

**SCHOOL DISTRICT OF THE  
BOROUGH OF RINGWOOD  
COUNTY OF PASSAIC, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**BOARD OF EDUCATION  
BOROUGH OF RINGWOOD  
STATE OF NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

**PREPARED BY**

**WARREN MITCHELL  
BUSINESS ADMINISTRATOR, BOARD SECRETARY**

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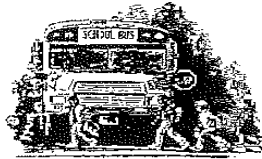
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## **INTRODUCTORY SECTION**



# RINGWOOD BOARD OF EDUCATION

WARREN C. MITCHELL  
BUSINESS ADMINISTRATOR  
BOARD SECRETARY



121 CARLETONDALE ROAD  
RINGWOOD, NJ 07456  
973-962-7029

December 4, 2015

Ringwood Board of Education  
Ringwood Public Schools  
121 Carletondale Road  
Ringwood, New Jersey 07456

Dear Board Member:

The comprehensive annual financial report of the Ringwood Public Schools for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the 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 designed to present fairly the financial position and results of operations of the various funds and account groups of the District. 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 and the District's list of principal officials. The financial section includes the general purpose 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 provision of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133 "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 the 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 section of this report.

1. **REPORT ENTITY AND ITS SERVICES**: Ringwood School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Ringwood Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2014-15 fiscal year with an average daily enrollment of 1,232 students, which is an increase over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2014-15	1,232	.5%
2013-14	1,226	(2.39%)
2012-13	1,256	(.24%)
2011-12	1,259	(1.72%)
2010-11	1,281	(2.65%)
2009-10	1,316	(3.80%)
2008-09	1,368	(.29%)
2007-08	1,372	(2.8%)
2006-07	1,412	(1.3%)
2005-06	1,431	.9%

## 2. **ECONOMIC CONDITION AND OUTLOOK:**

The community appears to have maintained the same level of development as in the previous year.

## 3. **MAJOR INITIATIVES:**

- 1) The district adopted two new math series and we continue to implement the strategies. Grades K-5 used the My Math series while the middle school opted for the Go Math series.
- 2) The district offered an Academic Coaching Academy for students identified for further need for PARCC preparation.
- 3) The district purchased iPads and Chromebooks for teachers and students to use to enhance instruction and apps have been reviewed for class use.
- 4) Writing folders were implemented in all grades to support student writing practice in alignment with the Common Core Content Standards.
- 5) District Curriculum Committees were redesigned and meetings were held under the direction of the Assistant Superintendent in charge of Curriculum and Instruction.
- 6) The Stronge Teacher Evaluation Model and My Learning Plan were employed to assess and record teacher and administration evaluations. All evaluations were submitted through NJSMART.
- 7) STAR Assessments and Study Island software continue to be utilized as formative assessments to assess students and direct the flow of classroom instruction.
- 8) Grades 4-8 have adopted a new Social Studies textbook which uses technology instruction as a vital component.
- 9) Grades 6-8 science teachers are working toward the implementation of the Next Generation Science Standards (NGSS).
- 10) The district is implementing Close Reading and Guided Reading strategies throughout the 2015-2016 school year.
- 11) Updated substitute handbook and meeting with district substitutes.
- 12) Wireless access points were installed in all school buildings.
- 13) Redundant phone system and internet connections work was started to assure continuous phone and internet service.

4. **INTERNAL ACCOUNTING CONTROLS:** 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 the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a 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 federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year 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 reserves of fund balance at June 30, 2015.

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 and account groups are explained in "Notes to the Financial Statements".

7. **DEBT ADMINISTRATION:** As of **June 30, 2015** the Ringwood Board of Education had outstanding qualifying Debt Service, in the amount of \$

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", Note 2. 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 Units from a loss of funds on deposit with a failed banking institution in 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 liability and comprehensive/collision, hazard, pollution, flood, and fire insurance on property and contents, and fidelity bonds. The district continues to closely monitor insurance premiums and works collaboratively with carriers to reduce exposure in workers' compensation claims and promote a return to work program of light duty. Insurance premiums have remained stable and the district has been spared any significant increases.

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 Ferraioli, Wielkotz, Cerullo & Cuva was selected by the Board's finance committee. 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 of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose 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. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Ringwood 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

12. **SERVICE EFFORTS AND ACCOMPLISHMENTS:** Tri-District Board of Education Committees composed of members from the Ringwood, Lakeland Regional High School, and Wanaque Boards of Education again, during the 2014-2015 school year, held several collaborative meetings in which the districts continued to identify areas of common needs and goals. The districts are continuing their efforts along the lines of curriculum articulation and organizing common professional development experiences for the staff of the three districts.

An offshoot of transportation shared services has been the district's Transportation Efficiency Rating which is first in Passaic County. The transportation revenue is down over prior years as the high school district is handling more of their athletics trips.

Practice drills at each school location to ensure preparedness for "emergency situations" such as fire drills, lock down drills, and school bus evacuation drills in the schools were continued. Close communication with the Ringwood Police Department and Ringwood Fire Department was maintained.

13. **MAJOR OPERATIONS OR FINANCIAL CONCERNS:** The district Facilities Committee examined the options for long range facilities needs and continues to work with the Board and community.

Respectfully submitted,

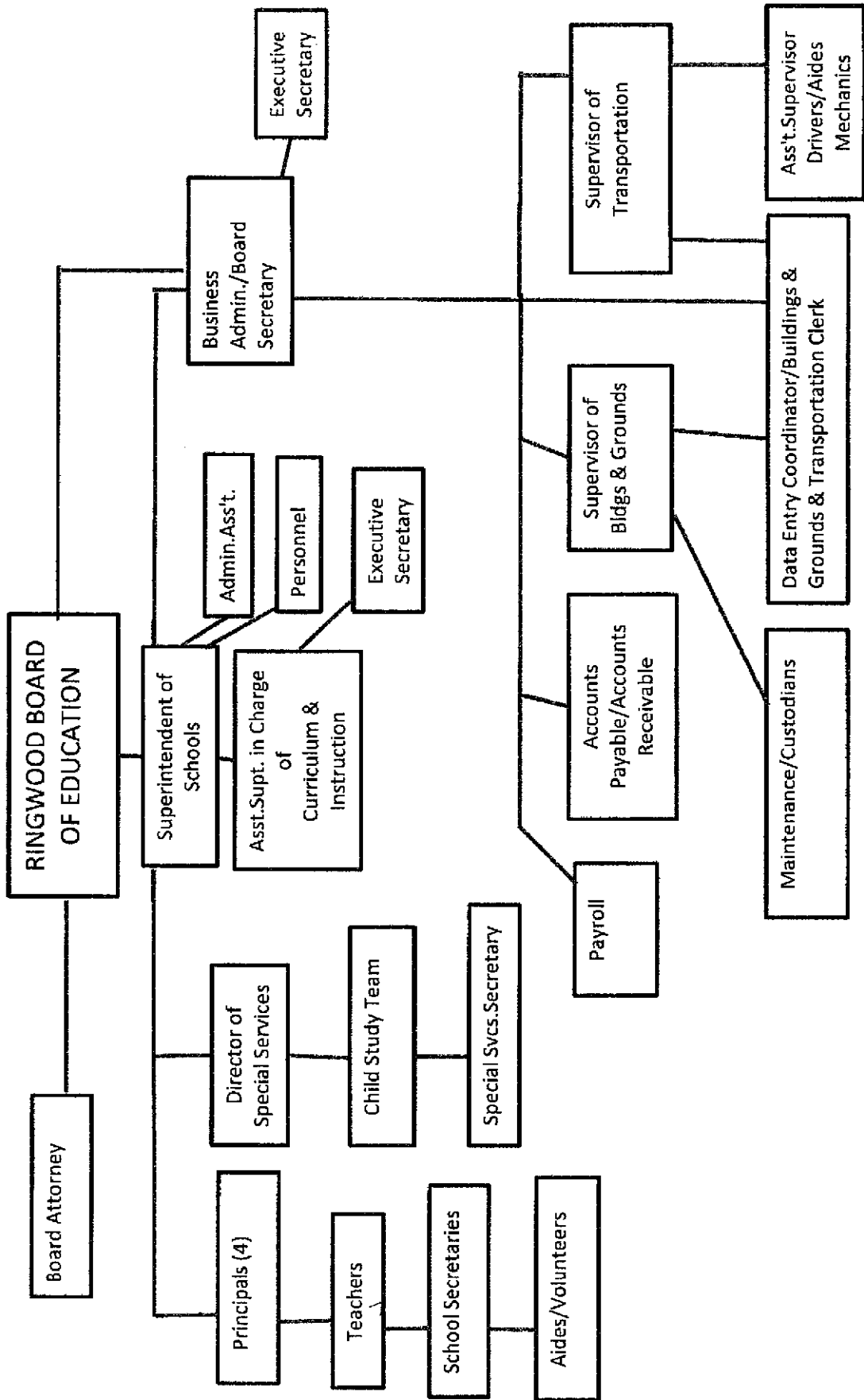
*Dr. Jeffrey P. Feifer*

*Warren C. Mitchell*

Dr. Jeffrey P. Feifer  
Interim Superintendent

Warren C. Mitchell  
Business Administrator  
Board Secretary

# Ringwood Public Schools Table of Organization



# **RINGWOOD BOARD OF EDUCATION**

121 Carletondale Road  
Ringwood, New Jersey 07456

## **ROSTER OF OFFICIALS**

June 30, 2015

### **Members of the Board of Education**

### **Term Expires**

Allison Beesley	2017
Raymond Dwyer, President	2015
Cheryl Botsolas	2016
Torrence E. Burrowes III, Trustee	2015
Cynthia Carey	2016
Mark Centurione, Trustee	2015
Ashley Holton, Trustee	2017
Zachary Kolstein	2016
Mary Kunert, Vice President	2017

### **Other Officials**

Hugh E. Beattie, Superintendent

Warren C. Mitchell, School Business Administrator/Board Secretary

Gail Bado, Treasurer

# **RINGWOOD BOARD OF EDUCATION**

121 Carletondale Road  
Ringwood, New Jersey 07456

## **CONSULTANTS AND ADVISORS**

### *Audit Firm*

Ferraioli, Wielkocz, Cerullo & Cuva  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

### *Attorney*

Derlys Gutierrez  
Adams Gutierrez & Lattiboudere, LLC  
1037 Raymond Blvd. Suite 900  
Newark, NJ 07102

### *Official Depository*

Lakeland Bank  
166 Changebridge Road  
Montville, NJ 07045

**FINANCIAL SECTION**



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
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Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, NJ 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Ringwood School District  
County of Passaic, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Ringwood School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ringwood Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information and Schedules Related to Accounting and Reporting for Pensions (GASB 68) identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable President and  
Members of the Board of Education  
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### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ringwood Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Borough of Ringwood 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



Honorable President and  
Members of the Board of Education  
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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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ringwood Board of Education's internal control over financial reporting and compliance.

*Paul J. Cuva*

Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. CS00076600

*Ferraioli, Wielkotz, Cerullo & Cuva, P.A.*

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 4, 2015



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

## **RINGWOOD BOARD OF EDUCATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (UNAUDITED)**

As management of the Ringwood Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of the Ringwood Board of Education for the fiscal year ended June 30, 2015.

The Management’s Discussion and Analysis is provided at the beginning of the audit to provide in layman’s terms the past and current position of the School District’s financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, and Enterprise Fund. The NJ Department of Education has elected to require districts to treat each governmental fund as a major fund.

#### **FINANCIAL HIGHLIGHTS**

- In total, net position decreased \$91,479, net position of governmental activities decreased \$83,712 while net position of business-type activity decreased by \$7,767.
- General revenues accounted for \$25,838,485 in revenue or 95 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,323,147 or 5 percent of total revenues of \$27,161,632.
- Total assets of governmental activities decreased by \$244,015 as cash and cash equivalents increased by \$63,730, receivables increased by \$45,220, and capital assets decreased by \$352,965.
- The School District had \$27,701,100 in expenses; only \$1,771,114 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$25,838,507 were not adequate to provide for these programs.

## **RINGWOOD BOARD OF EDUCATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (UNAUDITED)**

#### **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This discussion and analysis is intended to serve as an introduction to the Ringwood Board of Education's basic financial statements. The Ringwood Board of Education's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Reporting the School District as a Whole**

##### **Statement of Net Position and the Statement of Activities**

These statements are designed to provide readers with a broad overview of the Ringwood Board of Education's finances, in a manner similar to a private-sector business. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net position presents information on all of the Ringwood Board of Education's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ringwood Board of Education is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The causes of change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Program revenues are revenues generated by an activity's fees and charges or are received as operating or capital grants specifically for a certain function. Most of the General Revenues are property taxes and unrestricted aid from other governments –i.e., Equalization Aid, Transportation Aid, Special Education Aid, Security Aid, Adjustment Aid, etc.

Both of the government-wide financial statements distinguish functions of the Ringwood Board of Education that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Ringwood Board of Education include instruction and support services, operations and maintenance of plant facilities, pupil transportation and extracurricular activities. The business-type activities of the School District are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Safety Town and Summer Music Program enterprise funds are reported as business activities.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), (continued)**

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ringwood Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses many funds to account for a multitude of financial transactions. All of these governmental funds of the School District can be divided into five categories: General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Permanent Fund.

**Governmental Funds**

The District's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Ringwood Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund, which are all considered to be major funds.



**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), (continued)**

**Enterprise Funds**

The Ringwood Board of Education maintains three enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the District-wide financial statements. The Ringwood Board of Education uses the enterprise fund to account for its food service program, its summer music program and its safety town program.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information for the District's major funds.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The School District's net position was \$(6,671,027) at June 30, 2015. Of this amount \$(8,962,193) was unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis on the next page focuses on the net position (Table 1) and change in net position (Table 2) of the School District. Table 1 provides a summary of the School District's net position for 2015 and 2014.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Table 1**

**Net Position**  
**June 30, 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	3,455,005	3,346,055	95,252	107,022	3,550,257	3,453,077
Capital Assets	<u>11,645,806</u>	<u>11,998,771</u>	<u>39,482</u>	<u>28,419</u>	<u>11,685,288</u>	<u>12,027,190</u>
Total Assets	<u>15,100,811</u>	<u>15,344,826</u>	<u>134,734</u>	<u>135,441</u>	<u>15,235,545</u>	<u>15,480,267</u>
Deferred Outflows of Resources	<u>667,590</u>	_____	_____	_____	<u>667,590</u>	_____
Total Deferred Outflows of Resources	<u>667,590</u>	_____	_____	_____	<u>667,590</u>	_____
Current Liabilities	669,861	664,216	38,868	31,808	708,729	696,024
Noncurrent Liabilities						
Bonds Payable	11,155,000	11,690,000			11,155,000	11,690,000
Obligations Under Capital Leases	1,395,748	659,430			1,395,748	659,430
Net Pension Liability PERS	8,480,339				8,480,339	
Compensated Absences Payable	<u>251,992</u>	<u>266,592</u>	_____	_____	<u>251,992</u>	<u>266,592</u>
Total Liabilities	<u>21,952,940</u>	<u>13,280,238</u>	<u>38,868</u>	<u>31,808</u>	<u>21,991,808</u>	<u>13,312,046</u>
Deferred Inflows of Resources	<u>582,354</u>	_____	_____	_____	<u>582,354</u>	_____
Total Deferred Inflows of Resources	<u>582,354</u>	_____	_____	_____	<u>582,354</u>	_____
Net Position						
Invested in Capital Assets						
Net of Debt	(904,942)	(350,659)	39,482	28,419	(865,460)	(322,240)
Restricted	3,156,626	2,670,181			3,156,626	2,670,181
Unrestricted	<u>(9,018,577)</u>	<u>(254,934)</u>	<u>56,384</u>	<u>75,214</u>	<u>(8,962,193)</u>	<u>(179,720)</u>
Total Net Position	<u>(6,766,893)</u>	<u>2,064,588</u>	<u>95,866</u>	<u>103,633</u>	<u>(6,671,027)</u>	<u>2,168,221</u>

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Table 2 below show the changes in net position for the fiscal year 2015 and 2014.

**Table 2**  
**Changes in Net Position**  
**Year Ended June 30, 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>		
<b>Revenues</b>						
<u>Program Revenues:</u>						
Charges for Services & Sales			341,883	333,047	341,883	333,047
Operating Grants & Contributions	1,323,147	756,899	106,084	108,842	1,429,231	865,741
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	17,884,484	17,497,089			17,884,484	17,497,089
Federal & State Aid Not Restricted	6,424,029	4,661,948			6,424,029	4,661,948
Miscellaneous Income	<u>1,529,972</u>	<u>1,334,786</u>	<u>22</u>	<u>          </u>	<u>1,529,994</u>	<u>1,334,786</u>
Total Revenues	<u>27,161,632</u>	<u>24,250,722</u>	<u>447,989</u>	<u>441,889</u>	<u>27,609,621</u>	<u>24,692,611</u>

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Functions/Program Expenses</b>						
<u>Instruction:</u>						
Regular	8,337,825	7,608,013			8,337,825	7,608,013
Special Education	3,616,889	3,364,977			3,616,889	3,364,977
Other Special Instruction	261,340	237,416			261,340	237,416
Other Instruction	25,238	26,896			25,238	26,896
<u>Support Services:</u>						
Tuition, Student and Instruction Related Services	3,224,642	3,640,592			3,224,642	3,640,592
School Administrative Services	797,930	843,468			797,930	843,468
General Administrative Services	456,353	433,252			456,353	433,252
Central Service	334,223	332,888			334,223	332,888
Admin. Info. Tech.	67,962	39,693			67,962	39,693
Plant Operations and Maintenance	2,040,536	2,054,148			2,040,536	2,054,148
Pupil Transportation	1,769,348	1,927,602			1,769,348	1,927,602
Unallocated Benefits	5,091,191	2,677,363			5,091,191	2,677,363
Capital Outlay - Non- Depreciable	30,633				30,633	
Unallocated Depreciation	809,875	977,285			809,875	977,285
Interest on Long-Term Debt	381,359	474,526			381,359	474,526
Food Services			<u>455,756</u>	<u>445,502</u>	<u>455,756</u>	<u>445,502</u>
Total Expenses and Transfers	<u>27,245,344</u>	<u>24,638,119</u>	<u>455,756</u>	<u>445,502</u>	<u>27,701,100</u>	<u>25,083,621</u>
Increase or (Decrease) in Net Position	<u>(83,712)</u>	<u>1,261,330</u>	<u>(7,767)</u>	<u>6,901</u>	<u>(91,479)</u>	<u>1,268,231</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$27,701,100.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Business-Type Activities**

Revenues for the District's business type activities (food service, summer music and safety town programs) were comprised of charges for services and federal and state reimbursements.

- Expenditures exceeded revenues by \$7,767 (loss).
- Charges for services represent \$341,883 of revenue. This represents the amounts paid by patrons for daily food service, and amounts charged to attend the District's Safety Town and Summer Music Programs.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and free milk, and donated commodities was \$106,084.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(UNAUDITED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)**

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<b><u>Total Cost of Services 2015</u></b>	<b><u>Total Cost of Services 2014</u></b>	<b><u>Net Cost of Services 2015</u></b>	<b><u>Net Cost of Services 2014</u></b>
Instruction	12,241,292	11,237,302	11,728,603	10,676,253
Support Services:				
Pupils and Instructional Staff	3,224,642	3,640,592	3,118,876	3,488,381
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,697,004	3,703,449	3,697,004	3,703,449
Pupil Transportation	1,769,348	1,927,602	1,108,767	1,267,021
Other	<u>6,313,058</u>	<u>4,129,174</u>	<u>6,268,947</u>	<u>4,085,535</u>
<b>Total Expenses</b>	<b><u>27,245,344</u></b>	<b><u>24,638,119</u></b>	<b><u>25,922,197</u></b>	<b><u>23,220,639</u></b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business includes expenses associated with administrative and financial supervision of the District.

**RINGWOOD BOARD OF EDUCATION**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)**

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition and in compliance with NJDEP, PEOSH and all applicable statutes.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

“Other” includes special schools and unallocated depreciation.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Extraordinary Aid is state aid for special education students whose individual program costs exceed \$40,000 per year. Although additional Extraordinary Aid was ultimately awarded in the amount of \$57,761, as of the writing of this report, the funds were not yet received. More than likely, the grant will be used to increase the special education tuition budget to offset unanticipated out-of-district placements.
- Reimbursement of Nonpublic School Transportation costs in the amount of \$7,361 was received.
- TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditure item to the district, but is required to be reflected in the financial statements.
- Staff members who retired from the district were replaced with staff members at lower salary levels. The breakage from salaries funded a number of accounts which had been under-budgeted, such as contracted transportation and paraprofessionals.

**RINGWOOD BOARD OF EDUCATION**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2015 the School District had \$21,406,429 invested in sites, buildings, and equipment. Of this amount \$9,721,141 in depreciation has been taken over the years. We currently have a net book value of \$11,685,288. Total additions for the year were \$456,910, the majority of which was for equipment purchases and improvements to District facilities, the leasing of school buses, and copiers. Table 3 shows fiscal year 2015 balances compared to 2014.

**Table 3**

**Capital Assets at June 30, 2015  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>Restated 2014</u>
Land, Buildings and Improvements	10,127,300	10,266,838			10,127,300	10,266,838
Furniture, Equipment and Vehicles	1,518,506	1,731,933	39,482	28,419	1,557,988	1,760,352
Construction in Progress	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Net Position	<u>11,645,806</u>	<u>11,998,771</u>	<u>39,482</u>	<u>28,419</u>	<u>11,685,288</u>	<u>12,027,190</u>

**Debt Administration**

At June 30, 2015, the District had \$21,283,079 in outstanding debt. Of this amount, \$251,992 is for compensated absences, \$1,395,748 is for capital lease obligations, \$11,155,000 is serial bonds payable, and \$8,480,339 is the District's net pension liability.

**Table 4**

**Outstanding Serial Bonds at June 30, 2015**

	<u>2015</u>	<u>2014</u>
School Bonds - Series 2008	845,000	935,000
School Bonds - Series 2011	<u>10,310,000</u>	<u>10,755,000</u>
	<u>11,155,000</u>	<u>11,690,000</u>



## **RINGWOOD BOARD OF EDUCATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (UNAUDITED)**

#### **ECONOMIC FACTORS AND NEXT YEARS' BUDGETS**

The district state aid funding is projected to remain flat. Funding for the 2015-2016 school year is \$2,907,857. The districts' Rod Grants for boiler replacement at the Peter Cooper, Robert Erskine and M. J. Ryerson Schools, and partial window replacement at the M. J. Ryerson School was approved. Work on the boiler replacement is scheduled to begin in July 2015. A redundant phone system and internet connection will be installed to assure the district of continuous phone and internet service. Three of the districts' contracts with bargaining units will expire as of June 30, 2015. Transportation revenue will decrease due to bus driver staffing problems. The Passaic County Educational Service Commission (PCESC) which leased three classrooms at the Ryerson School will not be returning for the 2015-2016 school year. That means a \$45,000 revenue loss for the district. The districts' special education cost will increase due to new special education students moving into the district. The district will continue to seek out other funding sources available in the form of grants that can help to offset the revenue in other areas.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mr. Warren Mitchell  
School Business Administrator/BS  
Ringwood Board of Education  
121 Carletondale Road  
Ringwood, NJ 07456

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,151,804	\$ 85,964	\$ 2,237,768
Receivables, net	299,046	8,553	307,599
Due from other funds	9		9
Internal balances	2,222	(2,222)	-
Inventory		2,957	2,957
Restricted assets:			
Cash and cash equivalents	1,001,924		1,001,924
Capital assets; net			
Land/Construction in Process	329,940		329,940
Other Capital Assets, Net	11,315,866	39,482	11,355,348
Total Assets	<u>15,100,811</u>	<u>134,734</u>	<u>15,235,545</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to PERS	<u>667,590</u>		<u>667,590</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	608,245	38,868	647,113
Payable to state government	48,607		48,607
Advanced revenue	13,009		13,009
Noncurrent liabilities:			
Due within one year	1,196,101		1,196,101
Due beyond one year	20,086,978		20,086,978
Total liabilities	<u>21,952,940</u>	<u>38,868</u>	<u>21,991,808</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to PERS	<u>582,354</u>		<u>582,354</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	(904,942)	39,482	(865,460)
Restricted for:			
Capital projects	1,521,085		1,521,085
Debt Service	490,639		490,639
Other purposes	1,144,902		1,144,902
Unrestricted	(9,018,577)	56,384	(8,962,193)
Total net position	<u>\$ (6,766,893)</u>	<u>\$ 95,866</u>	<u>\$ (6,671,027)</u>

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

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 6,910,374	\$ 1,427,451	\$	\$ 512,689	\$ (7,825,136)	\$ (7,825,136)
Special education	\$ 3,091,675	\$ 525,214			\$ (3,616,889)	\$ (3,616,889)
Other special instruction	\$ 261,340				\$ (261,340)	\$ (261,340)
Other instruction	\$ 25,238				\$ (25,238)	\$ (25,238)
Support services:						
Tuition	\$ 431,431				\$ (431,431)	\$ (431,431)
Student & instruction related services	\$ 2,411,943	\$ 381,268		\$ 105,766	\$ (2,687,445)	\$ (2,687,445)
School administrative services	\$ 744,320	\$ 53,610			\$ (797,930)	\$ (797,930)
General and business administrative services	\$ 430,950	\$ 25,403			\$ (456,353)	\$ (456,353)
Central Services	\$ 319,301	\$ 14,922			\$ (334,223)	\$ (334,223)
Admin. Info. Tech.	\$ 60,500	\$ 7,462			\$ (67,962)	\$ (67,962)
Plant operations and maintenance	\$ 1,776,416	\$ 264,120			\$ (2,040,536)	\$ (2,040,536)
Pupil transportation	\$ 1,308,368	\$ 460,980		\$ 660,581	\$ (1,108,767)	\$ (1,108,767)
Unallocated Benefits	\$ 5,091,191				\$ (5,091,191)	\$ (5,091,191)
Non-depreciable capital outlay	\$ 30,633				\$ (30,633)	\$ (30,633)
Interest on long-term debt	\$ 381,359			\$ 44,111	\$ (337,248)	\$ (337,248)
Unallocated depreciation	\$ 809,875				\$ (809,875)	\$ (809,875)
Total governmental activities	\$ 24,084,914	\$ 3,160,430	\$ -	\$ 1,323,147	\$ (25,922,197)	\$ (25,922,197)
<b>Business-type activities:</b>						
Food Service	\$ 437,785		\$ 320,988	\$ 106,084	\$ (10,713)	\$ (10,713)
Safety Town	\$ 4,250		\$ 4,355		\$ 105	\$ 105
Summer Music	\$ 13,721		\$ 16,540		\$ 2,819	\$ 2,819
Total business-type activities	\$ 455,756	\$ -	\$ 341,883	\$ 106,084	\$ (7,789)	\$ (7,789)
Total primary government	\$ 24,540,670	\$ 3,160,430	\$ -	\$ 1,429,231	\$ (25,922,197)	\$ (25,922,197)
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					\$ 17,034,390	\$ 17,034,390
Property taxes, levied for debt service					\$ 850,094	\$ 850,094
Federal and State aid not restricted					\$ 6,424,029	\$ 6,424,029
Miscellaneous Income					\$ 1,529,972	\$ 1,529,994
Total general revenues, special items, extraordinary items and transfers					\$ 25,838,485	\$ 25,838,507
Change in Net Position					\$ (83,712)	\$ (91,479)
Net Position—beginning (Restated)					\$ (6,683,181)	\$ (6,579,548)
Net Position—ending					\$ (6,766,893)	\$ (6,671,027)

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

**FUND FINANCIAL STATEMENTS**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 832,757	\$ 2,699	\$ 1,316,348	\$ -	\$ 2,151,804
Due from other funds	2,231			490,639	492,870
Receivables from other governments	199,117	59,240	40,382		298,739
Receivables - Other		307			307
Restricted cash and cash equivalents	1,001,924				1,001,924
Total assets	<u>\$ 2,036,029</u>	<u>\$ 62,246</u>	<u>\$ 1,356,730</u>	<u>\$ 490,639</u>	<u>\$ 3,945,644</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	75,268	630			75,898
Due to other funds			490,639		490,639
Payable to state government		48,607			48,607
Advanced revenue		13,009			13,009
Total liabilities	<u>75,268</u>	<u>62,246</u>	<u>490,639</u>	<u>-</u>	<u>628,153</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	615,233				615,233
Excess surplus - prior year - designated for subsequent year's expenditures	86,218				86,218
Capital reserve	654,994				654,994
Maintenance reserve	96,930				96,930
Emergency reserve	250,000				250,000
Debt service				490,639	490,639
Capital projects			866,091		866,091
Assigned to:					
Other purposes	96,521				96,521
Debt service					-
Capital projects					-
Designated for subsequent year's expenditures					-
Unassigned:					
General fund	160,866				160,866
Total Fund balances	<u>1,960,762</u>	<u>-</u>	<u>866,091</u>	<u>490,639</u>	<u>3,317,492</u>
Total liabilities and fund balances	<u>\$ 2,036,030</u>	<u>\$ 62,246</u>	<u>\$ 1,356,730</u>	<u>\$ 490,639</u>	

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 \$21,257,407 and the accumulated depreciation is \$9,611,601.	11,645,806
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(131,425)
Accounts payable for subsequent pension payment is not a payable in the funds.	(400,923)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources related to PERS pension liability	667,590
Deferred Inflows of Resources related to PERS pension liability	(582,354)
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.	<u>(21,283,079)</u>
Net position of governmental activities	<u>\$ (6,766,893)</u>

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 17,034,390	\$ -	\$ -	\$ 850,094	\$ 17,884,484
Miscellaneous	1,470,541	59,192	239		1,529,972
Total - Local Sources	18,504,931	59,192	239	850,094	19,414,456
State sources	4,909,498	214,378	40,382	44,111	5,208,369
Federal sources		404,077			404,077
Total revenues	23,414,429	677,647	40,621	894,205	25,026,902
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 7,765,944	\$ 571,881			\$ 8,337,825
Special education instruction	3,616,889				3,616,889
Other special instruction	261,340				261,340
Other instruction	25,238				25,238
Support services and undistributed costs:					
Tuition	431,431				431,431
Student & instruction related services	2,687,445	105,766			2,793,211
School administrative services	797,930				797,930
Other administrative services	456,353				456,353
Central Services	334,223				334,223
Admin. Info. Tech.	67,962				67,962
Plant operations and maintenance	2,040,536				2,040,536
Pupil transportation	1,959,030				1,959,030
Unallocated benefits	2,922,803				2,922,803
Debt Service:					
Principal				535,000	535,000
Interest and other charges				386,488	386,488
Capital outlay	350,987		136,556		487,543
Total expenditures	23,718,111	677,647	136,556	921,488	25,453,802
Excess (Deficiency) of revenues over expenditures	(303,682)	-	(95,935)	(27,283)	(426,900)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)			926,000		926,000
Transfers in			300,000	517,922	817,922
Transfers out	(327,283)		(490,639)		(817,922)
Total other financing sources and uses	(327,283)	-	735,361	517,922	926,000
Net change in fund balances	(630,965)	-	639,426	490,639	499,100
Fund balance—July 1	2,591,727	-	226,665		2,818,392
Fund balance—June 30	\$ 1,960,762	\$ -	\$ 866,091	\$ 490,639	\$ 3,317,492

See accompanying Notes to the Financial Statements.



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2015**

**Total net change in fund balances - governmental funds (from B-2)** \$ 499,100

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	\$ (809,875)	
	Depreciable capital outlays	<u>456,910</u>	(352,965)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

Principal payments on bonds payable		535,000	
Capital lease principal			189,682

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets. Capital lease proceeds

(926,000)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment to the reconciliation.

5,129

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

			14,599
	Decrease in compensated absences payable		

District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

		373,400.00	
	District Pension Contributions		
	Less: Pension Expense	<u>(421,657.00)</u>	
	Increase in Pension Expense		(48,257.00)

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

		2,134,730.00	
	Increase in On-behalf State Aid TPAF Pension		
	Increase in On-behalf TPAF Pension Expense		(2,134,730.00)

**Change in net position of governmental activities** \$ (83,712)

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

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Totals</b>
	<b>Food Service</b>	<b>Safety Town</b>	<b>Summer Music</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 65,534	\$ 5,556	\$ 14,874	\$ 85,964
Accounts receivable:				
State	519			519
Federal	6,984			6,984
Other receivables			1,050	1,050
Inventories	2,957	-		2,957
Total current assets	<u>75,994</u>	<u>5,556</u>	<u>15,924</u>	<u>97,474</u>
Noncurrent assets:				
Furniture, machinery & equipment	149,022			149,022
Less accumulated depreciation	(109,540)			(109,540)
Total noncurrent assets	<u>39,482</u>	<u>-</u>	<u>-</u>	<u>39,482</u>
Total assets	<u><u>115,476</u></u>	<u><u>5,556</u></u>	<u><u>15,924</u></u>	<u><u>136,956</u></u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	27,477	2,880	8,511	38,868
Interfund payables	2,222			2,222
Total current liabilities	<u>29,699</u>	<u>2,880</u>	<u>8,511</u>	<u>41,090</u>
Total liabilities	<u>29,699</u>	<u>2,880</u>	<u>8,511</u>	<u>41,090</u>
<b>NET POSITION</b>				
Net Investment in capital assets	39,482	-	-	39,482
Unrestricted	46,295	2,676	7,413	56,384
Total net position	<u>\$ 85,777</u>	<u>\$ 2,676</u>	<u>\$ 7,413</u>	<u>\$ 95,866</u>

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Business-type Activities - Enterprise Fund			Total Enterprise
	Food Service	Safety Town	Summer Music	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 319,420	\$ -	\$ -	\$ 319,420
Special functions	1,568	-	-	1,568
Miscellaneous		4,355	16,540	20,895
Total operating revenues	<u>320,988</u>	<u>4,355</u>	<u>16,540</u>	<u>341,883</u>
Operating expenses:				
Cost of sales	195,905	-		195,905
Salaries	137,896	2,880	6,000	146,776
Employee benefits	59,030	-		59,030
Cleaning, repair and maintenance services	3,498	-		3,498
Purchased services	26,672	-		26,672
Miscellaneous Expense	6,183	-		6,183
General supplies	3,862	1,370	7,721	12,953
Depreciation	4,739	-		4,739
Total Operating Expenses	<u>437,785</u>	<u>4,250</u>	<u>13,721</u>	<u>455,756</u>
Operating income (loss)	<u>(116,797)</u>	<u>105</u>	<u>2,819</u>	<u>(113,873)</u>
Non-operating revenues (expenses):				
State sources:				
State school lunch program	4,361	-		4,361
Federal sources:				
National school lunch program	76,408	-		76,408
Food distribution program	25,315	-		25,315
Interest and investment revenue	18	1	3	22
Total non-operating revenues (expenses)	<u>106,102</u>	<u>1</u>	<u>3</u>	<u>106,106</u>
Income (loss) before contributions & transfers	<u>(10,695)</u>	<u>106</u>	<u>2,822</u>	<u>(7,767)</u>
Capital contributions	-	-		-
Transfers in (out)				
Change in net position	<u>(10,695)</u>	<u>106</u>	<u>2,822</u>	<u>(7,767)</u>
Total net position—beginning	<u>96,472</u>	<u>2,570</u>	<u>4,591</u>	<u>103,633</u>
Total net position—ending	<u>\$ 85,777</u>	<u>\$ 2,676</u>	<u>\$ 7,413</u>	<u>\$ 95,866</u>

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities -</b>			<b>Total</b>
	<b>Enterprise Funds</b>			
	<b>Food Service</b>	<b>Safety Town</b>	<b>Summer Music</b>	<b>Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and other funds	\$ 320,988	\$ 4,745	\$ 16,390	\$ 342,123
Payments to employees	(137,896)	(2,880)	(6,000)	(146,776)
Payments for employee benefits	(59,030)			(59,030)
Payments to suppliers	(230,000)	(1,377)	(5,383)	(236,760)
Net cash provided by (used for) operating activities	<u>(105,938)</u>	<u>488</u>	<u>5,007</u>	<u>(100,443)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State sources	4,468			4,468
Federal sources	101,468			101,468
Net cash provided by (used for) non-capital financing activities	<u>105,936</u>	<u>-</u>	<u>-</u>	<u>105,936</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of Capital Assets	(15,801)			(15,801)
Net cash provided by (used for) capital and related financing activities	<u>(15,801)</u>	<u>-</u>	<u>-</u>	<u>(15,801)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	18	1	3	22
Net cash provided by (used for) investing activities	<u>18</u>	<u>1</u>	<u>3</u>	<u>22</u>
Net increase (decrease) in cash and cash equivalents	(15,785)	489	5,010	(10,286)
Balances—beginning of year	81,319	5,067	9,864	96,250
Balances—end of year	<u>\$ 65,534</u>	<u>\$ 5,556</u>	<u>\$ 14,874</u>	<u>\$ 85,964</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (116,797)	\$ 105	\$ 2,819	\$ (113,873)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	4,739			4,739
(Increase) decrease in accounts receivable, net		390	(150)	240
(Increase) decrease in inventories	1,392			1,392
Increase (decrease) in accounts payable	4,728	(7)	2,338	7,059
Total adjustments	<u>10,859</u>	<u>383</u>	<u>2,188</u>	<u>13,430</u>
Net cash provided by (used for) operating activities	<u>\$ (105,938)</u>	<u>\$ 488</u>	<u>\$ 5,007</u>	<u>\$ (100,443)</u>

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 59,008	\$ 50,988
Total assets	<u>59,008</u>	<u>50,988</u>
<b>LIABILITIES</b>		
Accounts payable	14,277	
Interfunds payable		9
Payable to student groups		30,791
Payroll deductions and withholdings		20,188
Total liabilities	<u>14,277</u>	<u>\$ 50,988</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 44,731</u>	

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2015**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 43,461
Total Contributions	43,461
Investment earnings:	
Interest	17
Net investment earnings	17
Total additions	43,478
<b>DEDUCTIONS</b>	
Quarterly contribution reports	18,247
Unemployment Claims	28,225
Total deductions	46,472
Change in net position	(2,994)
Net position—beginning of the year	47,725
Net position—end of the year	\$ 44,731

See accompanying Notes to the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education (“Board”) of the Borough of Ringwood School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ringwood School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Borough of Ringwood School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

**A. Basis of Presentation:**

The Board’s basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation, (continued)**

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation, (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation, (continued)**

**PROPRIETARY FUNDS, (continued)**

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Funds are comprised of the Food Service Fund, Safety Town Fund and the Summer Music Program Fund.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position.

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the Board holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Budgets/Budgetary Control: (continued)**

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 the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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.

**E. Encumbrances:**

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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Cash, Cash Equivalents and Investments: (continued)**

Additionally, the Board has adopted a cash management plan that 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 Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Expenses/Payables:**

Tuition charges were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Advanced Revenue:**

Advanced revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Advanced revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**O. Accounting and Financial Reporting for Pensions, (continued)**

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**P. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. Fund Balances: (continued)**

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Q. Net Position:**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**R. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**S. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**T. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**U. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**V. Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**V. Recent Accounting Pronouncements: (continued)**

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**W. Rounding**

Certain balances may be off due to dollar rounding.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$-0- of the District's bank balance of \$3,670,853 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District 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. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowed investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
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**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the District had \$30,396 on deposit with the New Jersey Cash Management Fund.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2015, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$208,427	\$519	\$208,946
Federal Aid	59,240	6,984	66,224
Accounts Receivable	31,379	1,050	32,429
Interfunds	<u>9</u>	<u>9</u>	<u>9</u>
Gross Receivables	299,055	8,553	307,608
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$299,055</u></u>	<u><u>\$8,553</u></u>	<u><u>\$307,608</u></u>

**NOTE 5. INVENTORIES**

Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2015, the District had the following inventory in the enterprise fund:

Food	\$2,143
Supplies	<u>814</u>
	<u><u>\$2,957</u></u>

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
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**NOTE 5. INVENTORIES, (continued)**

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 6. INTERFUND BALANCES AND ACTIVITY**

As of June 30, 2015, the District had the following interfund balances:

\$9	Due to the General Fund from the Agency Fund for accumulated interest earned.
2,222	Due to the General Fund from the Enterprise Fund for reimbursement of
490,639	Due to the Debt Service Fund from the Capital Projects Fund for payment of debt service.

Interfund transfer for the year ended June 30, 2015 consisted of the following:

\$27,283	From the General Fund to the Debt Service Fund for debt service.
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**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Restated Balance <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/15</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$329,940	\$	\$	\$329,940
Construction in Progress	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Capital Assets, Not Being Depreciated	<u>329,940</u>	<u>0</u>	<u>0</u>	<u>329,940</u>
Capital Assets Being Depreciated				
Buildings and Improvements	15,556,609	403,648		15,960,257
Furniture, Equipment and Vehicles	<u>4,916,204</u>	<u>53,262</u>	<u>(2,256)</u>	<u>4,967,210</u>
Total Capital Assets, Being Depreciated	<u>20,472,813</u>	<u>456,910</u>	<u>(2,256)</u>	<u>20,927,467</u>
Less Accumulated Depreciation:				
Buildings and Improvements	5,619,711	543,186		6,162,897
Furniture, Equipment and Vehicles	<u>3,184,271</u>	<u>266,689</u>	<u>(2,256)</u>	<u>3,448,704</u>
Total Accumulated Depreciation	<u>8,803,982</u>	<u>809,875</u>	<u>(2,256)</u>	<u>9,611,601</u>
Total Capital Assets, Being Depreciated, Net	<u>11,668,831</u>	<u>(352,965)</u>	<u>                    </u>	<u>11,315,866</u>
Governmental Activities Capital Assets, Net	<u>\$11,998,771</u>	<u>(\$352,965)</u>	<u>\$0</u>	<u>\$11,645,806</u>



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
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**NOTE 7. CAPITAL ASSETS, (continued)**

	<u>Balance 6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/15</u>
<b>Business-Type Activity</b>				
Furniture and Equipment	\$133,220	\$15,802	\$ -0-	\$149,022
Totals	<u>133,220</u>	<u>15,802</u>	<u>-0-</u>	<u>149,022</u>
Less Accumulated Depreciation				
Furniture and Equipment	104,801	4,739	-0-	109,540
Total Accumulated Depreciation	<u>104,801</u>	<u>4,739</u>	<u>-0-</u>	<u>109,540</u>
Business-Type Activity Capital Assets, Net	<u>\$28,419</u>	<u>\$11,063</u>	<u>\$ -0-</u>	<u>\$39,482</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

**NOTE 8. LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the fiscal year ended June 30, 2015 were as follows:

	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>	<u>Amounts Due Within One Year</u>
Bonds Payable	\$11,690,000	\$	\$535,000	\$11,155,000	\$550,000
Capital Leases Payable	659,430	926,000	189,682	1,395,748	646,101
Compensated Absences Payable	266,592	11,685	26,285	251,992	
Net Pension Liability PERS		8,480,339		8,480,339	
	<u>\$12,616,022</u>	<u>\$9,418,024</u>	<u>\$750,967</u>	<u>\$21,283,079</u>	<u>\$1,196,101</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
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**NOTE 8. LONG-TERM OBLIGATIONS, (continued)**

Outstanding bonds payable at June 30, 2015 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2015</u>
School Bonds Series 2008	07/15/08	4.250%	01/15/23	\$845,000
School Bonds Series 2011	09/13/11	2.25%-4.00%	09/01/31	<u>10,310,000</u>
				<u>\$11,155,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$550,000	\$371,906	\$921,906
2017	560,000	356,519	916,519
2018	575,000	340,731	915,731
2019	595,000	324,419	919,419
2020	615,000	306,256	921,256
2021-2025	3,155,000	1,221,491	4,376,491
2026-2030	3,480,000	671,744	4,151,744
2031-2032	<u>1,625,000</u>	<u>65,700</u>	<u>1,690,700</u>
	<u>\$11,155,000</u>	<u>\$3,658,766</u>	<u>\$14,813,766</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2015, the Board had \$-0- of authorized bonds.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 8. LONG-TERM OBLIGATIONS, (continued)**

C. Capital Leases Payable:

The District is leasing transportation and photocopy and other equipment under capital leases. All capital leases are for terms of three to eight years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$648,102	\$40,252	\$688,354
2017	268,640	15,063	283,703
2018	206,446	8,882	215,328
2019	153,535	4,917	158,452
2020	119,025	2,120	121,145
Total Minimum Lease Payments	<u>\$1,395,748</u>	<u>\$71,234</u>	<u>\$1,466,982</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS, (continued)**

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Contribution Requirements Fund Based Statements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. 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.

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/15	\$384,308	\$18,276
6/30/14	346,535	19,287
6/30/13	352,431	14,836

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>
6/30/15	\$443,468	\$754,656	\$31,906
6/30/14	352,797	629,513	31,140
6/30/13	555,136	660,774	29,208

In addition, the post-retirement medical benefits are included 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 \$708,564 during the year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported a liability of \$8,480,339 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .0452943393 percent, which was an increase of .000476775 percent from its proportion measured as of June 30, 2013.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

For the year ended June 30, 2015, the District recognized pension expense of \$422,952. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$266,667	\$
Net difference between projected and actual earnings on pension plan investments		505,382
Changes in proportion and differences between District contributions and proportionate share of contributions		76,972
District contributions subsequent to the measurement date	<u>400,923</u>	<u>          </u>
Total	<u>\$667,590</u>	<u>\$582,354</u>

The \$400,923 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(77,326)
2017	(77,326)
2018	(77,326)
2019	49,020
Thereafter	21,569

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

**Additional Information**

Local Group Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.0452943393%	.0457711146%

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$10,668,555	\$8,480,339	\$6,642,794

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Teachers Pensions and Annuity Fund (TPAF)**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>48,506,481</u>
	<u>\$48,506,481</u>

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0907566602%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$2,610,104 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

**Mortality Rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
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**NOTE 9. PENSION PLANS: (continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 9. PENSION PLANS: (continued)**

cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic  
Lincoln

Metropolitan  
Equitable

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$17	\$43,461	\$46,472	44,731
2013-2014	21	41,121	46,067	47,725
2012-2013	17	38,778	16,460	52,650

The District is a member of the New Jersey School Board Association Insurance Group (the “Group”). The Group provides a procedure for the development, administration, and provision of Risk Management Programs, a Joint-Self-Insurance Fund or Funds, Joint Insurance Purchases and related services for members and their employees for the following:

- a. Worker’s Compensation and Employers’ Liability
- b. Automobile and Equipment Liability, General Liability and Property Damage
- c. School Board Legal Liability
- d. Boiler and Machinery
- e. Umbrella Liability

Membership in the Group shall be open to all qualified New Jersey School Board as determined by the Group’s Trustees. The Boards may apply for membership by resolution of their respective Boards of Education. A majority of the Trustees shall be members or employees of the Group’s member boards of

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 12. RISK MANAGEMENT, (continued)**

education. Six (6) Trustees shall be members of the school board of a member district. One (1) Trustee shall be the business official/board secretary of a member district. One (1) Trustee shall be the superintendent of a member district. The President of the New Jersey School Board Association or designee shall serve ex-officio.

Members may renew their participation by execution of a new agreement to join the Group ninety (90) days prior to the expiration of the term period.

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Ringwood Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as 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. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014		\$1,080,003
Transfer by Board Resolution, June 22, 2015		200,000
Withdrawals:		
June 24, 2014	\$(13,114)	
August 18, 2014	(59,300)	
September 22, 2014	(7,000)	
December 15, 2014	(14,170)	
January 20, 2015	(42,043)	
February 23, 2015	(125,830)	
March 9, 2015	(139,283)	
April 27, 2015	(14,282)	
May 18, 2015	(7,681)	
June 22, 2015	(3,262)	
Local Share of Capital Projects	<u>(199,044)</u>	
		<u>(625,009)</u>
Ending balance, June 30, 2015		<u>\$654,994</u>

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 14. EMERGENCY RESERVE ACCOUNT**

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	<u>\$250,000</u>
Ending balance, June 30, 2015	<u>\$250,000</u>

**NOTE 15. MAINTENANCE RESERVE ACCOUNT:**

The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

Beginning balance, July 1, 2014	\$101,045
Transfer by Board Resolution, June 22, 2015	40,322
Withdrawals	<u>(44,437)</u>
Ending balance, June 30, 2015	<u>\$96,930</u>

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$1,960,762 General Fund fund balance at June 30, 2015, \$96,521 is reserved for encumbrances; \$701,451 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$86,218 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$654,994 has been reserved in the Capital Reserve Account; \$96,930 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$160,866 is unreserved and undesignated.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$615,233.

**NOTE 18. INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$2,143
Supplies	<u>814</u>
	<u>\$2,957</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 19. RESTATEMENT**

Net position for June 30, 2014 was restated in the amount of \$(8,747,769) to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$2,064,588
Prior Period Adjustment for Net Pension Liability	<u>(8,747,769)</u>
Net Position at June 30, 2014 - Restated	<u>(\$6,683,181)</u>



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2015**

**NOTE 20. CONTINGENT LIABILITIES**

**Grant Programs** - The School District participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** - 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.

**NOTE 21. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 4, 2015 the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 17,034,390	\$ -	\$ 17,034,390	\$ 17,034,390	\$ -
Tuition	858,214	-	858,214	1,075,453	217,239
Transportation Fees	336,400	-	336,400	338,920	2,520
Interest Earned on Capital Reserve Funds	3,200	-	3,200	-	(3,200)
Miscellaneous	113,450	-	113,450	56,168	(57,282)
<b>Total - Local Sources</b>	<b>18,345,654</b>	<b>-</b>	<b>18,345,654</b>	<b>18,504,931</b>	<b>159,277</b>
<b>State Sources:</b>					
Equalization Aid	1,139,507	-	1,139,507	1,139,507	-
Transportation Aid	660,581	-	660,581	660,581	-
Special Education Categorical Aid	727,841	-	727,841	727,841	-
Security Aid	98,526	-	98,526	98,526	-
Adjustment Aid	159,299	-	159,299	159,299	-
Additional Adjustment Aid	99,093	-	99,093	99,093	-
PARCC Readiness Aid	11,505	-	11,505	11,505	-
Per Pupil Growth Aid	11,505	-	11,505	11,505	-
Extraordinary Aid	130,000	-	130,000	57,761	(72,239)
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	7,361	7,361
On-behalf TPAF Pension (non-budgeted)	-	-	-	443,468	443,468
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	31,906	31,906
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	754,656	754,656
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	708,564	708,564
<b>Total State Sources</b>	<b>3,037,857</b>	<b>-</b>	<b>3,037,857</b>	<b>4,911,573</b>	<b>1,873,716</b>
<b>Total Revenues</b>	<b>21,383,511</b>	<b>-</b>	<b>21,383,511</b>	<b>23,416,504</b>	<b>2,032,993</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	\$ 370,217	\$ 5,632	\$ 375,849	\$ 371,992	\$ 3,857
Grades 1-5 - Salaries of Teachers	3,227,923	(143,749)	3,084,174	3,051,715	32,459
Grades 6-8 - Salaries of Teachers	1,665,571	61,395	1,726,966	1,726,966	-
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	13,500	-	13,500	12,935	565
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	596,219	16,198	612,417	610,719	1,698
Purchased Professional-Educational Services					
Purchased Technical Services	89,814	(34,471)	55,343	48,764	6,579
Rentals					
Other Purchased Services (400-500 series)	128,161	30,967	159,128	150,416	8,712
General Supplies	287,024	(79,468)	207,556	204,833	2,723
Textbooks	136,600	70,825	207,425	148,406	59,019
Other Objects		11,747	11,747	11,747	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>6,515,029</b>	<b>(60,924)</b>	<b>6,454,105</b>	<b>6,338,493</b>	<b>115,612</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	139,650	12,244	151,894	136,790	15,104
Other Salaries for Instruction	12,244	(12,244)			
General Supplies	1,500	4,233	5,733	5,733	-
Textbooks	1,500	(1,500)			
<b>Total Learning and/or Language Disabilities</b>	<b>154,894</b>	<b>2,733</b>	<b>157,627</b>	<b>142,523</b>	<b>15,104</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	166,615	21,134	187,749	187,749	-
Other Salaries for Instruction	37,144	(24,338)	12,806	12,502	304
General Supplies	6,000	(2,824)	3,176	2,846	330
<b>Total Behavioral Disabilities</b>	<b>209,759</b>	<b>(6,028)</b>	<b>203,731</b>	<b>203,097</b>	<b>634</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	66,125	-	66,125	61,615	4,510
Other Salaries for Instruction	41,270	(20,112)	21,158	21,158	-
General Supplies	1,000	560	1,560	1,547	13
<b>Total Multiple Disabilities</b>	<b>108,395</b>	<b>(19,552)</b>	<b>88,843</b>	<b>84,320</b>	<b>4,523</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,295,368	-	1,295,368	1,292,176	3,192
General Supplies	1,000	8,808	9,808	8,687	1,121
<b>Total Resource Room/Resource Center</b>	<b>1,296,368</b>	<b>8,808</b>	<b>1,305,176</b>	<b>1,300,863</b>	<b>4,313</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Autism:</b>					
Salaries of Teachers	298,038	32,811	330,849	328,422	2,427
Other Salaries for Instruction	747,197	(34,911)	712,286	709,871	2,415
Purchased Professional-Educational Services	211,476	21,524	233,000	204,028	28,972
Other Purchased Services (400-500 series)	8,250	(1,000)	7,250	3,281	3,969
General Supplies	5,000	(982)	4,018	3,079	939
Other Objects	800	-	800	-	800
<b>Total Autism</b>	<b>1,270,761</b>	<b>17,442</b>	<b>1,288,203</b>	<b>1,248,681</b>	<b>39,522</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	66,613	(1,513)	65,100	64,613	487
Other Salaries for Instruction	44,815	1,513	46,328	46,328	-
General Supplies	1,200	-	1,200	917	283
<b>Total Preschool Disabilities - Part-Time</b>	<b>112,628</b>	<b>-</b>	<b>112,628</b>	<b>111,858</b>	<b>770</b>
<b>Home Instruction:</b>					
Salaries of Teachers	6,000	-	6,000	333	5,667
Purchased Professional - Educational Services	-	-	-	-	-
<b>Total Home Instruction</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>	<b>333</b>	<b>5,667</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,158,805</b>	<b>3,403</b>	<b>3,162,208</b>	<b>3,091,675</b>	<b>70,533</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	198,320	(12,582)	185,738	162,355	23,383
General Supplies	800	-	800	424	376
<b>Total Basic Skills/Remedial - Instruction</b>	<b>199,120</b>	<b>(12,582)</b>	<b>186,538</b>	<b>162,779</b>	<b>23,759</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	34,249	-	34,249	33,529	720
<b>Total Bilingual Education - Instruction</b>	<b>34,249</b>	<b>-</b>	<b>34,249</b>	<b>33,529</b>	<b>720</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	27,085	-	27,085	23,805	3,280
Other Objects	2,000	175	2,175	1,433	742
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>29,085</b>	<b>175</b>	<b>29,260</b>	<b>25,238</b>	<b>4,022</b>
<b>Summer School - Instruction</b>					
Purchased Professional and Technical Services	57,000	12,388	69,388	65,032	4,356
<b>Total Summer School - Instruction</b>	<b>57,000</b>	<b>12,388</b>	<b>69,388</b>	<b>65,032</b>	<b>4,356</b>
<b>TOTAL INSTRUCTION</b>	<b>9,993,288</b>	<b>(57,540)</b>	<b>9,935,748</b>	<b>9,716,746</b>	<b>219,002</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	-	-	-	-	-
Tuition to Other LEAs Within the State - Special	67,100	(63,843)	3,257	528	2,729
Tuition to CSSD & Regional Day Schools	-	35,000	35,000	35,000	-
Tuition to Private Schools for the Disabled - Within State	384,257	21,843	406,100	395,903	10,197
Tuition to Private Schools for the Disabled - Outside State	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction:</b>	<u>451,357</u>	<u>(7,000)</u>	<u>444,357</u>	<u>431,431</u>	<u>12,926</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	14,506	1,862	16,368	16,368	-
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>14,506</u>	<u>1,862</u>	<u>16,368</u>	<u>16,368</u>	<u>-</u>
<b>Undistributed Expend. - Health Services</b>					
Salaries	366,888	6,420	373,308	373,151	157
Purchased Professional and Technical Services	5,800	750	6,550	6,550	-
Supplies and Materials	8,050	(2,643)	5,407	4,736	671
Other Objects	-	144	144	144	-
<b>Total Undistributed Expenditures - Health Services</b>	<u>380,738</u>	<u>4,671</u>	<u>385,409</u>	<u>384,581</u>	<u>828</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>					
Salaries	452,086	(19,279)	432,807	430,689	2,118
Purchased Professional - Educational Services	7,500	4,885	12,385	5,217	7,168
Supplies and Materials	5,000	-	5,000	3,016	1,984
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>464,586</u>	<u>(14,394)</u>	<u>450,192</u>	<u>438,922</u>	<u>11,270</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	199,075	(1,875)	197,200	192,725	4,475
Salaries of Secretarial and Clerical Assistants	33,050	(14,208)	18,842	18,842	-
Purchased Professional - Educational Services	6,700	(4,902)	1,798	1,798	-
Supplies and Materials	500	-	500	49	451
<b>Total Undist. Expend. - Other Supp. Serv. Students - Reg. Undist. Expend. Child Study Teams</b>	<u>239,325</u>	<u>(20,985)</u>	<u>218,340</u>	<u>213,414</u>	<u>4,926</u>
<b>Salaries of Other Professional Staff</b>					
Salaries of Secretarial and Clerical Assistants	595,093	6,927	602,020	599,156	2,864
Purchased Professional - Educational Services	50,140	-	50,140	50,140	-
Other Purchased Prof. and Tech. Services	95,718	137,978	233,696	201,151	32,545
Misc. Purchased Services (400-500 series Other Than Residential)	9,200	(9,182)	18	-	18
Supplies and Materials	4,700	4,200	8,900	5,918	2,982
Other Objects	11,000	(2,830)	8,170	7,746	424
<b>Total Undist. Expend. - Other Supp. Serv. Students - Spec.</b>	<u>9,000</u>	<u>(2,317)</u>	<u>6,683</u>	<u>5,710</u>	<u>973</u>
<b>Total Undist. Expend. - Other Supp. Serv. Students - Spec.</b>	<u>774,851</u>	<u>134,776</u>	<u>909,627</u>	<u>869,821</u>	<u>39,806</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. Imp. Of Instructional Services</b>					
Salaries of Supervisors of Instruction	115,260	-	115,260	115,260	-
Salaries of Secretarial and Clerical Assistants	50,077	-	50,077	50,056	21
Other Salaries	12,000	(9,100)	2,900	-	2,900
Purchased Professional - Educational Services	1,500	11,900	11,900	11,878	22
Other Purchased Services (400-500 series)	3,000	600	2,100	1,681	419
Supplies and Materials		(974)	2,026	745	1,281
Other Objects		974	974	974	-
<b>Total Undist. Expend. Imp. Of Instructional Services</b>	<b>181,837</b>	<b>3,400</b>	<b>185,237</b>	<b>180,594</b>	<b>4,643</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	184,101	729	184,830	184,830	-
Supplies and Materials	15,250	(1,355)	13,895	6,708	7,187
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>199,351</b>	<b>(626)</b>	<b>198,725</b>	<b>191,538</b>	<b>7,187</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	11,000	1,150	1,150	1,150	-
Other Purchased Services (400-500 series)	11,000	(1,150)	9,850	9,789	61
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>11,000</b>	<b>-</b>	<b>11,000</b>	<b>10,939</b>	<b>61</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	261,308	8,561	269,869	269,278	591
Legal Services	15,000	28,964	43,964	43,964	-
Audit Fees	23,800	(1,200)	22,600	21,800	800
Architectural/Engineering Services	15,000	(13,541)	1,459	1,459	-
Other Purchased Professional Services	15,100	1,200	16,300	12,350	3,950
Purchased Technical Services	8,746	(8,746)	-	-	-
Communications/Telephone	31,603	-	31,603	30,330	1,273
BOE Other Purchased Services	47,802	(46,686)	1,116	1,116	-
Misc. Purchased Services (400-500 series)	7,500	40,009	40,009	29,086	10,923
General Supplies	7,500	-	7,500	1,747	5,753
Miscellaneous Expenditures	13,515	-	13,515	11,449	2,066
BOE Membership Dues and Fees	13,500	-	13,500	10,946	2,554
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>452,874</b>	<b>8,561</b>	<b>461,435</b>	<b>430,950</b>	<b>30,485</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	459,558	21,087	480,645	480,363	282
Salaries of Secretarial and Clerical Assistants	213,842	18,476	232,318	231,927	391
Other Salaries		15,420	15,420	8,865	6,555
Purchased Professional and Technical Services	7,989	-	7,405	7,121	284
Other Purchased Services (400-500 series)	11,600	(5,624)	5,976	5,837	139
Supplies and Materials	6,500	4,326	10,826	10,207	619
Other Objects					
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>699,489</b>	<b>53,101</b>	<b>752,590</b>	<b>744,320</b>	<b>8,270</b>



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Central Services</b>					
Salaries	277,309	28,694	306,003	305,544	459
Purchased Technical Services	-	485	485	485	-
Supplies and Materials	8,500	3,279	11,779	11,423	356
Miscellaneous Expenditures	3,500	-	3,500	1,849	1,651
<b>Total Undistributed Expenditures - Central Services</b>	<b>289,309</b>	<b>32,458</b>	<b>321,767</b>	<b>319,301</b>	<b>2,466</b>
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	75,000	(14,500)	60,500	60,500	-
Purchased Professional Services	-	-	-	-	-
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>75,000</b>	<b>(14,500)</b>	<b>60,500</b>	<b>60,500</b>	<b>-</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Salaries	274,622	-	274,622	263,624	10,998
Cleaning, Repair, and Maintenance Services	186,236	42,370	228,606	200,842	27,764
General Supplies	50,000	13,380	63,380	52,093	11,287
Other Objects	357	-	357	336	21
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>511,215</b>	<b>55,750</b>	<b>566,965</b>	<b>516,895</b>	<b>50,070</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	587,787	15,298	603,085	591,228	11,857
Cleaning, Repair and Maintenance Services	17,688	(899)	16,789	9,210	7,579
Insurance	148,951	14,279	163,230	158,351	4,879
Miscellaneous Purchased Services	19,420	-	19,420	10,346	9,074
General Supplies	62,299	(12,680)	49,619	49,410	209
Energy (Natural Gas)	142,550	22,461	165,011	164,961	50
Energy (Electricity)	221,000	(8,856)	212,144	204,027	8,117
Energy (Oil)	22,500	-	22,500	17,254	5,246
Energy (Gasoline)	51,000	(6,989)	44,011	35,669	8,342
Other Objects	860	401	1,261	711	550
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,274,055</b>	<b>23,015</b>	<b>1,297,070</b>	<b>1,241,167</b>	<b>55,903</b>
<b>Undist. Expend. - Care and Upkeep of Grounds:</b>					
Salaries	13,600	(815)	12,785	7,160	5,625
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds Security:</b>	<b>13,600</b>	<b>(815)</b>	<b>12,785</b>	<b>7,160</b>	<b>5,625</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>					
Salaries	12,331	-	12,331	11,194	1,137
Purchased Professional and Technical Services	(15,000)	-	-	-	-
<b>Total Security</b>	<b>15,000</b>	<b>(2,669)</b>	<b>12,331</b>	<b>11,194</b>	<b>1,137</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>1,813,870</b>	<b>75,281</b>	<b>1,889,151</b>	<b>1,776,416</b>	<b>112,735</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-Instructional Aides	52,604	(26,256)	26,348	26,098	250
Sal. For Pup. Trans. (Bet. Home and School) - Regular	670,489	(13,341)	657,148	640,948	16,200
Sal. For Pup. Trans. (Bet. Home and School) - Special	176,140	(8,627)	167,513	164,284	3,229
Sal. For Pup. Trans. (Other than Bet. Home and School)	4,500	-	4,500	105	4,395
Sal. For Pup. Trans. (Bet. Home and School) Non-Public	164,095	(665)	163,430	160,582	2,848
Cleaning, Repair and Maintenance Services	60,000	(5,279)	54,721	39,817	14,904
Lease Purchase Payments - School Buses	215,000	-	215,000	182,202	32,798
Contract Services - Aid in Lieu Payments - Non Public	24,800	3,827	28,627	28,627	-
Contract Services - (Between Home and School) - Vendors	130,000	-	130,000	106,086	23,914
Misc. Purchased Serv. - Transportation	18,500	-	18,500	15,788	2,712
General Supplies	202,313	(10,362)	191,951	80,853	111,098
Transportation Supplies	48,000	3,404	51,404	39,344	12,060
Other Objects	13,495	937	14,432	13,316	1,116
	<u>1,779,936</u>	<u>(56,362)</u>	<u>1,723,574</u>	<u>1,498,050</u>	<u>225,524</u>
<b>Total Undist. Expend. - Student Transportation Serv.</b>					
<b>ALLOCATED BENEFITS:</b>					
<b>Regular Programs-Instruction</b>					
Health Benefits	1,488,892	(3,780)	1,485,112	1,427,451	57,661
	<u>1,488,892</u>	<u>(3,780)</u>	<u>1,485,112</u>	<u>1,427,451</u>	<u>57,661</u>
<b>Total Regular Programs-Instruction</b>					
Special Programs-Instruction					
Health Benefits	547,222	(23)	547,199	525,214	21,985
	<u>547,222</u>	<u>(23)</u>	<u>547,199</u>	<u>525,214</u>	<u>21,985</u>
<b>Total Special Programs-Instruction</b>					
Health Services					
Health Benefits	64,875	6,058	70,933	68,804	2,129
	<u>64,875</u>	<u>6,058</u>	<u>70,933</u>	<u>68,804</u>	<u>2,129</u>
<b>Total Health Services</b>					
<b>Other Support Services-Speech, OT, PT Related Services</b>					
Health Benefits	91,831	(9,006)	82,825	81,060	1,765
	<u>91,831</u>	<u>(9,006)</u>	<u>82,825</u>	<u>81,060</u>	<u>1,765</u>
<b>Total Other Support Services-Speech, OT, PT Related Services</b>					
<b>Other Support Services-Guidance</b>					
Health Benefits	50,177	(751)	49,426	48,244	1,182
	<u>50,177</u>	<u>(751)</u>	<u>49,426</u>	<u>48,244</u>	<u>1,182</u>
<b>Total Other Support Services-Guidance</b>					

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Other Support Services-Child Study Teams</b>					
Health Benefits	137,441	(3,395)	134,046	131,640	2,406
<b>Total Other Support Services-Child Study Teams</b>	<u>137,441</u>	<u>(3,395)</u>	<u>134,046</u>	<u>131,640</u>	<u>2,406</u>
<b>Imp. Of Instructional Services:</b>					
Health Benefits	35,490	-	35,490	34,118	1,372
<b>Total Imp. Of Instructional Services:</b>	<u>35,490</u>	<u>-</u>	<u>35,490</u>	<u>34,118</u>	<u>1,372</u>
<b>Educational Media Services-School Library</b>					
Health Benefits	18,380	585	18,965	17,402	1,563
<b>Total Educational Media Services-School Library</b>	<u>18,380</u>	<u>585</u>	<u>18,965</u>	<u>17,402</u>	<u>1,563</u>
<b>Support Services-General Administration</b>					
Health Benefits	26,794	4,281	31,075	25,403	5,672
<b>Total Support Services-General Administration</b>	<u>26,794</u>	<u>4,281</u>	<u>31,075</u>	<u>25,403</u>	<u>5,672</u>
<b>Support Services-School Administration</b>					
Health Benefits	57,151	(3,541)	53,610	53,610	-
<b>Total Support Services-School Administration</b>	<u>57,151</u>	<u>(3,541)</u>	<u>53,610</u>	<u>53,610</u>	<u>-</u>
<b>Support Services-Central Services</b>					
Health Benefits	16,040	610	16,650	14,922	1,728
<b>Total Support Services-Central Services</b>	<u>16,040</u>	<u>610</u>	<u>16,650</u>	<u>14,922</u>	<u>1,728</u>
<b>Support Services-Central Services</b>					
Health Benefits	8,182	415	8,597	7,462	1,135
<b>Total Support Services-Central Services</b>	<u>8,182</u>	<u>415</u>	<u>8,597</u>	<u>7,462</u>	<u>1,135</u>
<b>Operation and Maintenance of Plant Services</b>					
Health Benefits	274,726	(2,614)	272,112	264,120	7,992
<b>Total Operation and Maintenance of Plant Services</b>	<u>274,726</u>	<u>(2,614)</u>	<u>272,112</u>	<u>264,120</u>	<u>7,992</u>
<b>Transportation Services</b>					
Health Benefits	477,958	(6,246)	471,712	460,980	10,732
<b>Total Transportation Services</b>	<u>477,958</u>	<u>(6,246)</u>	<u>471,712</u>	<u>460,980</u>	<u>10,732</u>
<b>TOTAL ALLOCATED BENEFITS</b>	<u>3,295,159</u>	<u>(17,407)</u>	<u>3,277,752</u>	<u>3,160,430</u>	<u>117,322</u>
<b>UNALLOCATED BENEFITS</b>					
Group Insurance	1,300	(513)	787	787	-
Social Security Contributions	361,600	-	361,600	353,942	7,658
Other Retirement Contributions - PERS	438,467	(54,159)	384,308	384,308	-
Other Retirement Contributions - Regular	20,000	-	20,000	18,276	1,724
Workmen's Compensation	175,785	(40,735)	135,050	135,050	-
Tuition Reimbursement	57,000	-	57,000	40,659	16,341
Other Employee Benefits	53,500	26,735	80,235	51,187	29,048
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>1,107,652</u>	<u>(68,672)</u>	<u>1,038,980</u>	<u>984,209</u>	<u>54,771</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-behalf TPAF Pension (non-budgeted)		-		443,468	(443,468)
On-behalf TPAF NCGI Premium (non-budgeted)		-		31,906	(31,906)
On-behalf TPAF Post Retirement Medical (non-budgeted)		-		754,656	(754,656)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		708,564	(708,564)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>1,938,594</u>	<u>(1,938,594)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>4,402,811</u>	<u>(86,079)</u>	<u>4,316,732</u>	<u>6,083,233</u>	<u>(1,766,501)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>12,230,840</u>	<u>114,164</u>	<u>12,345,004</u>	<u>13,650,378</u>	<u>(1,305,374)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>22,224,128</u>	<u>56,624</u>	<u>22,280,752</u>	<u>23,367,124</u>	<u>(1,086,372)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Grades 1-5	15,600	2,046	17,646	13,823	3,823
Grades 6-8	15,600	-	15,600	8,578	7,022
Undistributed Expenditures - Req. Maint. School Facilities	37,000	-	37,000	30,859	6,141
<b>Total Equipment</b>	<u>68,200</u>	<u>2,046</u>	<u>70,246</u>	<u>53,260</u>	<u>16,986</u>
<b>Facilities Acquisition and Construction Services</b>					
Salaries		978	978	978	-
Infrastructure		66,300	66,300	66,300	-
Capital Outlay - Trans. To Capital Projects	285,000	(978)	284,022	230,449	53,573
<b>Total Facilities Acquisition and Construction Services</b>	<u>285,000</u>	<u>66,300</u>	<u>351,300</u>	<u>297,727</u>	<u>53,573</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
Instructional Equipment		-			-
Student Transportation		-			-
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>TOTAL CAPITAL OUTLAY</b>	<u>353,200</u>	<u>68,346</u>	<u>421,546</u>	<u>350,987</u>	<u>70,559</u>
<b>TOTAL EXPENDITURES</b>	<u>22,577,328</u>	<u>124,970</u>	<u>22,702,298</u>	<u>23,718,111</u>	<u>(1,015,813)</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,193,817)</u>	<u>(124,970)</u>	<u>(1,318,787)</u>	<u>(301,607)</u>	<u>1,017,180</u>
<b>Other Financing Sources (Uses):</b>					
<b>Operating Transfer Out:</b>					
Interest Deposit to Capital Reserve	(3,200)	-	(3,200)	(300,000)	3,200
Capital Reserve - Transfer to Capital Projects		(300,000)	(300,000)	(300,000)	-
Capital Reserve - Transfer to Debt Service Fund	(27,283)	-	(27,283)	(27,283)	-
Capital Leases (non-budgeted)			-		-
<b>Total Other Financing Sources (Uses):</b>	<u>(30,483)</u>	<u>(300,000)</u>	<u>(330,483)</u>	<u>(327,283)</u>	<u>3,200</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(1,224,300)</u>	<u>(424,970)</u>	<u>(1,649,270)</u>	<u>(628,890)</u>	<u>1,020,380</u>
<b>Fund Balance, July 1</b>	2,877,737		2,877,737	2,877,737	-
<b>Fund Balance, June 30</b>	<u>\$ 1,653,437</u>	<u>\$ (424,970)</u>	<u>\$ 1,228,467</u>	<u>\$ 2,248,847</u>	<u>\$ 1,020,380</u>
Adjustment for prior year encumbrances		(14,233)	(14,233)	(14,233)	
Capital Reserve - Transfer to Capital Outlay	(285,000)	(66,300)	(351,300)	(297,727)	53,573
Withdrawal from Capital Reserve - Transfer to Debt Service	(27,283)		(27,283)	(27,283)	
Withdrawal from Capital Reserve - Transfer to Capital Projects		(300,000)	(300,000)	(300,000)	
Withdrawal from Maintenance Reserve	(912,017)	(44,437)	(956,454)	(44,437)	
Budgeted Fund Balance	<u>(1,224,300)</u>	<u>(424,970)</u>	<u>(1,649,270)</u>	<u>(628,890)</u>	<u>966,807</u>
Total					<u>1,020,380</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				654,994	
Maintenance Reserve				96,930	
Emergency Reserve				250,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				86,218	
Excess Surplus - Current Year				615,233	
<b>Committed Fund Balance:</b>					
Year End Encumbrances				96,521	
<b>Unassigned Fund Balance</b>				448,951	
				<u>2,248,847</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				(288,085)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 1,960,762</u>	

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	70,041	70,041	\$ 65,678	\$ (4,363)
State Sources	236,325	28,816	265,141	215,259	(49,882)
Federal Sources	370,461	59,854	430,315	404,062	(26,253)
<b>Total Revenues</b>	<b>606,786</b>	<b>158,711</b>	<b>765,497</b>	<b>684,999</b>	<b>(80,498)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	56,500	4,431	60,931	59,061	1,870
Other Salaries for Instruction	10,000	-	10,000	10,000	-
Purchased Professional - Educational Services	193,125	14,288	207,413	161,351	46,062
Tuition	189,450	56,853	246,303	232,782	13,521
General Supplies	24,906	80,788	105,694	99,957	5,737
Textbooks	14,800	1,287	16,087	16,082	5
Other Objects	-	-	-	-	-
<b>Total Instruction</b>	<b>488,781</b>	<b>157,647</b>	<b>646,428</b>	<b>579,233</b>	<b>67,195</b>
<b>Support Services</b>					
Personal Services - Employee Benefits	14,100	(1,396)	12,704	12,704	-
Purchased Professional - Educational Services	103,905	(3,776)	100,129	87,821	12,308
General Supplies	-	257	257	140	117
Other Objects	-	5,979	5,979	5,101	878
<b>Total Support Services</b>	<b>118,005</b>	<b>1,064</b>	<b>119,069</b>	<b>105,766</b>	<b>13,303</b>
<b>Facilities Acquisition and Construction Services:</b>					
Non-instructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>606,786</b>	<b>158,711</b>	<b>765,497</b>	<b>684,999</b>	<b>80,498</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**For the Fiscal Year Ended June 30, 2015**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$ 23,416,504	\$ 684,999
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			413
Less Current Year Encumbrances			(7,765)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		286,010	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(288,085)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 23,414,429	\$ 677,647
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$ 23,718,111	\$ 684,999
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			413
Less Current Year Encumbrances			(7,765)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 23,718,111	\$ 677,647



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Share of Net Pension Liability - PERS**  
*Last 10 Fiscal Years\**

	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0452943393%
District's proportionate share of the net pension liability (asset)	\$ 8,480,339
District's covered payroll - PERS	\$ 3,105,240
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	273.10%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Contributions - PERS**  
*Last 10 Fiscal Years\**

	<u>2015</u>
Contractually required contribution	\$ 373,400.00
Contributions in relation to the contractually required contribution	<u>\$ (373,400.00)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll - PERS	\$ 3,105,240
Contributions as a percentage of covered payroll	12.02%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedules of Required Supplementary Information**  
**Schedule of District's Share of Net Pension Liability - TPAF**  
*Last 10 Fiscal Years\**

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.0907566602%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 48,506,481
District's covered payroll - TPAF	\$ 9,405,646
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Note to Required Schedules of Supplementary Information - Part III**  
**For the Fiscal Year Ended June 30, 2015**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**SPECIAL REVENUE FUND**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Total Brought Forward (Ex. E-1a)</b>	<b>Title I 2014-2015</b>	<b>Title I Carryover</b>	<b>Title II, Part A 2014-2015</b>	<b>Title II, Part A Carryover</b>	<b>Totals 2015</b>
<b>REVENUES</b>						
Local Sources	\$ 65,678	\$ -	\$ -	\$ -	\$ -	\$ 65,678
State Sources	215,259					\$ 215,259
Federal Sources	321,446	58,499	1,414	22,703		\$ 404,062
<b>Total Revenues</b>	<b>602,383</b>	<b>58,499</b>	<b>1,414</b>	<b>22,703</b>	<b>-</b>	<b>684,999</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	20,201	38,860		10,000		59,061
Other Salaries for Instruction	-					10,000
Purchased Professional - Educational Services	-					-
Other Purchased Professional Services	161,351					161,351
Tuition	232,782					232,782
General Supplies	90,702	8,122	66	1,067		99,957
Textbooks	16,082					16,082
Other Objects	-					-
<b>Total instruction</b>	<b>521,118</b>	<b>46,982</b>	<b>66</b>	<b>11,067</b>	<b>-</b>	<b>579,233</b>
<b>Support services:</b>						
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	-	10,104		2,600		12,704
Purchased Professional - Educational Services	76,164	1,273	1,348	9,036		87,821
Other Purchased Professional Services	-					-
Travel	-					-
General Supplies	-	140				140
Textbooks	-					-
Other Objects	5,101					5,101
<b>Total support services</b>	<b>81,265</b>	<b>11,517</b>	<b>1,348</b>	<b>11,636</b>	<b>-</b>	<b>105,766</b>
<b>Facilities acquisition and const. serv.:</b>						
Buildings	-					-
Instructional Equipment	-					-
Non-instructional Equipment	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>602,383</b>	<b>58,499</b>	<b>1,414</b>	<b>22,703</b>	<b>-</b>	<b>684,999</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	ID.E.A., Basic		N.J Non-Public Technology Aid	N.J Non-Public Nursing Aid	Character Education Aid	Total Carried Forward
		2014-2015	Carryover				
<b>REVENUES</b>							
Local Sources	\$ 65,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,678
State Sources	177,433			8,351	24,971	4,504	215,259
Federal Sources	-	311,597	9,849				321,446
<b>Total Revenues</b>	<b>243,111</b>	<b>311,597</b>	<b>9,849</b>	<b>8,351</b>	<b>24,971</b>	<b>4,504</b>	<b>594,032</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	-				20,201		20,201
Other Salaries for Instruction	-						-
Purchased Professional - Educational Services	-						-
Other Purchased Professional Services	161,351						161,351
Tuition	-	232,782					232,782
General Supplies	65,081	12,500		8,351	4,770		90,702
Textbooks	16,082						16,082
Other Objects	-						-
<b>Total Instruction</b>	<b>242,514</b>	<b>245,282</b>	<b>-</b>	<b>8,351</b>	<b>24,971</b>	<b>-</b>	<b>512,767</b>
<b>Support services:</b>							
Salaries of Other Professional Staff	-						-
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	-	66,315	9,849				76,164
Other Purchased Professional Services	-						-
Travel	-						-
General Supplies	-						-
Textbooks	-						-
Other Objects	597					4,504	5,101
<b>Total support services</b>	<b>597</b>	<b>66,315</b>	<b>9,849</b>	<b>-</b>	<b>-</b>	<b>4,504</b>	<b>81,265</b>
<b>Facilities acquisition and const. serv.:</b>							
Buildings	-						-
Instructional Equipment	-						-
Non-instructional Equipment	-						-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>243,111</b>	<b>311,597</b>	<b>9,849</b>	<b>8,351</b>	<b>24,971</b>	<b>4,504</b>	<b>594,032</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Handicapped Services			N.J. Non-Public Textbook Aid	Total Carried Forward
		Supplemental Instruction	Chapter 193 Examination & Classification	Corrective Speech		
<b>REVENUES</b>						
Local Sources	\$ 65,678	\$ -	\$ -	\$ -	\$ -	\$ 65,678
State Sources	87,099	26,601	34,399	13,252	16,082	177,433
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>152,777</b>	<b>26,601</b>	<b>34,399</b>	<b>13,252</b>	<b>16,082</b>	<b>243,111</b>
<b>EXPENDITURES</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Professional Services	87,099	26,601	34,399	13,252	16,082	161,351
Tuition	-	-	-	-	-	-
General Supplies	65,081	-	-	-	-	65,081
Textbooks	-	-	-	-	16,082	16,082
Other Objects	-	-	-	-	-	-
<b>Total instruction</b>	<b>152,180</b>	<b>26,601</b>	<b>34,399</b>	<b>13,252</b>	<b>16,082</b>	<b>242,514</b>
<b>Support services:</b>						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Other Objects	597	-	-	-	-	597
<b>Total support services</b>	<b>597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>597</b>
<b>Facilities acquisition and const. serv.:</b>						
Building	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Non-instructional Equipment	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>152,777</b>	<b>26,601</b>	<b>34,399</b>	<b>13,252</b>	<b>16,082</b>	<b>243,111</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)**  
**For the Fiscal Year Ended June 30, 2015**

	N.J. Nonpublic Auxiliary Services				Total Carried Forward
	Chapter 192	ESL	Transportation	Kindergarten Science Grant	
	Comp. Ed.				
<b>REVENUES</b>					
Local Sources					
State Sources	61,004	914	25,181	\$ 597	\$ 65,678
Federal Sources					87,099
<b>Total Revenues</b>	<b>61,004</b>	<b>914</b>	<b>25,181</b>	<b>597</b>	<b>152,777</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of Teachers					-
Other Salaries for Instruction					-
Purchased Professional - Educational Services					-
Other Purchased Professional Services	61,004	914	25,181		87,099
Tuition					-
General Supplies					65,081
Textbooks					-
Other Objects					-
<b>Total instruction</b>	<b>61,004</b>	<b>914</b>	<b>25,181</b>	<b>-</b>	<b>152,180</b>
<b>Support services:</b>					
Salaries of Other Professional Staff					-
Personal Services - Employee Benefits					-
Purchased Professional - Educational Services					-
Other Purchased Professional Services					-
Travel					-
General Supplies				597	597
Textbooks					-
Other Objects					-
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>597</b>	<b>597</b>
<b>Facilities acquisition and const. serv.:</b>					
Building					-
Instructional Equipment					-
Non-instructional Equipment					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>61,004</b>	<b>914</b>	<b>25,181</b>	<b>597</b>	<b>152,777</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CAPITAL PROJECTS FUND**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2015**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2015
			Prior Years	Current Year	
Renovations - Eleanor G. Hewitt School	4/27/2011	11,195,000	10,968,335	35,600	191,065
Boiler Replacement - M.J. Ryerson Middle School	8/20/2015	390,000		32,216	357,784
Boiler Replacement - Peter Cooper Elementary School	8/20/2015	310,000		25,834	284,166
Boiler Replacement - Robert Erskine Elementary School	8/20/2015	310,000		25,832	284,168
Window Replacement - M.J. Ryerson Middle School	8/20/2015	216,000		17,074	198,926
Totals		\$ 12,421,000	\$ 10,968,335	\$ 136,556	\$ 1,316,109

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budgetary Basis**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2015**

**Revenues and Other Financing Sources:**

State Sources - SDA Grant	\$ 490,400
Bond proceeds and transfers	926,000
Transfer from capital reserve	300,000
Interest Income	239
Total Revenues	1,716,639

**Expenditures and Other Financing Uses:**

Architectural/Engineering services	69,351
Purchased professional and technical services	31,605
Construction services	
General Supplies	35,600
Equipment	
Other Objects	
Transfer to Debt Service Fund	490,639
Total Expenditures	627,195

Excess (Deficiency) of revenues over (under) expenditures	1,089,444
Fund Balance - Beginning	226,665
Fund Balance - Ending	\$ 1,316,109

Recapitulation:

Fund Balance	\$ 1,316,109
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Reconciliation to Governmental Funds Statements (GAAP):

SDA Grants receivable not recognized on GAAP Basis	(450,018)
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Fund Balance per Governmental Funds (GAAP)	\$ 866,091
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**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Eleanor G. Hewitt School Renovations**  
**From Inception and for the Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Bond proceeds and transfers	\$11,195,000		\$11,195,000	\$11,195,000
Bond proceeds and transfers				
Transfer from capital reserve	-		-	-
Transfer from capital outlay	-		-	-
Total Revenues	<u>11,195,000</u>	<u>-</u>	<u>11,195,000</u>	<u>11,195,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural/Engineering services	937,370		937,370	937,370
Purchased professional and technical services	614,975		614,975	614,975
Construction services	9,219,054		9,219,054	9,219,054
General Supplies	7,398	35,600	42,998	42,998
Equipment	146,130		146,130	146,130
Other Objects	43,408		43,408	43,408
Total Expenditures	<u>10,968,335</u>	<u>35,600</u>	<u>11,003,935</u>	<u>11,003,935</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 226,665</u>	<u>\$ (35,600)</u>	<u>\$ 191,065</u>	<u>\$ 191,065</u>

**Additional Project Information:**

Project Number	4400-050-11-1000
Grant Date/Letter of Notification	N/A
Bond Authorization/Referendum Date	4/27/2011
Bonds Authorized	\$11,195,000
Bonds Issued	\$11,195,000
Original Project Authorized Cost	\$11,195,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$11,195,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	100%

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Boiler Replacement - M.J. Ryerson Middle School**  
**From Inception and for the Year Ended June 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ -	\$ 156,000	156,000	\$ 156,000
Bond proceeds and transfers	-	315,000	315,000	159,000
Transfer from capital reserve	-	75,000	75,000	75,000
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>-</u>	<u>546,000</u>	<u>546,000</u>	<u>390,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural / Engineering services		27,371	27,371	28,800
Purchased professional and technical services		4,845	4,845	51,200
Construction services				310,000
General Supplies				
Equipment				
Other Objects				
Transfer to Debt Service Fund		156,000	156,000	
Total Expenditures	<u>-</u>	<u>188,216</u>	<u>188,216</u>	<u>390,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ 357,784</u>	<u>\$ 357,784</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4400-053-14-1001
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$390,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$390,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	0%

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Boiler Replacement - Peter Cooper Elementary School**  
**From Inception and for the Year Ended June 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ -	\$ 124,000	\$ 124,000	\$ 124,000
Bond proceeds and transfers		235,000	235,000	\$ 111,000
Transfer from capital reserve	-	75,000	75,000	75,000
Transfer from capital outlay	-		-	
Total Revenues	<u>-</u>	<u>434,000</u>	<u>434,000</u>	<u>310,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural / Engineering services		20,991	20,991	24,000
Purchased professional and technical services		4,843	4,843	41,000
Construction services				245,000
General Supplies				
Equipment				
Other Objects				
Transfer to Debt Service Fund		124,000	124,000	
Total Expenditures	<u>-</u>	<u>149,834</u>	<u>149,834</u>	<u>310,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ 284,166</u>	<u>\$ 284,166</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4400-055-14-1002
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$310,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$310,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	0%



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Boiler Replacement - Robert Erskine Elementary School**  
**From Inception and for the Year Ended June 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ -	\$ 124,000	\$ 124,000	\$ 124,000
Bond proceeds and transfers		235,000	235,000	111,000
Transfer from capital reserve	-	75,000	75,000	75,000
Transfer from capital outlay	-		-	-
Total Revenues	<u>-</u>	<u>434,000</u>	<u>434,000</u>	<u>310,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural / Engineering services		20,989	20,989	24,000
Purchased professional and technical services		4,843	4,843	41,000
Construction services				245,000
General Supplies				
Equipment				
Other Objects				
Transfer to Debt Service Fund		124,000	124,000	
Total Expenditures	<u>-</u>	<u>149,832</u>	<u>149,832</u>	<u>310,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ 284,168</u>	<u>\$ 284,168</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4400-060-14-1003
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$310,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$310,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	0%

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Window Replacement - Martin J. Ryerson Middle School**  
**From Inception and for the Year Ended June 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ -	\$ 86,400	\$ 86,400	\$ 86,400
Bond proceeds and transfers		141,000	141,000	\$ 54,600
Transfer from capital reserve	-	75,000	75,000	75,000
Transfer from capital outlay	-		-	-
Total Revenues	<u>-</u>	<u>302,400</u>	<u>302,400</u>	<u>216,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural / Engineering services				16,000
Purchased professional and technical services		17,074	17,074	33,500
Construction services				166,500
General Supplies				
Equipment				
Other Objects				
Transfer to Debt Service Fund		86,400	86,400	
Total Expenditures	<u>-</u>	<u>103,474</u>	<u>103,474</u>	<u>216,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ 198,926</u>	<u>\$ 198,926</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4400-053-14-1004
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$216,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$216,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	0%

**PROPRIETARY FUNDS**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2015**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Summer Music</u>	<u>Totals</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 65,534	\$ 5,556	\$ 14,874	\$ 85,964
Accounts receivable				
State	519			519
Federal	6,984			6,984
Other receivables			1,050	1,050
Inventories	<u>2,957</u>	<u>-</u>		<u>2,957</u>
Total current assets	<u>75,994</u>	<u>5,556</u>	<u>15,924</u>	<u>97,474</u>
Noncurrent assets:				
Furniture, machinery & equipment	149,022			149,022
Less accumulated depreciation	<u>(109,540)</u>			<u>(109,540)</u>
Total noncurrent assets	<u>39,482</u>	<u>-</u>	<u>-</u>	<u>39,482</u>
Total assets	<u>115,476</u>	<u>5,556</u>	<u>15,924</u>	<u>136,956</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	27,477	2,880	8,511	38,868
Interfund payables	<u>2,222</u>			<u>2,222</u>
Total current liabilities	<u>29,699</u>	<u>2,880</u>	<u>8,511</u>	<u>41,090</u>
Total liabilities	<u>29,699</u>	<u>2,880</u>	<u>8,511</u>	<u>41,090</u>
<b>NET POSITION</b>				
Net Investment in capital assets	39,482	-	-	39,482
Unrestricted	<u>46,295</u>	<u>2,676</u>	<u>7,413</u>	<u>56,384</u>
Total net position	<u>\$ 85,777</u>	<u>\$ 2,676</u>	<u>\$ 7,413</u>	<u>\$ 95,866</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2015**

	Food Service	Safety Town	Summer Music	Total Enterprise
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 319,420	\$ -	\$ -	\$ 319,420
Special functions	1,568			1,568
Miscellaneous		4,355	16,540	20,895
Total operating revenues	<u>320,988</u>	<u>4,355</u>	<u>16,540</u>	<u>341,883</u>
Operating expenses:				
Cost of sales	195,905			195,905
Salaries	137,896	2,880	6,000	146,776
Employee benefits	59,030			59,030
Cleaning, repair and maintenance services	3,498			3,498
Purchased services	26,672			26,672
Miscellaneous Expense	6,183			6,183
General supplies	3,862	1,370	7,721	12,953
Depreciation	4,739			4,739
Total Operating Expenses	<u>437,785</u>	<u>4,250</u>	<u>13,721</u>	<u>455,756</u>
Operating income (loss)	<u>(116,797)</u>	<u>105</u>	<u>2,819</u>	<u>(113,873)</u>
Non-operating revenues (expenses):				
State sources:				
State school lunch program	4,361			4,361
Federal sources:				
National school lunch program	76,408			76,408
Food distribution program	25,315			25,315
Interest and investment revenue	18	1	3	22
Total non-operating revenues (expenses)	<u>106,102</u>	<u>1</u>	<u>3</u>	<u>106,106</u>
Income (loss) before contributions & transfers	(10,695)	106	2,822	(7,767)
Capital contributions	-			-
Transfers in (out)				
Change in net position	(10,695)	106	2,822	(7,767)
Total net position—beginning	<u>96,472</u>	<u>2,570</u>	<u>4,591</u>	<u>103,633</u>
Total net position—ending	<u>\$ 85,777</u>	<u>\$ 2,676</u>	<u>\$ 7,413</u>	<u>\$ 95,866</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2015**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Summer Music</u>	<u>Total Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and other funds	\$ 320,988	\$ 4,745	\$ 16,390	\$ 342,123
Payments to employees	(137,896)	(2,880)	(6,000)	(146,776)
Payments for employee benefits	(59,030)	-	-	(59,030)
Payments to suppliers	(230,000)	(1,377)	(5,383)	(236,760)
Net cash provided by (used for) operating activities	<u>(105,938)</u>	<u>488</u>	<u>5,007</u>	<u>(100,443)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State sources	4,468	-	-	4,468
Federal sources	101,468	-	-	101,468
Net cash provided by (used for) non-capital financing activities	<u>105,936</u>	<u>-</u>	<u>-</u>	<u>105,936</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of Capital Assets	(15,801)	-	-	(15,801)
Net cash provided by (used for) capital and related financing activities	<u>(15,801)</u>	<u>-</u>	<u>-</u>	<u>(15,801)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	18	1	3	22
Net cash provided by (used for) investing activities	<u>18</u>	<u>1</u>	<u>3</u>	<u>22</u>
Net increase (decrease) in cash and cash equivalents	(15,785)	489	5,010	(10,286)
Balances—beginning of year	81,319	5,067	9,864	96,250
Balances—end of year	<u>\$ 65,534</u>	<u>\$ 5,556</u>	<u>\$ 14,874</u>	<u>\$ 85,964</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (116,797)	\$ 105	\$ 2,819	\$ (113,873)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	4,739	-	-	4,739
(Increase) decrease in accounts receivable, net	-	390	(150)	240
(Increase) decrease in inventories	1,392	-	-	1,392
Increase (decrease) in accounts payable	4,728	(7)	2,338	7,059
Total adjustments	<u>10,859</u>	<u>383</u>	<u>2,188</u>	<u>13,430</u>
Net cash provided by (used for) operating activities	<u>\$ (105,938)</u>	<u>\$ 488</u>	<u>\$ 5,007</u>	<u>\$ (100,443)</u>

**FIDUCIARY FUND**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Fiduciary Net Position**  
**Trust and Agency Funds**  
**June 30, 2015**

	Trust		Agency		Total Agency Fund
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	
<b>Assets</b>					
Cash and cash equivalents	\$ 59,008	\$ 59,008	\$ 30,791	\$ 20,197	\$ 50,988
Total assets	<u>59,008</u>	<u>59,008</u>	<u>30,791</u>	<u>20,197</u>	<u>50,988</u>
<b>Liabilities</b>					
Accounts payable	14,277	14,277			-
Interfund payables		-		9	9
Payable to student groups		-	30,791		30,791
Payroll deductions and withholdings		-		20,188	20,188
Total liabilities	<u>14,277</u>	<u>14,277</u>	<u>\$ 30,791</u>	<u>\$ 20,197</u>	<u>\$ 50,988</u>
<b>Net Position</b>					
Reserved	44,731	44,731			
Total net position	<u>\$ 44,731</u>	<u>\$ 44,731</u>			



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Year Ended June 30, 2015**

	Unemployment Compensation Trust	Total Trusts
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 43,461	\$ 43,461
Other		-
Total Contributions	<u>43,461</u>	<u>43,461</u>
Investment earnings:		
Interest	17	17
Net investment earnings	<u>17</u>	<u>17</u>
Total additions	<u>43,478</u>	<u>43,478</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	18,247	18,247
Unemployment claims	<u>28,225</u>	<u>28,225</u>
Total deductions	<u>46,472</u>	<u>46,472</u>
Change in net position	(2,994)	(2,994)
Net position—beginning of the year	<u>47,725</u>	<u>47,725</u>
Net position—end of the year	<u>\$ 44,731</u>	<u>\$ 44,731</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2015**

	<u>Balance June 30, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Accounts Payable June 30, 2015</u>	<u>Balance June 30, 2015</u>
Elementary Schools	\$ 10,282	17,721	15,123		\$ 12,880
Middle School	19,752	113,929	115,770		17,911
Total Elementary Schools	<u>\$ 30,034</u>	<u>\$ 131,650</u>	<u>\$ 130,893</u>	<u>\$ -</u>	<u>\$ 30,791</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance June 30, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Net Payroll	\$ -	\$ 6,752,925	\$ 6,752,925	\$ -
Payroll deductions and withholdings	39,007	6,959,764	6,978,583	20,188
Interfund payable	1,251	200	1,442	9
Totals	<u>\$ 40,258</u>	<u>\$ 13,712,889</u>	<u>\$ 13,732,950</u>	<u>\$ 20,197</u>

**LONG-TERM DEBT**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**

**Long-Term Debt**

**Schedule of Bonds Payable  
Year Ended June 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance
			Date	Amount		July 1, 2014		June 30, 2015
School District Bonds	July 15, 2008	1,328,000	1/15/2016	90,000	4.250%			
			1/15/2017	95,000	4.250%			
			1/15/2018	100,000	4.250%			
			1/15/2019	105,000	4.250%			
			1/15/2020	110,000	4.250%			
			1/15/2021	110,000	4.250%			
			1/15/2022	115,000	4.250%			
	1/15/2023	120,000	3.800%					
						\$ 935,000	\$ 845,000	
						\$ -	\$ 90,000	\$ 845,000

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Bonds Payable**  
**Year Ended June 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance	
						July 1, 2014	June 30, 2015
School District Bonds	September 13, 2011	11,195,000	9/1/2015	460,000	2.500%		
			9/1/2016	465,000	2.500%		
			9/1/2017	475,000	2.500%		
			9/1/2018	490,000	2.500%		
			9/1/2019	505,000	3.000%		
			9/1/2020	520,000	3.000%		
			9/1/2021	545,000	3.000%		
			9/1/2022	560,000	3.000%		
			9/1/2023	580,000	3.000%		
			9/1/2024	605,000	3.125%		
			9/1/2025	640,000	3.375%		
			9/1/2026	665,000	3.500%		
			9/1/2027	690,000	3.625%		
			9/1/2028	720,000	4.000%		
			9/1/2029	765,000	4.000%		
			9/1/2030	795,000	4.000%		
			9/1/2031	830,000	4.000%		
						\$ 10,755,000	\$ 10,310,000
Grand Total						\$ 11,690,000	\$ 11,155,000

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of Obligations Under Capital Leases**  
**For the Fiscal Year Ended June 30, 2015**

Series	Interest Rate	Amount of Orig. Issue	Amount Outstanding July 1, 2014	Issued	Retired	Amount Outstanding June 30, 2015
Acquisition of School Bus	4.20%	52,852	9,346		9,346	-
Acquisition of School Buses	3.88%	195,714	67,636		33,175	34,461
Acquisition of School Bus	3.20%	82,900	42,061		13,581	28,480
Acquisition of School Bus	2.70%	87,000	44,048		14,293	29,755
Acquisition of School Bus	3.20%	90,784	46,061		14,873	31,188
Acquisition of School Buses	2.40%	101,875	67,885		16,372	51,513
Acquisition of School Buses	2.40%	179,216	119,421		28,801	90,620
Acquisition of School Buses	1.95%	213,404	176,098		33,873	142,225
Acquisition of Photocopiers	1.85%	128,576	86,874		25,368	61,506
Boilers/Window Replacements				926,000	-	926,000
			<u>\$ 659,430</u>	<u>\$ 926,000</u>	<u>\$ 189,682</u>	<u>\$ 1,395,748</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 850,094	\$ -	\$ 850,094	\$ 850,094	\$ -
State Sources:					
Debt Service Aid Type II	44,111	-	44,111	44,111	-
Total - State Sources	44,111	-	44,111	44,111	-
Total Revenues	894,205	-	894,205	894,205	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	387,544	(1,056)	386,488	386,488	-
Redemption of Principal	533,944	1,056	535,000	535,000	-
Total expenditures	921,488	-	921,488	921,488	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,283)	-	(27,283)	(27,283)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				239	239
Transfer from Capital Reserve-					
Local share of debt service	27,283	-	27,283	517,683	490,400
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	490,639	490,639
Fund Balance, July 1		-		-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 490,639	\$ 490,639



**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### **Introduction to the Statistical Section**

### **Financial Trends**

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
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- J-5 General Fund Other Local Revenue by Source

### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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### **Debt Capacity**

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# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**Unaudited**

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	1,074,734	985,778	1,002,124	703,541	570,971	143,031	(9,723,632)	(827,219)	(350,659)	(904,942)
Restricted	1,444,597	1,110,343	524,326	578,176	936,290	1,090,895	11,661,862	3,833,114	2,670,181	3,156,626
Unrestricted	(28,438)	(118,375)	(426,002)	(263,647)	(224,912)	(174,310)	(415,855)	(222,190)	(254,934)	(9,018,577)
<b>Total Governmental Activities Net Position</b>	<b>2,490,893</b>	<b>1,977,746</b>	<b>1,100,448</b>	<b>1,018,070</b>	<b>1,282,349</b>	<b>1,059,616</b>	<b>1,522,375</b>	<b>2,783,705</b>	<b>2,064,588</b>	<b>(6,766,893)</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	7,971	7,028	6,086	5,143	4,200	7,827	11,352	23,034	28,419	39,482
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	48,827	54,923	61,097	69,732	77,475	80,437	88,993	84,212	75,214	56,384
<b>Total Business-type Activities Net Position</b>	<b>56,798</b>	<b>61,951</b>	<b>67,183</b>	<b>74,875</b>	<b>81,675</b>	<b>88,264</b>	<b>100,345</b>	<b>107,246</b>	<b>103,633</b>	<b>95,866</b>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	1,082,705	992,806	1,008,210	708,684	575,171	150,858	(9,712,280)	(804,185)	(322,240)	(865,460)
Restricted	1,444,597	1,110,343	524,326	578,176	936,290	1,090,895	11,661,862	3,833,114	2,670,181	3,156,626
Unrestricted	20,389	(63,452)	(364,905)	(193,915)	(147,437)	(93,873)	(326,862)	(137,978)	(179,720)	(8,962,193)
<b>Total District Net Position</b>	<b>2,547,691</b>	<b>2,039,697</b>	<b>1,167,631</b>	<b>1,092,945</b>	<b>1,364,024</b>	<b>1,147,880</b>	<b>1,622,720</b>	<b>2,890,951</b>	<b>2,168,221</b>	<b>(6,671,027)</b>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	7,338,224	8,017,286	8,457,445	8,358,243	8,206,764	7,599,176	7,383,642	7,396,607	7,608,013	8,337,825
Special Education	2,007,384	2,531,784	2,661,336	2,898,870	3,168,413	3,042,314	3,059,783	3,182,943	3,364,977	3,616,889
Other Special Instruction	258,364	219,566	246,678	239,041	233,106	278,732	341,543	283,203	237,416	261,340
Other Instruction	39,928	40,133	44,816	39,943	29,509	33,088	31,578	24,024	26,896	25,238
Support Services:										
Tuition	718,693	800,445	843,078	907,833	829,591	764,547	737,252	615,023	771,388	431,431
Student & Instruction Related Services	1,727,776	1,760,116	1,821,888	1,850,606	1,988,295	2,121,111	2,060,512	2,279,982	2,869,204	2,793,211
School Administrative Services	873,473	929,285	915,344	951,541	995,970	1,031,395	1,078,452	996,319	843,468	797,930
General Administrative Services	570,037	527,585	568,839	609,626	456,310	445,715	444,839	472,915	433,252	456,353
Central Services & Admin. Info. Technology	431,898	470,813	439,360	401,364	417,761	392,527	431,756	345,563	372,581	402,185
Plant Operations and Maintenance	1,794,687	1,831,750	1,830,897	1,707,840	1,732,297	1,796,831	1,818,857	1,826,745	2,054,148	2,040,536
Pupil Transportation	1,724,747	1,836,210	1,846,766	1,734,370	1,730,454	1,911,477	1,867,112	1,848,653	1,927,602	1,769,348
Unallocated Benefits	2,107,808	2,337,371	2,734,595	1,591,583	1,690,346	2,198,759	2,575,653	2,883,901	2,677,363	5,091,191
Capital outlay-undepreciable	-	-	-	-	-	27,679	1,609	-	-	30,633
Interest on Long-term Debt	-	-	-	41,233	55,724	52,603	334,485	334,323	474,526	381,359
Unallocated Depreciation	311,507	310,032	298,107	318,807	323,491	706,780	243,058	29,701	977,285	809,875
Total Governmental Activities Expenses	19,904,526	21,612,376	22,709,149	21,650,900	21,858,031	22,402,734	22,410,131	22,519,902	24,638,119	27,245,344
Business-type Activities:										
Food Service	389,512	427,374	422,685	430,614	432,803	423,811	441,814	440,760	428,696	437,785
Safety Town					3,951	3,736	3,670	3,577	3,937	4,250
Summer Music							3,137	9,548	12,869	13,721
Total Business-type Activities Expenses	389,512	427,374	422,685	430,614	436,754	427,547	448,621	453,885	445,502	455,756
Total District Expenses	20,294,038	22,039,750	23,131,834	22,081,514	22,294,785	22,830,281	22,858,752	22,973,787	25,083,621	27,701,100
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	649,929	718,679	671,830	660,714	660,714	1,018,940	698,326	662,535	756,899	1,323,147
Total Governmental Activities Program Revenues	649,929	718,679	671,830	660,714	660,714	1,018,940	698,326	662,535	756,899	1,323,147

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type Activities:</b>										
Charges for Services:										
Food Service	322,034	354,714	352,018	355,717	349,948	329,075	339,900	336,165	316,517	320,988
Safety Town					4,225	4,894	3,315	3,445	4,385	4,355
Summer Music	76,262	77,813	75,899	82,589	88,587	99,384	7,800	10,200	12,145	16,540
Operating Grants and Contributions	398,296	432,527	427,917	438,306	442,760	433,353	109,507	110,976	108,220	106,084
Total Business-type Activities Program Revenues	1,048,225	1,151,206	1,099,747	1,099,020	1,103,474	1,452,293	460,522	460,786	441,267	447,967
Total District Program Revenues							1,158,848	1,123,321	1,198,166	1,771,114
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(19,254,597)	(20,893,697)	(22,037,319)	(20,990,186)	(21,197,317)	(21,383,794)	(21,711,805)	(21,857,367)	(23,881,220)	(25,922,197)
Business-type Activities	8,784	5,153	5,232	7,692	6,006	5,806	11,901	6,901	(4,235)	(7,789)
Total District-wide Net Expense	(19,245,813)	(20,888,544)	(22,032,087)	(20,982,494)	(21,191,311)	(21,377,988)	(21,699,904)	(21,850,466)	(23,885,455)	(25,929,986)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	13,300,243	13,567,275	14,152,624	15,029,689	15,282,478	15,629,602	15,934,379	16,774,455	17,497,089	17,884,484
Unrestricted Federal and State Aid	4,909,820	5,613,014	5,698,821	4,660,088	4,778,732	4,050,113	4,696,118	4,892,662	4,661,948	6,424,029
Tuition Received	338,956	610,794	754,211	685,381	760,966	992,864	1,074,021	1,204,649	928,731	1,075,453
Interest on Investments	97,635	133,993	70,176	13,716	22,118	24,459	87,489	11,015	3,319	5,561
Miscellaneous Income	111,186	109,680	143,437	80,360	79,405	75,875	87,489	100,227	65,105	110,039
Transportation Fees	498,766	345,795	340,752	438,574	440,672	388,148	382,557	396,689	337,631	338,919
Federal and State Aid - Capital Outlay	-	-	-	-	-	-	-	-	-	-
Donated Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	19,256,606	20,380,551	21,160,021	20,907,808	21,364,371	21,161,061	22,174,564	23,379,697	23,493,823	25,838,485
Business-type Activities:										
Interest on Investments	-	-	-	-	794	783	180	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	622	22
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	-	-	-	-	794	783	180	-	622	22
Total District-wide	19,256,606	20,380,551	21,160,021	20,907,808	21,365,165	21,161,844	22,174,744	23,379,697	23,494,445	25,838,507
<b>Change in Net Position</b>										
Governmental Activities	2,009	(513,146)	(877,298)	(82,378)	167,054	(222,733)	462,759	1,522,330	(387,397)	(83,712)
Business-type Activities	8,784	5,153	5,232	7,692	6,800	6,589	12,081	6,901	(3,613)	(7,767)
Total District	10,793	(507,993)	(872,066)	(74,686)	173,854	(216,144)	474,840	1,529,231	(391,010)	(91,479)

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Fund Balances Governmental Funds**  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	1,444,597	1,110,343	524,326	578,176	936,290	1,090,895	1,750,417	2,671,778	2,443,516	1,799,896
Unreserved	434,303	298,743	(8,636)	94,726	136,723	180,357	146,363	122,213	148,211	160,866
Total General fund	1,878,900	1,409,086	515,690	672,902	1,073,013	1,271,252	1,896,780	2,793,991	2,591,727	1,960,762
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	-	-	-	9,911,445	1,161,336	226,665	1,356,730
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	125,982	125,982	76,482	23,682	-	-	-
Debt Service Fund	-	-	-	4,720	5,770	6,644	6,644	-	-	-
Total All Other Governmental Funds	-	-	-	130,702	131,752	83,126	9,941,771	1,161,336	226,665	1,356,730

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	13,300,243	13,567,275	14,152,624	15,029,689	15,282,478	15,629,602	15,934,379	16,774,455	17,497,089	17,884,484
Other Local Revenue	1,046,543	1,200,262	1,308,376	1,218,031	1,303,161	1,483,555	1,550,406	1,728,124	1,380,383	1,529,972
State Sources	5,130,618	5,892,277	5,945,899	4,894,869	4,759,718	4,329,802	4,845,306	5,163,178	4,928,476	5,208,369
Federal Sources	429,131	439,416	424,952	425,933	776,953	737,042	542,800	381,876	444,774	404,077
<b>Total Revenues</b>	<b>19,906,535</b>	<b>21,099,230</b>	<b>21,831,851</b>	<b>21,568,522</b>	<b>22,122,310</b>	<b>22,180,001</b>	<b>22,872,891</b>	<b>24,047,633</b>	<b>24,250,722</b>	<b>25,026,902</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular	6,167,515	6,504,184	7,172,429	7,072,550	6,853,405	7,599,176	7,414,884	7,435,734	7,608,013	8,337,825
Special	1,689,095	2,062,112	2,259,313	2,464,620	2,655,082	3,042,314	3,059,783	3,182,943	3,364,977	3,616,889
Other Special Instruction	214,126	174,391	205,675	193,650	186,475	278,732	341,543	283,203	237,416	261,340
Other Instruction	34,030	32,470	37,930	34,034	29,509	33,088	31,578	24,024	26,896	25,238
<b>Support Services:</b>										
Tuition	718,693	800,445	843,078	907,833	829,591	764,547	737,252	615,023	771,388	431,431
Student & inst. related services	1,487,437	1,473,219	1,577,481	1,605,415	1,708,023	2,121,111	2,060,512	2,279,982	2,869,204	2,793,211
General administration	544,781	490,941	520,069	576,685	419,185	462,977	444,839	434,990	453,252	456,353
School administrative services	780,113	795,642	769,869	801,327	826,100	1,031,395	1,078,452	996,319	843,468	797,930
Central services	314,165	344,549	338,843	311,735	316,567	392,527	393,831	345,563	332,888	334,223
Admin. information technology	52,460	39,611	36,246	30,085	36,000	37,925	37,925	37,925	39,693	67,962
Plant operations and maintenance	1,633,156	1,638,586	1,680,587	1,552,789	1,564,299	1,796,831	1,818,857	1,845,887	2,054,148	2,040,536
Pupil transportation	1,648,057	1,694,317	1,757,165	1,650,275	1,605,747	2,012,073	2,012,073	2,026,773	2,148,439	1,959,030
Employee benefits	4,512,651	5,503,017	5,375,348	4,165,744	4,561,726	2,236,356	2,705,237	2,898,226	2,693,093	2,922,803
Capital Outlay	216,086	219,482	279,059	1,270,409	52,852	349,616	1,494,586	9,280,393	1,253,130	487,543
Debt Service:										
Principal				28,220	73,000	75,000	80,000	80,000	525,000	535,000
Interest and Other Charges				56,440	56,440	53,338	50,150	568,138	400,056	386,488
<b>Total Governmental Fund Expenditures</b>	<b>20,012,365</b>	<b>21,772,966</b>	<b>22,853,092</b>	<b>22,665,371</b>	<b>21,774,001</b>	<b>22,309,002</b>	<b>23,761,502</b>	<b>32,335,123</b>	<b>25,601,061</b>	<b>25,453,802</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,830)	(673,736)	(1,021,241)	(1,096,849)	348,309	(129,001)	(888,611)	(8,287,490)	(1,350,339)	(426,900)
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In				32,940	67,426	85,577	99,190	77,011	84,711	817,922
Operating Transfers Out				(32,940)	(67,426)	(85,577)	(99,190)	(82,413)	(84,711)	(817,922)
Proceeds from Borrowing				1,328,000			1,195,000			
Funding of Temporary Notes										
Capital Leases (non-budgeted)										
<b>Total Other Financing Sources (Uses)</b>	<b>216,086</b>	<b>203,922</b>	<b>1,27,845</b>	<b>56,763</b>	<b>52,852</b>	<b>278,614</b>	<b>177,784</b>	<b>409,668</b>	<b>213,404</b>	<b>926,000</b>
<b>Net Changes in Fund Balance</b>	<b>216,086</b>	<b>203,922</b>	<b>127,845</b>	<b>1,384,763</b>	<b>52,852</b>	<b>278,614</b>	<b>11,372,784</b>	<b>404,266</b>	<b>213,404</b>	<b>926,000</b>
<b>Net Changes in Fund Balance</b>	<b>110,256</b>	<b>(469,814)</b>	<b>(893,396)</b>	<b>287,914</b>	<b>401,161</b>	<b>149,613</b>	<b>10,484,173</b>	<b>(7,883,224)</b>	<b>(1,136,935)</b>	<b>499,100</b>
Debt Service as a percentage of non-capital expenditures				0.13%	0.60%	0.58%	0.58%	2.81%	3.80%	3.69%

Source: District records.

Note: Noncapital expenditures are total expenditures, less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.



**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Interest Income</b>	<b>Transportation Fees</b>	<b>Tuition</b>	<b>Rentals</b>	<b>Miscellaneous</b>	<b>Annual Totals</b>
2006	97,635	498,766	338,956	55,000	56,186	1,046,543
2007	133,993	345,795	610,794	55,000	54,680	1,200,262
2008	70,176	340,752	754,211	100,000	43,237	1,308,376
2009	13,716	438,574	685,381	75,000	5,360	1,218,031
2010	22,118	440,672	760,966	75,000	4,405	1,303,161
2011	25,334	388,148	992,864	75,000	2,209	1,483,555
2012	13,291	382,557	1,074,021	75,000	5,537	1,550,406
2013	16,417	396,689	1,204,649	95,000	15,369	1,728,124
2014	3,319	337,631	928,731	65,000	105	1,334,786
2015	5,561	338,919	1,075,453	49,000	1,608	1,470,541

Source: District records.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less:		Public Utilities	Net Assessed Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
								Tax Exempt Property	a				
								b					b
2005	43,162,200	766,121,860	3,127,830	28,564,000	16,224,300	0	857,200,190	0	1,439,861	858,640,051	1,671,744,206	1.550	
2006	36,491,500	776,476,460	2,735,230	27,927,400	17,687,900	0	861,318,490	0	1,179,728	862,498,218	1,827,554,813	1.574	
2007	34,966,300	784,304,460	2,853,430	26,239,900	17,824,100	0	866,188,190	0	1,129,473	867,317,663	1,838,700,889	1.632	
2008	34,544,900	787,768,560	2,853,730	26,299,900	17,824,100	0	869,291,190	0	1,084,483	870,375,673	1,986,231,254	1.727	
2009	78,944,500	1,538,576,800	4,820,700	67,758,300	33,800,900	0	1,723,901,200	0	2,638,490	1,726,539,690	1,969,028,284	0.885	
2010	77,893,500	1,534,609,300	5,638,700	65,443,100	33,014,800	0	1,716,599,400	0	2,386,377	1,718,985,777	1,849,100,408	0.909	
2011	76,695,000	1,532,454,400	6,372,600	65,268,000	32,787,200	0	1,713,577,200	0	0	1,713,577,200	1,788,226,664	0.930	
2012	75,741,900	1,532,168,100	6,040,500	64,018,300	32,787,200	0	1,710,756,000	0	0	1,710,756,000	1,732,676,783	0.981	
2013*	72,592,500	1,296,995,400	4,944,700	58,605,700	27,696,500	0	1,460,834,800	0	0	1,460,834,800	1,663,039,694	1.198	
2014	72,228,000	1,299,371,100	4,943,600	57,819,200	26,997,700	0	1,461,359,600	0	0	1,461,359,600	1,631,134,925	1.224	

Source: Passaic County, Abstract of Ratables and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

\*Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed value.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
 Last Ten Fiscal Years  
*(rate per \$100 of assessed value)*  
*Unaudited*

Fiscal Year Ended June 30,	Ringwood School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Lakeland Regional School District	Borough of Ringwood	County of Passaic	
				0.983	0.852	0.935	
2005	1.550	-	1.550	0.983	0.852	0.935	4.320
2006	1.574	-	1.574	1.024	0.894	1.018	4.510
2007	1.632	-	1.632	1.005	0.977	1.046	4.660
2008	1.727	-	1.727	1.020	1.024	1.152	4.923
2009	0.885	-	0.885	0.531	0.539	0.574	2.529
2010	0.909	-	0.909	0.537	0.586	0.578	2.610
2011	0.930	-	0.930	0.524	0.599	0.601	2.654
2012	0.981	-	0.981	0.525	0.632	0.643	2.781
2013	1.198	-	1.198	0.566	0.748	0.767	3.279
2014	1.224	-	1.224	0.631	0.753	0.789	3.397

**Source: Municipal Tax Collector**

**Note:** NJS A 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
Principal Property Taxpayers,  
Current Year and Ten Years Ago  
Unaudited**

	2014			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
North Jersey District Water Supply	\$ 59,043,000	1	4.04%	\$ 23,179,000	1	2.80%
Ringwood Plaza, Ltd. Partnership	11,536,700	2	0.79%	5,237,400	2	0.63%
Franciscan Sisters of Ringwood Serler, LLC	4,291,000	5	0.29%	4,530,900	3	0.54%
Ringwood Associates (c/o Berger)	7,125,800	3	0.49%	1,851,200	8	0.19%
Cheese Works, 16-81 Inc.	4,347,400	4	0.36%	2,342,700	4	0.28%
Public Service Electric & Gas Co. Individual Taxpayer 1	2,967,500	8	0.20%	1,904,900	7	0.23%
Individual Taxpayer 2				2,189,000	5	0.26%
GKV Rental, L.L.C.				2,004,400	6	0.24%
Ponderosa Group, LLC	3,061,700	6	0.21%	1,680,100	10	0.19%
Ringwood Commons, LLC	2,852,900	7	0.21%			
Spring Lake Land, LLC	2,700,300	9	0.18%			
Verizon						
Tennessee Gas Transmission	2,407,600	10	0.16%	1,786,261	9	0.21%
<b>Total</b>	<b>\$ 100,333,900</b>		<b>6.93%</b>	<b>\$ 46,705,861</b>		<b>5.57%</b>

**Source:** Municipal Tax Assessor

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	13,300,243	13,300,243	100.00%	-
2007	13,567,275	13,567,275	100.00%	-
2008	14,152,624	14,152,624	100.00%	-
2009	15,029,689	15,029,689	100.00%	-
2010	15,282,478	15,282,478	100.00%	-
2011	15,629,602	15,629,602	100.00%	-
2012	15,934,379	15,934,379	100.00%	-
2013	16,774,455	16,774,455	100.00%	-
2014	17,497,089	17,497,089	100.00%	-
2015	17,884,484	17,884,484	100.00%	-

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

**a**

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	-	-	449,600	-	-	449,600	0.10%	35.84
2007	-	-	453,724	-	-	453,724	0.09%	36.14
2008	-	-	418,330	-	-	418,330	0.08%	33.30
2009	1,328,000	-	340,515	-	-	1,668,515	0.32%	132.40
2010	1,255,000	-	275,446	-	-	1,530,446	0.30%	120.39
2011	1,180,000	-	393,543	-	-	1,573,543	0.29%	128.60
2012	12,295,000	-	435,319	-	-	12,730,319	2.41%	1,039.55
2013	12,215,000	-	666,863	-	-	12,881,863	2.33%	1,044.42
2014	11,690,000	-	659,430	-	-	12,349,430	2.24%	998.90
2015	11,155,000	-	1,395,748	-	-	12,550,748	Not Available	Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	1,328,000	-	1,328,000	0.15%	105.38
2010	1,255,000	-	1,255,000	0.07%	98.73
2011	1,180,000	-	1,180,000	0.07%	96.44
2012	12,295,000	-	12,295,000	0.72%	1,004.00
2013	12,215,000	-	12,215,000	0.71%	990.35
2014	11,690,000	-	11,690,000	0.80%	945.56
2015	11,155,000	-	11,155,000	0.76%	Not Available

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit J-6 for property tax data.

**b** Population data can be found in Exhibit J-14.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**  
**Unaudited**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Ringwood	\$ 11,968,421	100.000%	\$ 11,968,421
County of Passaic	383,548,769	4.138%	15,871,248
Other debt	None		-
Subtotal, overlapping debt			<u>27,839,669</u>
<b>Borough of Ringwood School District Direct Debt:</b>			
Authorized but Not Issued			-
Issued and Outstanding			<u>11,155,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 38,994,669</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Passaic County Board of Taxation. Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ringwood. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.



**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
**Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 52,584,420	\$ 44,614,942	\$ 49,881,671	\$ 57,587,431	\$ 57,860,253	\$ 55,994,271	\$ 53,789,473	\$ 51,930,187	\$ 50,323,199	\$ 49,267,423
Total net debt applicable to limit	-	-	-	1,328,000	1,255,000	12,375,000	12,295,000	12,215,000	11,690,000	11,155,000
Legal debt margin	\$ 52,584,420	\$ 44,614,942	\$ 49,881,671	\$ 56,259,431	\$ 56,605,253	\$ 43,619,271	\$ 41,494,473	\$ 39,715,187	\$ 38,633,199	\$ 38,112,423
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	2.31%	2.17%	22.10%	22.86%	23.52%	23.23%	22.64%

Average equalized valuation of taxable property	\$ 1,642,247,437
Equalized valuation basis	
2014	\$ 1,629,163,434
2013	\$ 1,629,850,276
2012	\$ 1,667,728,602
	<u>\$ 4,926,742,312</u>
Debt limit (3% of average equalization value)	49,267,423
Total Net Debt Applicable to Limit	<u>11,155,000</u>
Legal debt margin	<u>\$ 38,112,423</u>

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

Year	Population <sup>a</sup>	Personal Income (Thousands) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2004	12,508	417,391,960	33,370	3.30%
2005	12,546	442,484,874	35,269	3.70%
2006	12,555	475,395,075	37,865	3.80%
2007	12,561	505,241,103	40,223	2.80%
2008	12,602	523,688,712	41,556	4.60%
2009	12,712	513,895,312	40,426	8.80%
2010	12,236	516,701,808	42,228	9.20%
2011	12,246	529,137,414	43,209	9.00%
2012	12,334	553,796,600	44,900	8.90%
2013	12,363	552,477,744	44,688	5.90%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development. Estimates as of July 1, 2003-12.

<sup>b</sup> Personal Income of the District is based on the population and per capita income.

<sup>c</sup> Per capita personal income by county estimated based upon Census Bureau midyear population estimates.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Ten Years Ago**  
**Unaudited**

	2014		2004			
<b>Employer</b>	<b>Employees</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>	<b>Employees</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>
	-		0.00%	-		0.00%

Information Not Available

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
*Unaudited*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	84	88	85	84	80	72	77	70	75	79
Special Education	22	22	21	22	22	24	26	24	25	30
Other Special Instruction	4	4	4	4	4	5	5	4	5	3
Other Instruction	10	10	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	6	5	8	13	16	9	13	18	17	17
School Administrative Services	5	5	12	11	11	11	11	11	10	11
General Administrative Services	2	2	3	3	3	3	3	3	5	6
Central Services & Admin. Info. Technology	-	-	-	-	-	-	-	-	-	1
Plant Operations and Maintenance	14	15	15	15	15	13	13	13	14	15
Pupil Transportation	30	30	32	30	30	31	29	29	29	26
Business and Other Support Services	-	-	6	6	6	6	6	6	6	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>177</b>	<b>181</b>	<b>186</b>	<b>188</b>	<b>187</b>	<b>174</b>	<b>183</b>	<b>178</b>	<b>186</b>	<b>193</b>

**Source:** District Personnel Records

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
 Operating Statistics,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff <sup>b</sup>	Elementary	Middle School				
2006	1,440	19,796,279	13,747	3.59%	126.00	15:01	1431	1,371	0.92%	95.81%	
2007	1,412	21,553,484	15,265	11.04%	130.00	13:01	1412	1,375	-1.33%	97.38%	
2008	1,369	22,574,033	16,489	4.73%	129.00	10:01	1372	1,315	-2.83%	95.85%	
2009	1,360	21,366,742	15,711	-5.35%	123.00	12:01	1368	1,310	-0.29%	95.76%	
2010	1,320	21,591,709	16,357	1.05%	125.00	13:01	1316	1,258	-3.80%	95.59%	
2011	1,287	20,608,892	16,013	-4.55%	122.00	12:01	1281	1,221	-2.66%	95.32%	
2012	1,260	22,136,766	17,569	7.41%	121.00	10:01	1259	1,226	-1.72%	97.38%	
2013	1,247	22,406,592	17,968	1.22%	119.00	10:01	1256	1,199	-0.24%	95.46%	
2014	1,227	23,422,875	19,090	4.54%	109.00	11:01	1226	1,170	-2.39%	95.43%	
2015	1,217	24,044,771	19,757	2.66%	113.00	11:01	1232	1,179	0.49%	95.70%	

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
**Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
E.G. Hewitt School (1937)										
Square Feet	40,911	40,911	40,911	40,911	40,911	40,911	40,911	48,695	48,695	48,695
Capacity (students)	268	268	270	270	270	270	270	420	420	420
Enrollment	313	330	310	308	308	290	290	272	284	288
Robert Erskine School (1960)										
Square Feet	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700
Capacity (students)	212	212	219	219	219	219	219	219	219	219
Enrollment	316	297	267	267	267	246	236	234	247	248
Peter Cooper School (1963)										
Square Feet	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213
Capacity (students)	277	277	291	291	291	291	291	291	291	291
Enrollment	304	276	303	284	284	292	290	290	263	260
<b><u>Middle School</u></b>										
Martin J. Ryerson (1970)										
Square Feet	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306
Capacity (students)	509	509	483	483	483	483	483	483	483	483
Enrollment	491	509	489	501	501	459	444	451	432	421
<b><u>Other</u></b>										
Administration Building										
Square Feet	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240
Transportation Office and Garage										
Square Feet	492	492	492	492	492	492	492	492	492	492

Number of Schools at June 30, 2015

- Elementary = 3
- Middle School = 1
- Other = 2

**Source:** District Facilities Office, ASSA, Long Range Facilities Plan

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Fiscal Years**  
**Unaudited**

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

School Facilities	Project #'s	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Martin J. Ryerson Middle School	N/A	216,579	185,108	176,945	170,113	169,020	173,100	131,157	135,250	240,547	222,000
E.G. Hewitt Intermediate School	N/A	120,798	102,726	110,051	86,957	74,664	66,597	69,068	83,375	113,101	104,381
Robert Erskine Elementary School	N/A	78,672	103,156	71,659	114,999	139,063	133,820	143,332	92,950	87,171	80,449
Peter Cooper Elementary School	N/A	100,846	130,955	90,900	109,612	107,058	104,624	120,753	133,671	110,894	102,344
<b>Total School Facilities</b>		<u>516,895</u>	<u>521,945</u>	<u>449,555</u>	<u>481,681</u>	<u>489,805</u>	<u>478,141</u>	<u>464,310</u>	<u>445,246</u>	<u>551,713</u>	<u>509,174</u>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy (1)		
Blanket Building and Contents, Limits of Liability per Occurrence	\$ 350,000,000	\$ 5,000
Crime Coverage		
Faithful Performance	\$ 500,000	\$ 500
Comprehensive General Liability	\$ 16,000,000	\$ 100
General Automobile Liability	\$ 16,000,000	\$ 1,000
Boiler and Machinery (1)	\$ 100,000,000	
School Board Legal Liability (2)	\$ 16,000,000	\$ 10,000
Workers' Compensation (3)	Statutory	
Student Accident Insurance (4)	\$ 1,000,000	
Surety Bonds		
Treasurer (5)	200,000	N/A
Board Secretary (6)	50,000	N/A

- (1) New Jersey SBA Insurance Group
- (2) New Jersey SBA Insurance Group
- (3) New Jersey SBA Insurance Group
- (4) National Union Fire Insurance Company
- (5) Hartford Fire Insurance Company
- (6) Association Insurance Group

**Source: District Records**



**SINGLE AUDIT SECTION**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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**INDEPENDENT AUDITOR'S 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 Education  
Borough of Ringwood School District  
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ringwood School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2015.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Ringwood Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ringwood Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ringwood Board of Education's internal control.

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



corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Ringwood 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Ringwood School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 4, 2015.

### ***Purpose of this Report***

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

*Paul J. Cuva*

Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. CS00076600

*Ferraioli, Wielkatz, Cerullo & Cuva, P.A.*

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 4, 2015



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS**  
**APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL**  
**CONTROL OVER COMPLIANCE IN ACCORDANCE WITH**  
**OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and  
Members of the Board of Education  
Borough of Ringwood School District  
County of Passaic, New Jersey

## **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Ringwood School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ringwood Board of Education's major federal and state programs for the year ended June 30, 2015. The Borough of Ringwood Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

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

Our responsibility is to express an opinion on compliance for each of the Borough of Ringwood Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ringwood Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Ringwood Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Ringwood Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

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

Management of the Borough of Ringwood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Ringwood Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. 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 Borough of Ringwood Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Ringwood Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated December 4, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Paul J. Cuva*

Paul J. Cuva, C.P.A.  
Licensed Public School Accountant  
No. CS00076600

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Certified Public Accountants  
Pompton Lakes, New Jersey

December 4, 2015



BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Due to Grantor	
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
Special Revenue Fund:														
Title I					6/30/2015									
Title II, Part A	84.010A	NCLB440015	61,504	7/1/2014	6/30/2015	(889)	(889)	48,427	(59,913)			(12,375)		59,913
Title II, Part A	84.0367A	NCLB440014	65,215	7/1/2014	6/30/2015	(889)	889							65,215
Title II, Part A	84.367A	NCLB440015	24,219	7/1/2014	6/30/2015	(1,100)	(1,100)	13,190	(22,703)			(10,613)		22,703
IDEA Part B, Basic Regular	84.027	NCLB440014	329,767	7/1/2014	6/30/2015	(1,100)	1,100							24,016
IDEA Part B, Basic Regular	84.027	IDEA440015	340,151	7/1/2014	6/30/2015	(55,341)	(55,341)	340,535	(321,446)			(36,252)		321,446
IDEA Part B, Preschool	84.173	IDEA440014	13,521	7/1/2014	6/30/2015	(1,638)	(1,638)	1,638						340,151
IDEA Part B, Preschool	84.173	IDEA440014	15,221	7/1/2013	6/30/2014	(1,638)	1,638							15,221
Total Special Revenue Fund						(58,968)	-	403,790	(404,062)			(59,240)		848,665
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Education</b>														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	24,684	7/1/2014	6/30/2015			24,883	(24,640)				243	24,640
Food Distribution Program	10.550	N/A	24,684	7/1/2013	6/30/2014	675			(675)					24,684
National School Lunch Program	10.555	N/A	76,408	7/1/2014	6/30/2015	(6,528)		69,424	(76,408)			(6,984)		76,408
National School Lunch Program	10.555	N/A	76,544	7/1/2013	6/30/2014	(6,528)		6,528						76,544
Special Milk Program	10.556	N/A	1,739	7/1/2013	6/30/2014	(201)		201						1,739
Total Enterprise Fund						(6,054)	-	101,036	(101,723)			(6,984)	243	204,015
Total Federal Financial Awards						(65,022)	\$ -	\$ 504,826	\$ (505,785)	\$ -	\$ -	\$ (66,224)	\$ 243	\$ 1,052,680

See accompanying Notes to the Schedules of Expenditures of Awards and Financial Assistance.

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SCHEDULE B

BOROUGH OF RINGWOOD SCHOOL DISTRICT  
Schedule of State Financial Assistance  
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years Balances	Balance at June 30, 2015		MEMO	
			From	To	Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
General Fund:														
Equalization Aid	15-495-034-5120-078	\$ 1,139,507	7/1/2014	6/30/2015				1,028,257	(1,139,507)				111,251	1,139,507
Transportation Aid	15-495-034-5120-014	660,581	7/1/2014	6/30/2015			594,523	(660,581)					66,058	660,581
Special Education Categorical Aid	15-495-034-5120-089	727,841	7/1/2014	6/30/2015			65,057	(727,841)					72,784	727,841
Security Aid	15-495-034-5120-084	98,526	7/1/2014	6/30/2015			143,369	(98,526)					9,852	98,526
Adjustment Aid	15-495-034-5120-085	159,299	7/1/2014	6/30/2015			89,183	(159,299)					15,930	159,299
Additional Adjustment Aid	15-495-034-5120-097	11,505	7/1/2014	6/30/2015			10,335	(11,505)					9,910	99,093
PerPupil Growth Aid	15-495-034-5120-098	11,505	7/1/2014	6/30/2015			10,335	(11,505)					1,150	11,505
PARCC Readiness	15-495-034-5120-073	57,761	7/1/2014	6/30/2015		(121,901)			(57,761)				1,150	11,505
Extraordinary Aid	14-100-034-5120-473	121,901	7/1/2013	6/30/2014									57,761	121,901
Non-Public Transportation Aid	15-495-034-5120-014	7,561	7/1/2013	6/30/2014		(10,811)			(7,561)				7,561	7,561
On-Behalf TPAF Pension	14-495-034-5120-014	10,811	7/1/2013	6/30/2014									10,811	10,811
On-Behalf TPAF NCOI Premium	15-495-034-5094-006	443,468	7/1/2014	6/30/2015			443,468	(443,468)					443,468	443,468
On-Behalf TPAF Post Retirement Medical	15-495-034-5094-007	31,906	7/1/2014	6/30/2015			31,906	(31,906)					31,906	31,906
Reimbursed TPAF Social Security Contrib.	15-495-034-5094-001	754,656	7/1/2014	6/30/2015			605,641	(754,656)					754,656	754,656
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	650,727	7/1/2013	6/30/2014		(60,597)			(102,923)				708,564	708,564
						(193,309)		4,648,753	(4,911,573)				288,085	5,675,012
Total General Fund														
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	15-100-034-5120-064	16,087	7/1/2014	6/30/2015			16,087	(16,082)						16,082
Textbook Aid	14-100-034-5120-064	15,687	7/1/2013	6/30/2014					(26)					15,661
Auxiliary Services:														
Compensatory Education	15-100-034-5120-067	83,309	7/1/2014	6/30/2015			83,309	(61,004)						61,004
Compensatory Education	14-100-034-5120-067	80,035	7/1/2013	6/30/2014					(10,102)					69,933
English as a Second Language	15-100-034-5120-067	914	7/1/2014	6/30/2014		10,102		914	(914)					914
English as a Second Language	14-100-034-5120-067	1,746	7/1/2013	6/30/2014					(960)					786
Transportation	15-100-034-5120-068	25,181	7/1/2014	6/30/2015			25,181	(25,181)						25,181
Handicapped Services:														
Supplemental Instruction	15-100-034-5120-066	32,957	7/1/2014	6/30/2015			32,957	(26,601)						26,601
Supplemental Instruction	14-100-034-5120-066	35,386	7/1/2013	6/30/2014					(12,767)					22,619
Examination & Classification	15-100-034-5120-066	38,547	7/1/2014	6/30/2015			38,547	(34,399)						34,399
Examination & Classification	14-100-034-5120-066	46,506	7/1/2013	6/30/2014					(8,930)					37,576
Corrective Speech	15-100-034-5120-066	26,505	7/1/2014	6/30/2015			26,505	(13,252)						13,252
Corrective Speech	14-100-034-5120-066	27,342	7/1/2013	6/30/2014					(8,281)					19,061
Nursing Services	15-100-034-5120-070	27,222	7/1/2014	6/30/2015			27,222	(24,971)						24,971
Technology Initiative	15-100-034-5120-373	8,640	7/1/2014	6/30/2015			8,640	(8,351)						8,351
Charter Education	14-100-034-5120-373	5,720	7/1/2013	6/30/2014					(303)					5,417
		7,076	7/1/2013	6/30/2014					(4,504)					6,314
Total Special Revenue Fund														
								259,362	(215,259)				762	388,122
Debt Service Fund:														
Debt Service Aid	15-495-034-5120-075	44,111	7/1/2014	6/30/2015			44,111	(44,111)						44,111
Capital Projects Fund:														
Schools Development Authority (SDA)	4400-053-14-1001	156,000												12,886
Schools Development Authority (SDA)	4400-053-14-1002	124,000												10,333
Schools Development Authority (SDA)	4400-060-14-1003	124,000												10,333
Schools Development Authority (SDA)	4400-053-14-1004	86,400												6,830
Total Capital Projects Fund														
														40,382
<b>State Department of Agriculture</b>														
Enterprise Fund:														
State School Lunch Program	15-100-010-3350-023	4,361	7/1/2014	6/30/2015			3,842	(4,361)						4,361
State School Lunch Program	14-100-010-3350-023	4,503	7/1/2013	6/30/2014		(626)	626		(519)					4,503
						(626)								8,864
Total Enterprise Fund														
								4,468	(4,361)					8,864
Total State Financial Assistance														
							\$ 4,956,694	\$ (5215,686)	\$ (41,369)	\$ (208,946)	\$ 762	\$ 48,607	\$ 288,085	\$ 6,156,491

See accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.



**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education, Borough of Ringwood School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards 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 of Expenditures of Federal Awards and State Financial Assistance are presented on 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 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,075) for the general fund and \$(7,352) 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$4,909,498	\$4,909,498
Special Revenue Fund	404,077	214,378	618,455
Capital Projects Fund		40,382	40,382
Debt Service Fund		44,111	44,111
Food Service Fund	<u>101,723</u>	<u>4,361</u>	<u>106,084</u>
Total Financial Awards	<u>\$505,800</u>	<u>\$5,212,730</u>	<u>\$5,718,530</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions 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, 2015.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified?                                       yes                          X       no
- 2. Significant deficiencies identified?                                       yes                          X       none reported

Noncompliance material to basic financial statements noted?                                       yes                          X       no

**Federal Awards**

Internal Control over major programs:

- 1. Material weakness(es) identified?                                       yes                          X       no
- 2. Significant deficiencies identified                                       yes                          X       none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?                                       yes                          X       no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027; 84.173</u>	<u>IDEA Cluster</u>

Dollar threshold used to distinguish between type A and type B programs: [520] \$300,000

Auditee qualified as low-risk auditee?                                       yes                          X       no

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

***Section I - Summary of Auditor's Results, (continued)***

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$ 300,000

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

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

Internal Control over major programs:

1. Material weakness(es) identified?                             \_\_\_\_\_ yes                       X   no

2. Significant deficiencies identified that are not  
considered to be material weaknesses?                     \_\_\_\_\_ yes                       X   none reported

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular Letter 04-04?                     \_\_\_\_\_ yes                       X   no

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
<u>State Aid - Public Cluster:</u>		
<u>15-495-034-5120-078</u>	(A)	<u>Equalization Aid</u>
<u>15-495-034-5120-089</u>	(A)	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	(A)	<u>Security Aid</u>
<u>15-495-034-5120-085</u>	(A)	<u>Adjustment Aid</u>
<u>15-495-034-5120-097</u>	(A)	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5095-098</u>	(A)	<u>PARCC Readiness Aid</u>

Note: (A) Tested as Major Type A Program.

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

*Section II - Financial Statement Findings*

None

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

None

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Status of Prior Year Findings**

No matters were reported.