162,651	128,700	296,480
2013	5,129	114,272	128,700	248,101
2014	5,129	114,272	128,700	248,101
2015	-	114,272	128,700	242,972
Total minimum lease payments	20,516	590,050	554,527	1,165,093
Less: amount representing interest	(4,598)	(54,346)	(54,527)	(113,471)
Present value of minimum lease payments	$ 15,918	$ 535,704	$ 500,000	$ 1,051,622

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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, 2010 are comprised of the following issues:

$3,240,000, 2006 Bonds, due in annual installments of $175,000 to $280,000 through February 15, 2022, interest at 4.15% to 4.20%	$2,760,000
$5,168,000, 2007 Bonds, due in annual installments of $185,000 to $340,000 through June 1, 2027, interest at 4.00% to 4.125%	4,638,000
	$7,398,000

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

Governmental Activities:

Year Ended June 30,	Serial Bonds Principal	Interest	Total
2011	$ 375,000	$ 300,757	$ 675,757
2012	390,000	285,488	675,488
2013	405,000	269,603	674,603
2014	425,000	253,110	678,110
2015	445,000	235,803	680,803
2016-2020	2,530,000	890,875	3,420,875
2021-2025	2,150,000	369,172	2,519,172
2026-2030	678,000	41,485	719,485
	$ 7,398,000	$ 2,646,293	$ 10,044,293

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2010 was as follows:

4% of Equalized Valuation Basis (Municipal)	$ 84,759,616
Less: Net Debt	7,398,000
Remaining Borrowing Power	$ 77,361,616

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Balance, July 1, 2009	Additions	Reductions	Balance, June 30, 2010	Due Within One Year
Governmental activities:					
Bonds Payable	$ 7,758,000		$ 360,000	$ 7,398,000	$ 375,000
Capital Leases Payable	13,939	$ 21,047	19,068	15,918	3,381
Lease Purchase Agreements	134,249	443,950	42,495	535,704	65,822
Sale/Leaseback Contracts		500,000		500,000	23,777
Compensated Absences	631,170	127,134	53,825	704,479	53,825
Deferred Pension Obligation	162,522	13,814	-	176,336	-
Governmental activity Long-term liabilities	$ 8,699,880	$ 1,105,945	$ 475,388	$ 9,330,437	$ 521,805

For the governmental activities, compensated absences 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.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the School Alliance Insurance Fund. The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation property, auto and general liability claims.

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

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

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2010, 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, 2010, 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

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

Basis of Accounting

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of $34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and $23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and $11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.5% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2010, 2009 and 2008 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2010	$ 416,490	$ 50,058	None
2009	208,171	48,689	None
2008	244,647	1,049,658	None

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During 2009/2010 and 2008/2009 school years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State only contributed $50,058 and $48,689 during 2009/2010 and 2008/2009, respectively, for the NCGI premium. During 2008/2009 school year, the Board contributed only 50% of its normal and accrued liability components of the PERS obligation and deferred the remaining 50%. The deferred amount will be paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligation at any time. A long-term liability of the deferred pension obligation for PERS has been recorded in the governmental activities in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,182,857 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

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

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Investment Valuation

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

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a $55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to $19.8 billion for state active and retired members and $36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed $837.7 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were $940,155, $928,857 and $614,223, respectively, which equaled the required contributions for each year . The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 15,765,032		$ 15,765,032	$ 15,765,032	
Tuition	11,172,864		11,172,864	10,659,427	$ (513,437)
Interest Income	170,000		170,000	12,723	(157,277)
Miscellaneous - Restricted	1,317,909		1,317,909	1,306,416	(11,493)
Miscellaneous - Unrestricted	-	-	-	129,596	129,596
Total Local	28,425,805	-	28,425,805	27,873,194	(552,611)
State Sources					
Special Education Aid	963,910		963,910	963,910	
Equalization Aid	2,000,335	$ (362,953)	1,637,382	1,637,382	
Security Aid	164,071	(42,597)	121,474	121,474	
Transportation Aid	72,195	(25,268)	46,927	46,927	
Extraordinary Aid	2,827		2,827	410,418	407,591
On-behalf TPAF Pension Contribution(Nonbudgeted)					
Pension Benefit Contribution - NCGI				50,058	50,058
Post Retirement Medical Benefit Contribution				940,155	940,155
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,182,857	1,182,857
Total State	3,203,338	(430,818)	2,772,520	5,353,181	2,580,661
Federal Sources					
ARRA ESF Aid		349,426	349,426	349,426	
ARRA GSF Aid	-	13,527	13,527	13,527	-
Total Federal Sources	-	362,953	362,953	362,953	-
Total Revenues	31,629,143	(67,865)	31,561,278	33,589,328	2,028,050
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	611,905	(16,100)	595,805	589,380	6,425
Grades 1-5	2,551,955	(132,600)	2,419,355	2,370,901	48,454
Grades 6-8	1,592,258	67,000	1,659,258	1,636,482	22,776
Grades 9-12	3,339,889	114,100	3,453,989	3,430,878	23,111
Regular Programs-Home Instruction					
Salaries of Teachers	20,900	(3,500)	17,400	15,679	1,721
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	103,178	7,789	110,967	110,791	176
Other Purchased Services	152,976	(12,616)	140,360	140,080	280
General Supplies	265,013	76,148	341,161	319,523	21,638
Textbooks	147,306	2,703	150,009	3,442	146,567
Textbooks - Acquired Under Lease Purchase (Nonbudgeted)				160,875	(160,875)
Other Objects	77,272	(9,801)	67,471	61,914	5,557
Total Regular Programs	8,862,652	93,123	8,955,775	8,839,945	115,830
Behavioral Disabilities					
Salaries of Teachers	349,088	(140,161)	208,927	203,594	5,333
Other Salaries for Instruction	84,180	(48,308)	35,872	35,312	560
Purchased Professional Educational Service	10,898	(10,600)	298	218	80
Other Purchased Services	8,939	(8,890)	49	49	
General Supplies	9,431	21,490	30,921	10,962	19,959
Textbooks	8,477		8,477	896	7,581
Other Objects	15,244	(2,000)	13,244	7,967	5,277
Total Behavioral Disabilities	486,257	(188,469)	297,788	258,998	38,790
Multiple Disabilities					
Salaries of Teachers	773,282	402,542	1,175,824	1,174,931	893
Other Salaries for Instruction	693,141	9,622	702,763	702,763	
Purchased Professional Educational Service	40,283	(39,527)	756		756
Other Purchased Services	8,939	(6,000)	2,939	2,321	618
General Supplies	43,755	42,639	86,394	44,673	41,721
Textbooks	33,315	(20,666)	12,649	999	11,650
Other Objects	37,688	12,143	49,831	47,684	2,147
Total Multiple Disabilities	1,630,403	400,753	2,031,156	1,973,371	57,785

Continued

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	$ 1,076,407	$ (230,631)	$ 845,776	$ 831,146	$ 14,630
Other Salaries for Instruction		7,082	7,082		7,082
General Supplies	2,503	373	2,876	2,465	411
Total Resource Room/Resource Center	1,078,910	(223,176)	855,734	833,611	22,123
Autism					
Salaries of Teachers	2,294,265	(243,374)	2,050,891	2,050,891	
Other Salaries for Instruction	1,583,469	(136,117)	1,447,352	1,447,352	
Purchased Professional Educational Services	47,740	(1,703)	46,037	46,036	1
Other Purchased Services	19,523	(17,934)	1,589	1,580	9
General Supplies	53,269	62,108	115,377	87,561	27,816
Textbooks	21,810	(12,722)	9,088	1,275	7,813
Other Objects	58,468	(4,533)	53,935	44,396	9,539
Total Autism	4,078,544	(354,275)	3,724,269	3,679,091	45,178
Preschool Disabilities - Full-Time					
Salaries of Teachers	36,419	57,070	93,489	93,489	
Other Salaries for Instruction	76,405	20,070	96,475	96,475	
Purchased Professional Educational Services	6,798	(6,000)	798	750	48
Other Purchased Services	757	(757)			
General Supplies	1,097	13,270	14,367	6,657	7,710
Other Objects	252	1,191	1,443	210	1,233
Total Preschool Disabilities - Full-Time	121,728	84,844	206,572	197,581	8,991
Total Special Education	7,395,842	(280,323)	7,115,519	6,942,652	172,867
Basic Skills/Remedial					
Salaries of Teachers	98,401	(36,500)	61,901	56,720	5,181
Total Basic Skills/Remedial	98,401	(36,500)	61,901	56,720	5,181
Bilingual Education - Instruction					
Salaries of Teachers	280,239	21,500	301,739	298,502	3,237
General Supplies	854		854	811	43
Textbooks	993	-	993	-	993
Total Bilingual Education - Instruction	282,086	21,500	303,586	299,313	4,273
School Sponsored Cocurricular Activities					
Salaries	246,500	(15,500)	231,000	207,435	23,565
Supplies and Materials	15,456	2,254	17,710	12,439	5,271
Other Objects	57,526	10,862	68,388	41,923	26,465
Total School Sponsored Cocurricular Activities	319,482	(2,384)	317,098	261,797	55,301
School Sponsored Athletics					
Salaries	399,536	(52,000)	347,536	310,982	36,554
Purchased Services	8,300	299	8,599	1,299	7,300
Supplies and Materials	57,283	(1,137)	56,146	48,949	7,197
Other Objects	134,381	(32,640)	101,741	90,786	10,955
Total School Sponsored Athletics	599,500	(85,478)	514,022	452,016	62,006
Total Instruction	17,557,963	(290,062)	17,267,901	16,852,443	415,458
Undistributed Expenditures					
Instruction:					
Tuition to County Vocational Schools-Regular	243,815	5,421	249,236	248,271	965
Tuition to County Vocational Schools-Special	102,720	(52,067)	50,653	50,652	1
Tuition to Priv. Sch. for the Disabled -Within State	224,598	(121,968)	102,630	101,805	825
Total Undistributed Expenditures- Instruction	571,133	(168,614)	402,519	400,728	1,791

Continued

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work					
Salaries	$ 24,549	$ (4,087)	$ 20,462	$ 19,363	$ 1,099
Total Attendance and Social Work	24,549	(4,087)	20,462	19,363	1,099
Health Services					
Salaries	378,507	(6,073)	372,434	372,375	59
Purchased Professional/Technical Services	466	1,123	1,589	1,440	149
Supplies and Materials	7,196	536	7,732	6,892	840
Total Health Services	386,169	(4,414)	381,755	380,707	1,048
Speech, OT, PT, & Related Services					
Salaries	1,225,970	84,000	1,309,970	1,300,693	9,277
Purchased Professional/Educational Services	46,600	(884)	45,716	4,716	41,000
Supplies and Materials	515	-	515	276	239
Total Speech, OT, PT & Related Services	1,273,085	83,116	1,356,201	1,305,685	50,516
Other Support Services -Students- Extra Services					
Salaries	695,322	36,055	731,377	731,376	1
Total Other Support Services - Students - Extra Services	695,322	36,055	731,377	731,376	1
Guidance					
Salaries of Other Professional Staff	398,842	(34,513)	364,329	364,271	58
Salaries of Secretarial and Clerical Assistants	54,877	3,100	57,977	57,953	24
Purchased Professional/Educational Services	13,835	(1,000)	12,835	7,768	5,067
Other Purchased Professional/Technical Services	4,764	(500)	4,264	100	4,164
Supplies and Materials	7,429	1,581	9,010	8,235	775
Other Objects	8,080	(7,085)	995	245	750
Total Guidance	487,827	(38,417)	449,410	438,572	10,838
Child Study Team					
Salaries of Other Professional Staff	265,134	74,096	339,230	339,230	
Salaries of Secretarial and Clerical Assistants	34,616	(14,403)	20,213	19,601	612
Purchased Professional/Educational Services		9,648	9,648	9,648	
Other Purchased Professional/Technical Services	9,427	748	10,175	10,175	
Other Purchased Services		30	30	29	1
Supplies and Materials	3,143	585	3,728	3,695	33
Total Child Study Team	312,320	70,704	383,024	382,378	646
Educational Media/School Library					
Salaries	133,979	3,973	137,952	137,717	235
Purchased Professional/Technical Services	2,881	(21)	2,860	1,568	1,292
Supplies and Materials	30,923	572	31,495	17,958	13,537
Total Educational Media/School Library	167,783	4,524	172,307	157,243	15,064
Instructional Staff Training					
Purchased Professional-Educational Services	26,812	(330)	26,482	2,648	23,834
Other Purchased Services	-	650	650	570	80
Total Instructional Staff Training	26,812	320	27,132	3,218	23,914

Continued

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
General Administration					
Salaries	$ 244,585	$ 2,933	$ 247,518	$ 247,518	
Legal Services	150,072	(21,377)	128,695	119,762	$ 8,933
Audit Fees	32,170	20,725	52,895	52,895	
Other Purchased Professional Services	129,415	26,776	156,191	151,019	5,172
Communications/Telephone	144,749	(58,827)	85,922	68,450	17,472
BOE Other Purchased Services	750	(234)	516		516
Miscellaneous Purchased Services	32,333	(5,969)	26,364	18,623	7,741
General Supplies	12,845	(1,405)	11,440	7,042	4,398
BOE In-House Training / Meeting Supplies	5,356	(464)	4,892	3,841	1,051
Judgements Against School District		29,150	29,150	29,143	7
Miscellaneous Expenditures	26,897	17,031	43,928	41,668	2,260
BOE Membership Dues and Fees	16,418	1,435	17,853	17,853	-
Total General Administration	795,590	9,774	805,364	757,814	47,550
School Administration					
Salaries of Principals/Assistant Principals	616,851	(89,062)	527,789	527,420	369
Salaries of Secretarial and Clerical Assistants	285,162	(23,771)	261,391	261,203	188
Other Purchased Services	11,117	738	11,855	11,022	833
Supplies and Materials	60,315	(3,239)	57,076	56,263	813
Other Objects	11,618	(2,018)	9,600	9,600	-
Total School Administration	985,063	(117,352)	867,711	865,508	2,203
Central Services					
Salaries	404,691	(61,932)	342,759	342,759	-
Purchased Professional Services	10,000	23,726	33,726	31,510	2,216
Supplies and Materials	7,028	4,058	11,086	10,630	456
Interest on Lease Purchase Agreements	2,948		2,948	1,755	1,193
Miscellaneous Expenditures	2,357	(700)	1,657	950	707
Total Central Services	427,024	(34,848)	392,176	387,604	4,572
Admin. Info. Technology					
Salaries	45,647	13,098	58,745	58,744	1
Purchased Professional Services	34,750	(4,210)	30,540	26,420	4,120
Supplies and Materials	21,428	4,210	25,638	23,078	2,560
Other Objects	3,087	-	3,087	-	3,087
Total Admin. Info. Technology	104,912	13,098	118,010	108,242	9,768
Required Maintenance for School Facilities					
Salaries	207,170	(35,820)	171,350	171,350	
Cleaning, Repair and Maintenance Services	245,800	56,342	302,142	301,906	236
General Supplies	37,700	9,277	46,977	45,796	1,181
Total Required Maintenance for School Facilities	490,670	29,799	520,469	519,052	1,417
Custodial Services					
Salaries	828,912	2,112	831,024	831,024	
Rental of Land/Bldgs Other Than Lease Purchase Agreement	611,200	3,000	614,200	614,200	
Other Purchased Property Services	60,500	(14,387)	46,113	45,630	483
Insurance	20,092	(20,092)			
General Supplies	106,000	(15,096)	90,904	90,017	887
Energy (Heat and Electricity)	657,500	7,509	665,009	499,826	165,183
Total Custodial Services	2,284,204	(36,954)	2,247,250	2,080,697	166,553

Continued

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	$ 361,319	$ (31,206)	$ 330,113	$ 330,113	
Cleaning, Repair & Maint. Services	37,000	31,756	68,756	68,756	
Lease Purchase Payments - School Buses	28,701	(15,908)	12,793	12,793	
Contr. Serv. (Spec. Ed. Students)-Vendor	211,885	18,500	230,385	228,636	$ 1,749
Misc. Purchased Services - Transportation	1,655	(1,655)			
General Supplies	38,617	820	39,437	39,437	-
Total Student Transportation Services	679,177	2,307	681,484	679,735	1,749
Unallocated Employee Benefits					
Social Security Contributions	497,963	31,274	529,237	519,783	9,454
Other Retirement Contributions - Regular	307,920	108,570	416,490	416,490	
Unemployment Compensation	70,000	-	70,000	62,076	7,924
Workers Compensation	204,738	(27,723)	177,015	176,234	781
Health Benefits	4,388,928	444,187	4,833,115	4,822,639	10,476
Tuition Reimbursement	30,000	-	30,000	30,000	
Other Employee Benefits	7,241	19,098	26,339	26,339	-
Total Unallocated Employee Benefits	5,506,790	575,406	6,082,196	6,053,561	28,635
On-behalf TPAF Pension Contribution (Nonbudgeted)					
Pension Benefit Contribution - NCGI				50,058	(50,058)
Post Retirement Medical Benefit Contribution				940,155	(940,155)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,182,857	(1,182,857)
Total TPAF On-Behalf	-	-	-	2,173,070	(2,173,070)
Total Undistributed Expenditures	15,218,430	420,417	15,638,847	17,444,553	(1,805,706)
Total Current Expenditures	32,776,393	130,355	32,906,748	34,296,996	(1,390,248)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	144,375	(77,778)	66,597	9,828	56,769
Total Equipment	144,375	(77,778)	66,597	9,828	56,769
Facilities Acquisition and Construction Services					
Construction Services	660,888	74,863	735,751	322,134	413,617
Total Facilities Acquisition and Construction Services	660,888	74,863	735,751	322,134	413,617
Assets Acquired Under Lease Purchase Agreements (Non Budgeted)					
Equipment - General Administration	-	-	-	21,047	(21,047)
Total Capital Outlay	805,263	(2,915)	802,348	353,009	449,339
Total Expenditures	33,581,656	127,440	33,709,096	34,650,005	(940,909)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,952,513)	(195,305)	(2,147,818)	(1,060,677)	1,087,141

Continued

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Other Financing Sources/(Uses)					
Sale & Leaseback Contract Proceeds	$ 500,000		$ 500,000	$ 500,000	
Capital Lease Proceeds				21,047	$ 21,047
Lease Purchase Agreement Proceeds	-		-	443,950	443,950
Transfer In-Capital Projects Fund	-	-	-	24,305	24,305
Total Other Financing Sources/(Uses)	500,000	-	500,000	989,302	489,302
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	$ (1,452,513)	$ (195,305)	$ (1,647,818)	(71,375)	1,576,443
Fund Balances, Beginning of Year	2,656,990	-	2,656,990	2,656,990	-
Fund Balances, End of Year	$ 1,204,477	$ (195,305)	$ 1,009,172	$ 2,585,615	$ 1,576,443

Recapitulation of Fund Balance

Reserved for:	
Encumbrances	$ 104,779
Capital Reserve	1
Legally Restricted - Textbook Lease	283,075
Tuition Adjustments 2007/08 - Designated for Subsequent Year's Expenditures	857,000
Tuition Adjustments 2007/08	432,995
Tuition Adjustments 2008/09	250,000
Tuition Adjustments 2009/10	25,000
Unreserved:	
Designated for Subsequent Year's Expenditures	545,830
Unreserved, Undesignated	86,935
Reconciliation to Governmental Funds Statements (GAAP):	2,585,615
Less: State Aid Revenue Not Recognized on GAAP Basis	(729,665)
Fund Balance Per Governmental Funds (GAAP)	$ 1,855,950

RIDGEFIELD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA - EDUCATION STABILIZATION FUND (ESF)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources					
ARRA - SFSF - ESF (Education Stabilization Fund)	-	$ 349,426	$ 349,426	$ 349,426	-
Total Revenues	-	349,426	349,426	349,426	-
EXPENDITURES					
CURRENT EXPENDITURES					
Special Education Programs - Instruction					
Autism					
Other Salaries for Instruction		199,948	199,948	199,948	
Undistributed Expenditures					
Central Services					
Salaries		49,415	49,415	49,415	
Student Transportation Services					
Salaries		63,312	63,312	63,312	
Unallocated Employee Benefits					
Health Benefits	-	36,751	36,751	36,751	-
Total Expenditures	-	349,426	349,426	349,426	-
Excess of Revenues Over Expenditures	$ -	$ -	$ -	$ -	$ -

EXHIBIT C-1B2

RIDGEFIELD BOARD OF EDUCATION
GENERAL FUND - ARRA - GOVERNMENT SERVICES FUND (GSF)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources					
ARRA - GSF (Government Services Fund)	-	$ 13,527	$ 13,527	$ 13,527	-
Total Revenues	-	13,527	13,527	13,527	-
EXPENDITURES					
CURRENT EXPENDITURES					
Special Education Programs - Instruction					
Autism					
Other Salaries for Instruction	-	13,527	13,527	13,527	-
Total Undistributed Expenditures - Instruction	-	13,527	13,527	13,527	-
Excess of Revenues Over Expenditures	$ -	$ -	$ -	$ -	$ -

EXHIBIT C-2

RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
State	$ 54,251	$ 5,795	$ 60,046	$ 53,805	$ (6,241)
Federal	611,298	532,894	1,144,192	982,297	(161,895)
Local	16,438	16,568	33,006	33,006	-
Total Revenues	681,987	555,257	1,237,244	1,069,108	(168,136)
EXPENDITURES					
Instruction					
Salaries of Teachers	120,091	148,149	268,240	260,710	7,530
Purchased Professional Educational Services	9,803	2,635	12,438	8,023	4,415
Purchased Professional / Technical Services	3,954	(2,334)	1,620		1,620
Other Purchased Services	330,452	20,839	351,291	350,721	570
General Supplies	5,783	3,715	9,498	5,968	3,530
Textbooks	1,716	1,865	3,581	2,941	640
Other Objects	5,903	(5,903)	-	-	-
Total Instruction	477,702	168,966	646,668	628,363	18,305
Support Services					
Salaries	33,558	211,037	244,595	236,241	8,354
Other Salaries	29,030	14,347	43,377	32,919	10,458
Purchased Professional Educational Services	2,316	2,703	5,019	4,246	773
Purchased Professional / Technical Services	55,730	70,943	126,673	82,806	43,867
Other Purchased Services	31,366	(10,575)	20,791	20,659	132
Travel	1,000	9,992	10,992	8,739	2,253
Supplies and Materials	12,762	45,106	57,868	14,213	43,655
Other Objects	4,000	(1,528)	2,472	2,472	-
Total Support Services	169,762	342,025	511,787	402,295	109,492
Unallocated Benefits					
Personal Services - Employee Benefits	34,523	44,266	78,789	38,450	40,339
Total Unallocated Benefits	34,523	44,266	78,789	38,450	40,339
Total Expenditures	681,987	555,257	1,237,244	1,069,108	168,136
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures And Other Financing Sources (Uses)	-	-	-	-	(336,272)
Fund Balance, Beginning of Year	-	-	-	-	-
Ending Balance, End of Year	$ -	$ -	$ -	$ -	$ -

RIDGEFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	$ 33,589,328	$ 1,069,108
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, 2010		(8,480)
Encumbrances - June 30, 2009 - Net		11,550
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2008/09 State Aid)	535,733	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2009/10 State Aid)	(729,665)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 33,395,396	$ 1,072,178
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 34,650,005	$ 1,069,108
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, 2010		(8,480)
Encumbrances - June 30, 2009 - Net	-	11,550
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 34,650,005	$ 1,072,178

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Nonpublic Nursing	Respite	Nonpublic Textbook	Chapter 192/193 Comp Ed	Chapter 192/193 Exam. & Class.	Chapter 192/193 Corrective Speech	Bergen County Workforce	Other Local	Subtotal Page 2	Total
REVENUES										
Intergovernmental										
State	$ 4,246	$ 38,595	$ 2,941	$ 4,977	$ 1,279	$ 1,767			-	$ 53,805
Federal									$ 982,297	982,297
Local	-	-	-	-	-	-	$ 31,506	$ 1,500	-	33,006
Total Revenues	$ 4,246	$ 38,595	$ 2,941	$ 4,977	$ 1,279	$ 1,767	$ 31,506	$ 1,500	$ 982,297	$ 1,069,108
EXPENDITURES										
Instruction										
Salaries of Teachers							$ 10,457		$ 250,253	$ 260,710
Purchased Professional Educational Services				$ 4,977	$ 1,279	$ 1,767			-	8,023
Other Purchased Services									350,721	350,721
Supplies and Materials									5,968	5,968
Textbooks	-	-	$ 2,941	-	-	-	-	-	-	2,941
Total Instruction	-	-	2,941	4,977	1,279	1,767	10,457	-	606,942	628,363
Support Services										
Salaries		$ 16,454							219,787	236,241
Other Salaries		14,285					18,634		-	32,919
Personal Services - Employee Benefits		2,352					2,225		33,873	38,450
Purchased Professional Educational Services	$ 4,246									4,246
Purchased Prof. / Technical Services		1,304							81,502	82,806
Other Purchased Services									20,659	20,659
Travel		875							7,864	8,739
Supplies and Materials		853					190	$ 1,500	11,670	14,213
Other Objects	-	2,472	-	-	-	-	-	-	-	2,472
Total Support Services	4,246	38,595	-	-	-	-	21,049	1,500	375,355	440,745
Total Expenditures	$ 4,246	$ 38,595	$ 2,941	$ 4,977	$ 1,279	$ 1,767	$ 31,506	$ 1,500	$ 982,297	$ 1,069,108

RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	IDEA Basic	IDEA Preschool	Title I	ARRA Title I Part A	ARRA Title I SIA	Title II A	Title II D	Title III	Title IV	ARRA IDEA Basic	ARRA IDEA Preschool	Page 2 Total
REVENUES												
Intergovernmental												
State												
Federal	$ 350,721	$ 18,106	$ 143,700	$ 45,311	$ 5,665	$ 66,649	$ 1,635	$ 17,728	$ 3,007	$ 316,097	$ 13,678	$ 982,297
Local	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	$ 350,721	$ 18,106	$ 143,700	$ 45,311	$ 5,665	$ 66,649	$ 1,635	$ 17,728	$ 3,007	$ 316,097	$ 13,678	$ 982,297
EXPENDITURES												
Instruction												
Salaries of Teachers		$ 15,798	$ 75,426	$ 26,284		$ 18,407		$ 10,000		$ 92,404	$ 11,934	$ 250,253
Purchased Professional Educational Services												-
Other Purchased Services	$ 350,721											350,721
Supplies and Materials								5,968				5,968
Textbooks	-	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	350,721	15,798	75,426	26,284	-	18,407	-	15,968	-	92,404	11,934	606,942
Support Services												
Salaries			11,177			3,381			$ 2,056	203,173		219,787
Other Salaries												-
Personal Services - Employee Benefits		2,308	11,020	3,840				1,461		13,500	1,744	33,873
Purchased Prof. / Technical Services			27,784	15,187		38,531						81,502
Other Purchased Services			16,759					299	951	2,650		20,659
Travel			1,534			6,330						7,864
Supplies and Materials					$ 5,665		$ 1,635			4,370		11,670
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	2,308	68,274	19,027	5,665	48,242	1,635	1,760	3,007	223,693	1,744	375,355
Total Expenditures	$ 350,721	$ 18,106	$ 143,700	$ 45,311	$ 5,665	$ 66,649	$ 1,635	$ 17,728	$ 3,007	$ 316,097	$ 13,678	$ 982,297

RIDGEFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

CAPITAL PROJECTS FUND

RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issue/Project Title	Appropriation	Prior Years	Current Years	Cancelled to Debt Service Reserve	Unexpended Balance
Roof Replacement - High School and Elementary Schools	$ 3,240,298	$ 2,561,440		$ (678,858)	
Boiler Replacement - High School and Elementary Schools	5,168,381	2,366,344	-	(2,802,037)	-
	$ 8,408,679	$ 4,927,784	$ -	$ (3,480,895)	$ -
		Project Balance, June 30 2010			$ -
		Add: Reserve for Debt Service			3,120,895
		Fund Balance, June 30, 2010 (GAAP Basis)			$ 3,120,895

Analysis of Reserve for Debt Service

Issue	Unexpended Bond Proceeds	Transfers Out Debt Service Fund	Balance, June 30, 2010
2006 Bonds - Roof Replacement - High School and Elementary Schools	$ 678,858	$ (175,000)	$ 503,858
2007 Bonds - Boiler Replacement High School and Elementary Schools	2,802,037	(185,000)	2,617,037
	$ 3,480,895	$ (360,000)	$ 3,120,895

RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources	
Revenues:	
Interest	$ 24,305
Total Revenues and Other Financing sources	24,305
Expenditures and Other Financing Uses	
Expenditures	
Other Financing Uses	
Transfer Out General Fund	24,305
Transfer Out Debt Service Fund	360,000
Total Expenditures and Other Financing Uses	384,305
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(360,000)
Fund Balance, Beginning of Year	3,480,895
Fund Balance, End of Year	$ 3,120,895

EXHIBIT F-2a

RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
ROOF REPLACEMENT - HIGH SCHOOL AND ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Cancelled to Debt Service Reserve	Totals	Revised Authorized Cost
Revenues and Other Financing Sources					
Bond Proceeds	$ 3,240,000		$ (678,858)	$ 2,561,142	$ 3,240,000
Local Share - Interest	298	-	-	298	298
Total Revenues and Other Financing Sources	3,240,298	-	(678,858)	2,561,440	3,240,298
Expenditures and Other Financing Uses					
Legal Services	11,465			11,465	67,361
Other Purchased Professional and Technical Services	391,133			391,133	251,554
Construction Services	2,158,842	-	-	2,158,842	2,921,383
Total Expenditures and Other Financing Uses	2,561,440	-	-	2,561,440	3,240,298
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 678,858	$ -	$ (678,858)	$ -	$ -

Additional project information:

Project Number	4370-050/090/100/165-06-1000
Grant Date	N/A
Bond Authorization Date	4/18/06
Bonds Authorized	$ 3,240,298
Bonds Issued	$ 3,240,000
Original Authorized Cost	$ 3,240,298
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 3,240,298
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

EXHIBIT F-2b

RIDGEFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
BOILER REPLACEMENT - HIGH SCHOOL AND ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Cancelled to Debt Service Reserve	Totals	Revised Authorized Cost
Revenues and Other Financing Sources					
Bond Proceeds	$ 5,168,000		$ (2,802,037)	$ 2,365,963	$ 5,168,000
Local Share - Interest	381	-	-	381	381
Total Revenues and Other Financing Sources	5,168,381	-	(2,802,037)	2,366,344	5,168,381
Expenditures and Other Financing Uses					
Legal Services	3,155			3,155	3,155
Other Purchased Professional and Technical Services	434,385			434,385	1,168,066
Construction Services	1,928,804	-	-	1,928,804	3,997,160
Total Expenditures and Other Financing Uses	2,366,344	-	-	2,366,344	5,168,381
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 2,802,037	$ -	$ (2,802,037)	$ -	$ -

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	1/23/07
Bonds Authorized	$ 5,168,381
Bonds Issued	$ 5,168,000
Original Authorized Cost	$ 5,168,381
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 5,168,381
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

ENTERPRISE FUND

SCHEDULE G-1

RIDGEFIELD BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Student Activity	Payroll	Total Agency Funds
ASSETS			
Cash	$ 41,458	$ 196,025	$ 237,483
Total Assets	$ 41,458	$ 196,025	$ 237,483
LIABILITIES			
Accounts Payable	$ 9,388		$ 9,388
Payroll Deductions and Withholdings		$ 178,577	178,577
Due to Other Funds		17,448	17,448
Due to Student Groups	32,070	-	32,070
Total Liabilities	$ 41,458	$ 196,025	$ 237,483

RIDGEFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS SCHEDULE IS NOT APPLICABLE

RIDGEFIELD BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
ELEMENTARY SCHOOLS				
Slocum Avenue	$ 12,913	$ 97,347	$ 87,125	$ 23,135
HIGH SCHOOL				
Student Activities Fund	13,798	154,071	150,015	17,854
Athletic Account	6,002	34,498	40,031	469
Total High School	19,800	188,569	190,046	18,323
Total All Schools	$ 32,713	$ 285,916	$ 277,171	$ 41,458

RIDGEFIELD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
ASSETS				
Cash	$ 137,532	$ 24,745,134	$ 24,686,641	$ 196,025
Total Assets	$ 137,532	$ 24,745,134	$ 24,686,641	$ 196,025
LIABILITIES				
Accrued Salaries and Wages		$ 13,301,294	$ 13,301,294	
Payroll Deductions and Withholdings	$ 134,207	11,429,717	11,385,347	$ 178,577
Due to Other Funds	3,325	14,123	-	17,448
Total Liabilities	$ 137,532	$ 24,745,134	$ 24,686,641	$ 196,025

LONG-TERM DEBT

RIDGEFIELD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Purpose	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2009	Matured	Balance, June 30, 2010
School Bonds	8/15/2006	$ 3,240,000	2/15/2011	$ 180,000	4.15%			
			2/15/2012	190,000	4.15%			
			2/15/2013	195,000	4.15%			
			2/15/2014	205,000	4.15%			
			2/15/2015	215,000	4.15%			
			2/15/2016	225,000	4.15%			
			2/15/2017	235,000	4.15%			
			2/15/2018	245,000	4.15%			
			2/15/2019	255,000	4.15%			
			2/15/2020	265,000	4.15%			
			2/15/2021	270,000	4.20%			
			2/15/2022	280,000	4.20%	$ 2,935,000	$ 175,000	$ 2,760,000
School Bonds	6/1/2007	5,168,000	6/1/2011	195,000	4.00%			
			6/1/2012	200,000	4.00%			
			6/1/2013	210,000	4.00%			
			6/1/2014	220,000	4.00%			
			6/1/2015	230,000	4.00%			
			6/1/2016	240,000	4.00%			
			6/1/2017	250,000	4.00%			
			6/1/2018	260,000	4.00%			
			6/1/2019	270,000	4.00%			
			6/1/2020	285,000	4.00%			
			6/1/2021	295,000	4.00%			
			6/1/2022	310,000	4.00%			
			6/1/2023	320,000	4.00%			
			6/1/2024	335,000	4.00%			
			6/1/2025	340,000	4.00%			
			6/1/2026	340,000	4.00%			
			6/1/2027	338,000	4.125%	4,823,000	185,000	4,638,000
						$ 7,758,000	$ 360,000	$ 7,398,000

EXHIBIT I-2

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES, LEASE PURCHASE AGREEMENTS AND SALE/LEASEBACK CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Series	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2009	Issued Current Year	Retired Current Year	Balance June 30, 2010
Capital Leases:						
2005/2006 Blue Bird Bus	4.380%	$ 66,888	$ 13,939		$ 13,939	
2009/10 H.S. Telecommunications System	10.98%	21,047	-	$ 21,047	5,129	$ 15,918
Total Capital Leases			13,939	21,047	19,068	15,918
Lease Purchase Agreements:						
2008/2009 Dell Computers		65,551	59,077		18,669	40,408
2008/2009 Apple Computers	5.080%	102,817	75,172		23,826	51,346
2009/2010 Sale and Lease Back / Textbook Lease	3.190%	443,950	-	443,950	-	443,950
Total Lease Purchase Agreements			134,249	443,950	42,495	535,704
Sale/Leaseback Contracts						
2009/10 Textbook Sale/Leaseback	3.19%	500,000	-	500,000	-	500,000
Grand Total			$ 148,188	$ 964,997	$ 61,563	$ 1,051,622

RIDGEFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	$ 42,772		$ 42,772	$ 42,772	
State Sources					
State Aid Type II	264,982	-	264,982	264,982	-
Total Revenues	307,754	-	307,754	307,754	-
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	315,420		315,420	315,420	
Redemption of Bond Principal	360,000	-	360,000	360,000	-
Total Expenditures	675,420	-	675,420	675,420	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(367,666)	-	(367,666)	(367,666)	-
Other Financing Sources (Uses)					
Transfers In	360,000	-	360,000	360,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(7,666)	-	(7,666)	(7,666)	-
Fund Balance, Beginning of Year	7,667	-	7,667	7,667	-
Fund Balance, End of Year	$ 1	$ -	$ 1	$ 1	$ -

STATISTICAL SECTION

This part of the Ridgefield Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	J-16 to J-20

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

EXHIBIT J-1

RIDGEFIELD BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested In Capital Assets, Net Of Related Debt	$ 715,275	$ 841,678	$ 1,311,244	$ 1,755,618	$ 2,009,581	$ 2,598,118	$ 2,864,260	$ 2,771,021
Restricted	(11,752)	80,001	1	511,001	740,343	1,789,015	1,721,668	1,848,072
Unrestricted	(111,591)	(127,072)	(966,371)	(129,808)	848,034	914,854	(553,566)	(1,501,274)
Total Governmental Activities Net Assets	$ 591,932	$ 794,607	$ 344,874	$ 2,136,811	$ 3,597,958	$ 5,301,987	$ 4,032,362	$ 3,117,819
Business-Type Activities								
Invested In Capital Assets, Net Of Related Debt	$ 51,439	$ 46,123	$ 37,227	$ 36,180	$ 40,988	$ 29,426	$ 61,717	$ 47,354
Restricted								
Unrestricted	143,802	201,669	163,454	256,965	302,476	185,199	151,842	134,686
Total Business-Type Activities Net Assets	$ 195,241	$ 247,792	$ 200,681	$ 293,145	$ 343,464	$ 214,625	$ 213,559	$ 182,040
District-Wide								
Invested In Capital Assets, Net Of Related Debt	$ 766,714	$ 887,801	$ 1,348,471	$ 1,791,798	$ 2,050,569	$ 2,627,544	$ 2,925,977	$ 2,818,375
Restricted	(11,752)	80,001	1	511,001	740,343	1,789,015	1,721,668	1,848,072
Unrestricted	32,211	74,597	(802,917)	127,885	1,150,510	1,100,053	(401,724)	(1,366,588)
Total District Net Assets	$ 787,173	$ 1,042,399	$ 545,555	$ 2,430,684	$ 3,941,422	$ 5,516,612	$ 4,245,921	$ 3,299,859

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-2

RIDGEFIELD BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities								
Instruction								
Regular	$ 6,720,048	$ 7,091,839	$ 7,729,442	$ 10,235,060	$ 10,381,117	$ 11,183,823	$ 11,539,699	$ 12,229,676
Special Education	11,138,746	11,984,163	12,934,890	11,336,723	10,379,912	9,403,687	9,648,755	10,102,596
Other Special Education	832,080	891,702	383,752	331,081	389,110	348,026	511,354	506,271
School Sponsored Activities And Athletics			577,489	833,484	946,344	1,037,381	1,021,802	919,972
Support Services:								
Tuition	73,151	69,415						
Student & Instruction Related Services	1,643,687	1,518,434	1,571,998	1,885,831	4,143,045	4,787,597	4,744,142	5,175,075
General Administration	1,109,863	1,195,435	789,217	829,527	1,012,135	900,734	900,900	866,824
School Administrative Services	835,567	1,270,519	1,440,610	1,253,410	1,245,287	1,289,729	1,326,009	1,166,252
Central and Other Support Services			567,816	574,169	563,875	625,734	652,208	640,569
Plant Operations And Maintenance	2,458,834	2,311,538	2,397,650	2,939,241	2,822,954	3,120,271	3,316,921	3,389,902
Pupil Transportation	154,186	243,285	239,355	312,662	592,762	767,661	787,212	820,703
Interest on long-term debt			76,362	52,932	172,534	361,344	332,069	347,694
Total Governmental Activities Expenses	24,966,162	26,576,330	28,708,581	30,584,120	32,649,075	33,825,987	34,781,071	36,165,534
Business-Type Activities:								
Food service	557,221	584,685	617,648	620,288	632,663	748,060	681,243	647,835
Saturday Happenings	761,432	739,176	339,768	261,265	271,207	314,875	299,513	276,291
OT/PT Services			532,516	542,587	-	-	-	-
Total Business-Type Activities Expense	1,318,653	1,323,861	1,489,932	1,424,140	903,870	1,062,935	980,756	924,126
Total District Expenses	$ 26,284,815	$ 27,900,191	$ 30,198,513	$ 32,008,260	$ 33,552,945	$ 34,888,922	$ 35,761,827	$ 37,089,660
Program Revenues								
Governmental Activities:								
Charges for services:								
Instruction	$ 11,185,900	$ 12,342,610	$ 13,100,043	$ 15,575,370	$ 13,768,221	$ 12,396,054	$ 10,452,020	$ 11,125,220
Support Services					1,363,266	1,291,377	1,353,786	1,291,991
Operating grants and contributions	3,385,773	3,443,178	3,401,660	3,606,499	4,649,095	4,811,487	4,204,766	4,762,237
Capital grants and contributions	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	14,571,673	15,785,788	16,501,703	19,181,869	19,780,582	18,498,918	16,010,572	17,179,448
Business-Type Activities:								
Charges for services								
Food Service	440,174	437,694	469,170	470,038	469,163	471,974	463,676	459,671
Saturday Happenings	755,305	779,683	303,801	300,902	344,793	277,649	256,181	232,184
Ot/Pt Services			510,281	580,075				
Operating grants and contributions	142,953	158,668	156,956	158,282	162,460	172,195	184,598	200,305
Capital grants and contributions								
Total Business Type Activities Program Revenues	1,338,432	1,376,045	1,440,208	1,509,297	976,416	921,818	904,455	892,160
Total District Program Revenues	$ 15,910,105	$ 17,161,833	$ 17,941,911	$ 20,691,166	$ 20,756,998	$ 19,420,736	$ 16,915,027	$ 18,071,608

EXHIBIT J-2

RIDGEFIELD BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental Activities	$ (10,394,489)	$ (10,790,542)	$ (12,206,878)	$ (11,402,251)	$ (12,868,493)	$ (15,327,069)	$ (18,770,499)	$ (18,986,086)
Business-Type Activities	19,779	52,184	(49,724)	85,157	72,546	(141,117)	(76,301)	(31,966)
Total District-Wide Net Expense	$ (10,374,710)	$ (10,738,358)	$ (12,256,602)	$ (11,317,094)	$ (12,795,947)	$ (15,468,186)	$ (18,846,800)	$ (19,018,052)
General Revenues And Other Changes In Net Assets								
Governmental Activities:								
Property taxes levied for general purposes, net	$ 9,030,853	$ 9,030,853	$ 10,046,838	$ 11,802,059	$ 12,826,957	$ 14,585,870	$ 15,327,225	$ 15,765,032
Taxes levied for debt service						590,070	256,775	42,772
Unrestricted grants and contributions	887,513	1,073,077	1,237,673	1,190,484	1,251,045	1,389,727	1,826,986	2,097,125
Investment earnings	8,350	3,685	40,171	90,519	200,404	220,762	81,471	37,028
Miscellaneous income	602,781	801,876	432,463	111,126	162,993	244,669	83,013	129,596
Transfers	-	-	-	-	15,253		(74,596)	
Special Items					(127,012)	-	-	-
Total Governmental Activities	10,529,497	10,909,491	11,757,145	13,194,188	14,329,640	17,031,098	17,500,874	18,071,553
Business-Type Activities:								
Investment earnings	798	367	2,613	7,307	7,532	12,278	639	447
Transfers	-	-	-	-	(15,253)		74,596	
Special Items					(14,506)	-	-	-
Total Business-Type Activities	798	367	2,613	7,307	(22,227)	12,278	75,235	447
Total District-Wide	$ 10,530,295	$ 10,909,858	$ 11,759,758	$ 13,201,495	$ 14,307,413	$ 17,043,376	$ 17,576,109	$ 18,072,000
Change In Net Assets								
Governmental Activities	$ 135,008	$ 118,949	$ (449,733)	$ 1,791,937	$ 1,461,147	$ 1,704,029	$ (1,269,625)	$ (914,533)
Business-Type Activities	20,577	52,551	(47,111)	92,464	50,319	(128,839)	(1,066)	(31,519)
Total District	$ 155,585	$ 171,500	$ (496,844)	$ 1,884,401	$ 1,511,466	$ 1,575,190	$ (1,270,691)	$ (946,052)

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	$ 1	$ 87,961	$ 47,256	$ 601,653	$ 1,341,791	$ 1,798,000	$ 2,205,137	$ 1,952,850
Unreserved	1,169,555	1,253,047	180,346	450,672	764,418	1,402,397	(83,880)	(96,900)
Total General Fund	$ 1,169,556	$ 1,341,008	$ 227,602	$ 1,052,325	$ 2,106,209	$ 3,200,397	$ 2,121,257	$ 1,855,950
All Other Governmental Funds								
Reserved				$ 2,326,000	$ 1,945,460	$ 28,731		$ 3,120,895
Unreserved	$ (11,753)	$ (7,960)	$ 147,525	(2,254,714)	3,777,661	3,442,818	$ 3,488,562	$ 1
Total All Other Governmental Funds	$ (11,753)	$ (7,960)	$ 147,525	$ 71,286	$ 5,723,121	$ 3,471,549	$ 3,488,562	$ 3,120,896

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

RIDGEFIELD BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Tax Levy	$ 9,030,853	$ 9,030,853	$ 10,046,838	$ 11,802,059	$ 12,826,957	$ 15,175,940	$ 15,584,000	$ 15,807,804
Tuition Charges	11,185,900	12,342,610	12,450,781	14,584,341	13,711,452	12,587,185	10,478,751	10,659,427
Interest Earnings	8,350	3,685	40,171	90,519	200,404	220,762	81,471	37,028
Miscellaneous	688,250	801,876	1,138,057	959,253	1,496,072	1,446,235	1,590,702	1,468,268
State Sources	3,699,345	3,944,133	4,019,051	4,307,700	5,306,365	5,437,833	5,333,710	5,478,481
Federal Sources	488,472	572,122	563,951	460,776	571,865	745,626	679,607	1,348,625
Total Revenue	25,101,170	26,695,279	28,258,849	32,204,648	34,113,115	35,613,581	33,748,241	34,799,633
Expenditures								
Instruction								
Regular Instruction	5,250,330	5,419,400	7,724,634	10,172,090	10,612,628	11,254,872	11,525,984	12,175,896
Special Education Instruction	8,581,482	9,089,752	12,908,683	11,268,848	10,299,324	9,391,724	9,571,510	10,080,512
Other Special Instruction		706,166	383,978	329,035	397,919	341,051	507,951	504,636
School Sponsored Activities And Athletics	680,872		580,467	829,184	965,900	1,037,381	1,003,167	919,972
Support Services:								
Tuition	73,151	69,415						
Student & Inst Related Services	1,341,093	1,206,428	1,564,383	1,865,105	4,531,735	4,764,558	4,715,888	5,177,410
General Administration	1,077,906	1,105,808	791,457	827,467	1,018,610	900,734	906,105	845,869
School Administrative Services	705,532	901,676	1,449,299	1,245,492	1,261,352	1,279,096	1,300,642	1,158,827
Central and Other Support Services			570,871	570,990	577,122	603,271	672,759	640,569
Plant Operations And Maintenance	2,189,378	2,029,059	2,406,928	2,651,841	2,584,379	2,863,855	2,916,653	2,998,364
Pupil Transportation	144,134	209,628	229,662	273,417	587,070	759,347	732,629	798,217
Employee Benefits	5,087,853	5,673,324						
Capital Outlay	57,098	2,509,379	2,236,105	319,704	2,761,436	2,196,322	317,012	353,009
Debt Service:								
Principal			639,204	607,172	622,568	951,322	418,147	421,563
Interest And Other Charges	-	-	75,235	52,337	36,941	427,432	331,069	322,759
Bond Issuance Costs					84,635	-	-	
Total Expenditures	25,188,829	28,920,035	31,560,906	31,012,682	36,341,619	36,770,965	34,919,516	36,397,603
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(87,659)	(2,224,756)	(3,302,057)	1,191,966	(2,228,504)	(1,157,384)	(1,171,275)	(1,597,970)
Other Financing Sources (Uses)								
Capital Leases (Non-Budgeted)		2,400,000	73,683	66,888			183,744	21,047
Lease Purchase Proceeds (Non-Budgeted)								443,950
Sale and Lease Back Proceeds								500,000
Bond Proceeds					8,408,000			
Transfers In			12,531	7,516	47,246	308,541	40,843	384,305
Transfers Out	-	-	(12,531)	(7,516)	(32,023)	(308,541)	(115,439)	(384,305)
Total Other Financing Sources (Uses)	-	2,400,000	73,683	66,888	8,423,223	-	109,148	964,997
Net Change In Fund Balances	$ (87,659)	$ 175,244	$ (3,228,374)	$ 1,258,854	$ 6,194,719	$ (1,157,384)	$ (1,062,127)	$ (632,973)
Debt Service As A Percentage Of Noncapital Expenditures	0.00%	0.00%	2.44%	2.15%	1.96%	3.99%	2.17%	2.07%

* Noncapital expenditures are total expenditures less capital outlay.

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-5

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

Fiscal Year Ended June 30,	Interest Earned	Tuition	One to One Aides	Rentals	OT/PT Fees	Insurance Refunds	Voided Payroll Checks	Miscellaneous	Total
2001	$ 14,187	$ 9,627,786	$ 154,962	$ 103,200	$ 6,650			$ 36,482	$ 9,943,267
2002	11,138	10,789,972	400,079	110,000	8,239			14,808	11,334,236
2003	8,350	11,185,900	378,536	20,000	103,897			100,348	11,797,031
2004	3,685	12,342,610	72,019	20,000	592,847			60,121	13,091,282
2005	27,640	12,450,781	649,262	100,000				332,463	13,560,146
2006	83,003	14,584,341	819,619					111,126	15,598,089
2007	167,702	13,711,452	830,497		480,672			162,993	15,353,316
2008	66,205	12,587,185	733,546		450,265			244,669	14,081,870
2009	40,628	10,478,751	981,074		508,180			69,719	12,078,352
2010	12,723	10,659,427	730,926	50,000	575,490	$ 25,163	$ 11,164	43,269	12,108,162

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

Fiscal Year Ended June 30,		Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (*)
2001		$ 24,607,400	$ 525,888,100			$ 108,534,000	$ 107,344,800	$ 30,138,400	$ 796,512,700	$ 1,164,077	$ 797,676,777	$ 1,008,133,188	$ 1.1100
2002		23,685,800	534,060,000			110,569,800	106,754,800	30,138,400	805,208,800	1,059,465	806,268,265	1,146,764,857	1.1130
2003		23,385,200	536,209,500			110,641,900	106,449,800	30,138,400	806,824,800	1,030,085	807,854,885	1,185,030,606	1.1180
2004		23,619,100	536,556,100			109,557,000	107,365,200	30,138,400	807,235,800	817,633	808,053,433	1,425,238,294	1.1800
2005	(A)	67,089,500	1,242,774,600			243,342,100	232,995,500	66,588,800	1,852,790,500	1,378,656	1,854,169,156	1,583,367,817	0.5890
2006		67,575,500	1,242,297,800			241,539,500	231,860,300	66,588,800	1,849,861,600	1,284,360	1,851,145,960	1,721,495,199	0.6650
2007		66,466,100	1,246,000,800			241,130,900	231,860,300	66,588,800	1,852,046,900	1,296,169	1,853,343,069	1,900,536,662	0.7600
2008		66,440,200	1,252,327,000			242,269,400	228,205,600	62,330,800	1,851,573,000	1,231,740	1,852,804,740	2,082,286,935	0.8250
2009		64,801,500	1,259,231,000			237,511,900	216,484,900	62,292,100	1,840,321,400	1,264,127	1,841,585,527	2,192,384,129	0.8520
2010		62,805,500	1,262,052,700			235,509,900	215,463,800	62,292,100	1,838,124,000	1,408,405	1,839,532,405	2,118,852,225	0.8890

Source: County Abstract of Ratables

N/A = Not Available

(A) The Borough undertook a revaluation of real property which became effective for the 2005 year.
a Tax rates are per $100

RIDGEFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per $100 of assessed value)

Calendar Year		Total Direct School Tax Rate	Overlapping Rates		
		Ridgefield Local School District	Municipality of Ridgefield	County of Bergen	Total Direct and Overlapping Tax Rate
2000		$ 1.117	$ 0.499	$ 0.264	$ 1.880
2001		1.110	0.495	0.275	1.880
2002		1.113	0.464	0.313	1.890
2003		1.118	0.473	0.309	1.900
2004		1.180	0.630	0.360	2.170
2005	(A)	0.589	0.409	0.172	1.170
2006		0.665	0.351	0.174	1.190
2007		0.760	0.424	0.186	1.370
2008		0.825	0.458	0.208	1.491
2009		0.852	0.486	0.225	1.563
2010		0.889	0.501	0.225	1.615

Source: County Abstract of Ratables

(A) The Borough undertook a revaluation of real property which became effective for the 2005 year.

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

Taxpayer	2010 Taxable Assessed Value	2010 % of Total District Net Assessed Value	2003 Taxable Assessed Value	2003 % of Total District Net Assessed Value
PSEG Power LLC	$ 34,678,500	1.89%		
Ratner/NY Urban LLC	32,200,000	1.75%	$ 15,489,600	1.92%
Genzyme Biosurgery	23,170,000	1.26%		
CSX	20,336,500	1.11%	10,381,000	1.29%
FNL Realty LP	20,089,500	1.09%	9,181,700	1.14%
Ridgefield Industrial LLC	18,500,000	1.01%	10,961,400	1.36%
Ridgefield Holding Corp.	18,000,000	0.98%	11,000,000	1.36%
PSEG Fossil LLC	18,000,000	0.98%	9,609,300	1.19%
Plastic Specialties & Tech. Inc.	15,868,000	0.86%	9,400,200	1.17%
Ridgefield Gardens	15,500,000	0.84%	7,525,700	0.93%
Public Service Electric & Gas Co.			14,011,100	1.74%
Safeguard Capital Fund			6,261,800	0.78%
	$ 181,664,000	11.79%	$ 103,821,800	12.88%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	$ 8,790,853	$ 8,790,853	100.00%	N/A
2002	8,920,853	8,920,853	100.00%	N/A
2003	9,030,853	9,030,853	100.00%	N/A
2004	9,030,853	9,030,853	100.00%	N/A
2005	10,046,838	10,046,838	100.00%	N/A
2006	11,802,059	11,802,059	100.00%	N/A
2007	12,826,957	12,826,957	100.00%	N/A
2008	15,175,940	15,175,940	100.00%	N/A
2009	15,584,000	15,584,000	100.00%	N/A
2010	15,807,804	15,807,804	100.00%	N/A

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities						
	General Obligation Bonds	Capital Leases	Lease Purchase Agreements	Sale/Leaseback Contracts	Total District	Population	Per Capita
2005		$ 1,846,765			$ 1,846,765	10,835	$ 170
2006		1,306,481			1,306,481	10,767	121
2007	$ 8,408,000	683,913			9,091,913	10,782	843
2008	8,098,000	42,591			8,140,591	10,807	753
2009	7,758,000	13,939	$ 134,249		7,906,188	10,880	727
2010	7,398,000	15,918	535,704	$ 500,000	8,449,622	10,880 (E)	777

E - Estimate

Source: District records

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	$ 8,408,000		$ 8,408,000	0.45%	$ 780
2008	8,098,000	$ 11,908	8,086,092	0.44%	748
2009	7,758,000	7,667	7,750,333	0.42%	712
2010	7,398,000	3,120,896	4,277,104	0.23%	393

Source: District records

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-12

RIDGEFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(Unaudited)

	Total Debt
Municipal Debt: (1)	
Ridgefield Board of Education	$ 7,398,000
Borough of Ridgefield	17,270,768
	24,668,768
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (As of December 31, 2009)	
County of Bergen (A)	7,969,572
Bergen County Utilities Authority -	
Water Pollution (B)	7,577,923
	15,547,495
Total Direct and Overlapping Debt	$ 40,216,263

Source:
(1) Borough's SFY 2010 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough by dividing the municipality's 2009 equalized value by the total 2009 equalized value for Bergen County.
(B) The debt was computed based upon dividing the Borough's 2009 billings by the total 2009 billing's of the Borough.

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

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2007	$ 2,065,403,033
2008	2,188,103,285
2009	2,103,464,853
	$ 6,356,971,171
Average equalized valuation of taxable property	$ 2,118,990,390
Debt limit (4% of average equalization	$ 84,759,616
Total Net Debt Applicable to Limit	7,398,000
Legal debt margin	$ 77,361,616

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Debt limit	$ 55,038,743	$ 62,261,674	$ 68,568,911	$ 75,369,383	$ 81,781,841	$ 84,759,616
Total net debt applicable to limit	-	3,240,298	8,408,000	8,098,000	7,758,000	7,398,000
Legal debt margin	$ 55,038,743	$ 59,021,376	$ 60,160,911	$ 67,271,383	$ 74,023,841	$ 77,361,616
Total net debt applicable to the limit as a percentage of debt limit	0.00%	5.20%	12.26%	10.74%	9.49%	8.73%

Source: Annual Debt Statements

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-14

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

Year	Population	County Per Capita Personal Income	Unemployment Rate
2001	10,858	$ 52,102	3.10%
2002	10,864	51,931	4.30%
2003	10,829	51,291	4.20%
2004	10,855	54,669	3.40%
2005	10,835	56,963	3.50%
2006	10,767	63,021	3.70%
2007	10,782	67,113	3.30%
2008	10,807	67,696	4.40%
2009	10,880	N/A	7.80%
2010	10,880 (E)	N/A	N/A

E - Estimate

N/A - Not Available

Source: New Jersey State Department of Education

EXHIBIT J-15

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

	2010		2001	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

Function/Program	2006	2007	2008	2009	2010
Instruction	392	326	290	293	287
Support Services:					
Student & instruction related services	18	48	58	58	58
General administration	2	2	2	2	2
School administrative services	9	13	10	10	9
Central and other support services	8	9	7	7	6
Plant operations and maintenance	19	21	20	20	19
Pupil transportation	9	9	9	9	8
Saturday Happenings	34	34	34	34	34
OT/PT Services	6	-	-	-	6
Total	497	462	431	433	429

Source: District Personnel Records

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only five years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	High School				
2001	1,969.2	$ 21,738,573	$ 11,039	0.86%				1,969.2	1,866.5	5.39%	94.78%
2002	2,047.6	23,156,483	11,309	2.44%				2,047.6	1,934.2	3.98%	94.46%
2003	2,175.9	25,131,731	11,550	2.13%	187	1:10	1:10	2,175.9	2,066.2	6.27%	94.96%
2004	2,090.8	26,410,656	12,632	9.37%	199	1:16	1:11	2,090.8	1,982.6	-3.91%	94.82%
2005	2,087.6	28,610,362	13,705	8.49%	222	1:16	1:9	2,087.6	1,968.6	-0.15%	94.30%
2006	2,124.0	30,033,469	14,140	3.18%	210	1:10	1:10	2,124.0	2,000.0	1.74%	94.16%
2007	2,183.0	32,836,039	15,042	6.38%	210	1:11	1:7	1,989.7	1,878.9	-6.32%	94.43%
2008	2,003.0	33,195,889	16,573	10.18%	210	1:10	1:10	1,990.6	1,884.5	0.05%	94.67%
2009	1,946.0	33,853,288	17,396	4.97%	216	1:9	1:10	1,971.6	1,864.3	-0.95%	94.56%
2010	1,912.5	35,300,272	18,458	6.10%	221	1:9	1:10	1,938.0	1,832.8	-1.70%	94.57%

Sources: District records

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

Note

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only certain information is available for all ten years.

EXHIBIT J-18

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

District Building	2006	2007	2008	2009	2010
Elementary					
Shaler Academy (Leased)					
Square Feet	17,708	17,708	17,708	17,708	33,042
Capacity (students)	225	225	225	225	225
Enrollment	186	222	174	182	181
Bergen Boulevard School					
Square Feet	28,125	28,125	28,125	28,125	28,125
Capacity (students)	325	325	325	325	325
Enrollment	263	230	246	208	190
Slocum/Skewes School					
Square Feet	80,107	80,107	80,107	80,107	80,107
Capacity (students)	875	875	875	875	875
Enrollment [a]	946	990	915	891	875
High School					
Square Feet	87,850	87,850	87,850	87,850	87,850
Capacity (students)	725	725	725	725	725
Enrollment	685	741	668	665	666.5

Number of Schools at June 30, 2010
Elementary = 3
High School = 1

Source: District Records

N/A = Not Available

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only five years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present

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

UNDISTRIBUTED EXPENDITURES -
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

*School Facilities	Project # (s)	Gross Building Area (SF)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ridgefield Memorial High	N/A	87,850	$ 170,811	$ 160,594	$ 103,543	$ 111,882	$ 113,285	$ 169,518	$ 195,648	$ 197,218	$ 199,013
Bergen Boulevard School	N/A	28,125	55,514	57,649	35,345	39,159	35,920	54,271	62,636	63,139	63,714
Shaler Academy	N/A	33,042	34,162	32,942	20,968	22,376	24,867	34,170	39,437	39,753	74,853
Slocum/Skewes School	N/A	80,107	166,540	156,476	100,582	106,287	102,234	154,576	178,403	179,834	181,472
Grand Total			$ 427,027	$ 407,661	$ 260,438	$ 279,704	$ 276,306	$ 412,535	$ 476,124	$ 479,944	$ 519,052

Source: District Records

Note:
Beginning in fiscal year 2001, the New Jersey State Department of Education required Districts to report maintenance expenditures by location, therefore, ten years of data is not required or available.

RIDGEFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2010
(Unaudited)

	Coverage	Deductible
Property - Blanket Buildings & Contents	$ 30,158,368	$ 1,000
Boiler & Machinery	100,000,000	1,000
Flood	10,000,000	
Earthquake	25,000,000	
Comprehensive General Liability	5,000,000	
Auto Liability	5,000,000	
School Leaders Liability	5,000,000	25,000
Excess Liability	5,000,000	
Excess Liability (CAP)	50,000,000	
Environmental Liability		
Cash Claim	1,000,000	
Legal Defense	25,000,000	
Athletic Accident Insurance		
Voluntary Participation Student Plan	500,000	
Employee Dishonesty Faithful Performance		
Each Loss	500,000	1,000
Surety Bonds:		
Business Administrator	250,000	
Treasurer of School Moneys	250,000	

Source: School District records

SINGLE AUDIT SECTION

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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

Honorable President and Members
of the Board of Trustees
Ridgefield Board of Education
Ridgefield, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgefield Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Ridgefield Board of Education's basic financial statements and have issued our report thereon dated December 6, 2010. 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 Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ridgefield Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ridgefield Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Ridgefield Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ridgefield Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

We also noted certain matters that we have reported to management of the Ridgefield Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 6, 2010.

Ridgefield Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Ridgefield Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 6, 2010

LERCH, VINCI & HIGGINS, LLP

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EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Trustees
Ridgefield Board of Education
Ridgefield, New Jersey

Compliance

We have audited the Ridgefield Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Ridgefield Board of Education's major federal and state programs for the fiscal year ended June 30, 2010. 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Ridgefield Board of Education's management. Our responsibility is to express an opinion on Ridgefield Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars 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 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. Our audit does not provide a legal determination on Ridgefield Board of Education's compliance with those requirements.

In our opinion, Ridgefield Board of Education complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2010-2, 2010-3 and 2010-4.

Internal Control Over Compliance

Management of Ridgefield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Ridgefield Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-4 to be a material weakness.

The Ridgefield Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board's responses and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 6, 2010

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years Balances	Balance, June 30, 2010 (Account Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Memo GAAP Receivable
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
National School Breakfast Program	10.550	N/A												
Cash Assistance			7/1/09-6/30/10	$ 530			$ 4,792	$ 5,452			$ (660)			$ (660)
National School Lunch Program	10.550	N/A												
Non-Cash Assistance			7/1/09-6/30/10	25,672			25,672	19,701				$ 5,971		
Non-Cash Assistance			7/1/08-6/30/09	25,283	$ 1,163			1,163						
Cash Assistance			7/1/09-6/30/10	163,042			149,528	163,042			(13,514)			(13,514)
Cash Assistance			7/1/08-6/30/09	146,838	(12,347)	-	12,347	-	-	-	-	-	-	-
Total U.S. Department of Agriculture					(11,184)	-	192,339	189,358	-	-	(14,174)	5,971	-	(14,174)
U.S. Department of Education														
Passed-through State Department of Education														
GENERAL FUND														
ARRA-SFSF-ESF	84.394	ARRA	9/1/09-8/31/10	349,426			349,426	349,426						
ARRA -SFSF-GSF	84.397	ARRA	9/1/09-8/31/10	13,527	-	-	13,527	13,527	-	-	-	-	-	-
Total General Fund					-	-	362,953	362,953	-	-	-	-	-	-
SPECIAL REVENUE FUND														
NCLB														
Title I	84.010A	NCLBCV-100300	9/1/09-8/31/10	168,165		$ 9,128	$ -	$ 131,412	$ (9,128)		$ (177,293)	$ 45,881		$ (131,412)
Title I	84.010A	NCLBCV-090300	9/1/08-8/31/09	151,461	(130,045)	(9,128)	130,232	12,288	9,128		(12,101)			(12,101)
Title I SIA	84.010A	NCLBCV-09030	9/1/09-8/31/10			212			(212)		(212)	212		-
Title I SIA	84.010A	NCLBCV-09030	9/1/08-8/31/09	7,778	(7,567)	(212)			212		(7,567)			(7,567)
Title II, Part A	84.281A	NCLBCV-100300	9/1/09-8/31/10	67,622		5,389	892	65,970	$ (4,945)		(71,675)	7,041		(64,634)
Title II, Part A	84.281A	NCLBCV-090300	9/1/08-8/31/09	67,249	(61,181)	(5,389)	61,860	679	5,389		-			-
Title II, Part D	84.281A	NCLBCV-100300	9/1/09-8/31/10	1,611		1,257		1,635	(1,257)		(2,868)	1,233		(1,635)
Title II, Part D	84.281A	NCLBCV-100300	9/1/08-8/31/09	1,257		(1,257)			1,257		-	-		-
Title III	84.365A	NCLBCV-100300	9/1/09-8/31/10	18,390		1,696		17,728	(1,696)		(20,086)	2,358		(17,728)
Title III	84.365A	NCLBCV-090300	9/1/08-8/31/09	24,182	(22,050)	(1,696)	21,259		1,696		(791)			(791)
Title IV	84.186A	NCLBCV-100300	9/1/09-8/31/10	4,561		4,613		3,001	(4,613)		(9,174)	6,173		(3,001)
Title IV	84.186A	NCLBCV-090300	9/1/08-8/31/09	4,606	6	(4,613)		6	4,613		-			-
I.D.E.A. Part B, Basic Regular	84.027A	FT-100002	9/1/09-8/31/10	341,178		2,899	214,299	340,752			(126,879)	3,325		(123,554)
I.D.E.A. Part B, Basic Regular	84.027A	FT-090002	9/1/08-8/31/09	343,559	(167,665)	(2,899)	181,348	9,969					815	
I.D.E.A. Part B, Preschool	84.173A	PS-100005	9/1/09-8/31/10	18,958		2,444	7,844	17,811			$ (11,114)	$ 3,591		(7,523)
I.D.E.A. Part B, Preschool	84.173A	PS-090005	9/1/08-8/31/09	18,984	(6,921)	(2,444)	10,432	295					772	
IDEA ARRA Basic	84.391	ARRA	9/1/09-8/31/10	396,726			39,435	316,097			(357,291)	80,629		(276,662)
IDEA ARRA Preschool	84.392	ARRA	9/1/09-8/31/10	14,321			2,387	13,678			(11,934)	643		(11,291)
ARRA Title I	84.389	ARRA	9/1/09-8/31/10	46,728				45,311			(46,728)	1,417		(45,311)
ARRA Title I SIA	84.389	ARRA	9/1/09-8/31/10	5,690	-	-	-	5,665	-	-	(5,690)	25	-	(5,665)
Total Special Revenue Fund					(395,423)	-	669,988	982,297	444	-	(861,403)	152,528	1,587	(708,875)
Total U.S. Department of Education					(395,423)	-	1,032,941	1,345,250	444	-	(861,403)	152,528	1,587	(708,875)
Total Federal Awards					$ (406,607)	$ -	$ 1,225,280	$ 1,534,608	$ 444	$ -	$ (875,577)	$ 158,499	$ 1,587	$ (723,049)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of this Statement

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2010 (Accounts Receivable) June 30, 2010	Balance, June 30, 2010 Deferred Revenue June 30, 2010	Balance, June 30, 2010 Due to Grantor June 30, 2010	Memo GAAP Receivable	Memo Cumulative Total Expenditures
State Department of Education													
Current Expense:													
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	$ 72,195		$ 42,145	$ 46,927			$ (4,782)				$ 46,927
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	57,569	$ (5,757)	5,757								-
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	963,910		865,678	963,910			(98,232)				963,910
Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	982,792	(97,071)	97,071								-
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	410,418			410,418			(410,418)				410,418
Extraordinary Aid	09-100-034-5120-473	7/1/08-6/30/09	257,369	(257,369)	257,369								-
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	2,000,335		1,433,528	1,637,382			(203,854)				1,637,382
Equalization Aid	09-495-034-5120-078	7/1/08-6/30/09	1,716,272	(159,408)	159,408								-
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	164,071		109,095	121,474			(12,379)				121,474
Security Aid	09-495-034-5120-084	7/1/08-6/30/09	161,285	(16,128)	16,128								-
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	1,182,857		1,126,048	1,182,857			(56,809)			$ (56,809)	1,182,857
Reimbursed TPAF Social Security Contribution	09-495-034-5095-002	7/1/08-6/30/09	1,125,735	(54,327)	54,327								-
On-Behalf TPAF													
Pension Benefit Cost (NCGI)	10-495-034-5096-007	7/1/09-6/30/10	50,058		50,058	50,058							50,058
Post Retire. Medical	10-495-034-5095-001	7/1/09-6/30/10	940,155	-	940,155	940,155	-	-	-	-	-	-	940,155
Total General Fund				(590,060)	5,156,767	5,353,181	-	-	(786,474)	-	-	(56,809)	5,353,181
Special Revenue:													
New Jersey Nonpublic Aid:													
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	3,581		3,581	2,941					$ 640		2,941
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	4,246		4,246	4,246							4,246
Technology Initiative	09-100-034-5120-373	7/1/08-6/30/09	1,200	79			$ 120	$ 79			120		-
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	6,430		6,430	4,977					1,453		4,977
Compensatory Education	09-100-034-5120-067	7/1/08-6/30/09	2,986	1,294				1,294					-
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	2,936	-	2,936						2,936		-
English as a Second Language	09-100-034-5120-067	7/1/08-6/30/09	5,887	1,827	-			1,827					-
Handicapped Services:													
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	1,279		1,279	1,279							1,279
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	1,793		1,793	1,767					26		1,767
Corrective Speech	09-100-034-5120-066	7/1/08-6/30/09	930	930		-		930					-
Respite (NJDHS)	01BURN	7/1/09-6/30/10	39,216		39,216	38,595					621		38,595
Respite (NJDHS)	01BURN	7/1/09-6/30/09	39,216	7,632	-	-	-	7,632	-	-	-	-	-
Total Special Revenue Fund				11,762	59,481	53,805	120	11,762	-	-	5,796	-	53,805
Debt Service Fund													
Type II Debt Service Aid	10-495-034-5120-125	7/1/09-6/30/10	264,982	-	264,982	264,982	-	-	-	-	-	-	264,982
State Department of Agriculture													
Enterprise Funds:													
School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	530		472	530			(58)			(58)	530
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	10,418	-	9,586	10,417			(831)			(831)	10,417
State School Lunch Program	10-100-010-3350-023	7/1/08-6/30/09	10,019	(823)	823	-	-	-	-	-	-	-	-
Total Enterprise Funds				(823)	10,881	10,947	-	-	(889)	-	-	(889)	10,947
Total State Financial Assistance				(579,121)	5,492,111	5,682,915	120	11,762	(787,363)	-	5,796	(57,698)	5,682,915
State Financial Assistance													
Not Subject to single Audit Determination													
General Fund													
On-Behalf TPAF Pension													
System Contributions (NCGI)	10-100-034-5095-007	7/1/09-6/30/10	50,058		(50,058)	(50,058)							(50,058)
On-Behalf TPAF Post-Retirement													
Medical Contribution	10-100-034-5095-001	7/1/09-6/30/10	940,155	-	(940,155)	(940,155)	-	-	-	-	-	-	(940,155)
Total State Financial Assistance Subject to Single Audit				$ (579,121)	$ 4,501,898	$ 4,692,702	$ 120	$ 11,762	$ (787,363)	$ -	$ 5,796	$ (57,698)	$ 4,692,702

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 basic 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 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 bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 $193,932 for the general fund and an increase of $3,070 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 basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 362,953	$ 5,159,249	$ 5,522,202
Special Revenue Fund	985,672	54,250	1,039,922
Debt Service Fund		264,982	264,982
Food Service Fund	189,358	10,947	200,305
Total Financial Assistance	$ 1,537,983	$ 5,489,428	$ 7,027,411

RIDGEFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of $1,182,857 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010. The amount reported as TPAF Pension System Contributions (NCGI) in the amount of $50,058 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $940,155 represents the amount paid by the State on behalf of the District for the year ended June 30, 2010.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Internal Control over major programs:			
1) Material weakness(es) identified?	____ yes	X no	
2) Significant deficiencies identified not considered to be material weaknesses?	____ yes	X none reported	
Type of auditor's report issued on compliance for major programs	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	____ yes	X no	

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027A	IDEA Part B Basic
84.173A	IDEA Part B - Preschool
84.391	ARRA IDEA Part B - Basic
84.392	ARRA IDEA Part B - Preschool
84.394	ARRA SFSF-ESF (Ed. Serv. Funds)
84.397	ARRA SFSF-GSF (Gov. Serv. Funds)

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000		
Auditee qualified as low-risk auditee?	____ yes	X no	

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

State Awards Section

Internal control over major programs:

1) Material weakness(es) identified:	X yes ____ 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	Unqualified
Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04?	X yes ____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program or Cluster
10-495-034-5120-089	Special Education Aid
10-495-034-5120-078	Equalization Aid
10-495-034-5120-084	Security Aid
10-495-034-5095-002	TPAF Social Security
10-100-034-5120-473	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards.*

Finding 2010-1

Our audit of outstanding purchase orders revealed certain purchase orders classified as encumbrances were deemed invalid or were determined to be accounts payable.

Criteria or specific requirement:

The State Department of Education's GAAP Technical Systems Manual pursuant to N.J.S.A. 18A:4-14 and NJAC 6:20-2A.

Condition:

Certain open purchase orders were not properly classified as encumbrances or accounts payable or were deemed invalid.

Questioned Costs:

None. Financial statements have been adjusted for all material items.

Context:

Three (3) purchase orders recorded as encumbrances payable in the amount of $423,644 were reclassified as accounts payable and expenditures. In addition, encumbrances in the amount of $39,006 were deemed invalid and cancelled.

Effect:

Expenditures may not reflect all amounts incurred for the year

Recommendation:

Internal control procedures be reviewed and enhanced to ensure open purchase orders are reviewed at year end to determine their validity, and if deemed valid, be properly classified as an accounts payable or encumbrance, or otherwise be cancelled.

Management's Response:

Management has reviewed this finding and has indicated procedures will be instituted to ensure outstanding purchase orders are properly classified at year end.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2010-2

Our audit of the travel and expense reimbursements revealed the following:

- Written reports were not submitted by individuals after incurring travel expenses describing primary purpose, key issues and relevance of event.
- The District did not establish a travel maximum for the 2009/2010 school year.

State program information:

Special Education Aid	10-495-034-5120-089
Equalization Aid	10-495-034-5120-078
Security Aid	10-495-034-5120-084

Criteria or specific requirement:

State Grant Compliance Supplement State Aid – Public

Condition:

See Finding.

Questioned Costs:

Unknown.

Context:

A certain travel expense reimbursement tested was not accompanied by a written report. The District did not establish a travel maximum for the current school year.

Effect:

Travel expenses are not in compliance with Board and State policy.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2010-2 (Continued)

Recommendation:

Internal control procedures be reviewed and revised to ensure travel and related expense reimbursements are accompanied by written reports submitted by individuals after attendance at events and that the District establish a travel maximum in accordance with Board and State policy.

Management's Response

Management has reviewed this finding and has indicated corrective action will be taken.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2010-3

Our audit of purchases and procedures related to compliance with the Public Contracts Law revealed the following:

- Contracts awarded through State and County contracts and Educational Data Services (Ed Data) were not always approved by Board resolution.
- Vendor political contribution disclosure forms were not on file in many instances.
- Business Registration Certificates were not on file in some instances.
- One professional service contract award was not advertised.

State program information:

Security Aid	10-495-034-5120-084
Special Education Aid	10-495-034-5120-089
Equalization Aid	10-495-034-5120-078

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid – Public
NJSA 18A:18A – Public School Contracts Law

Condition:

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

Questioned Costs:

None.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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 OMB Circular A-133and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2010-3 (Continued)

Context:

We noted one contract was awarded through State contract and one awarded through Educational Data Services, which were not approved in the minutes. We noted certain vendors did not have Political Contribution Disclosure Statements and/or Business Registration Certificates on file who were required to file such statements. We also noted one professional service contract award was not advertised in the District's official newspaper.

Effect:

Noncompliance with bidding requirements of the Public School Contracts Law.

Recommendation:

Internal control procedures be reviewed and revised to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Public School Contracts Law.

Management's Response:

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

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2010-4

A review of the District's workpapers supporting the application for State Extraordinary Aid revealed qualified costs were not consistently and uniformly calculated for each student.

State program information:

Extraordinary Special Education Aid 10-100-034-5120-473

Criteria or specific requirement:

State Grant Compliance Supplement

Condition:

The calculations for certain students' qualified costs on the extraordinary aid application were not consistently and uniformly calculated. We noted certain support costs which may not be considered qualified costs for State Extraordinary Aid.

Questioned Costs:

Unknown.

Context:

The calculations on the District workpapers for fourteen (14) of the twenty-two (22) students sampled did not agree with the recalculated amounts. The extraordinary aid application listed twenty-five (25) eligible students.

Cause:

Unknown.

RIDGEFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS (Continued)

Finding 2010-4 (Continued)

Effect:

Qualified costs were not consistently and uniformly calculated. Certain support and other costs may not be considered qualified costs for Extraordinary Aid.

Recommendation:

Internal control procedures be reviewed and revised to ensure that qualified costs are consistently and uniformly calculated for each student and include only allowable costs on the application for State Extraordinary Aid.

Management's Response

Management has reviewed this finding and has indicated corrective action will be taken.

EXHIBIT K-7

RIDGEFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section identifies the status of prior-year findings related to the 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. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2009-1

Condition

Our audit of the travel and expense reimbursements revealed written reports were not submitted by district personnel after incurring travel expenses describing primary purpose, key issues and relevance and that the District did not account for travel separately.

Current Status

See Finding 2010-2.