

**SCHOOL DISTRICT OF THE
BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**School District
of**

Ramsey

**RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2016**

Comprehensive Annual Financial Report

of the

RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey

Year Ended June 30, 2016

Prepared by

Thomas W. O'Hern
Business Administrator/Board Secretary

OUTLINE OF CAFR

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INTRODUCTORY SECTION

RAMSEY BOARD OF EDUCATION
RAMSEY PUBLIC SCHOOLS
266 East Main Street
Ramsey, NJ 07446
Ph. (201) 785-2300

MATTHEW J. MURPHY, Ed.D.
SUPERINTENDENT OF SCHOOLS

THOMAS W. O'HERN
BUSINESS ADMINISTRATOR
BOARD SECRETARY

October 19, 2016

Honorable President and
Members of the Board of Education
Ramsey School District
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Ramsey School District for the fiscal year ending June 30, 2016, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations 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, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, the management's discussion and analysis, and the financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and new Jersey States Office of Management and budget Circular 15-08, , "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. REPORTING ENTITY AND ITS SERVICES: Ramsey School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement #34. All funds and account groups of the District are included in this report. The Ramsey School District 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 12. These include regular, vocational as well as special education for disabled students. During the 2015-2016 fiscal year, the average daily enrollment of 2,831 students is 47 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment Data

Fiscal Year	Average Daily Enrollment	% Change
2015-2016	2,831	-1.66%
2014-2015	2,878	-2.18%
2013-2014	2,942	-1.18%
2012-2013	2,977	-1.55%
2011-2012	3,024	-1.08%
2010-2011	3,057	-1.45%
2009-2010	3,102	-0.19%
2008-2009	3,108	-0.73%
2007-2008	3,131	0.17%
2006-2007	3,126	2.02%

2. ECONOMIC CONDITION AND OUTLOOK: The Ramsey community is essentially developed to almost capacity. The increase in ratables during the past decade has slowed as a result of a decline in new construction. As of 2006, there were only 31.0 acres of vacant land in the borough. As a result, the ratable base is not expected to increase significantly.

As a suburb of the New York Metropolitan area, the region has seen an increase of 0.1% in the consumer price index for the year ending June, 2016.

3. MAJOR INITIATIVES: The 2015-2016 school year saw several new projects and initiatives that deserve mention.

The District continued with a major 21st Century learning initiative that drives our curriculum, instruction, assessment, technology and professional development planning. District wide attention was spent on aligning the new, New Jersey Student Learning Standards and NGSS Standards. Extensive work was done in the area of Instructional Design and the creation of revised curriculum units. The i-Pad Initiative continued with intensive staff development and the co-teaching initiative was undertaken with support from TCNJ.

In addition, the District spent considerable time and resources to support the staff with the addition of support personnel, targeted professional development, and peer coaching.

The District Evaluation Advisory Committee (DEAC) continued to guide and monitor the implementation of the new Teacher Evaluation instrument. Budget dollars were used to purchase

the Stronge evaluation system, the My Learning Plan database, and to fund professional development in support of the requirements of the State mandate.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the District is 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 debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

6. 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.

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

8. **OTHER INFORMATION**: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo & Cuva, P.A. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and New Jersey State Office of Management and Budget Circular 15-08. The auditor’s report on the basic financial statements and specific required supplemental information 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.

9. **ACKNOWLEDGEMENTS**: We would like to express our appreciation to the members of the Ramsey School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:

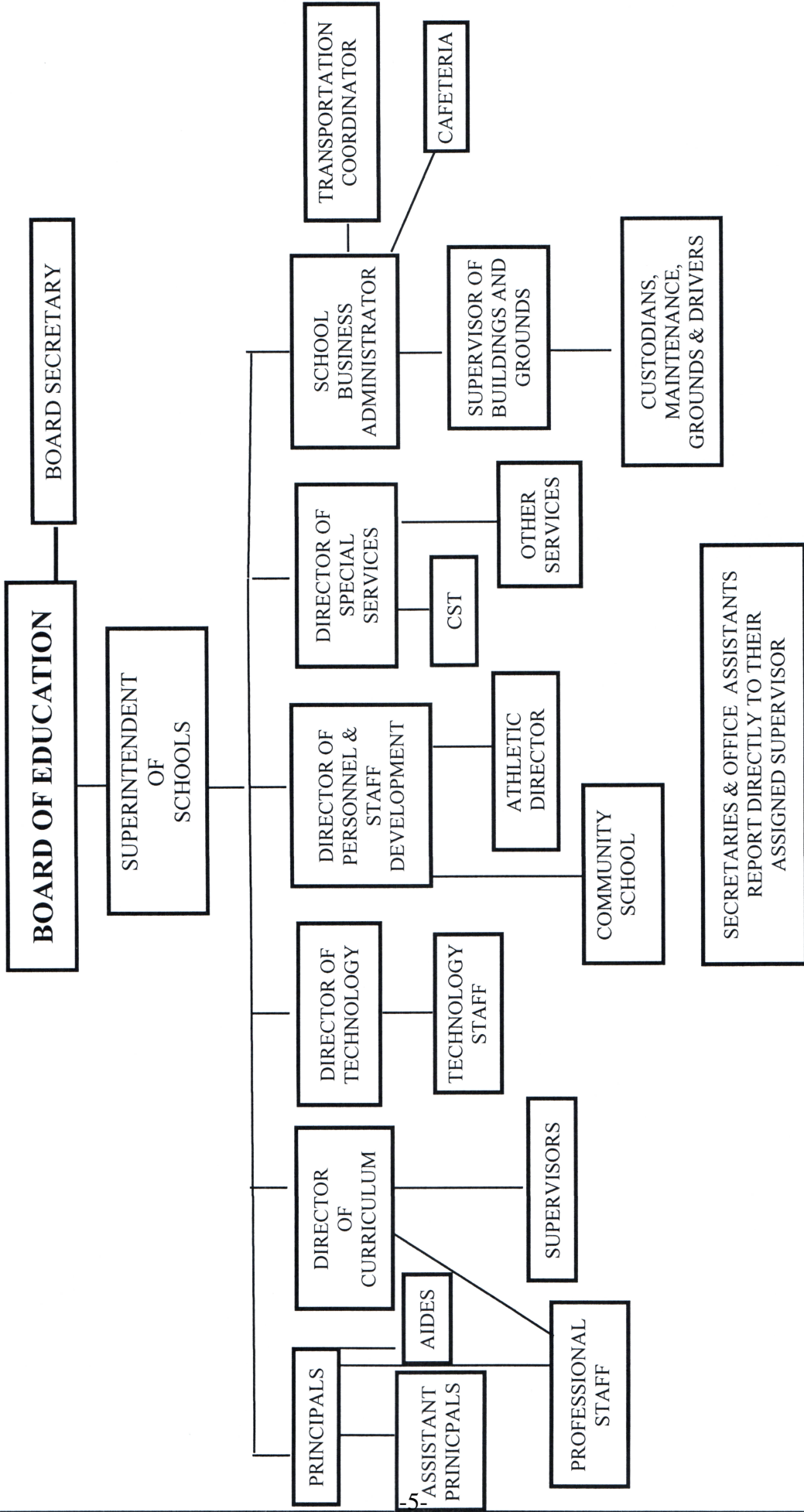
Matthew J. Murphy

Matthew J. Murphy, Ed.D.
Superintendent of Schools

Thomas W. O'Hern

Thomas W. O'Hern
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



RAMSEY PUBLIC SCHOOLS
RAMSEY, NEW JERSEY

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

**ROSTER OF OFFICIALS
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony Gasparovich, President	2018
Laura E. Genovese Behrmann	2018
William E. Curtin, Jr	2017
Mae Fine	2019
Timothy Finnegan	2017
James Meiman	2018
Claudia Monteith	2017
David Rockefeller	2019
Keri Walsh	2019

Other Officials

Dr. Matthew Murphy, Superintendent of Schools

Robert J. Marcotulli, Assistant Superintendent-Business Administrator/Board Secretary (7/1/15-12/31/15)

Thomas W. O'Hern, Business Administrator/Board Secretary (1/1/16-6/30/16)

Robert M. Jacobs, Esq. Solicitors

**RAMSEY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2016**

Architect/Engineer

Solutions Architecture
81 Clay Street
2nd Floor, Suite 2
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Audit Firm

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FINANCIAL SECTION

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Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey
Ramsey, 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 Borough of Ramsey School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2016, 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
Page 2.

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.

Opinion

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 Ramsey Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2016, 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
Page 3.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ramsey 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 October 19, 2016 on our consideration of the Borough of Ramsey Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of

Honorable President and
Members of the Board of Education
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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 Ramsey Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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

October 19, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

As management of the Borough of Ramsey School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Ramsey School District for the fiscal year ended June 30, 2016.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of 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, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased \$1,386,201. Net position of governmental activities increased \$1,359,819 while net assets of business-type activity increased by \$26,382.

General revenues accounted for \$69,842,939 in revenue or 97 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,929,095 or 3 percent of total revenues of \$71,772,034.

The School District had \$69,630,772 in expenses related to governmental activities; only \$1,199,952 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$69,790,639 were adequate to provide for these programs.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Ramsey School District's basic financial statements. The Borough of Ramsey School District's basic financial statements are comprised of three components: 1) district-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.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Ramsey School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Ramsey School District's assets and liabilities using the accrual basis of accounting, 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 Borough of Ramsey School District 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Ramsey School District 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 Borough of Ramsey School District include instruction, support services and special schools. The business-type activities of the Borough of Ramsey School District include the food service program.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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 Borough of Ramsey School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Ramsey School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. 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 district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Ramsey School District 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.

The Borough of Ramsey School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

The Borough of Ramsey School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Ramsey School District uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Ramsey School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position was \$17,641,770 at June 30, 2016 and \$16,255,569 at June 30, 2015, respectively. 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 below focuses on the net position for 2016 compared to 2015 (Table 1) and change in net position (Table 2) of the School District.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets						
Current and Other Assets	13,336,327	11,748,962	224,336	219,928	13,560,663	11,968,890
Capital Assets	<u>33,439,288</u>	<u>35,413,437</u>	<u>37,508</u>	<u>70,570</u>	<u>33,476,796</u>	<u>35,484,007</u>
Total Assets	<u>46,775,615</u>	<u>47,162,399</u>	<u>261,844</u>	<u>290,498</u>	<u>47,037,459</u>	<u>47,452,897</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	103,455	120,698			103,455	120,698
Differed Outflows of Resources						
Related to PERS	<u>3,887,406</u>	<u>1,522,924</u>	_____	_____	<u>3,887,406</u>	<u>1,522,924</u>
Total Deferred Outflows	<u>3,990,861</u>	<u>1,643,622</u>	_____	_____	<u>3,990,861</u>	<u>1,643,622</u>
Liabilities						
Current Liabilities	1,013,455	1,432,278	36,237	66,654	1,049,692	1,498,932
Noncurrent Liabilities	<u>31,211,374</u>	<u>29,476,275</u>	_____	_____	<u>31,211,374</u>	<u>29,476,275</u>
Total Liabilities	<u>32,224,829</u>	<u>30,908,553</u>	<u>36,237</u>	<u>66,654</u>	<u>32,261,066</u>	<u>30,975,207</u>
Deferred Inflows:						
Unamortized Bond Issuance						
Premiums	834,546	973,637			834,546	973,637
Deferred Inflows of Resources						
Related to PERS	<u>290,938</u>	<u>867,487</u>	_____	_____	<u>290,938</u>	<u>867,487</u>
Total Deferred Inflows	<u>1,125,484</u>	<u>1,841,124</u>	_____	_____	<u>1,125,484</u>	<u>1,841,124</u>
Net Assets						
Net Investment in Capital Assets	20,643,197	20,645,498	37,508	45,951	20,680,705	20,691,449
Restricted	12,285,224	10,271,833			12,285,224	10,271,833
Unrestricted	<u>(15,512,258)</u>	<u>(14,860,987)</u>	<u>188,099</u>	<u>153,274</u>	<u>(15,324,159)</u>	<u>(14,707,713)</u>
Total Net Position	<u>17,416,163</u>	<u>16,056,344</u>	<u>225,607</u>	<u>199,225</u>	<u>17,641,770</u>	<u>16,255,569</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2016 compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			653,461	538,095	653,461	538,095
Operating Grants and Contributions	1,199,952	1,183,677	75,682	99,580	1,275,634	1,283,257
General Revenues:						
Taxes:						
Property taxes	52,808,187	51,249,826			52,808,187	51,249,826
Federal and State Aid not Restricted	15,211,699	12,381,943			15,211,699	12,381,943
Federal and State Aid - Capital Outlay		562,284			0	562,284
Tuition Received	1,734,522	1,906,306			1,734,522	1,906,306
Miscellaneous Income	64,082	102,089	24,180		88,262	102,089
Investment Income	248	213	21	24	269	237
Other Financing Sources/(Uses)	<u>(28,099)</u>	<u> </u>	<u>28,099</u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues and Transfers	<u>70,990,591</u>	<u>67,386,338</u>	<u>781,443</u>	<u>637,699</u>	<u>71,772,034</u>	<u>68,024,037</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Functions/Program Expenses						
Instruction:						
Regular	27,057,690	25,249,007			27,057,690	25,249,007
Special Education	6,124,387	5,605,792			6,124,387	5,605,792
Other Special Instruction	861,548	984,373			861,548	984,373
Other Instruction	1,461,061	1,376,244			1,461,061	1,376,244
Support Services:						
Tuition	1,956,654	2,612,882			1,956,654	2,612,882
Student & Instruction						
Related Services	10,511,434	9,545,803			10,511,434	9,545,803
General Administrative						
Services	1,114,193	1,237,013			1,114,193	1,237,013
Central Services	755,885	644,652			755,885	644,652
Administrative Info. Tech.	49,480	17,460			49,480	17,460
School Administrative						
Services	2,613,838	2,506,659			2,613,838	2,506,659
Plant Operations and						
Maintenance	6,023,238	5,329,590			6,023,238	5,329,590
Pupil Transportation	1,496,661	1,437,641			1,496,661	1,437,641
Unallocated Benefits	6,775,837	5,098,594			6,775,837	5,098,594
Capital Outlay-						
Non-depreciable	359,968	39,074			359,968	39,074
Interest on Long-Term Debt	457,042	525,206			457,042	525,206
Unallocated depreciation	2,133,704	2,106,290			2,133,704	2,106,290
Capital Lease Obligation and						
Amortization	(121,848)	(121,848)			(121,848)	(121,848)
Food Service	<u> </u>	<u> </u>	<u>755,061</u>	<u>704,807</u>	<u>755,061</u>	<u>704,807</u>
Total Expenses	<u>69,630,772</u>	<u>64,194,432</u>	<u>755,061</u>	<u>704,807</u>	<u>70,385,833</u>	<u>64,899,239</u>
Increase or (Decrease) in						
Net Position	<u>1,359,819</u>	<u>3,191,906</u>	<u>26,382</u>	<u>(67,108)</u>	<u>1,386,201</u>	<u>3,124,798</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$70,385,833. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$52,808,187 because some of the cost was paid by those who benefitted from the programs \$653,461, by other governments and organizations who subsidized certain programs with grants and contributions \$1,275,634, unrestricted federal and state aid \$15,211,699, and by miscellaneous sources \$1,770,753.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$26,832.
- ✓ Charges for services provided totaled \$653,461 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$75,682.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2016, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$5,460,739	85.9%	\$1,348,605	2.53%
State Source	8,076,532	12.7%	368,303	4.78%
Federal Source	<u>912,923</u>	<u>1.4%</u>	<u>52,867</u>	6.15%
Total	<u>\$14,450,194</u>	<u>100.0%</u>	<u>\$1,769,775</u>	2.86%

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$25,374,288	41.2%	\$490,681	1.97 %
Undistributed	33,309,413	54.1 %	2,011,785	6.43%
Debt Service	2,324,000	3.9%	(68,164)	(2.85)%
Capital Outlay	<u>510,499</u>	<u>0.8%</u>	<u>(2,543,328)</u>	(83.28)%
Total	<u>\$61,518,200</u>	<u>100.0%</u>	<u>(\$109,026)</u>	(0.18)%

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2016, the School District amended the budgets of these major governmental funds 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:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$55,879 for increases in federal and state grant awards.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

General Fund

The general fund actual revenue was \$60,102,802. That amount is \$6,559,576 above the final amended budget of \$53,543,226. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$6,070,807 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$101,166 and an excess of \$387,603 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$58,022,350 including transfers which is \$2,976,357 above the final amended budget of \$55,045,993. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$6,070,807, and \$3,094,450 unexpended budgeted funds.

General fund had total revenues of \$60,102,802 and total expenditures and transfers of \$58,022,350 with an ending fund balance of \$13,070,777.

Special Revenue Fund

The special revenue fund actual revenue was \$1,199,952 including transfers. That amount is \$105,323 below the final amended budget of \$1,305,275. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,199,952, which is \$105,323 below the final amended budget of \$1,305,275. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016 the School District had \$64,720,094 invested in sites, buildings, equipment. Of this amount \$31,243,298 in depreciation has been taken over the years. We currently have a net book value of \$33,476,796. Table 3 shows fiscal year 2016 balances compared to 2015.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Sites and Improvements	\$4,425,700	\$4,425,700	\$	\$	\$4,425,700	\$4,425,700
Buildings and Improvements	27,046,076	28,611,976			27,046,076	28,611,976
Furniture, Equipment and Vehicles	<u>1,967,512</u>	<u>2,375,761</u>	<u>37,508</u>	<u>45,951</u>	<u>2,005,020</u>	<u>2,421,712</u>
	<u>\$33,439,288</u>	<u>\$35,413,437</u>	<u>\$37,508</u>	<u>\$45,951</u>	<u>\$33,476,796</u>	<u>\$35,459,388</u>

Debt Administration

At June 30, 2016, the District had \$31,211,374 of long-term debt. Of this amount, \$1,051,039 is for compensated absences, \$12,065,000 is school improvement serial bonds issues dated April 4, 2012, and \$18,095,335 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
School Refunding Bonds - 2012	<u>\$12,065,000</u>	<u>\$13,915,000</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2016-2017 school year that is greater than the level of the 2015-2016 school year.

These factors were considered in preparing the Borough of Ramsey School District's budgets for the 2016-2017 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Ramsey Board of Education's 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:

Thomas W. O'Hern
Business Administrator/Board Secretary
Ramsey Board of Education
266 East Main Street
Ramsey, NJ 07446

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

RAMSEY BOARD OF EDUCATION
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	4,595,653	113,070	4,708,723
Receivables, net	2,067,702	31,631	2,099,333
Internal balances	(70,315)	70,315	-
Inventory		9,320	9,320
Restricted assets:			
Capital reserve account - cash	6,743,287		6,743,287
Capital assets, net:			
Land	4,425,700		4,425,700
Other capital assets, net	29,013,588	37,508	29,051,096
Total Assets	<u>46,775,615</u>	<u>261,844</u>	<u>47,037,459</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	103,455		103,455
Deferred outflows of resources related to PERS	3,887,406		3,887,406
Total Deferred Outflows	<u>3,990,861</u>		<u>3,990,861</u>
LIABILITIES			
Accounts payable and accrued liabilities	954,284	36,237	990,521
Payable to state government	56,399		56,399
Unearned revenue	2,772		2,772
Noncurrent liabilities:			
Due within one year	1,865,000		1,865,000
Due beyond one year	29,346,374		29,346,374
Total liabilities	<u>32,224,829</u>	<u>36,237</u>	<u>32,261,066</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	834,546		834,546
Deferred inflows of resources related to PERS	290,938		290,938
Total Deferred Inflows	<u>1,125,484</u>		<u>1,125,484</u>
NET POSITION			
Net investment in capital assets	20,643,197	37,508	20,680,705
Restricted for:			
Debt service	461		461
Capital projects	7,070,742		7,070,742
Other purposes	5,214,021		5,214,021
Unrestricted (Deficit)	<u>(15,512,258)</u>	<u>188,099</u>	<u>(15,324,159)</u>
Total net position	<u>17,416,163</u>	<u>225,607</u>	<u>17,641,770</u>

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

RAMSEY BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	19,363,075	7,694,615		765,321	(26,292,369)		(26,292,369)
Special education	4,289,214	1,835,173			(6,124,387)		(6,124,387)
Other special instruction	628,383	233,165			(861,548)		(861,548)
Other instruction	1,093,616	367,445			(1,461,061)		(1,461,061)
Support services:							
Instruction	1,956,654				(1,956,654)		(1,956,654)
Student & instruction related services	7,679,351	2,832,083		434,631	(10,076,803)		(10,076,803)
General administrative services	944,821	169,372			(1,114,193)		(1,114,193)
School administrative services	1,901,811	712,027			(2,613,838)		(2,613,838)
Central Services	551,302	204,583			(755,885)		(755,885)
Administrative information tech.	49,480				(49,480)		(49,480)
Plant operations and maintenance	4,993,716	1,029,522			(6,023,238)		(6,023,238)
Pupil transportation	1,428,154	68,507			(1,496,661)		(1,496,661)
Unallocated benefits	6,775,837				(6,775,837)		(6,775,837)
Capital outlay - non-depreciable	359,968				(359,968)		(359,968)
Interest on long-term debt	457,042				(457,042)		(457,042)
Unallocated depreciation	2,133,704				(2,133,704)		(2,133,704)
Amortization	(121,848)				121,848		121,848
Total governmental activities	54,484,280	15,146,492	-	1,199,952	(68,430,820)	-	(68,430,820)
Business-type activities:							
Food Service	755,061		653,461	75,682		(25,918)	(25,918)
Total business-type activities	755,061		653,461	75,682		(25,918)	(25,918)
Total primary government	55,239,341		653,461	1,275,634	(68,430,820)	(25,918)	(68,456,738)
General revenues:							
Taxes:							
Levied for general purposes					50,496,209		50,496,209
Taxes levied for debt service					2,311,978		2,311,978
Federal and State aid not restricted					15,211,699		15,211,699
Tuition received					154,772		154,772
Tuition from Other LEAs Within the State					1,579,750		1,579,750
Transportation Fees					31,883		31,883
Investment Earnings					248	21	269
Miscellaneous Income					32,199	24,180	56,379
Other Financing Sources/(Uses)					(28,099)	28,099	-
Total general revenues, special items, extraordinary items and transfers					69,790,639	52,300	69,842,939
Change in Net Position					1,359,819	26,382	1,386,201
Net Position—beginning					16,056,344	199,225	16,255,569
Net Position—ending					17,416,163	225,607	17,641,770

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

FUND FINANCIAL STATEMENTS

RAMSEY BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Checking	5,584,683		239,941		5,824,624
Accounts Receivable -					
Intergovernmental - State	433,536		1,316,946		1,750,482
Intergovernmental - Federal	10,401	220,502			230,903
Interfund receivables	164,103			461	164,564
Other receivables	86,317				86,317
Restricted cash and cash equivalents:					
Capital Reserve	6,743,287				6,743,287
Total assets	<u>13,022,327</u>	<u>220,502</u>	<u>1,556,887</u>	<u>461</u>	<u>14,800,177</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash and cash equivalents			1,228,971		1,228,971
Intergovernmental payable:					
State		56,399			56,399
Interfund Payable	70,315	164,103	461		234,879
Unearned revenue	2,772				2,772
Total liabilities	<u>73,087</u>	<u>220,502</u>	<u>1,229,432</u>	<u>-</u>	<u>1,523,021</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,527,933				2,527,933
Excess Surplus - prior year - designated for subsequent year's expenditures	2,686,088				2,686,088
Capital reserve account	6,743,287				6,743,287
Assigned to:					
Capital projects fund			327,455		327,455
Debt service fund				461	461
Unassigned:					
General Fund	991,932				991,932
Total Fund balances	<u>12,949,240</u>	<u>-</u>	<u>327,455</u>	<u>461</u>	<u>13,277,156</u>
Total liabilities and fund balances	<u>13,022,327</u>	<u>220,502</u>	<u>1,556,887</u>	<u>461</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$64,272,000 and the accumulated depreciation, is \$30,832,712	33,439,288
Accounts payable for subsequent Pension payment is not a payable in the funds	(753,992)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,390,910 and accumulated amortization is \$556,364	(834,546)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$172,427 and accumulated amortization is \$68,972	103,455
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	3,887,406
Deferred inflows of resources related to PERS Pension Liability	(290,938)
Accrued interest liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	(200,292)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)	<u>(31,211,374)</u>
Net position of governmental activities	<u>17,416,163</u>

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

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	50,496,209			2,311,978	52,808,187
Tuition charges	154,772				154,772
Tuition from Other LEAs Within the State	1,579,750				1,579,750
Transportation Fees	31,883				31,883
Interest on Investments			248		248
Miscellaneous	32,199				32,199
Total - Local Sources	52,294,813	-	248	2,311,978	54,607,039
State sources	7,779,102	297,430			8,076,532
Federal sources	10,401	902,522			912,923
Total revenues	60,084,316	1,199,952	248	2,311,978	63,596,494
EXPENDITURES					
Current:					
Regular instruction	18,597,754	765,321			19,363,075
Special education instruction	4,289,214				4,289,214
Other special instruction	628,383				628,383
School sponsored/other instructional	1,093,616				1,093,616
Support services and undistributed costs:					
Instruction	1,962,999				1,962,999
Attendance and social work services	44,428				44,428
Health services	468,481				468,481
Student & instruction related services	6,731,811	434,631			7,166,442
General administrative services	944,821				944,821
School administrative services	1,904,490				1,904,490
Central services	551,302				551,302
Administrative information tech.	49,480				49,480
Plant operations and maintenance	4,993,716				4,993,716
Pupil transportation	1,428,154				1,428,154
Unallocated benefits	7,724,296				7,724,296
On-behalf contributions	6,070,807				6,070,807
Debt Service:					
Principal				1,850,000	1,850,000
Interest and charges				474,000	474,000
Capital outlay	510,499				510,499
Total expenditures	57,994,251	1,199,952	-	2,324,000	61,518,203
Excess (Deficiency) of revenues over expenditures	2,090,065	-	248	(12,022)	2,078,291
OTHER FINANCING SOURCES (USES)					
Transfers out - Enterprise Fund	(28,099)				(28,099)
Transfers out - Debt Service			(248)		(248)
Transfers in - Capital Projects				248	248
Total other financing sources and uses	(28,099)	-	(248)	248	(28,099)
Net change in fund balances	2,061,966	-	-	(11,774)	2,050,192
Fund balance—July 1	10,887,274	-	327,455	12,235	11,226,964
Fund balance—June 30	12,949,240	-	327,455	461	13,277,156

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

RAMSEY BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2) 2,050,192

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	(2,133,704)	
	Depreciable outlays	<u>159,555</u>	
			(1,974,149)

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 position and is not reported in the statement of activities. In the current year, these amounts consist of:

Serial bond obligations	1,850,000
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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 change in interest is an adjustment in the reconciliation.

Prior Year	217,250		
Current Year	<u>(200,292)</u>		16,958

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 (+).

Decrease in compensated absences payable	(46,241)
--	----------

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 changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	693,030	
	Less: Pension Expense	<u>(1,351,819)</u>	
	(Increase)/Decrease in Pension Expense		(658,789)

Per GASB No. 68, Non-employer contributing entities are required to record any 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.

Increase in On-behalf State Aid TPAF Pension	7,422,196
Increase in On-behalf TPAF Pension Expense	(7,422,196)

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)	139,091
--	---------

The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)	(17,243)
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Change in net position of governmental activities	<u><u>1,359,819</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2016

	Food Service Program
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	113,070
Accounts receivable:	
State	170
Federal	3,363
Interfund - General Fund	70,315
Other	28,098
Inventories	9,320
Total current assets	224,336
Noncurrent assets:	
Capital assets:	
Equipment	448,094
Less accumulated depreciation	(410,586)
Total capital assets (net of accumulated depreciation)	37,508
Total assets	261,844
Current liabilities:	
Accounts payable	36,237
Total current liabilities	36,237
<u>NET POSITION</u>	
Net investment in capital assets	37,508
Unrestricted	188,099
Total net position	225,607

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

Exhibit B-5

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2016

	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	113,233
Daily sales - non-reimbursable programs	457,758
Special functions	82,470
Total operating revenues	653,461
 Operating expenses:	
Cost of sales	292,881
Salaries	239,943
Benefits	66,340
Supplies and materials	29,910
Purchased property services	65,000
Cleaning repair & maintenance	52,544
Depreciation	8,443
Total operating expenses	755,061
Operating income (loss)	(101,600)
 Nonoperating revenues (expenses):	
State sources:	
State school lunch program	2,263
Federal sources:	
National school lunch program	43,785
Food distribution program	29,634
Miscellaneous - prior year void check	24,180
Interest Income	21
Total nonoperating revenues (expenses)	99,883
Income (loss) before contributions & transfers	(1,717)
 Other financing sources/(uses)	
Transfers in	28,099
Change in net position	26,382
Total net position—beginning	199,225
Total net position—ending	225,607

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

**RAMSEY BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2016**

	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	653,462
Payments to suppliers	(747,499)
Net cash provided by (used for) operating activities	(94,037)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Local Sources	108,461
Net cash provided by (used for) non-capital financing activities	108,461
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	21
Miscellaneous - prior year void check	24,180
Net cash provided by (used for) investing activities	24,201
Net increase (decrease) in cash and cash equivalents	38,625
Balances—beginning of year	74,445
Balances—end of year	113,070
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(101,600)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	8,443
Food Distribution Program	29,634
(Increase) decrease in inventories	(98)
Increase (decrease) in accounts payable	(30,416)
Total adjustments	7,563
Net cash provided by (used for) operating activities	(94,037)

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

RAMSEY BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	238,406	25,062	1,427,776
Interfund Receivable	26,577		
Total assets	<u>264,983</u>	<u>25,062</u>	<u>1,427,776</u>
LIABILITIES			
Payable to student groups			1,347,762
Payroll deductions and withholdings			22,446
Contribution Pledged to Specific Awards			30,991
Due to State of NJ	25,567		
Interfund Payable			26,577
Total liabilities	<u>25,567</u>	<u> </u>	<u>1,427,776</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	239,416		
Reserved for scholarships		25,062	
	<u>239,416</u>	<u>25,062</u>	

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

RAMSEY BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust Fund	Private Purpose Funds
ADDITIONS		
Contributions:		
Payroll withholdings	51,344	
Total Contributions	51,344	3
Investment earnings:		
Interest	229	
Net investment earnings	229	
Total additions	51,573	3
DEDUCTIONS		
Unemployment Claims	57,388	
Total deductions	57,388	11,000
Change in net position	(5,815)	(10,997)
Net position—beginning of the year	245,231	36,059
Net position—end of the year	239,416	25,062

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Borough of Ramsey School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ramsey School District is a Type II district located in the County of Bergen, 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-12. 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 Ramsey 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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.

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 - *government*, *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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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:

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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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:

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 Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 unearned 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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 Revenues/Receivable

Tuition charges were established by the Board of Education 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, 2016 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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.

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 fo the asset or materially extend an asset’s life are not.

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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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.

M. Unearned Revenue

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

Unearned 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

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.

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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

O. Accounting and Financial Reporting for Pensions (continued)

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond premiums.

Q. 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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

Q. 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.

R. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 is 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.

S. 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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

T. 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.

U. 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. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. 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.

V. 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.

W. 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, 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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

W. Recent Accounting Pronouncements, (continued)

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement is effective for fiscal years beginning after June 15, 2015. 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.

The Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

W. Recent Accounting Pronouncements, (continued)

The Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participation*, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and*

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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

W. Recent Accounting Pronouncements, (continued)

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 reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice

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, 2016, \$1,007 of the District's bank balance of \$14,648,519 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 allowance 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 4. RECEIVABLES

Receivables at June 30, 2016, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$1,750,482	\$170	\$1,750,652
Federal Aid	230,903	3,363	234,266
Other	86,317	28,098	114,415
Interfunds	<u>164,564</u>	<u>70,315</u>	
Gross Receivables	2,232,266	101,946	<u>2,099,333</u>
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$2,232,266</u></u>	<u><u>\$101,946</u></u>	<u><u>\$2,099,333</u></u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2016, consist of the following:

\$461	Due to the Debt Service Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
2,772	Due to the General Fund from the Special Revenue Fund for prior years Distance Learning Network Aid deferred revenue.
70,315	Due to the Food Service Fund from the General Fund for subsidy reimbursements received but not turned over and Board share of expenses paid.
38,027	Due to the General Fund from the Special Revenue Fund for reimbursement of expenditures.
<u>123,304</u>	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u><u>\$234,879</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2016 consisted of the following:

\$28,099 from the General Fund to the Enterprise Fund to cover the deficit, \$248 from the Capital Projects Fund to the Debt Service Fund for interest earnings.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	\$4,425,700	\$ _____	\$ _____	\$4,425,700
Total Capital Assets, Not Being Depreciated	<u>4,425,700</u>	_____	_____	<u>4,425,700</u>
Building and building improvements	49,630,824			49,630,824
Machinery and equipment	<u>10,058,771</u>	<u>159,555</u>	<u>(2,850)</u>	<u>10,215,476</u>
Totals at Historical Cost	<u>59,689,595</u>	<u>159,555</u>	<u>(2,850)</u>	<u>59,846,300</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(21,018,848)	(1,565,900)		(22,584,748)
Equipment	<u>(7,683,010)</u>	<u>(567,804)</u>	<u>2,850</u>	<u>(8,247,964)</u>
Total Accumulated Depreciation	<u>(28,701,858)</u>	<u>(2,133,704)</u>	<u>2,850</u>	<u>(30,832,712)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>30,987,737</u>	<u>(1,974,149)</u>	_____	<u>29,013,588</u>
Governmental Activities Capital Assets, Net	<u>\$35,413,437</u>	<u>(\$1,974,149)</u>	<u>\$ _____</u>	<u>\$33,439,288</u>
	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Business-Type Activity				
Equipment	448,094			448,094
Less Accumulated Depreciation For:				
Equipment	<u>(402,143)</u>	<u>(8,443)</u>	_____	<u>(410,586)</u>
Business-Type Activity Capital Assets, Net	<u>\$45,951</u>	<u>(\$8,443)</u>	<u>\$ _____</u>	<u>\$37,508</u>

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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

On April 4, 2012, the District issued \$16,700,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$16,714,000 and the total interest payments defeased was \$1,271,630. The net proceeds of \$17,918,483 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$172,427. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2016 are as follows:

	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$13,915,000	\$ _____	\$(1,850,000)	\$12,065,000	\$1,865,000	\$10,200,000
Total Bonds Payable	<u>13,915,000</u>	<u>_____</u>	<u>(1,850,000)</u>	<u>12,065,000</u>	<u>1,865,000</u>	<u>10,200,000</u>
Other Liabilities:						
Compensated absences payable	1,004,798	137,639	(91,398)	1,051,039		1,051,039
Net Pension Liability PERS	<u>14,556,477</u>	<u>3,538,858</u>	<u>_____</u>	<u>18,095,335</u>	<u>_____</u>	<u>18,095,335</u>
Total other liabilities	<u>15,561,275</u>	<u>3,676,497</u>	<u>(91,398)</u>	<u>19,146,374</u>	<u>_____</u>	<u>19,146,374</u>
Total Governmental Activities	<u>\$29,476,275</u>	<u>\$3,676,497</u>	<u>(\$1,941,398)</u>	<u>\$31,211,374</u>	<u>\$1,865,000</u>	<u>\$29,346,374</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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATIONS, (continued)

Outstanding bonds payable at June 30, 2016 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2016</u>
Refunding School Bonds	\$16,700,000	4/4/2012	2.0%-5.0%	1/15/2024	<u>\$12,065,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$1,865,000	\$437,000	\$2,302,000
2018	1,310,000	381,050	1,691,050
2019	1,355,000	341,750	1,696,750
2020	1,395,000	301,100	1,696,100
2021-2024	<u>6,140,000</u>	<u>976,950</u>	<u>7,116,950</u>
	<u>\$12,065,000</u>	<u>\$2,437,850</u>	<u>\$14,502,850</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District had no capital leases outstanding at June 30, 2016.

NOTE 8. OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2021. Total operating lease payments made during the year ended June 30, 2016 were \$86,376. Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$85,704
2018	81,079
2019	72,067
2020	43,611
2021	<u>3,006</u>
Total future minimum lease payments	<u>\$285,467</u>

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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.

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.

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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

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, 2016 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:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/16	\$693,030	\$22,333
6/30/15	640,940	21,736
6/30/14	568,443	9,521

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> 6/30/16	<u>Contributions</u> \$1,858,476	<u>Contributions</u> \$2,323,165	<u>Premium</u> \$92,577
6/30/15	1,313,105	2,084,557	88,131
6/30/14	928,960	1,657,587	81,996

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 \$1,796,589 during the year ended June 30, 2016 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$18,095,335 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the District's proportion was 0.0806100224 percent, which was an increase of 0.0000286242 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,351,819. At June 30, 2016, 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>
Difference in actual and expected experience	\$431,691	\$
Actual investment earnings on pension plan investments		290,938
Changes of assumptions	1,943,294	
Changes in proportion and differences between District contributions and proportionate share of contributions	758,429	
District contributions subsequent to the measurement date	<u>753,992</u>	<u> </u>
Total	<u>\$3,887,406</u>	<u>\$290,938</u>

The \$753,992 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$379,402
2018	379,402
2019	604,258
2020	341,585

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	0.0806100224%	0.0777475999%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 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	3.04 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, 2014 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 Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

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.

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, 2015 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, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$22,490,287	\$18,095,335	\$14,410,638

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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>153,511,329</u>
	<u>\$153,511,329</u>

The net pension liability was measured as of June 30, 2015, 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, 2015, the proportion of the TPAF net pension liability associated with the District was 0.2428812621%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$9,373,249 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

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.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 9. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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. 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,054 eligible retired members in Fiscal Year 2015.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. POST-RETIREMENT BENEFITS, (continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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:

AIM Fund Services	Equitable
American United Life	MFS Funds
Guardian Insurance	Lincoln
Mass Mutual	Merrill Lynch
Metropolitan Life	Travlers
Paul Revere	Union Central Life
Valic	

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

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 12. RISK MANAGEMENT, (continued)

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>
2015-2016	\$229	\$51,344	\$57,388	\$239,416
2014-2015	189	50,443	46,119	245,231
2013-2014	235	49,476	58,009	240,718

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Ramsey Board of Education by inclusion of \$502,000 on September 26, 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). 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:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$4,707,844
Increased by:	
Budget Appropriation	1,035,443
Budget Approved by Resolution - June 21, 2016	<u>1,000,000</u>
Ending balance, June 30, 2016	<u>\$6,743,287</u>

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$12,949,240 General Fund fund balance at June 30, 2016, \$5,214,021 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,686,088 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$6,743,287 has been reserved in the Capital Reserve Account; and \$991,932 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2016 of \$461 is unreserved and undesignated.

NOTE 15. 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, 2016 is \$5,214,021. Of this amount, \$2,527,933 is the result of current year operations.

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$4,317
Supplies	<u>5,003</u>
	<u>\$9,320</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 17. 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.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 17. CONTINGENT LIABILITIES, (continued)

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.

The Ramsey Education Association has filed a grievance against the District alleging that the District has violated applicable law by deducting dental insurance premiums from employees represented by the Ramsey Education Association. The grievance filed by the Association seeks a determination and order directing the District to reimburse, retroactively, all affected members of the Association on account of the monies that were allegedly illegally deducted. The Board is vigorously defending the claim, which has been denied through the various levels of the grievance procedure and which will now proceed to arbitration. While an arbitration date had previously scheduled, the arbitration hearing was recently adjourned and no new date has been set as yet.

NOTE 18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 19, 2016, 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

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	50,496,209		50,496,209	50,496,209	
Tuition	32,000		32,000	154,772	122,772
Tuition from Other LEAs Within the State	1,271,000		1,271,000	1,579,750	308,750
Transportation Fees from Individuals	20,000		20,000	31,883	11,883
Interest Earned on Capital Reserve Funds	5,000		5,000		(5,000)
Other Restricted Miscellaneous Revenues	43,001		43,001		(43,001)
Unrestricted Miscellaneous Revenues	40,000		40,000	32,199	(7,801)
Total - Local Sources	<u>51,907,210</u>		<u>51,907,210</u>	<u>52,294,813</u>	<u>387,603</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,124,738		1,124,738	1,124,738	
Categorical Security Aid	42,203		42,203	42,203	
Categorical Transportation Aid	73,635		73,635	73,635	
Extraordinary Aid	342,000		342,000	417,000	75,000
Other State Aids	53,440		53,440	53,440	
NTE Homeless Reimbursement				15,765	15,765
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,323,165	2,323,165
On-behalf TPAF Pension (non-budgeted)				1,858,476	1,858,476
On-behalf TPAF NCGI Premium (non-budgeted)				92,577	92,577
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,796,589	1,796,589
Total - State Sources	<u>1,636,016</u>		<u>1,636,016</u>	<u>7,797,588</u>	<u>6,161,572</u>
Revenues from Federal Sources:					
FEMA - Snow Removal				10,401	10,401
Total - Federal Sources				<u>10,401</u>	<u>10,401</u>
TOTAL REVENUES	<u>53,543,226</u>		<u>53,543,226</u>	<u>60,102,802</u>	<u>6,559,576</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	385,193	(170,000)	215,193	190,415	24,778
Grades 1-5 - Salaries of Teachers	5,995,440	59,604	6,055,044	6,046,774	8,270
Grades 6-8 - Salaries of Teachers	4,587,186	(198,000)	4,389,186	4,387,188	1,998
Grades 9-12 - Salaries of Teachers	7,381,546	(202,000)	7,179,546	7,111,797	67,749
Regular Programs - Home Instruction:					
Salaries of Teachers	88,500		88,500	81,374	7,126
Purchased Professional-Educational Services	10,000	32,500	42,500	25,537	16,963
General Supplies	1,000		1,000		1,000
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	114,450	(350)	114,100	96,040	18,060
Other Purchased Services (400-500 series)	68,054	(2,624)	65,430	60,049	5,381
General Supplies	427,303	6,435	433,738	417,073	16,665
Textbooks	206,933	(15,889)	191,044	177,042	14,002
Other Objects	5,777		5,777	4,465	1,312
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>19,271,382</u>	<u>(490,324)</u>	<u>18,781,058</u>	<u>18,597,754</u>	<u>183,304</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	975,088	(40,000)	935,088	911,001	24,087
Other Salaries for Instruction	703,185	120,000	823,185	823,067	118
General Supplies	7,200		7,200	6,806	394
Total Learning and/or Language Disabilities	<u>1,685,473</u>	<u>80,000</u>	<u>1,765,473</u>	<u>1,740,874</u>	<u>24,599</u>
Behavioral Disabilities					
Salaries of Teachers		102,775	102,775	56,755	46,020
Total Behavioral Disabilities		<u>102,775</u>	<u>102,775</u>	<u>56,755</u>	<u>46,020</u>
Multiple Disabilities					
Salaries of Teachers	254,827	22,000	276,827	276,651	176
Other Salaries for Instruction	139,187	58,000	197,187	181,005	16,182
Other Purchased Services (400-500 Series)	15		15	14	1
General Supplies	2,520		2,520	1,683	837
Total Multiple Disabilities	<u>396,549</u>	<u>80,000</u>	<u>476,549</u>	<u>459,353</u>	<u>17,196</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,623,754	161,000	1,784,754	1,695,797	88,957
Other Salaries for Instruction	29,472		29,472		29,472
Other Purchased Services (400-500 Series)	1,441		1,441	1,441	
General Supplies	23,342	(784)	22,558	20,366	2,192
Textbooks	7,620	(300)	7,320	4,903	2,417
Total Resource Room/Resource Center	<u>1,685,629</u>	<u>159,916</u>	<u>1,845,545</u>	<u>1,722,507</u>	<u>123,038</u>

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities- Full-Time:					
Salaries of Teachers	124,925		124,925	123,772	1,153
Other Salaries for Instruction	277,048	(6,000)	271,048	181,453	89,595
General Supplies	4,500		4,500	4,500	
Total Preschool Disabilities - Full-Time	<u>406,473</u>	<u>(6,000)</u>	<u>400,473</u>	<u>309,725</u>	<u>90,748</u>
Home Instruction:					
Salaries of Teachers	31,000		31,000		31,000
Total Home Instruction	<u>31,000</u>		<u>31,000</u>		<u>31,000</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>4,205,124</u>	<u>416,691</u>	<u>4,621,815</u>	<u>4,289,214</u>	<u>332,601</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	528,500	(136,500)	392,000	391,984	16
Other Salaries for Instruction	134,247	(50,000)	84,247	80,176	4,071
General Supplies	6,062	249	6,311	5,639	672
Total Basic Skills/Remedial - Instruction	<u>668,809</u>	<u>(186,251)</u>	<u>482,558</u>	<u>477,799</u>	<u>4,759</u>
Bilingual Education - Instruction					
Salaries of Teachers	100,902	47,500	148,402	147,928	474
General Supplies	1,480	728	2,208	1,884	324
Textbooks	1,500	(728)	772	772	
Total Bilingual Education - Instruction	<u>103,882</u>	<u>47,500</u>	<u>151,382</u>	<u>150,584</u>	<u>798</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	264,786	3,000	267,786	267,785	1
Purchased Services (300-500 series)	28,400	4,500	32,900	32,590	310
Supplies and Materials	7,174	4,540	11,714	10,335	1,379
Other Objects	3,300	1,575	4,875	4,496	379
Total School-Sponsored Co/Extra Curricular Activities - Instruction	<u>303,660</u>	<u>13,615</u>	<u>317,275</u>	<u>315,206</u>	<u>2,069</u>
School-Sponsored Athletics - Instruction					
Salaries	600,460	(3,000)	597,460	583,066	14,394
Purchased Services (300-500 series)	137,112	(7,389)	129,723	127,039	2,684
Supplies and Materials	43,339	3,849	47,188	47,010	178
Other Objects	22,975	(1,075)	21,900	21,295	605
Total School-Sponsored Athletics - Instruction	<u>803,886</u>	<u>(7,615)</u>	<u>796,271</u>	<u>778,410</u>	<u>17,861</u>
TOTAL INSTRUCTION	<u>25,356,743</u>	<u>(206,384)</u>	<u>25,150,359</u>	<u>24,608,967</u>	<u>541,392</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	744,650	55,000	799,650	768,155	31,495
Tuition to County Voc. School Dist. - Regular	192,060		192,060	180,546	11,514
Tuition to CSSD & Regional Day Schools	278,740	(55,000)	223,740	96,193	127,547
Tuition to Private Schools for the Disabled Within State	1,259,634	(178,775)	1,080,859	824,217	256,642
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	199,882		199,882	93,888	105,994
Total Undistributed Expenditures - Instruction:	<u>2,674,966</u>	<u>(178,775)</u>	<u>2,496,191</u>	<u>1,962,999</u>	<u>533,192</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	44,428		44,428	44,428	
Total Undistributed Expend. - Attend. & Social Work	<u>44,428</u>		<u>44,428</u>	<u>44,428</u>	
Undist. Expend. - Health Services					
Salaries	452,461	2,000	454,461	452,338	2,123
Other Purchased Services (400-500 Series)	524	53	577	504	73
Supplies and Materials	15,833	(26)	15,807	15,465	342
Other Objects	250		250	174	76
Total Undistributed Expenditures - Health Services	<u>469,068</u>	<u>2,027</u>	<u>471,095</u>	<u>468,481</u>	<u>2,614</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	678,652	(900)	677,752	660,733	17,019
Supplies and Materials	3,280	101	3,381	3,362	19
Total Undist. Expend. - Speech, OT, PT & Related Services	<u>681,932</u>	<u>(799)</u>	<u>681,133</u>	<u>664,095</u>	<u>17,038</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	333,769	(11,500)	322,269	286,460	35,809
Purchased Professional - Educational Services	553,000	1,000	554,000	480,288	73,712
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>886,769</u>	<u>(10,500)</u>	<u>876,269</u>	<u>766,748</u>	<u>109,521</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,139,325	161,000	1,300,325	1,169,382	130,943
Salaries of Secretarial and Clerical Assistants	185,306	1,500	186,806	186,402	404
Other Purchased Professional and Technical Services	124,700	14,000	138,700	138,381	319
Other Purchased Services (400-500 Series)	7,530		7,530	6,779	751
Supplies and Materials	19,979		19,979	17,871	2,108
Other Objects	1,897		1,897	1,865	32
Total Undist. Expend. - Guidance	<u>1,478,737</u>	<u>176,500</u>	<u>1,655,237</u>	<u>1,520,680</u>	<u>134,557</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,145,265	8,000	1,153,265	1,139,032	14,233
Salaries of Secretarial and Clerical Assistants	142,441		142,441	136,814	5,627
Other Purchased Professional and Technical Services	150,000		150,000	119,058	30,942

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Misc. Pur Services (400-500 Series)	15,965	48,000	63,965	37,703	26,262
Supplies and Materials	68,459	(70)	68,389	67,406	983
Other Objects	2,450	70	2,520	1,170	1,350
Total Undist. Expend. - Child Study Teams	1,524,580	56,000	1,580,580	1,501,183	79,397
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	189,183	500	189,683	189,496	187
Salaries of Other Professional Staff	90,000		90,000	76,883	13,117
Purchased Prof-Educational Services	30,000	22,200	52,200	47,090	5,110
Other Purch Prof. and Tech. Services	9,000	(4,000)	5,000		5,000
Supplies and Materials	21,500	4,500	26,000	25,602	398
Total Undist. Expend. - Improvement of Inst. Services	339,683	23,200	362,883	339,071	23,812
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	1,076,591	(2,000)	1,074,591	944,826	129,765
Salaries of Technology Coordinators	125,000	8,500	133,500	133,125	375
Other Purchased Services (400-500)	35,339	752	36,091	25,988	10,103
Supplies and Materials	998,056	(151,280)	846,776	772,984	73,792
Other Objects	805	100	905	812	93
Total Undist. Expend. - Educational Media Serv./Sch. Library	2,235,791	(143,928)	2,091,863	1,877,735	214,128
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	6,000	(3,000)	3,000	(2,354)	5,354
Purchased Professional - Educational Services	15,000	(100)	14,900	12,500	2,400
Other Purchased Services (400-500 Series)	45,000	(1,400)	43,600	43,389	211
Supplies and Materials	1,000		1,000		1,000
Other Objects	9,500		9,500	8,764	736
Total Undist. Expend. - Instructional Staff Training Serv.	76,500	(4,500)	72,000	62,299	9,701
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	416,631		416,631	392,194	24,437
Legal Services	93,000		93,000	53,149	39,851
Audit Fees	30,300	2,000	32,300	32,000	300
Architectural/Engineering Services	120,000	(8,000)	112,000	50,422	61,578
Other Purchased Professional Services	97,000		97,000	45,783	51,217
Purchased Technical Services	26,000		26,000	21,354	4,646
Communications/Telephone	68,100	25,000	93,100	89,671	3,429
BOE Other Purchased Services	5,500		5,500	3,435	2,065
Other Purch Services (400-500 Series)	264,422		264,422	204,901	59,521
General Supplies	69,000		69,000	18,468	50,532
Judgements Against The School District	25,000		25,000		25,000
Misc. Expenditures	6,500		6,500	5,840	660
BOE Membership Dues and Fees	31,500		31,500	27,604	3,896
Total Undist. Expend. - Supp. Serv. - General Administration	1,252,953	19,000	1,271,953	944,821	327,132
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,051,047	(8,000)	1,043,047	972,966	70,081
Salaries of Secretarial and Clerical Assistants	647,290	38,000	685,290	675,794	9,496
Purchased Professional and Technical Services	27,321	(1,422)	25,899	24,062	1,837
Other Purchased Services (400-500 series)	91,817	(5,917)	85,900	74,571	11,329
Supplies and Materials	150,111	4,751	154,862	147,157	7,705
Other Objects	10,382	880	11,262	9,940	1,322
Total Undist. Expend. - Support Serv. - School Administration	1,977,968	28,292	2,006,260	1,904,490	101,770
Undist. Expend. - Central Services					
Salaries	530,475	(757)	529,718	473,729	55,989
Unused Vacation Payment to Terminated/Retired Staff		40,757	40,757	40,757	
Purchased Professional Services	8,500		8,500	5,550	2,950
Misc. Pur Services (400-500 Series)	21,600	(3,000)	18,600	10,195	8,405
Supplies and Materials	33,000	(13,800)	19,200	19,187	13
Miscellaneous Expenditures	2,000		2,000	1,884	116
Total Undist. Expend. - Central Services	595,575	23,200	618,775	551,302	67,473
Undist. Expend. - Admin Info. Technology					
Information Technology					
Purchased Technical Services	22,000	35,000	57,000	49,480	7,520
Total Undist. Expend. - Support Serv. - Administrative	22,000	35,000	57,000	49,480	7,520
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	460,599	(25,500)	435,099	349,372	85,727
Cleaning, Repair and Maintenance Services	299,060	(50,000)	249,060	214,250	34,810
General Supplies	44,270	7,500	51,770	51,617	153
Total Undist. Expend. - Required Maint. for School Facilities	803,929	(68,000)	735,929	615,239	120,690
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,499,615	(45,000)	1,454,615	1,417,192	37,423
Salaries of Non-Instructional Aides	260,320		262,320	262,176	144
Purchased Professional and Technical Services		2,217	2,217	1,405	812
Cleaning, Repair and Maintenance Services	462,014	145,000	607,014	605,758	1,256
Rental of Land & Bldg. Oth. Than Lease Purch Agreement		1,800	1,800	1,800	

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Other Purchased Property Services	76,150	5,000	81,150	80,743	407
Insurance	354,400		354,400	344,899	9,501
Miscellaneous Purchased Services	4,940	4,000	8,940	8,759	181
General Supplies	253,505	60,000	313,505	313,014	491
Energy (Natural Gas)	359,000	(128,000)	231,000	173,731	57,269
Energy (Electricity)	449,500		449,500	444,541	4,959
Other Objects	38,181		38,181	16,666	21,515
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,757,625	47,017	3,804,642	3,670,684	133,958
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	198,593	15,000	213,593	212,095	1,498
Cleaning, Repair and Maintenance Services	206,370	82,000	288,370	287,853	517
General Supplies	54,439		54,439	47,882	6,557
Total Undist. Expend. - Care and Upkeep of Grounds	459,402	97,000	556,402	547,830	8,572
Undist. Expend. - Security (266)					
Salaries	123,798	19,500	143,298	143,109	189
Cleaning, Repair and Maintenance Services	22,075	(3,000)	19,075	14,449	4,626
General Supplies		5,000	5,000	2,405	2,595
Total Undist. Expend. - Security	145,873	21,500	167,373	159,963	7,410
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	69,700	(2,000)	67,700	11,800	55,900
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	117,000	30,000	147,000	146,834	166
Cleaning, Repair and Maintenance Services	30,000	(2,000)	28,000	7,743	20,257
Contract Services (Between Home & School)-Vendors	280,000		280,000	276,869	3,131
Contract Services (Other than Between Home & School)-Vendors	125,550	7,550	133,100	132,682	418
Contract Services (Sp. Ed. Students)-Vendors	800,000	500	800,500	800,397	103
Contract Services - Aid in Lieu Pymts - NonPub Sch.	50,000		50,000	32,285	17,715
Misc. Purchased Services - Transportation	4,200		4,200	1,906	2,294
General Supplies	500		500	196	304
Transportation Supplies	36,586		36,586	17,442	19,144
Total Undist. Expend. - Student Transportation Services	1,513,536	34,050	1,547,586	1,428,154	119,432
UNALLOCATED BENEFITS (291)					
Social Security Contributions	760,000		760,000	659,802	100,198
Other Retirement Contributions-PERS	815,616	(37,000)	778,616	693,030	85,586
Workmen's Compensation	240,000	32,528	272,528	271,580	948
Health Benefits	6,088,738		6,088,738	5,944,258	144,480
Tuition Reimbursement	150,000		150,000	64,084	85,916
Other Employee Benefits	90,000	26,472	116,472	91,542	24,930
Unused Sick Payment to Terminated/Retired Staff	50,000		50,000		50,000
TOTAL UNALLOCATED BENEFITS	8,194,354	22,000	8,216,354	7,724,296	492,058
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,323,165	(2,323,165)
On-behalf TPAF Pension (non-budgeted)				1,858,476	(1,858,476)
On-behalf TPAF NCGI Premium (non-budgeted)				92,577	(92,577)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,796,589	(1,796,589)
TOTAL ON-BEHALF CONTRIBUTIONS				6,070,807	(6,070,807)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	8,194,354	22,000	8,216,354	13,795,103	(5,578,749)
TOTAL UNDISTRIBUTED EXPENDITURES	29,135,669	178,284	29,313,953	32,874,785	(3,560,832)
TOTAL GENERAL CURRENT EXPENSE	54,492,412	(28,100)	54,464,312	57,483,752	(3,019,440)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 6-8	148,165		148,165	148,165	
Grades 9-12	148,165		148,165	129,803	18,362
Total Equipment	296,330		296,330	277,968	18,362
Undistributed					
Custodial Services	35,000	4,000	39,000	38,801	199
Care and Upkeep of Grounds	50,000		50,000	45,897	4,103
Security	106,700		106,700	87,260	19,440
School Buses-Special	57,000	(4,000)	53,000	52,022	978
Total Equipment	248,700		248,700	223,980	24,720

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	8,551		8,551	8,551	
Total Facilities Acquisition and Construction Services	<u>8,551</u>		<u>8,551</u>	<u>8,551</u>	
TOTAL CAPITAL OUTLAY	<u>553,581</u>		<u>553,581</u>	510,499	43,082
TOTAL EXPENDITURES	<u>55,045,993</u>	<u>(28,100)</u>	<u>55,017,893</u>	<u>57,994,251</u>	<u>(2,976,358)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,502,767)</u>	<u>28,100</u>	<u>(1,474,667)</u>	2,108,551	3,583,218
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)		(28,100)	(28,100)	(28,099)	(1)
Total Other Financing Sources/(Uses):		<u>(28,100)</u>	<u>(28,100)</u>	<u>(28,099)</u>	<u>(1)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,502,767)		(1,502,767)	2,080,452	3,583,217
Fund Balance, July 1	8,111,116		7,880,421	10,990,325	(3,109,904)
Fund Balance, June 30	<u>6,608,349</u>		<u>6,377,654</u>	<u>13,070,777</u>	<u>473,313</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Adjustment for Prior Year Encumbrances					
Increase in Capital Reserve:					
Principal	1,030,444		1,030,444	2,035,443	1,004,999
Interest Deposit to Capital Reserve	5,000		5,000		(5,000)
Budgeted Fund Balance	<u>(2,538,211)</u>		<u>(2,538,211)</u>	45,009	2,583,218
	<u>(1,502,767)</u>		<u>(1,502,767)</u>	<u>2,080,452</u>	<u>3,583,217</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,527,933	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,686,088	
Capital Reserve				6,743,287	
Unassigned Fund Balance				1,113,469	
Total Fund Balance per Governmental Funds (Budgetary)				<u>13,070,777</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				121,537	
Total Fund Balance per Governmental Funds (GAAP)				<u>12,949,240</u>	

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	392,448	(38,619)	353,829	297,430	(56,399)
Federal Sources	856,948	94,498	951,446	902,522	(48,924)
Total Revenues	1,249,396	55,879	1,305,275	1,199,952	(105,323)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	15,641	749	16,390	15,829	561
Other Salaries for Instruction		24,807	24,807	24,807	-
Other Purchased Services (400-500 series)	615,760	(28,876)	586,884	586,884	-
General Supplies	100,032	40,942	140,974	101,370	39,604
Textbooks	45,877	(5,050)	40,827	36,431	4,396
Total instruction	777,310	32,572	809,882	765,321	44,561
Support services:					
Personal Services - Employee Benefits	1,197	6,508	7,705	7,705	-
Purchased Professional - Educational Services	470,889	(9,776)	461,113	421,262	39,851
General Supplies		26,575	26,575	5,664	20,911
Total support services	472,086	23,307	495,393	434,631	60,762
Total Expenditures	1,249,396	55,879	1,305,275	1,199,952	105,323
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2016

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	60,102,802	1,199,952
Difference - budget to GAAP:			
The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		103,051	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(121,537)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	60,084,316	1,199,952
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	57,994,251	1,199,952
Differences - budget to GAAP		NONE	NONE
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	57,994,251	1,199,952

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0777475999%	\$ 14,556,477	\$ 5,608,577	259.54%	52.08%
2016	0.0806100224%	18,095,335	5,980,007	302.60%	94.63%

* 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.

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contributions		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 640,940	\$ (640,940)	\$ -	\$ -	\$ 5,608,577	11.43%	
2016	\$ 693,030	\$ (693,030)	\$ -	\$ -	\$ 5,980,007	11.59%	

* 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.

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	State's		District's	District's	District's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	District's Covered Payroll - TPAF Employee's	
2015	0.2389734233%	\$	\$ 127,723,517	\$	0.00%	25,046,127	33.64%
2016	0.2428812621%	-	153,511,329	-	0.00%	25,132,890	28.71%

* 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.

RAMSEY BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2016

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 (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 5.39% to 4.90%. 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 (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 4.68% to 4.13%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

Supplementary Schedules

SPECIAL REVENUE FUND

RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B		Title I, Part A	Title I, High Performance Award	Totals 2016
		Basic	Preschool			
REVENUES						
State Sources	297,430	734,997	31,257	70,363	10,000	297,430
Federal Sources	55,905					902,522
Total Revenues	353,335	734,997	31,257	70,363	10,000	1,199,952
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-			15,829		15,829
Other Salaries for Instruction	-		24,807			24,807
Other Purchased Services (400-500 series)	-	586,884				586,884
General Supplies	44,330	1,811		45,229	10,000	101,370
Textbooks	36,431					36,431
Total instruction	80,761	588,695	24,807	61,058	10,000	765,321
Support services:						
Personal Services - Employee Benefits	-		6,450	1,255		7,705
Purchased Professional - Educational Services	266,910	146,302		8,050		421,262
General Supplies	5,664					5,664
Total support services	272,574	146,302	6,450	9,305	-	434,631
Total Expenditures	353,335	734,997	31,257	70,363	10,000	1,199,952
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1b)	Title II, Part A Principal Training & Recruiting	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	N.J. Nonpublic Security Aid	Total Carried Forward
REVENUES							
State Sources	141,240		36,431	95,670	18,425	5,664	297,430
Federal Sources	-	55,905					55,905
Total Revenues	141,240	55,905	36,431	95,670	18,425	5,664	353,335
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-						-
Other Salaries for Instruction	-						-
Other Purchased Services (400-500 series)	-				18,425		44,330
General Supplies	-	25,905					36,431
Textbooks	-		36,431				
Total instruction	-	25,905	36,431	-	18,425	-	80,761
Support services:							
Personal Services - Employee Benefits	-			95,670			266,910
Purchased Professional - Educational Services	141,240	30,000					
General Supplies	-					5,664	5,664
Total support services	141,240	30,000	-	95,670	-	5,664	272,574
Total Expenditures	141,240	55,905	36,431	95,670	18,425	5,664	353,335
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2016

	N.J. Nonpublic Handicapped Services, Chapter 193		N.J. Nonpublic Auxiliary Services Chapter 192		Total Carried Forward
	Supplemental Instruction	Examination & Classification	Compensatory Education	ESL	
REVENUES					
State Sources	26,064	69,211	13,126	690	141,240
Federal Sources	-	-	-	-	-
Total Revenues	26,064	69,211	13,126	690	141,240
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional - Educational Services	26,064	69,211	13,126	690	141,240
General Supplies	-	-	-	-	-
Total support services	26,064	69,211	13,126	690	141,240
Total Expenditures	26,064	69,211	13,126	690	141,240
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

CAPITAL PROJECTS FUND

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2016

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	248
	248
	248

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
Transfer to Capital Reserve	-
Transfer to Debt Service Fund	248
	248
	248

Excess (deficiency) of revenues over (under) expenditures -

Fund balance - beginning 492,737

Fund balance - ending 492,737

Recapitulation:

Unrestricted Fund Balance 492,737

Reconciliation to Governmental Funds Statements (GAAP):

SDA Grant Receivable not Recognized on GAAP Basis (165,282)

Fund Balance per Governmental Funds 327,455

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	552,603		552,603	552,603
Bond proceeds and transfers	4,671,696		4,671,696	4,671,696
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>5,224,299</u>	<u>-</u>	<u>5,224,299</u>	<u>5,224,299</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	424,331		424,331	424,331
Land and improvements	-		-	-
Construction services	4,787,641		4,787,641	4,799,968
Equipment purchases	-		-	-
	<u>5,211,972</u>	<u>-</u>	<u>5,211,972</u>	<u>5,224,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,327</u>	<u>-</u>	<u>12,327</u>	<u>-</u>
Additional project information:				
Project number	4310-050-03-1051			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	4,542,187.00			
Additional authorized cost	682,112.00			
Revised authorized cost	5,224,299.00			
Percentage increase over original authorized cost	0.15			
Percentage completion	100%			
Original target completion date	September 2006			
Revised target completion date	September 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Building Partial Roof Replacement
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	98,116		98,116	98,116
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	200,574		200,574	200,574
Transfers from Capital Outlay	-		-	-
	<u>298,690</u>	<u>-</u>	<u>298,690</u>	<u>298,690</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	274,010		274,010	298,690
Equipment purchases	-		-	-
Transfer to Capital Reserve	-		-	-
	<u>274,010</u>	<u>-</u>	<u>274,010</u>	<u>298,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,680</u>	<u>-</u>	<u>24,680</u>	<u>-</u>
Additional project information:				
Project number	4310-055-05-1000-NE			
Grant Date	7/29/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	298,690.00			
Additional authorized cost				
Revised authorized cost	298,690.00			
Percentage increase over original authorized cost	-			
Percentage completion	92%			
Original target completion date	August 2007			
Revised target completion date	August 2007			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School PEC Sprinkler Systems
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	41,384		41,384	41,384
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	62,076		62,076	62,076
Transfers from Capital Outlay	-		-	-
	<u>103,460</u>	<u>-</u>	<u>103,460</u>	<u>103,460</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	89,000		89,000	103,460
Equipment purchases	-		-	-
	<u>89,000</u>	<u>-</u>	<u>89,000</u>	<u>103,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,460</u>	<u>-</u>	<u>14,460</u>	<u>-</u>
Additional project information:				
Project number	1310-050-090-1001-G02			
Grant Date	6/19/2009			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	103,460.00			
Additional authorized cost				
Revised authorized cost	103,460.00			
Percentage increase over original authorized cost	-			
Percentage completion	86%			
Original target completion date	October 2010			
Revised target completion date	October 2010			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Partial Roof Replacement and HVAC Upgrades
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	127,108		127,108	127,108
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	190,662		190,662	190,662
Transfers from Capital Outlay	-		-	-
	<u>317,770</u>	<u>-</u>	<u>317,770</u>	<u>317,770</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	216,253		216,253	317,770
Equipment purchases	-		-	-
	<u>216,253</u>	<u>-</u>	<u>216,253</u>	<u>317,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,517</u>	<u>-</u>	<u>101,517</u>	<u>-</u>
Additional project information:				
Project number	4310-050-10-1001-G0PB			
Grant Date	9/1/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	317,770.00			
Additional authorized cost				
Revised authorized cost	317,770.00			
Percentage increase over original authorized cost	-			
Percentage completion	68%			
Original target completion date	January 1, 2011			
Revised target completion date	January 1, 2011			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Window Replacement at Tisdale Elementary School
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	46,480		46,480	46,480
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	69,720		69,720	69,720
Transfers from Capital Outlay	-		-	-
	<u>116,200</u>	<u>-</u>	<u>116,200</u>	<u>116,200</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	110,055		110,055	116,200
Equipment purchases	-		-	-
	<u>110,055</u>	<u>-</u>	<u>110,055</u>	<u>116,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,145</u>	<u>-</u>	<u>6,145</u>	<u>-</u>
Additional project information:				
Project number	4310-080-14-1004			
Grant Date	Sept. 3, 2013			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	116,200.00			
Additional authorized cost				
Revised authorized cost	116,200.00			
Percentage increase over original authorized cost	-			
Percentage completion	95%			
Original target completion date	July 11, 2014			
Revised target completion date	July 11, 2014			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Boiler Replacement at Eric Smith School
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	344,600		344,600	344,600
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	516,900		516,900	516,900
Transfers from Capital Outlay	-		-	-
	<u>861,500</u>	<u>-</u>	<u>861,500</u>	<u>861,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	570,417		570,417	861,500
Equipment purchases	-		-	-
	<u>570,417</u>	<u>-</u>	<u>570,417</u>	<u>861,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>291,083</u>	<u>-</u>	<u>291,083</u>	<u>-</u>
Additional project information:				
Project number	4310-055-14-1003			
Grant Date	September 3, 2013			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	861,500.00			
Additional authorized cost				
Revised authorized cost	861,500.00			
Percentage increase over original authorized cost	-			
Percentage completion	66%			
Original target completion date	July 11, 2014			
Revised target completion date	July 11, 2014			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
HVAC Replacement in Gyms at Ramsey High School
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	290,095		290,095	290,095
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	665,837		665,837	665,837
Transfers from Capital Outlay	-		-	-
	<u>955,932</u>	<u>-</u>	<u>955,932</u>	<u>955,932</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	955,932		955,932	955,932
Equipment purchases	-		-	-
	<u>955,932</u>	<u>-</u>	<u>955,932</u>	<u>955,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-050-14-2000			
Grant Date	January 6, 2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	955,932.00			
Additional authorized cost				
Revised authorized cost	955,932.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date	July 12, 2014			
Revised target completion date	Aug. 31, 2015			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Sports Field Upgrade, Turf/Lights/Stormwater Control at Ramsey High School
Fiscal Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	-		-	-
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	1,200,000		1,200,000	1,200,000
Transfers from Capital Outlay	-		-	-
	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	250,504		250,504	200,000
Equipment purchases	906,971		906,971	1,000,000
	<u>1,157,475</u>	<u>-</u>	<u>1,157,475</u>	<u>1,200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,525</u>	<u>-</u>	<u>42,525</u>	<u>-</u>
Additional project information:				
Project number	4310-050-14-2000			
Grant Date	April 9, 2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,200,000.00			
Additional authorized cost				
Revised authorized cost	1,200,000.00			
Percentage increase over original authorized cost	-			
Percentage completion	96%			
Original target completion date	Aug. 31, 2014			
Revised target completion date	Aug. 31, 2014			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2016

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer to Capital Reserve	Unexpended Balance June 30, 2016
			Prior Years	Current Year		
Ramsey High School Building Additions and Renovations	September 23, 2003	5,224,299	5,211,972			12,327
Ramsey High School Building Partial Roof Replacement	July 29, 2005	298,690	274,010			24,680
Ramsey HS PEC Sprinkler Systems	June 19, 2009	103,460	89,000			14,460
Ramsey High School Partial Roof Replacement and HVAC Upgrades	September 1, 2010	317,770	216,253			101,517
Tisdale Elementary School at Window Replacement	September 3, 2013	116,200	110,055			6,145
Eric S. Smith Middle School Boiler Replacement	September 3, 2013	861,500	570,417			291,083
Ramsey High School HVAC Replacement in GYMS	January 6, 2014	955,932	955,932			-
Ramsey High School Sports Field Upgrade, Turf/Lights/Stormwater Control	April 9, 2014	1,200,000	1,157,475			42,525
		<u>9,077,851</u>	<u>8,585,114</u>		<u>-</u>	<u>492,737</u>

PROPRIETARY FUNDS

**RAMSEY BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2016**

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	113,070	113,070
Accounts receivable:		
State	170	170
Federal	3,363	3,363
Interfund - General Fund	70,315	70,315
Other	28,098	28,098
Inventories	9,320	9,320
Total current assets	224,336	224,336
Noncurrent assets:		
Capital assets:		
Equipment	448,094	448,094
Less accumulated depreciation	(410,586)	(410,586)
Total capital assets (net of accumulated depreciation)	37,508	37,508
Total assets	261,844	261,844
LIABILITIES		
Current liabilities:		
Accounts payable	36,237	36,237
Total current liabilities	36,237	36,237
NET POSITION		
Net investment in capital assets	37,508	37,508
Unrestricted	188,099	188,099
Total net position	225,607	225,607

RAMSEY BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	113,233	113,233
Daily sales - non-reimbursable programs	457,758	457,758
Special functions	82,470	82,470
Total operating revenues	<u>653,461</u>	<u>653,461</u>
 Operating expenses:		
Cost of sales	292,881	292,881
Salaries	239,943	239,943
Benefits	66,340	66,340
Supplies and materials	29,910	29,910
Purchased property services	65,000	65,000
Cleaning repair & maintenance	52,544	52,544
Depreciation	8,443	8,443
Total operating expenses	<u>755,061</u>	<u>755,061</u>
Operating income (loss)	<u>(101,600)</u>	<u>(101,600)</u>
 Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,263	2,263
Federal sources:		
National school lunch program	43,785	43,785
Food distribution program	29,634	29,634
Miscellaneous - prior year void check	24,180	24,180
Interest Income	21	21
Total nonoperating revenues (expenses)	<u>99,883</u>	<u>99,883</u>
Income (loss) before contributions & transfers	<u>(1,717)</u>	<u>(1,717)</u>
 Other financing sources/(uses)		
Transfers in	28,099	28,099
Change in net position	26,382	26,382
Total net position—beginning	<u>199,225</u>	<u>199,225</u>
Total net position—ending	<u>225,607</u>	<u>225,607</u>

RAMSEY BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2016

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	653,462	653,462
Payments to suppliers	(747,499)	(747,499)
Net cash provided by (used for) operating activities	(94,037)	(94,037)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Sources	108,461	108,461
Net cash provided by (used for) non-capital financing activities	108,461	108,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	21	21
Miscellaneous - prior year void check	24,180	24,180
Net cash provided by (used for) investing activities	24,201	24,201
Net increase (decrease) in cash and cash equivalents	38,625	38,625
Balances—beginning of year	74,445	74,445
Balances—end of year	113,070	113,070
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(101,600)	(101,600)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	8,443	8,443
Food Distribution Program	29,634	29,634
(Increase) decrease in inventories	(98)	(98)
Increase (decrease) in accounts payable	(30,416)	(30,416)
Total adjustments	7,563	7,563
Net cash provided by (used for) operating activities	(94,037)	(94,037)

FIDUCIARY FUND

RAMSEY BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust Fund	Private Purpose Funds	Agency Funds
ASSETS			
Cash and cash equivalents	238,406	25,062	1,427,776
Interfund receivable	26,577		
Total assets	264,983	25,062	1,427,776
LIABILITIES			
Payable to student groups			1,347,762
Payroll deductions and withholdings			22,446
Contributions pledged to specific awards			30,991
Due to State of NJ	25,567		
Interfund payable			26,577
Total liabilities	25,567	-	1,427,776
NET Position			
Held in trust for unemployment claims and other purposes	239,416		
Reserved for scholarships		25,062	

RAMSEY BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust Fund	Private Purpose Funds
ADDITIONS		
Contributions:		
Payroll withholdings	51,344	
Donations		3
Total Contributions	51,344	3
Investment earnings:		
Interest	229	
Net investment earnings	229	-
Total additions	51,573	3
DEDUCTIONS		
Unemployment Claims	57,388	
Scholarships awarded		11,000
Total deductions	57,388	11,000
Change in net position	(5,815)	(10,997)
Net position—beginning of the year	245,231	36,059
Net position—end of the year	239,416	25,062

RAMSEY BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Elementary Schools:				
Wesley D. Tisdale School	12,831	18,969	22,609	9,191
Mary A. Hubbard School	1,544	18,797	19,005	1,336
John Y. Dater School	1,957	27,336	26,569	2,724
Total Elementary Schools	<u>16,332</u>	<u>65,102</u>	<u>68,183</u>	<u>13,251</u>
Middle School:				
Eric S. Smith School	24,024	81,220	84,119	21,125
Total Middle Schools	<u>24,024</u>	<u>81,220</u>	<u>84,119</u>	<u>21,125</u>
High School:				
High School	227,074	449,240	404,895	271,419
Student Fund	5,725	100,164	99,842	6,047
Total High Schools	<u>232,799</u>	<u>549,404</u>	<u>504,737</u>	<u>277,466</u>
Athletic Departments:				
Athletic Department	1,510	119,664	119,664	1,510
Total Athletic Department	<u>1,510</u>	<u>119,664</u>	<u>119,664</u>	<u>1,510</u>
Adult Education:				
Due to Nonsupportive Enrichment Adult Program	806,978	1,426,281	1,198,849	1,034,410
Total Adult Education	<u>806,978</u>	<u>1,426,281</u>	<u>1,198,849</u>	<u>1,034,410</u>
Total All Schools	<u>\$ 1,081,643</u>	<u>2,241,671</u>	<u>1,975,552</u>	<u>1,347,762</u>

**RAMSEY BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Net Payroll	1,472	21,705,644	21,706,479	637
Payroll Deductions and Withholdings	9,156	17,500,294	17,500,601	8,849
Flexible Spending Account	15,647	84,875	87,562	12,960
Interfund Payable - UCI	21,835	13,669	8,927	26,577
	<u>48,110</u>	<u>39,304,482</u>	<u>39,303,569</u>	<u>49,023</u>

**RAMSEY BOARD OF EDUCATION
 Contributions Pledged to Specific Awards
 Schedule of Receipts and Disbursements
 Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Contributions Pledged to Specific Awards	<u>33,533</u>	<u>60,573</u>	<u>63,115</u>	<u>30,991</u>
Total Contributions Pledged to Specific Awards	<u><u>33,533</u></u>	<u><u>60,573</u></u>	<u><u>63,115</u></u>	<u><u>30,991</u></u>

LONG-TERM DEBT

RAMSEY BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2016

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Principal Payment Date</u>	<u>Principal Payment Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Refunding Bond	April 4, 2012	16,700,000	1/15/17	1,865,000	3.00%	13,915,000	1,850,000	12,065,000
			1/15/18	1,310,000	3.00%			
			1/15/19	1,355,000	3.00%			
			1/15/20	1,395,000	3-4%			
			1/15/21	1,455,000	3.000%			
			1/15/22	1,500,000	4.00%			
			1/15/23	1,560,000	4.00%			
			1/15/24	1,625,000	5.00%			
						\$ 13,915,000	1,850,000	12,065,000

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	2,311,978		2,311,978	2,311,978	-
Total - Local Sources	2,311,978	-	2,311,978	2,311,978	-
Total Revenues	2,311,978	-	2,311,978	2,311,978	-
EXPENDITURES:					
Regular Debt Service:					
Interest	474,000	-	474,000	474,000	-
Redemption of Principal	1,850,000	-	1,850,000	1,850,000	-
Total Regular Debt Service	2,324,000	-	2,324,000	2,324,000	-
Total expenditures	2,324,000	-	2,324,000	2,324,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,022)	-	(12,022)	(12,022)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Project Fund				248	248
Total Other Financing Sources	-	-	-	248	248
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(12,022)	-	(12,022)	(11,774)	248
Fund Balance, July 1	12,022	-	12,022	12,235	213
Fund Balance, June 30	-	-	-	461	461
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(12,022)		(12,022)	(12,022)	-
Interest Earned in Capital Project Fund				248	248
	(12,022)	-	(12,022)	(11,774)	248

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity 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.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information 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.	J-16 to J-20
Sources: 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.	

Ramsey Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,143,452	\$ 13,530,024	\$ 13,954,258	\$ 14,217,638	\$ 15,273,557	\$ 14,628,397	\$ 17,432,803	\$ 17,765,187	\$ 20,645,498	\$ 20,643,197
Restricted	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237	10,271,833	12,285,224
Unrestricted	132,624	(134,265)	(450,212)	(264,084)	(165,952)	(17,482)	(295,447)	(276,446)	(14,860,987)	(15,512,258)
Total governmental activities net position	\$ 14,775,515	\$ 15,122,999	\$ 16,054,072	\$ 17,463,677	\$ 19,483,171	\$ 21,522,393	\$ 24,932,135	\$ 27,282,978	\$ 16,056,544	\$ 17,416,163
Business-type activities										
Invested in capital assets, net of related debt	\$ 182,956	\$ 182,951	\$ 160,821	\$ 142,242	\$ 172,449	\$ 181,888	\$ 34,829	\$ 60,889	\$ 45,951	\$ 37,508
Restricted	230,380	269,281	297,565	290,411	268,288	239,353	230,668	205,444	153,274	188,099
Unrestricted	413,336	452,232	458,386	432,653	440,737	421,241	265,497	266,333	199,225	225,607
Total business-type activities net position	\$ 413,336	\$ 452,232	\$ 458,386	\$ 432,653	\$ 440,737	\$ 421,241	\$ 265,497	\$ 266,333	\$ 199,225	\$ 225,607
District-wide										
Invested in capital assets, net of related debt	\$ 12,326,408	\$ 13,712,975	\$ 14,115,079	\$ 14,359,880	\$ 15,446,006	\$ 14,810,285	\$ 17,467,632	\$ 17,826,076	\$ 20,691,449	\$ 20,680,705
Restricted	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237	10,271,833	12,285,224
Unrestricted	363,004	135,016	(152,647)	26,327	102,336	221,871	(64,779)	(71,002)	(14,707,713)	(15,324,159)
Total district net position	\$ 15,188,851	\$ 15,575,231	\$ 16,512,458	\$ 17,896,330	\$ 19,923,908	\$ 21,943,634	\$ 25,197,632	\$ 27,549,311	\$ 16,255,569	\$ 17,641,770

Source: CAFR Schedule A-1

* - GASB Statement No.63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Ramsey Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 18,031,316	\$ 18,838,009	\$ 19,400,100	\$ 21,022,394	\$ 21,340,017	\$ 21,268,865	\$ 21,847,647	\$ 21,945,607	\$ 25,249,007	\$ 27,057,690
Special education	5,403,849	5,625,028	5,811,653	5,783,787	4,919,294	4,590,023	4,651,567	4,720,971	5,605,792	6,124,387
Other special education	865,571	1,208,876	1,237,458	1,044,853	842,159	925,934	924,521	913,949	984,373	861,548
Other instruction	930,976	973,365	1,046,027	1,046,586	1,023,763	1,055,248	1,099,984	1,161,090	1,376,244	1,461,061
Support Services:										
Tuition	2,175,810	2,729,687	2,516,482	1,945,016	2,758,946	2,988,157	2,336,364	2,446,519	2,612,882	1,956,654
Student & instruction related services	6,122,216	6,303,710	6,910,938	7,041,305	7,203,833	7,124,675	7,733,785	8,269,347	9,545,803	10,511,434
General administrative services	1,346,644	1,118,308	1,500,420	1,114,013	1,239,011	1,295,683	1,247,047	1,339,512	1,237,013	1,114,193
School administrative services	2,211,433	2,232,781	2,397,196	2,152,701	2,275,194	2,320,494	2,177,689	2,176,490	2,506,659	2,613,838
Central services	369,167	472,582	492,412	513,877	533,362	540,506	538,395	558,455	644,652	755,885
Administrative information tech.	49,956	16,980	17,460	17,460	17,460	17,460	17,460	17,460	17,460	49,480
Plant operations and maintenance	4,256,897	4,388,776	4,196,998	4,319,354	4,518,777	4,837,580	4,792,863	4,945,370	5,329,590	6,023,238
Pupil transportation	1,577,582	1,775,989	1,702,849	1,716,737	1,635,220	1,515,917	1,350,075	1,417,645	1,437,641	1,496,661
Unallocated Benefits	5,059,233	5,144,653	3,230,696	3,268,891	3,205,691	4,082,254	5,163,141	4,423,952	5,098,594	6,775,837
Capital outlay - non-depreciable	7,753	324,216	548	-	17,175	6,230	-	751,687	39,074	359,968
Interest on long-term debt	1,146,172	1,224,900	1,207,941	1,074,845	967,729	630,270	664,734	580,083	525,206	457,042
Unallocated depreciation	1,382,205	1,350,633	1,403,024	1,394,350	1,333,946	1,215,320	1,603,072	1,797,686	2,106,290	2,133,704
Capital lease obligations and amortization						1,204,483	(121,848)	(121,848)	(121,848)	(121,848)
Total governmental activities expenses	50,936,780	53,728,493	53,072,202	53,456,169	53,831,577	55,619,099	56,026,496	57,343,975	64,194,432	69,630,772
Business-type activities:										
Food service	699,586	751,601	703,250	787,647	785,738	809,196	730,013	710,095	704,807	755,061
Total business-type activities expense	699,586	751,601	703,250	787,647	785,738	809,196	730,013	710,095	704,807	755,061
Total district expenses	\$ 51,636,366	\$ 54,480,094	\$ 53,775,452	\$ 54,243,816	\$ 54,617,315	\$ 56,428,295	\$ 56,756,509	\$ 58,054,070	\$ 64,899,239	\$ 70,385,833
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 1,069,304	\$ 1,107,207	\$ 1,172,014	\$ 1,810,557	\$ 1,178,123	\$ 1,123,278	\$ 1,121,693	\$ 1,112,463	\$ 1,183,677	\$ 1,199,952
Capital grants and contributions	-	-	-	35,600	-	-	-	-	-	-
Total governmental activities program revenues	1,069,304	1,107,207	1,172,014	1,846,157	1,178,123	1,123,278	1,121,693	1,112,463	1,183,677	1,199,952

Ramsay Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Food service	672,938	691,339	631,450	692,468	709,350	692,178	597,772	592,876	538,095	653,461
Operating grants and contributions	64,139	74,103	75,486	88,025	84,472	97,522	93,915	103,493	99,580	75,682
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	737,077	765,442	706,936	780,493	793,822	789,700	691,687	696,369	637,675	729,143
Total district program revenues	\$ 1,806,381	\$ 1,872,649	\$ 1,878,950	\$ 2,626,650	\$ 1,971,945	\$ 1,912,978	\$ 1,813,380	\$ 1,808,832	\$ 1,821,352	\$ 1,929,095
Net (Expense)/Revenue										
Governmental activities	\$ (49,867,476)	\$ (52,621,286)	\$ (51,900,188)	\$ (51,610,012)	\$ (52,653,454)	\$ (54,495,821)	\$ (54,904,803)	\$ (56,231,512)	\$ (63,010,755)	\$ (68,430,820)
Business-type activities	37,491	13,841	3,686	(7,154)	8,084	(19,496)	(38,326)	(13,726)	(67,132)	(25,918)
Total district-wide net expense	\$ (49,829,985)	\$ (52,607,445)	\$ (51,896,502)	\$ (51,617,166)	\$ (52,645,370)	\$ (54,515,317)	\$ (54,943,129)	\$ (56,245,238)	\$ (63,077,887)	\$ (68,456,738)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 39,011,486	\$ 40,527,656	\$ 41,700,559	\$ 43,243,170	\$ 46,159,075	\$ 46,954,695	\$ 47,541,824	\$ 48,292,660	\$ 48,971,745	\$ 50,496,209
Taxes levied for debt service	2,190,293	2,305,310	2,354,723	2,556,156	2,577,389	2,556,822	2,545,340	2,417,466	2,278,081	2,311,978
Unrestricted grants and contributions	7,239,716	7,188,589	5,716,800	5,241,212	3,957,151	5,454,640	6,819,525	6,402,622	12,381,943	15,211,699
Federal and State aid - Capital Outlay							5,400		562,284	
Tuition received	1,667,528	1,330,514	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684	1,906,306	1,734,522
Transportation Fees	13,301	14,081	23,916	15,830	22,297	24,562	23,677	27,216	30,941	31,883
Investment earnings	459,974	168,198	68,529	39,893	51,977	185	216	7,141	213	248
Miscellaneous income	121,476	52,217	876,956	232,558	357,943	33,214	37,429	88,594	71,148	32,199
Other financing sources/ (uses)	98,116	-	-	-	-	-	-	-	-	(28,099)
Total governmental activities	50,801,890	51,586,565	52,468,368	53,019,617	54,672,948	56,535,043	58,302,588	59,095,383	66,202,661	69,790,639
Business-type activities:										
Investment earnings	-	-	-	-	-	-	25	64	24	21
Miscellaneous income	-	-	-	-	-	-	12,706	-	-	24,180
Total business-type activities	-	-	-	-	-	-	12,731	64	24	28,099
Total district-wide	\$ 50,801,890	\$ 51,586,565	\$ 52,468,368	\$ 53,019,617	\$ 54,672,948	\$ 56,535,043	\$ 58,315,319	\$ 59,095,447	\$ 66,202,685	\$ 69,842,939
Change in Net Position										
Governmental activities	\$ 934,414	\$ (1,034,721)	\$ 568,180	\$ 1,409,605	\$ 2,019,494	\$ 2,039,222	\$ 3,397,785	\$ 2,863,871	\$ 3,191,906	\$ 1,359,819
Business-type activities	37,491	13,841	3,686	(7,154)	8,084	(19,496)	(25,595)	(13,662)	(67,108)	26,382
Total district	\$ 971,905	\$ (1,020,880)	\$ 571,866	\$ 1,402,451	\$ 2,027,578	\$ 2,019,726	\$ 3,372,190	\$ 2,850,209	\$ 3,124,798	\$ 1,386,201

Source: CAFR Schedule A-2

* - GASB Statement No.63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Ramsey Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,624,145	\$ 1,390,115	\$ 2,480,607	\$ 3,445,095						
Unreserved	1,311,080	1,130,015	822,014	1,016,861						
Restricted					4,118,464	6,344,131	7,504,974	9,531,400	9,746,063	11,957,308
Committed						420,000				
Assigned					127,562	32,722	64,699	30,139	186,080	
Unassigned					1,042,504	1,094,025	1,022,529	1,233,237	955,131	991,932
Total general fund	\$ 2,935,225	\$ 2,520,130	\$ 3,302,621	\$ 4,461,956	\$ 5,288,530	\$ 7,890,878	\$ 8,592,202	\$ 10,794,776	\$ 10,887,274	\$ 12,949,240
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	315,548	47,084	47,084	45,683	106,593	106,593	106,593	106,593	327,455	327,455
Debt service fund	559,746	290,041	22,335	19,345	22,947	8,032	118,513	126,105	12,235	461
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 875,294	\$ 337,125	\$ 69,419	\$ 65,028	\$ 129,540	\$ 114,625	\$ 225,106	\$ 232,698	\$ 339,690	\$ 327,916

Source: CAFR Schedule B-1

Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 41,201,779	\$ 42,832,966	\$ 44,055,282	\$ 45,799,326	\$ 48,736,464	\$ 49,511,517	\$ 50,087,164	\$ 50,710,126	\$ 51,249,826	\$ 52,808,187
Tuition charges	1,667,528	1,330,514	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684	1,906,306	1,734,522
Transportation fees	13,301	14,081	23,916	15,830	22,297	24,562	23,677	27,216	30,941	31,883
Interest earned	174,815	163,313	68,529	39,893	51,977	185	216	7,141	213	248
Other Local Revenue	121,476	52,217	876,956	232,558	357,943	33,214	37,429	88,594	71,148	32,199
State sources	7,552,265	7,513,801	6,064,521	5,572,289	4,217,899	5,635,968	7,094,532	6,685,950	7,708,229	8,076,532
Federal sources	756,755	781,995	824,293	1,515,080	917,375	941,950	852,086	829,135	860,056	912,923
Total revenue	51,487,919	52,688,887	53,640,382	54,865,774	55,851,071	57,658,321	59,424,281	60,207,846	61,826,719	63,596,494
Expenditures										
Instruction										
Regular Instruction	15,020,131	15,835,712	16,191,526	17,192,653	17,247,762	17,213,992	18,593,763	18,492,941	18,934,393	19,363,075
Special education instruction	4,490,278	4,681,491	4,786,241	4,630,808	3,912,539	3,654,051	3,813,026	3,931,862	4,119,097	4,289,214
Other special instruction	839,054	1,001,460	1,015,953	865,382	682,334	777,329	794,121	791,837	757,983	628,383
Other instruction	793,637	838,039	894,799	842,086	849,802	875,684	935,881	1,002,426	1,072,134	1,093,616
Support Services:										
Tuition	2,175,810	2,353,407	2,516,482	1,945,016	2,758,946	2,994,928	2,336,364	2,446,519	2,612,882	1,962,999
Attendance and social work services	41,774	43,168	44,177	45,225	44,137	74,196	40,645	42,916	43,686	44,428
Health services	300,730	333,112	353,605	381,027	401,583	408,930	423,031	443,315	470,360	468,481
Student & instruction related services	5,128,089	5,429,815	5,576,927	5,512,243	5,674,540	5,246,227	6,004,627	6,554,093	6,735,690	7,166,442
General administrative services	1,247,229	1,022,135	1,394,797	989,238	1,110,822	1,159,074	1,157,927	1,249,809	1,088,766	944,821
School Administrative services	1,885,035	1,882,569	2,003,181	1,750,632	1,843,531	1,880,884	1,818,342	1,846,347	1,890,814	1,904,490
Central services	369,167	399,437	411,991	418,446	432,114	439,942	449,197	473,459	488,162	551,302
Administrative information tech	49,956	16,980	17,460	17,460	17,460	17,460	17,460	17,460	17,460	49,480
Plant operations and maintenance	3,829,041	3,990,836	3,794,057	3,939,191	3,992,074	4,329,071	4,337,031	4,500,902	4,479,237	4,993,716
Pupil transportation	1,577,582	1,742,765	1,665,714	1,673,943	1,592,399	1,472,325	1,312,946	1,386,596	1,381,062	1,428,154
Unallocated employee benefits	5,774,215	6,274,272	6,563,083	7,620,214	8,113,738	8,014,412	7,255,936	6,731,933	6,895,771	7,724,296
TPAF Pension / Social Security	4,865,451	4,897,722	3,195,812	3,233,976	3,248,520	3,883,306	5,096,104	4,423,952	5,193,741	6,070,807
Capital outlay	91,321	55,752	59,913	92,249	460,295	52,910	1,775,773	1,239,417	3,053,827	510,499
Debt service:										
Principal	1,295,000	1,355,000	1,405,000	1,460,000	1,580,000	1,650,000	1,925,000	1,815,000	1,850,000	1,850,000
Interest and other charges	1,197,939	1,224,900	1,234,879	1,101,041	997,389	926,167	525,302	606,896	542,164	474,000
Total expenditures	50,971,439	53,378,572	53,125,597	53,710,830	54,959,985	55,070,888	58,612,476	57,997,680	61,627,229	61,518,203
Excess (Deficiency) of revenues over (under) expenditures	516,480	(689,685)	514,785	1,154,944	891,086	2,587,433	811,805	2,210,166	199,490	2,078,291

**Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing sources (uses)										
Transfers in	285,159		17,450	74,048	192,564	185	1,440,116	1,041,926	2,452,670	248
Transfers out	(200,574)	4,885	(17,450)	(74,048)	(192,564)	(185)	(1,440,116)	(1,041,926)	(2,452,670)	(28,347)
Total other financing sources (uses)	84,585	4,885	-	-	-	-	-	-	-	(28,099)
Net change in fund balances	\$ 601,065	\$ (684,800)	\$ 514,785	\$ 1,154,944	\$ 891,086	\$ 2,587,433	\$ 811,805	\$ 2,210,166	\$ 199,490	\$ 2,050,192
Debt service as a percentage of noncapital expenditures	4.9%	4.8%	5.0%	4.8%	4.7%	4.7%	4.3%	4.3%	4.1%	3.8%

**Ramsey Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Transportation Fees	Tuition Revenue	Rentals	Refund of		Cancellation of Prior Year Payable	Misc.	Total
					Prior year Expenses				
2007	174,815	13,301	1,667,528	-	23,329	-	98,147	1,977,120	
2008	163,313	14,081	1,330,514	-	20,668	-	31,549	1,560,125	
2009	66,204	23,916	1,726,885	-	191,583	613,138	57,110	2,678,836	
2010	37,998	15,830	1,690,798	-	95,738	-	136,820	1,977,184	
2011	50,075	22,297	1,547,116	-	70,100	-	93,709	1,783,297	
2012	-	24,562	1,510,925	-	-	-	28,969	1,564,456	
2013	-	23,677	1,329,177	-	-	-	22,202	1,375,056	
2014	6,896	27,216	1,859,684	-	11,172	-	65,645	1,970,613	
2015	-	30,941	1,906,306	-	-	-	71,148	2,008,395	
2016	-	31,883	1,734,522	-	-	-	32,199	1,798,604	

Source: District Records

Ramsey Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Assessed Value							Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2007	\$ 35,772,800	\$2,155,684,500			\$ 432,632,100	\$ 123,671,100	\$ 14,643,500	\$ -	\$ 8,041,552	\$2,770,445,552	1.555	\$3,813,894,795	72.64%
2008	\$ 46,368,500	\$2,174,431,500			\$ 434,209,900	\$ 116,661,200	\$ 14,643,500	\$ -	\$ 7,737,523	\$2,794,052,123	1.556	\$3,562,143,515	78.44%
2009	\$ 43,098,900	\$2,206,335,300			\$ 438,538,400	\$ 110,771,900	\$ 14,643,500	\$ -	\$ 8,802,794	\$2,822,210,794	1.599	\$3,808,264,765	74.11%
2010	\$ 39,244,200	\$2,217,284,100			\$ 437,542,800	\$ 110,271,900	\$ 14,643,500	\$ -	\$ 8,679,688	\$2,828,514,488	1.671	\$3,820,525,750	74.03%
2011	\$ 36,287,300	\$2,227,238,000	\$ 787,700	\$ 60,600	\$ 443,851,600	\$ 109,771,900	\$ 14,643,500	\$ -	\$ 8,679,688	\$2,841,320,288	1.729	\$3,702,343,039	76.74%
2012	\$ 30,368,200	\$2,232,674,400	\$ 787,700	\$ 60,600	\$ 443,870,300	\$ 116,220,700	\$ 14,643,500	\$ -	\$ 9,447,502	\$2,848,072,602	1.748	\$3,532,621,934	80.62%
2013	\$ 27,718,500	\$2,237,051,300	\$ 787,700	\$ 60,000	\$ 442,433,100	\$ 115,536,600	\$ 14,643,500	\$ -	\$ 84,100	\$2,838,315,400	1.752	\$3,386,000,514	83.83%
2014	\$ 22,539,500	\$2,253,963,600	\$ 787,700	\$ 60,000	\$ 441,990,200	\$ 113,953,800	\$ 14,643,500	\$ -	\$ 83,770	\$2,848,022,070	1.873	\$3,410,395,423	83.51%
2015	\$ 19,149,500	\$2,259,341,000	\$ 787,700	\$ 60,600	\$ 444,671,400	\$ 114,908,200	\$ 14,643,500	\$ -	\$ 83,770	\$2,853,645,670	1.825	\$3,312,025,042	86.16%
2016	\$ 21,974,900	\$2,692,366,400	\$ 2,041,300	\$ 9,900	\$ 582,349,300	\$ 156,885,400	\$ 20,292,300	\$ -	\$ 300,000	\$3,475,919,500	1.541	\$3,475,919,500	100.00%

Source: 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 ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

Ramsey Board of Education
 Direct and Overlapping Property Tax Rates
 Last Ten Years

(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Ramsey Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation			Borough of Ramsey	Bergen County	
	Basic Rate ^a	Debt Service ^b	Total Direct			
2007	0.000	0.000	1.518	0.499	0.233	2.25
2008	1.496	0.059	1.555	0.519	0.256	2.33
2009	1.540	0.059	1.599	0.539	0.260	2.40
2010	1.578	0.093	1.671	0.558	0.265	2.49
2011	1.637	0.092	1.729	0.562	0.271	2.56
2012	1.657	0.091	1.748	0.569	0.272	2.59
2013	1.663	0.089	1.752	0.578	0.273	2.60
2014	1.703	0.085	1.788	0.617	0.276	2.68
2015	1.743	0.082	1.825	0.558	0.276	2.66
2016	1.474	0.067	1.541	0.501	0.245	2.29

Source: District Records and Municipal Tax Collector

Note:

NJSA 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.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b Rates for debt service are based on each year's requirements.

**Ramsey Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Ramsey Interstate CTR LLC	\$ 72,180,500	1	2.08%			0.00%
Commercial Realty Enterprises	\$ 35,000,000	2	1.01%	\$ 32,675,000	2	1.18%
Krisujen Realty L.P.	\$ 12,222,200	3	0.35%	\$ 14,400,000	4	0.52%
Realty Associates Fund VIII LP	\$ 28,145,300	4	0.81%	\$ 17,463,100	3	0.63%
Sopris Mgmt LLC	\$ 20,230,200	5	0.58%			0.00%
Ferncroft C/O H.W. Young & Assoc., Inc.	\$ 15,861,100	6	0.46%	\$ 9,002,600	10	0.32%
Adventures in Recreation, Inc.	\$ 12,000,000	7	0.35%	\$ 9,125,000	9	0.33%
Minolta Corp. C/O Tax Mgr	\$ 12,588,000	8	0.36%	\$ 13,133,300	6	0.47%
Minolta Corp. C/O Tax Mgr	\$ 13,000,000	9	0.37%	\$ 10,265,300	7	0.37%
PSC, LLC	\$ 11,087,100	10	0.32%			0.00%
Gabrellian Associates				\$ 55,800,000	1	2.01%
Triangle 17 Center, LLC				\$ 13,600,000	5	0.49%
Krisujen Realty L.P.				\$ 10,196,000	8	0.37%
						0.00%
Total	<u>\$ 232,314,400</u>		<u>6.68%</u>	<u>\$ 185,660,300</u>		<u>6.70%</u>

Net Assessed Valuation: \$ 3,475,919,500 \$ 2,770,445,552

Source: Municipal Tax Assessor.

Exhibit J-9

**Ramsey Board of Education
Property Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy Amount	Percentage of Levy	
2007	42,061,180	42,061,180	100.00%	\$ -
2008	43,462,518	43,461,518	100.00%	\$ -
2009	45,019,071	45,019,071	100.00%	\$ -
2010	47,264,967	47,264,967	100.00%	\$ -
2011	48,736,464	48,736,464	100.00%	\$ -
2012	49,511,517	49,511,517	100.00%	\$ -
2013	50,087,164	50,087,164	100.00%	\$ -
2014	50,710,126	50,710,126	100.00%	\$ -
2015	51,249,826	51,249,826	100.00%	\$ -
2016	52,808,187	52,808,187	100.00%	\$ -

Source: Municipal Tax Collector

Exhibit J-10

Ramsey Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District		
2007	26,969,000	-	-	-	-	26,969,000	2.731%	\$ 396
2008	25,614,000	-	-	4,000,000	-	29,614,000	2.973%	\$ 432
2009	24,209,000	-	-	2,500,000	-	26,709,000	2.810%	\$ 414
2010	22,749,000	-	-	2,500,000	-	25,249,000	2.665%	\$ 387
2011	21,169,000	-	-	2,500,000	-	23,669,000	2.367%	\$ 347
2012	19,505,000	-	-	2,500,000	-	22,005,000	2.087%	\$ 308
2013	17,580,000	-	-	2,500,000	-	20,080,000	1.911%	\$ 285
2014	15,765,000	-	-	2,500,000	-	18,265,000	1.656%	\$ 248
2015	13,915,000	-	-	-	-	13,915,000	Not Available	Not Available
2016	12,065,000	-	-	-	-	12,065,000	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Ramsey Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	26,969,000	-	26,969,000	0.97%	\$ 396
2008	25,614,000	-	25,614,000	0.92%	\$ 374
2009	24,209,000	-	24,209,000	0.86%	\$ 375
2010	22,749,000	-	22,749,000	0.80%	\$ 349
2011	21,169,000	-	21,169,000	0.75%	\$ 310
2012	19,505,000	-	19,505,000	0.68%	\$ 273
2013	17,580,000	-	17,580,000	0.62%	\$ 249
2014	15,765,000	-	15,765,000	0.55%	\$ 214
2015	13,915,000	-	13,915,000	0.49%	Not Available
2016	12,065,000	-	12,065,000	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 NJ J-6 for property tax data.

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

**Ramsey Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2016**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2016			\$ 12,065,000
Net overlapping debt of School District:			
Town of Ramsey	100.000%	\$ 9,732,300	
County of Bergen	1.866%	\$ 16,155,079	
Subtotal, overlapping debt		<u>\$ 25,887,379</u>	
Total direct and overlapping debt			<u><u>\$ 37,952,379</u></u>

Sources: Ramsey Municipal Finance Officer / Bergen County Treasurer's Office

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 Ramsey. 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.

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.

Ramsey Board of Education
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 128,032,811	\$ 141,029,514	\$ 148,562,832	\$ 151,489,796	\$ 149,466,173	\$ 149,628,416	\$ 144,375,036	\$ 139,983,186	\$ 137,720,238	\$ 136,964,206
Total net debt applicable to limit	<u>26,969,000</u>	<u>25,614,000</u>	<u>24,209,000</u>	<u>22,749,000</u>	<u>21,169,000</u>	<u>19,505,000</u>	<u>17,580,000</u>	<u>15,765,000</u>	<u>13,915,000</u>	<u>12,065,000</u>
Legal debt margin	<u>\$ 101,063,811</u>	<u>\$ 115,415,514</u>	<u>\$ 124,353,832</u>	<u>\$ 128,740,796</u>	<u>\$ 128,297,173</u>	<u>\$ 130,123,416</u>	<u>\$ 126,795,036</u>	<u>\$ 124,218,186</u>	<u>\$ 123,805,238</u>	<u>\$ 124,899,206</u>
Total net debt applicable to the limit as a percentage of debt limit	21.06%	18.16%	16.30%	15.02%	14.16%	13.04%	12.18%	11.26%	10.10%	8.81%

	2015	2014	2013
Equalized valuation basis	\$ 3,475,919,500	\$ 3,410,395,423	\$ 3,386,000,514
	<u>3,410,395,423</u>	<u>3,386,000,514</u>	<u>3,386,000,514</u>
[A]	<u>\$ 10,272,315,437</u>		
Average equalized valuation of taxable property	[A/3]		
	\$ 3,424,105,146		
Debt limit (4 % of average equalization value)	[B]		
Net bonded school debt	[C]		
Legal debt margin	[B-C]		
	136,964,206 ^a		
	<u>12,065,000</u>		
	<u>\$ 124,899,206</u>		

Source: Abstract of Rates and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Ramsey Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	14,492	\$ 987,586,324	68,147	2.40%
2008	14,530	\$ 996,002,440	68,548	3.20%
2009	14,718	\$ 950,355,978	64,571	5.70%
2010	14,515	\$ 947,466,625	65,275	5.90%
2011	14,652	\$ 999,911,088	68,244	5.80%
2012	14,768	\$ 1,054,139,840	71,380	5.90%
2013	14,904	\$ 1,050,702,192	70,498	5.40%
2014	14,996	\$ 1,102,745,856	73,536	4.30%
2015	15,102	Not Available	Not Available	3.50%
2016	Not Available	Not Available	Not Available	Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Ramsey Board of Education
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
	-	0	0.00%		1	0.00%
	-	0	0.00%		2	0.00%
	-	0	0.00%		3	0.00%
	-	0	0.00%		4	0.00%
	-	0	0.00%		5	0.00%
	-	0	0.00%		6	0.00%
	-	0	0.00%		7	0.00%
	-	0	0.00%		8	0.00%
	-	0	0.00%		9	0.00%
	-	0	0.00%		10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-			-		
	-		0.00%	-		0.00%

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

Source: Town of Ramsey

Ramsey Board of Education
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	254	253	253	248	241	239	242	243	243	241
Special education	43	43	44	42	41	41	42	42	42	42
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	50	50	48	48	48	48	48	44	48	48
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	18	18	18	18	18	17	17	17	16	19
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	37	37	37	37	37	37	37	37	37	39
Pupil transportation	5	5	5	5	5	5	5	5	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	417	416	415	408	400	397	401	398	401	404

Source: District Personnel Records

Ramsey Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal	Enrollment	Operating	Cost Per	Percentage	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle School					
2007	3,126	48,387,179	15,479	12.57%	296	11:0	10:2	3,126	3,005	2.02%	96.13%
2008	3,132	50,743,820	16,202	#DIV/0!	296	11:0	10:3	3,131	3,004	0.16%	95.94%
2009	3,108	50,425,805	16,225	4.82%	297	12:0	10:8	3,108	2,985	-0.73%	96.04%
2010	3,102	51,057,540	16,462	6.35%	290	11:7	9:8	3,102	2,967	-0.93%	95.65%
2011	3,073	51,922,301	16,896	4.29%	282	11:2	9:5	3,057	2,928	-1.64%	95.78%
2012	3,020	52,441,811	17,365	7.03%	280	13:7	11:8	3,024	2,903	-1.08%	96.00%
2013	2,971	54,386,401	18,306	11.20%	284	13:3	10:5	2,977	2,858	-1.55%	96.00%
2014	2,942	54,336,367	18,467	9.29%	285	13:7	10:5	2,942	2,831	-1.18%	96.23%
2015	2,878	56,181,238	19,521	12.42%	285	13:7	10:5	2,878	2,775	-2.18%	96.42%
2016	2,960	58,683,704	19,826	8.30%	283	13:7	10:5	2,831	2,731	-1.63%	96.47%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- 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).

Ramsey Board of Education
School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Buildings										
Elementary										
John Y. Dater Elementary School (Grades K-)										
Square Feet	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	501	478	460	419	432	433	412	448	443	403
Mary A. Hubbard Elementary School (Grades)										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	438	442	450	446	427	416	413	414	407	405
Welsey D. Tisdale Elementary School (Grades)										
Square Feet	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	461	440	425	443	444	455	452	406	420	397
Middle School										
Eric S. Smith Middle School (Grades 6-8)										
Square Feet	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	808	841	849	836	785	745	727	742	753	755
High School										
Ramsey High School (Grades 9-12)										
Square Feet	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	888	931	924	957	968	971	967	924	856	870
Other										
Administration Building										
Square Feet	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455
Number of Schools at June 30, 2016										
Elementary =	3									
Middle School =	1									
High School =	1									
Other =	0									

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Ramsey Board of Education
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)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Ramsey High School	N/A	213,634	236,870	186,110	210,818	214,032	197,365	140,332	173,601	245,786	174,760
Eric S. Smith Middle School	N/A	85,409	77,524	111,489	70,826	108,028	87,711	93,351	99,386	128,573	114,570
John Y. Dater Elementary School	N/A	104,729	96,850	127,547	105,316	100,404	117,377	84,549	91,307	112,158	182,282
Mary A. Hubbard Elementary School	N/A	131,169	114,177	109,326	107,105	111,799	87,909	96,856	144,719	88,861	113,703
Welsey D. Tisdale Elementary School	N/A	80,298	65,084	136,275	126,263	92,930	100,586	95,568	96,431	106,706	106,792
Grand Total		\$ 615,239	\$ 590,505	\$ 670,748	\$ 620,328	\$ 627,193	\$ 590,948	\$ 510,656	\$ 605,444	\$ 682,084	\$ 692,107

**Ramsey Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2016
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	Property Blanket Building & Contents- Replacement Cost Values	7,700,000,000	2,500
	General Liability	5,000,000	
	Comprehensive Automobile Liability	5,000,000	
	Employee Benefit Liability	5,000,000	1,000
	Umbrella Liability First Layer Catastrophe	5,000,000	
	Electronic Data Processing Equipment	Included in Blanket Limit	
	Boiler & Machinery - Umbrella policy	Included in Blanket Limit	
	School Board Legal Liability - Directors and Officers Policy	5,000,000	15,000
	Student Accident Liability		
	Public Employees' Faithful Performance Blanket Position Bond - Board Secretary Position Bond - Assistant Board Secretary Blanket Dishonesty Bond	500,000	1,000

Source: District Records

SINGLE AUDIT SECTION

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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 Ramsey School District
County of Bergen, 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 Ramsey School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Ramsey 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 Ramsey Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ramsey 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 Ramsey 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 Ramsey School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 19, 2016.

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.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

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

October 19, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Ramsey School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB 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 Ramsey Board of Education's major federal and state programs for the year ended June 30, 2016. The Borough of Ramsey 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 Ramsey 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB



Circular 15-08 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 Ramsey 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 Ramsey Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Ramsey 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Borough of Ramsey 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 Ramsey 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 the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Ramsey 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, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

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

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Pompton Lakes, New Jersey

October 19, 2016

BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2015	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO Cumulative Total Expenditures
					From	To						(Accounts Receivable)	Deferred Revenue	
General Fund:														
US Department of Homeland Security														
FEMA - Snow Removal	97.039	PA4264PW29	FEMA-4264	10,401	7/1/2015	6/30/2016			10,401	10,401				10,401
Total General Fund									10,401	10,401				10,401
US Department of Education														
Passed Through State Dept of Education:														
Special Revenue Fund														
Title I, Part A	84.010	S010A150030	NCLB-xxxx-15	70,363	7/1/2015	6/30/2016			67,250	70,363		(14,988)		70,363
Title I, Part A	84.010	S010A150030	NCLB-xxxx-14	42,640	7/1/2014	6/30/2015	(11,875)							42,640
Title I, Reward School Allocation	84.010A	S010A150030	NCLB-xxxx-15	50,000	7/1/2015	6/30/2016			10,000	10,000				10,000
							(11,875)		77,250	80,363		(14,988)		123,003
Total Special Revenue Fund									87,250	90,363		(15,732)		112,310
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A150029	NCLB-xxxx-15	55,905	7/1/2015	6/30/2016			53,007	55,905		(15,732)		55,905
Total Federal Financial Assistance									140,657	140,657		(31,464)		140,657
IDEA, Part B-Basic														
IDEA, Part B-Basic	84.027	H027A150100	IDEA-xxxx-15	743,921	7/1/2015	6/30/2016			765,722	734,997		(158,525)		734,997
IDEA, Part B-Pre-school	84.173	H027A150100	IDEA-xxxx-14	727,403	7/1/2014	6/30/2015	(189,250)		30,500	31,257		(31,257)		727,403
Total Special Revenue Fund									801,222	766,254		(189,782)		31,257
							(219,750)		926,479	902,522		(220,502)		30,500
							(244,459)							1,759,470
US Department of Agriculture														
Passed Through State Dept of Education:														
Enterprise Fund														
Food Distribution Program	10.551	16161NJ309N1096	N/A	29,634	7/1/2015	6/30/2016			29,634	29,634				29,634
National School Lunch Program	10.555	16161NJ304N1099	N/A	43,785	7/1/2015	6/30/2016			40,422	43,785		(3,363)		43,785
National School Lunch Program	10.555	16161NJ304N1099	N/A	61,352	7/1/2014	6/30/2015	(5,735)		5,735					61,352
Total Enterprise Fund									75,791	73,419		(3,363)		134,771
							(5,735)		1,012,671	986,342		(223,865)		1,904,642
							(250,194)							

BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2016

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016		Memo	
			From	To									(Accounts Receivable)	Deferred Revenue/ Interfund Payable		
State Department of Education:																
General Fund																
Transition Aid	495-034-5120-014	\$ 73,635	7/1/2015	6/30/2016	\$		66,673	73,635								
Special Education Categorical Aid	495-034-5120-089	1,116,187	7/1/2015	6/30/2016			1,016,654	1,116,187								
Security Aid	495-034-5120-084	42,203	7/1/2015	6/30/2016			38,213	42,203								
PARCC Readiness Aid	495-034-5120-098	26,720	7/1/2015	6/30/2016			24,194	26,720								
Per Pupil Growth Aid	495-034-5120-097	26,720	7/1/2015	6/30/2016			24,194	26,720								
Extraordinary Aid	100-034-5120-473	417,000	7/1/2015	6/30/2016				417,000			(417,000)					
Extraordinary Aid	100-034-5120-473	339,433	7/1/2014	6/30/2015	(339,433)		339,433									
Non Public Transportation	495-078-6060-034	7,858	7/1/2015	6/30/2016	(7,858)		7,858									
NTE Homeless Reimbursement	100-029-6060-034	15,765	7/1/2015	6/30/2016				15,765			(15,765)					
NTE Homeless Reimbursement	100-029-6060-034	5,460	7/1/2006	6/30/2007	(771)						(771)					
Reimbursed TPAF Social Security	495-034-5094-003	1,796,589	7/1/2015	6/30/2016			1,796,589	1,796,589								
Reimbursed TPAF Social Security	495-034-5095-002	1,796,079	7/1/2014	6/30/2015	(89,202)		89,202									
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	2,323,165	7/1/2015	6/30/2016			2,323,165	2,323,165								
On Behalf TPAF Pension	495-034-5094-006	1,858,476	7/1/2015	6/30/2016			1,858,476	1,858,476								
On Behalf TPAF NCGH Premium	495-034-5094-007	92,577	7/1/2015	6/30/2016			92,577	92,577								
Total General Fund					(437,264)		7,671,228	7,789,037			(433,536)			(121,537)	9,937,867	
Special Revenue Fund																
Distance Learning Network Aid		2,772	7/1/2007	6/30/2008												
Textbook Aid	100-034-5120-064	40,827	7/1/2015	6/30/2016			40,827	36,431								
Textbook Aid	100-034-5120-064	45,877	7/1/2014	6/30/2015												
Technology Aid	100-034-5120-373	18,590	7/1/2015	6/30/2016		2,553	18,590	18,425			2,353			4,396		
Technology Aid	100-034-5120-373	24,640	7/1/2014	6/30/2015												
Nursing Services	100-034-5120-070	95,670	7/1/2015	6/30/2016			95,670	95,670								
Security Aid	100-034-5120-509	26,575	7/1/2015	6/30/2016			26,575	5,664								
Handcapped Services:																
Exam & Classification	100-034-5120-066	79,947	7/1/2015	6/30/2016			79,947	69,211								
Exam & Classification	100-034-5120-066	93,840	7/1/2014	6/30/2015												
Corrective Speech	100-034-5120-066	17,557	7/1/2015	6/30/2016			17,557	13,126								
Corrective Speech	100-034-5120-066	27,300	7/1/2014	6/30/2015												
Supplementary Inst.	100-034-5120-066	28,960	7/1/2015	6/30/2016			28,960	26,064								
Supplementary Inst.	100-034-5120-066	37,666	7/1/2014	6/30/2015												
Auxiliary Services:																
Compensatory Education	100-034-5120-067	44,840	7/1/2015	6/30/2016			44,840	32,149								
Compensatory Education	100-034-5120-067	55,540	7/1/2014	6/30/2015												
English as a Second Language	100-034-5120-067	863	7/1/2015	6/30/2016			863	690								
English as a Second Language	100-034-5120-067	1,827	7/1/2014	6/30/2015			1,827									
Total Special Revenue Fund					2,772		353,829	297,430			2,772				518,431	

BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2016

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016		Memo			
			From	To							Deferred Revenue (Accounts Receivable)	Deferred Revenue/ Interfund Payable		Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
			Due to Grantor	Amount												
Capital Projects Fund																
State School Building Aid - EDA Grant																
High School Building Renovation Project	SP # 202361	204,436				1,022							204,436			
Tisdale Elementary School Building Additions	SP # 202324	367,522				365,684					(39,865)		365,684			
Mary A. Hubbard Elementary School Building Additions & Renovations	4310-070-03-1049	309,491				57,588							309,491			
Eric S. Smith Middle School Building Additions & Renovations	4310-055-03-1048	1,194,641				1,069,204							1,194,641			
Ramsey High School Building Additions & Renovations	4310-050-03-1051	552,603				1,741					(494,580)		552,603			
John Y. Dieter Elementary School Additions, Renovation & Construction of New School	4310-060-03-1050	3,706,560				3,317,371							3,706,560			
Ramsey High School Building Partial Roof Replacement	4190-050-05-1000-NE	98,116									(98,116)		98,116			
Ramsey High School PEC Sprinkler Systems	4310-050-090-1001-G02	41,384									(35,600)		35,600			
Ramsey High School Partial Roof Replacement and HVAC Upgrades	4310-050-09-1001-G0PB	127,108									(86,501)		86,501			
Tisdale Elementary School Window Replacement	4310-080-14-1004	46,480									(44,022)		44,022			
Eric S. Smith Middle School Boiler Replacement	4310-055-14-1003	344,600									(228,167)		228,167			
Ramsey High School HVAC Replacement in Gyms	4310-050-14-1001	290,095									(290,095)		290,095			
Total Capital Projects Fund						4,812,610					(1,316,946)		7,115,916			
Enterprise Fund																
State Department of Agriculture																
National School Lunch Program (State Share)	100-010-3350-023	2,263	7/1/2015	6/30/2016		2,093	2,263				(170)		2,263			
National School Lunch Program (State Share)	100-010-3350-023	3,262	7/1/2014	6/30/2015		305							3,262			
Total Enterprise Fund						2,398	2,263				(170)		5,525			
Total State Financial Assistance						12,840,065	8,088,730		65,720	65,720	(1,750,652)	2,772	17,577,739			
							4,274,218									
							<u>3,814,512</u>									

Less: On-Behalf TPAF Pension System Contributions

Total State Financial Assistance

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Ramsey 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 and State Awards 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 *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 \$(18,486) for the general fund and \$-0- 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	\$10,401	\$7,779,102	\$7,789,503
Special Revenue Fund	902,522	297,430	1,199,952
Food Service Fund	<u>73,419</u>	<u>2,263</u>	<u>75,682</u>
Total Financial Awards	<u>\$986,342</u>	<u>\$8,078,795</u>	<u>\$9,065,137</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 Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as 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, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$4,274,218 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

The Borough of Ramsey School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

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 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u> (A)	<u>H027A150100</u>	I.D.E.A. Cluster: I.D.E.A., Part B-Basic/I.D.E.A., Part B- Preschool

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

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not
considered to be material weaknesses? X yes _____ none reported

2. Material weakness(es) identified? _____ yes X no

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>		<u>Name of State Program</u>
<u>495-034-5094-003</u>	(A)	<u>Reimbursed TPAF Social Security Contribution</u>
<u>495-034-5120-014/ 495-034-5120-089/ 495-034-5120-084/ 495-034-5120-098/ 495-034-5120-097</u>	(A)	<u>State Aid Public Cluster: Transportation Aid/Special Education Categorical Aid/Security Aid/PARCC Readiness Aid/Per Pupil Growth Aid</u>

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

Section II - Financial Statement Findings

None

**BOROUGH OF RAMSEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

NONE

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

NONE

STATE AWARDS

Finding 2016-001:

Information on the state program:

State Aid Grant Cluster, NJCFS 495-034-5120-(014/089/084/098/097), Grant Period 7/1/15-6/30/16.

Criteria or specific requirement:

N.J.S.A. 18A:7A-14 requires that the district request Executive County Superintendent approval for any transfer from an advertised appropriation account, which is cumulatively more than 10 percent of the amount included in the original budget. The district should maintain documentation that substantiates the request was received by the Executive County Superintendent when written approval is not received.

Condition:

The district did not obtain approval from the Executive County Superintendent for line-item transfers from general fund appropriation accounts as required by N.J.S.A. 18A:7A-14.

Questioned Costs:

None

Context:

Line-item transfers were made from general fund appropriation accounts which on a cumulative basis exceeded 10 percent of the original budget without obtaining Executive County Superintendent Approval.

**BOROUGH OF RAMSEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs (Cont..)

STATE AWARDS, (continued)

Finding 2016-001: (continued)

Effect:

By not obtaining Executive County Superintendent approval prior to line-item transfers, the district is not in compliance with the specific grant requirements.

Cause:

Approval from the Executive County Superintendent for line-item transfers was not obtained for items which exceeded 10 percent of the amount of the accounts included in the budget certified for taxes.

Recommendation:

That approval from the Executive County Superintendent be obtained for line-item transfers from an advertised appropriation account as defined under N.J.A.C. 6A:23A-13.3(e) which on a cumulative basis exceed 10 percent of the amount included in the original budget.

Management's response:

More care will be taken in the future to ensure Executive County Superintendent approval is obtained for all required transfers in accordance with N.J.S.A. 18A:7A-14.

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

STATUS OF PRIOR YEAR FINDINGS

NONE