

RIDGEWOOD BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Ridgewood Board of Education
Ridgewood, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Ridgewood Board of Education

Village of Ridgewood, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

**Ridgewood Board of Education
Business Office**

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INTRODUCTORY SECTION



Ridgewood Public Schools

Education Center

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Ridgewood, NJ 07451
(P) 201-670-2700
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ADMINISTRATION

Dr. Daniel Fishbein,
Superintendent
Stacie Poelstra,
Asst. Superintendent
Dr. Alfredo Aguilar,
Business Administrator/
Board Secretary

BOARD MEMBERS

B. Vincent Loncto, President
James Morgan, Vice President
Sheila Brogan
Christina Krauss
Jennie Smith Wilson

November 14, 2017

Honorable President and Members
of the Board of Education
Village of Ridgewood School District
County of Bergen
Ridgewood, NJ

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Village of Ridgewood School District (District) for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects. It is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Organizational Chart and a List of Principal Officials of the District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements including the district-wide financial statements presented in accordance with the provisions of the *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The basic financial statements also include individual fund financial statements, Notes to the Financial Statements and Required Supplementary Information (RSI).
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Uniform Guidance, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

Reporting Entity and Its Services

The Village of Ridgewood School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB No. 14. All funds of the District are included in this report. The Village of Ridgewood Board of Education and all its schools constitute the District's reporting entity. The District consists of one high school, two middle schools, seven elementary schools, and an administration building.

The District provides education to approximately 5,678 students in grades kindergarten through twelve as well as a pre-k disabled program.

An elected five-member Board of Education (the "Board") serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of the District's tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all District funds, and investing funds as permitted by New Jersey law.

Economic Conditions and Outlook

The District completed the 2016-2017 fiscal year with an daily enrollment of 5,678 students, which is 23 students above the previous year's average daily enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Fiscal Year	Student Enrollment	Percent Change
2016-17	5,659.0	0.07%
2015-16	5,655.0	0.09%
2014-15	5,650.0	-1.17%
2013-14	5,717.0	-0.59%
2012-13	5,751.0	

The forecast for student enrollment is for continued growth at a rate of about 1.0%. The District's actual enrollment on September 30, 2017 was 5,757 an increase of approximately 79 students from June 2017.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. The proposed budget for fiscal year 2016-17 passed. General fund expenditures increased by 1.03%. The local tax levy increased by 2.0%. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing. The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for, and support of a quality school system.

Educational Program

The mission statement for the Ridgewood Public Schools is as follows:

The Ridgewood Public Schools, committed to a tradition of excellence and innovation, in partnership with the community, provide a rich and challenging learning environment, enabling students to maximize their unique potentials to become life-long learners and productive, responsible citizens.

The Ridgewood Public School system is composed of seven elementary schools (Pre-K-5), two middle schools (6-8), and one high school (9-12), serving approximately 5,678 students. All public schools are accredited by the New Jersey Department of Education, and the high school is accredited by the Middle States Association of Colleges and Secondary Schools.

To maintain and advance instructional excellence, the District promotes comprehensive programs of staff and curriculum development. Our staff development and curriculum improvement efforts have focused on balanced literacy, mathematics, science and technology in alignment with the Common Core State Standards.

Ridgewood High School is a comprehensive high school, grades 9-12, which attempts to meet the needs of all students. It is also an institution with a long-standing tradition of providing a sound and challenging academic program for college-bound students. The present school population is 1,770. The high school is the largest in Bergen County. It is accredited by the Middle States Association of Colleges and Secondary Schools and the New Jersey Department of Education. The class of 2017 included 421 students. The following page details the post-graduation plans for this class.

**Post-
Secondary Plans: Class of 2017**

4-Year Colleges	92.7%
2-Year Colleges	4.3%
Military	3 student

The Class of 2017 received acceptances from the following colleges, universities, and military academies:

American University	3	James Madison University	4	The Catholic University of America	2
Amherst College	1	John Carroll University	1	The College of New Jersey	3
Arizona State University	1	Johns Hopkins University	1	The George Washington University	5
Auburn University	3	Kutztown University of Pennsylvania	1	The Ohio State University	1
Belmont University	1	La Salle University	2	The University of Alabama	3
Bentley University	1	Lafayette College	3	The University of Arizona	1
Bergen Community College	13	Lehigh University	4	The University of Iowa	1
Berkeley College - Woodbridge Location	1	Loyola Marymount University	1	The University of Scranton	1
Binghamton University	1	Loyola University Maryland	1	The University of Tampa	1
Bloomsburg University of Pennsylvania	1	Lund University	1	The University of Texas, Austin	1
Boston College	5	Manhattan School of Music	2	Trinity College	2
Boston University	2	Manhattanville College	1	Tulane University	1
Bournemouth University	1	Manites College of Music	1	Union College (New York)	2
Brown University	1	Marist College	7	United States Air Force Academy	1
Bryn Mawr College	1	McGill University	1	United States Military Academy - Army	1
Bucknell University	5	Miami University, Oxford	2	University College Dublin	1
Carnegie Mellon University	4	Michigan State University	4	University of California, Irvine	1
Case Western Reserve University	2	Middlebury College	3	University of Chicago	1
Central Piedmont Community College	1	Misericordia University	1	University of Cincinnati	1
Clemson University	3	Monmouth University	1	University of Colorado at Boulder	2
Colby College	1	Montclair State University	2	University of Connecticut	5
Colgate University	7	New Jersey Institute of Technology	2	University of Delaware	9
College of Mount Saint Vincent	1	New York University	4	University of Florida	2
College of the Holy Cross	1	Northeastern University	3	University of Illinois at Urbana-Champaign	2
College of William and Mary	1	Nova Southeastern University	1	University of Maryland, College Park	6
Colorado College	1	Oberlin College of Arts and Sciences	1	University of Massachusetts, Amherst	6
Columbia University	1	Pace University, New York City	1	University of Miami	1
Cornell University	4	Pennsylvania College of Technology	1	University of Michigan	11
Dartmouth College	2	Pennsylvania State University	12	University of Mississippi	1
Davidson College	1	Philadelphia University	2	University of Missouri Columbia	1
DigiPen Institute of Technology	1	Providence College	3	University of Nebraska at Lincoln	1
Drew University	2	Purdue University	1	University of New Hampshire at Durham	3
Draxel University	3	Queen's University	1	University of Notre Dame	2
Duke University	1	Ramapo College of New Jersey	5	University of Pennsylvania	2
Eastman Schi of Music of the U of Roch	1	Rensselaer Polytechnic Institute	2	University of Pittsburgh	2
Eckard College	1	Rice University	1	University of Richmond	4
Eliot University	2	Rockland Community College	1	University of South Carolina	6
Embry-Riddle Aero Univ - Daytona Beach	1	Rose-Hulman Institute of Technology	1	University of Strathclyde	1
Emerson College	1	Rowan University	4	University of Utah	1
Fairfield University	7	Rutgers University-New Brunswick	29	University of Vermont	2
Fairleigh Dickinson Univ - Florham Campus	1	Sacred Heart University	1	University of Wisconsin, Madison	5
Fashion Institute of Technology	1	Saint Joseph's University	1	Valencia College	1
Felician University	1	Sarah Lawrence College	2	Vanderbilt University	1
Fordham University	5	Seton Hall University	2	Villanova University	2
Franklin & Marshall College	4	Sienna College	2	Virginia Tech	5
George Mason University	1	Simmons College	1	Wake Forest University	1
Georgetown University	2	Skidmore College	1	Washington and Lee University	1
Georgia Military College	1	Sophia University	2	Washington State University	1
Gettysburg College	4	Southern Connecticut State University	1	Wellesley College	1
Hamilton College - NY	5	St. John's University - Queens Campus	2	Wesleyan University	2
Harvey Mudd College	1	Stanford University	1	West Chester University of Pennsylvania	1
High Point University	2	State University of New York at Albany	1	West Virginia University	1
Hobart and William Smith Colleges	1	Stockton University	1	Western New England University	1
Hofstra University	2	Stonehill College	1	William Paterson University of New Jersey	1
Holy Cross College	1	SUNY College at Cortland	1		
Indiana University at Bloomington	1	SUNY Maritime College	1		
Iona College	1	Syracuse University	7		
Ithaca College	5	Temple University	1		

Major Initiatives

In District Special Education Classes

The District offers specialized classes for certain special students. Learning disability classes are offered at Ridgewood High School, George Washington, Benjamin Franklin, Travell, Somerville and Willard. Autistic classes (RISe Program) are offered at George Washington Middle School, Ridge School and Glen School. Additionally, at Glen School, there are classes for preschool students with disabilities. These classes provide Ridgewood students with the opportunity to remain in the Ridgewood School System rather than be sent to expensive out of district specialized schools for the disabled. In district programs, provide these special students with the opportunity to be included in the regular education classes in their buildings when it is appropriate.

Financial Information

Internal Accounting Controls: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to the federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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, special revenue fund and 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as committed or assigned fund balance at June 30, 2017.

Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements". The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental 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.

Risk Management: The District 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. A schedule of insurance coverage is found in Exhibit J-20.

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance, and New Jersey OMB's 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.


Acknowledgements

We would like to express our appreciation to the members of the Village of Ridgewood School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the 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,

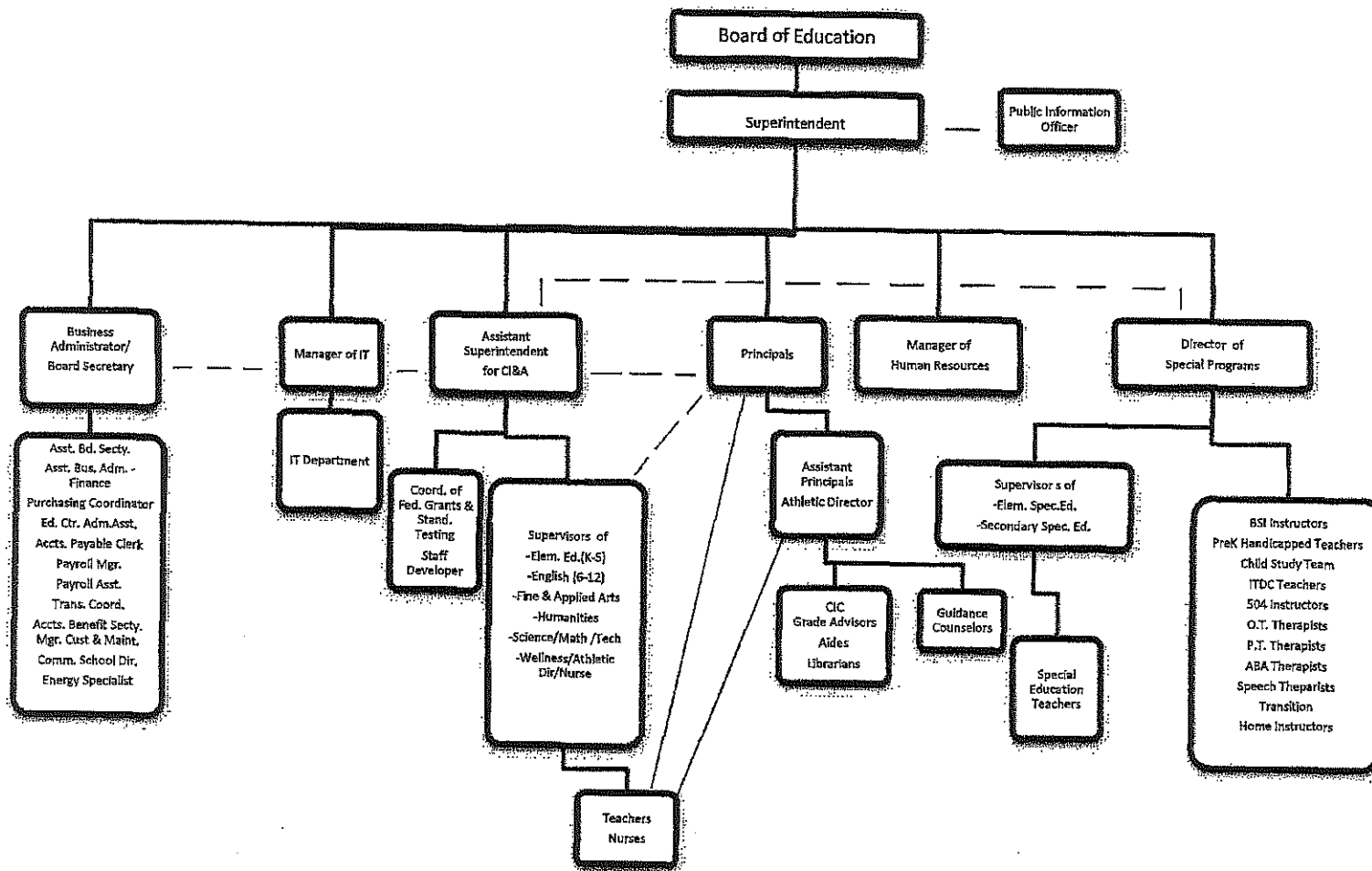


Daniel Fishbein, Ed. D
Superintendent of Schools



Alfredo Aguilar, Ed. D
Business Administrator/Board Secretary

Ridgewood Board of Education Organizational Chart



RIDGEWOOD BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. B. Vincent Loncto, President	2018
Mr. James Morgan, Vice President	2019
Ms. Sheila Brogan	2017
Ms. Christina Krauss	2017
Ms. Jennie Smith Wilson	2019

Other Officials

Dr. Daniel Fishbein, Ed. D, Superintendent
Dr. Alfredo Aguilar, School Business Administrator/Board Secretary
Mr. Angelo DeSimone, Treasurer

**RIDGEWOOD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Independent Auditor

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

Attorney

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Official Depositories

Columbia Bank
19-01 Route 208 North
Fair Lawn, New Jersey 07410

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Ridgewood Board of Education
Ridgewood, 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 Ridgewood Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgewood Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Ridgewood Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2017 on our consideration of the Ridgewood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ridgewood Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgewood Board of Education's internal control over financial reporting and compliance.

Leuch, Vinci & Higgins LLP

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

Gary W. Higgins

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

As management of the Ridgewood Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Ridgewood Board of Education for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-2017 fiscal year include the following:

- The assets and deferred outflows of resources of the Ridgewood Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$35,274,692 (Net Position).
- Overall District revenues were \$139,451,912 and were \$585,218 more than overall Board expenses of \$138,866,694. General revenues accounted for \$95,801,046 or 69% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$43,650,866 or 31% of total revenues.
- The School District had \$135,867,541 in expenses for governmental activities; only \$40,672,236 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$95,801,046 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,553,379. Of that amount, \$459,218 (4%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned GAAP basis fund balance was \$459,218 at June 30, 2017, an increase of \$100,091 when compared with the beginning unassigned GAAP basis fund balance at July 1, 2016 of \$359,127.
- The General Fund unassigned budgetary basis fund balance at June 30, 2016 was \$2,350,139, which represents an increase of \$484,068 compared to the ending unassigned budgetary basis fund balance at June 30, 2016 of \$1,866,071.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

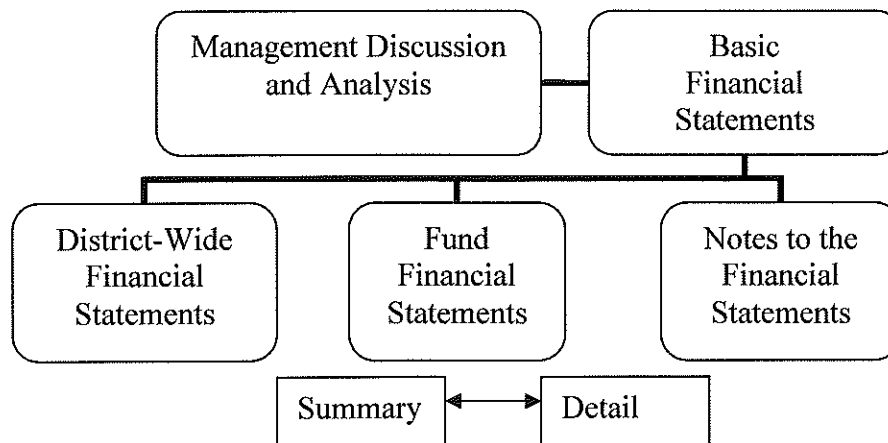
Fiscal Year Ended June 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

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

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



RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service.	Instances in which the district administers resources on behalf of someone else, such as scholarship, donations, student activities, and payroll deductions.
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue Expenditures and changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset, Liabilities and Deferred Inflows/outflows Information	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	All assets and liabilities both short and long-term; funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

District-Wide Statements

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

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

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and community education. Property taxes and State and Federal aids finance most of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, infant/toddler development technology initiative and inclusive preschool programs are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g. repaying its long-term debts) or to show that it is properly using certain revenues (e.g. Federal funds).

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Fund Financial Statements (Continued)

The District has three kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - *Enterprise Funds* – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The state intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has four enterprise funds for its food service operations, infant toddler development, technology’s initiative and inclusive preschool programs.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others such as scholarship funds, unemployment reserves, payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

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

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Other Information

In addition to the financial statements and accompanying notes, which together comprise the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual revenue and expenditure budget for the general, special revenue and debt service funds. Budgetary comparison schedules have been provided for the general, special revenue and debt service funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons and pension information.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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 following provides a summary of the school district's net position for 2017 and 2016.

Net Position. The District's *combined* net position was \$35,274,692 and \$31,238,375 on June 30, 2017 and 2016, respectively.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Table 1
Net Position
as of June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 12,889,327	\$ 9,430,925	\$ 233,226	\$ 163,611	\$ 13,122,553	\$ 9,594,536
Capital Assets						
Net of Accumulated Depreciation	<u>99,034,576</u>	<u>95,471,985</u>	<u>161,011</u>	<u>157,908</u>	<u>99,195,587</u>	<u>95,629,893</u>
Total Assets	<u>111,923,903</u>	<u>104,902,910</u>	<u>394,237</u>	<u>321,519</u>	<u>112,318,140</u>	<u>105,224,429</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	3,434,244	94,501	-	-	3,434,244	94,501
Deferred Amount on Net Pension Liability	<u>6,968,983</u>	<u>3,395,927</u>	<u>-</u>	<u>-</u>	<u>6,968,983</u>	<u>3,395,927</u>
Total Deferred Outflows of Resources	<u>10,403,227</u>	<u>3,490,428</u>	<u>-</u>	<u>-</u>	<u>10,403,227</u>	<u>3,490,428</u>
Liabilities						
Non Current Liabilities	80,006,091	65,911,874	309,004	-	80,315,095	65,911,874
Other Liabilities	<u>1,940,197</u>	<u>1,406,641</u>	<u>309,004</u>	<u>215,996</u>	<u>2,249,201</u>	<u>1,622,637</u>
Total Liabilities	<u>81,946,288</u>	<u>67,318,515</u>	<u>618,008</u>	<u>215,996</u>	<u>82,564,296</u>	<u>67,534,511</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>5,191,383</u>	<u>6,490,870</u>	<u>-</u>	<u>-</u>	<u>5,191,383</u>	<u>6,490,870</u>
Total Deferred Inflows of Resources	<u>5,191,383</u>	<u>6,490,870</u>	<u>-</u>	<u>-</u>	<u>5,191,383</u>	<u>6,490,870</u>
Net Position						
Net Investment in						
Capital Assets	48,026,214	50,296,485	161,011	157,906	48,187,225	50,454,391
Restricted	6,721,461	2,446,640	-	-	6,721,461	2,446,640
Unrestricted (Deficit)	<u>(19,558,216)</u>	<u>(18,159,172)</u>	<u>(75,778)</u>	<u>(52,385)</u>	<u>(19,633,994)</u>	<u>(18,211,557)</u>
Total Net Position	<u>\$ 35,189,459</u>	<u>\$ 34,583,953</u>	<u>\$ 85,233</u>	<u>\$ 105,521</u>	<u>\$ 35,274,692</u>	<u>\$ 34,689,474</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

The District's total net position of \$35,274,692 at June 30, 2017 represents a \$585,218 or 2%, increase from the prior year. The following shows changes in net position for the fiscal years 2017 and 2016.

Table 2
Change in Net Position
for the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charge for Services	\$ 1,541,938	\$ 1,188,229	\$ 2,978,630	\$ 2,787,986	\$ 4,520,568	\$ 3,976,215
Operating Grants and Contributions	39,130,298	28,730,584			39,130,298	28,730,584
Capital Grants and Contributions		10,828			-	10,828
General Revenues:						
Property Taxes	93,959,972	91,260,570			93,959,972	91,260,570
Federal and State Aid - Unrestricted	440,918	436,954			440,918	436,954
Other	1,399,921	1,055,078	235	254	1,400,156	1,055,332
Total Revenues	<u>136,473,047</u>	<u>122,682,243</u>	<u>2,978,865</u>	<u>2,788,240</u>	<u>139,451,912</u>	<u>125,470,483</u>
Program Expenses						
Instruction						
Regular	59,983,668	52,476,438			59,983,668	52,476,438
Special Education	22,486,330	20,423,801			22,486,330	20,423,801
Other Instruction	4,617,299	4,078,298			4,617,299	4,078,298
School Sponsored Activities and Athletics	1,772,473	1,560,774			1,772,473	1,560,774
Support Services:						
Student and Instruction Related Services	21,485,639	19,624,092			21,485,639	19,624,092
General Administration,	1,434,644	1,105,974			1,434,644	1,105,974
School Administration	6,469,407	5,921,747			6,469,407	5,921,747
Central Services	1,689,427	1,500,900			1,689,427	1,500,900
Administration Information Technology	1,452,331	1,148,506			1,452,331	1,148,506
Plant Operations and Maintenance	9,523,448	8,907,317			9,523,448	8,907,317
Pupil Transportation	3,391,224	3,420,974			3,391,224	3,420,974
Interest and Other Charges on Debt	1,561,651	1,811,652			1,561,651	1,811,652
Food Service			1,845,060	1,643,143	1,845,060	1,643,143
Infant/Toddler Development			1,054,794	1,005,800	1,054,794	1,005,800
Technology Initiative			85,159	58,239	85,159	58,239
Inclusive Preschool	-	-	14,140	-	14,140	-
Total Expenses	<u>135,867,541</u>	<u>121,980,473</u>	<u>2,999,153</u>	<u>2,707,182</u>	<u>138,866,694</u>	<u>124,687,655</u>
Change in Net Position Before Transfers	605,506	701,770	(20,288)	81,058	585,218	782,828
Net Position, Beginning of Year	34,583,953	30,417,016	105,521	38,531	34,689,474	30,455,547
Prior Period Adjustment	-	3,465,167	-	(14,068)	-	3,451,099
Net Position, End of Year	<u>\$ 35,189,459</u>	<u>\$ 34,583,953</u>	<u>\$ 85,233</u>	<u>\$ 105,521</u>	<u>\$ 35,274,692</u>	<u>\$ 34,689,474</u>

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

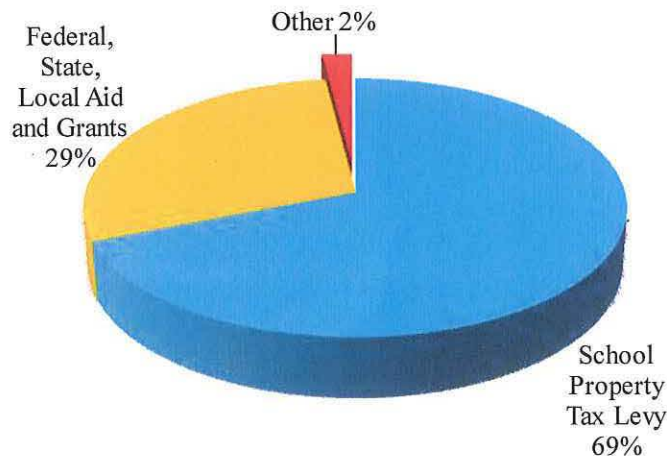
Fiscal Year Ended June 30, 2017

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$136,473,047 for the year ended June 30, 2017, property taxes of \$93,959,972 represented 69% of revenues. Another significant portion of revenues came from grant aid; total State, Federal and Local Aid and Grants were \$39,571,216 and represented 29% of revenues. In addition, revenue in the amount of \$1,399,921 (2%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

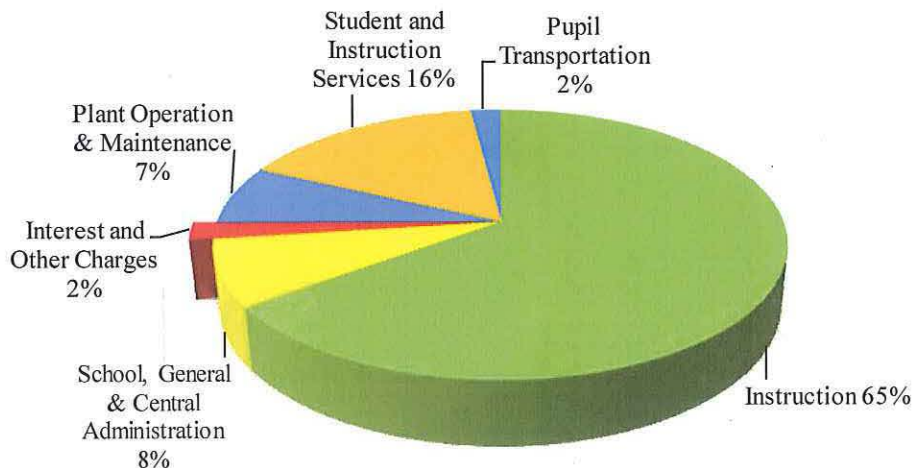
The total cost of all governmental activities programs and services was \$135,867,541. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$88,859,770 (65%) of total expenses. Support services, totaled \$45,446,120 (33%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$1,561,651 (2%).

Total governmental activities revenues exceeded expenses, increasing net position by \$605,506 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2017**



**Expenses by Type – Governmental Activities
For Fiscal Year 2017**



RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Total and Net Cost of Governmental Activities. The District's total cost of services was \$135,867,541. After applying program revenues, derived from operating grants and contributions of \$39,130,298 and charges for services of \$1,541,938 the net cost of services of the District is \$95,195,305.

Table 3
Total and Net Cost of Governmental Activities
for the Fiscal Year Ended June 30, 2017 and 2016

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 59,983,668	\$ 52,476,438	\$ 36,803,294	\$ 35,672,658
Special Education	22,486,330	20,423,801	13,869,330	14,289,704
Other Instruction	4,617,299	4,078,298	2,250,449	3,010,081
School Sponsored Activities and Athletics	1,772,473	1,560,774	1,772,473	1,560,774
Support Services:				
Student and Instructional Related Services	21,485,639	19,624,092	17,091,663	16,190,810
General Administration	1,434,644	1,105,974	1,434,644	1,105,974
School Administration	6,469,407	5,921,747	4,610,009	4,464,499
Central Services	1,689,427	1,500,900	1,689,427	1,500,900
Plant Operations and Maintenance	9,523,448	8,907,317	9,426,702	8,810,182
Administrative Information Technology	1,452,331	1,148,506	1,452,331	1,148,506
Pupil Transportation	3,391,224	3,420,974	3,233,332	3,283,077
Interest on Debt	1,561,651	1,811,652	1,561,651	1,811,652
Total Expenses	<u>\$ 135,867,541</u>	<u>\$ 121,980,473</u>	<u>\$ 95,195,305</u>	<u>\$ 92,848,817</u>

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2017 was \$2,999,153. Food service costs were \$1,845,060 (62%), infant/toddler development costs were \$1,054,794 (35%) and technology initiative costs were \$85,159 (3%) and inclusive preschool were \$14,140 less than 1%. These costs were funded by revenue from charges for services of \$2,978,630 (100%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$1,883,039 (60%), infant/toddler development charges for services were \$989,001 (36%), technology initiative charges for services were \$97,890 (4%) and inclusive preschool charges for services were \$8,700.

Total business-type activities expenses surpassed revenues, decreasing net position by \$20,288 over the previous year. At June 30, 2017 the net position balance of the food service program was \$157,218, the infant/toddler development program fund was a net position deficit of \$117,637, the technology initiative fund net position was \$51,092 and the inclusive preschool was a net position deficit \$5,440.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$11,553,379 at June 30, 2017 compared to a combined fund balance of \$8,572,119 at June 30, 2016. The increase is mainly attributable to the sale of bonds related to the energy savings improvement project net of related expenses in the capital projects fund.

Revenues for the District's governmental funds were \$115,456,520 while total expenditures were \$124,967,680.

GENERAL FUND

The General fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 12 including pupil transportation, extra-curricular activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2017 and 2016.

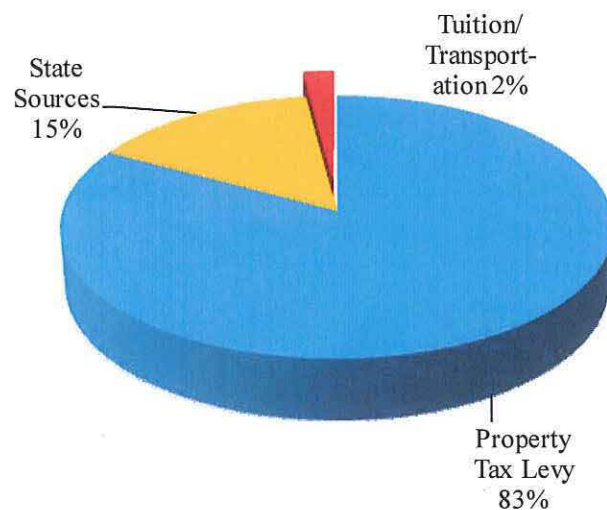
RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

The majority of revenues come from property taxes which accounted for 83% of total revenue while state sources represented 15% of total revenue for the 2017 fiscal year. Miscellaneous revenues primarily tuition and transportation fees represented 2% of the total revenue for the 2017 fiscal year.

**General Fund
Revenues by Source
For Fiscal Year 2017**



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016.

<u>Expenditures</u>	<u>Amount</u>		<u>Increase/(Decrease)</u>	
	<u>2017</u>	<u>2016</u>	<u>Amount</u>	<u>Percent</u>
Current Expense:				
Instruction	\$ 67,407,919	\$ 63,741,476	\$ 3,666,443	5.75%
Support Services	39,874,918	37,659,045	2,215,873	5.88%
Capital Outlay	2,348,584	439,131	1,909,453	434.83%
Debt Service:	1,117,508	917,193	200,315	21.84%
Total	\$ 110,748,929	\$ 102,756,845	\$ 7,992,084	7.78%

Total General Fund expenditures increased \$7,992,084 or 8% from the previous year. Instruction represented 61% of total expenditures while support services accounted for 36% and debt service and capital outlay accounted for 3% of total expenditures for the 2017 fiscal year. Approximately 1.6 million of the increase is due to on-behalf contributions made by the State for pension, post-retirement medical benefits and social security payments. Expenditures for health benefits and capital outlay also increase approximately \$930,000 and \$2.2 million, respectively.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

For the 2016-2017 school year General Fund expenditures exceeded revenues by \$562,794. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance increased from \$359,127 at June 30, 2016 to \$459,218 at June 30, 2017. In addition, the District ended the June 30, 2017 fiscal year with \$1,500,000 of excess surplus of which \$750,000 was designated for the subsequent year's budget (2017/2018) and the remaining \$750,000 will be designated in the 2018/2019 budget. In addition, the District had restricted fund balances of \$2,337,415 in capital reserve of which \$750,000 was designated for the 2017/18 budget, \$400,000 in maintenance reserve of which \$200,000 was designated in the 2017/2018 budget and \$400,000 in emergency reserve of which \$300,000 was designated for the 2017/18 budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2017 and 2016, the District had \$99,195,587 and \$95,629,891 invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2016-2017 amounted to \$3,178,208 for governmental activities and \$25,104 for business-type activities. The following is a comparison of the June 30, 2017 and 2016 balances.

Capital Assets As of June 30, 2017 and 2016

Table 4
Capital Assets at June 30, 2017 and 2016

	Governmental		Business Type		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 7,435,206	\$ 7,435,206			\$ 7,435,206	\$ 7,435,206
Construction in Progress	3,713,384	632,900			3,713,384	632,900
Land Improvements	6,900,876	6,900,876			6,900,876	6,900,876
Buildings and Building Improvements	119,446,462	117,030,340			119,446,462	117,030,340
Machinery and Equipment	5,541,198	4,297,005	\$ 388,875	\$ 360,666	5,930,073	4,657,671
Subtotal	143,037,126	136,296,327	388,875	360,666	143,426,001	136,656,993
Less: Accumulated Depreciation	(44,002,550)	(40,824,342)	(227,864)	(202,760)	(44,230,414)	(41,027,102)
Total Capital Assets, Net of Accumulated Depreciation	\$ 99,034,576	\$ 95,471,985	\$ 161,011	\$ 157,906	\$ 99,195,587	\$ 95,629,891

Additional information on the District's capital assets is presented in Note 3 of this report.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Debt Administration. As of June 30, 2017 and 2016 the District had long-term debt and outstanding long-term liabilities in the amount of \$80,006,091 and \$65,911,874, respectively. For fiscal year 2016-2017 total outstanding long-term liabilities increased by \$14,094,217. The following is a comparison of the June 30, 2017 and 2016 balances.

Outstanding Long-Term Liabilities As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Serial Bonds (including unamortized premium)	\$ 51,731,379	\$ 43,200,000
Capital Leases/Lease Purchase Agreements	3,626,831	3,167,841
Net Pension Liability	23,451,718	18,196,878
Compensated Absences	<u>1,196,163</u>	<u>1,347,155</u>
Total	<u>\$ 80,006,091</u>	<u>\$ 65,911,874</u>

Additional information on the District's long-term liabilities is presented in Note 3 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget. These budget amendments fall into two categories:

- Reinstating prior year purchase orders being carried over.
- Appropriation of additional State and Federal Aid.

General Fund budgetary basis expenditures and other financing uses exceeded budgetary basis revenues by \$178,817 during the 2016/17 fiscal year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$484,068 from \$1,866,071 at June 30, 2016 to \$2,350,139 at June 30, 2017. In addition, the District ended the year with excess surplus of \$1,500,000. In accordance with State regulations, the District appropriated \$750,000 of excess surplus for use in 2017/2018 school year budget as required. The District has retained a capital reserve balance in the amount of \$2,337,415 at June 30, 2017. In addition, the District has a maintenance reserve in the amount of \$400,000 and an emergency reserve balance of \$400,000 at June 30, 2017.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, student enrollment and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-2018 budget. The primary factors were the District's projected student population, anticipated state and federal aid, contractual salary and related benefit cost increases, as well as, increased special education tuition costs.

These indicators were considered when adopting the budget for fiscal year 2017-2018. Budgeted expenditures in the General Fund decreased \$503,000 to \$100,503,000 for fiscal year 2017-2018.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office, Ridgewood Board of Education, Education Center, 49 Cottage Place, Ridgewood, New Jersey 07451.

DISTRICT-WIDE FINANCIAL STATEMENTS

**RIDGEWOOD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,471,082	\$ 213,980	\$ 9,685,062
Restricted, Cash with Fiscal Agent	914,161		914,161
Receivables, Net:			
Receivables from Other Governments	2,207,100		2,207,100
Other	113,356	9,809	123,165
Internal Balances	183,628	(183,628)	-
Inventories		9,437	9,437
Capital Assets Not Being Depreciated	11,148,590		11,148,590
Capital Assets, Being Depreciated, net	<u>87,885,986</u>	<u>161,011</u>	<u>88,046,997</u>
 Total Assets	 <u>111,923,903</u>	 <u>210,609</u>	 <u>112,134,512</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	3,434,244		3,434,244
Deferred Amounts on Net Pension Liability	<u>6,968,983</u>	<u>-</u>	<u>6,968,983</u>
 Total Deferred Outflows of Resources	 <u>10,403,227</u>	 <u>-</u>	 <u>10,403,227</u>
 Total Assets and Deferred Outflows of Resources	 <u>122,327,130</u>	 <u>210,609</u>	 <u>122,537,739</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	418,446	39,816	458,262
Accrued Interest Payable	604,249		604,249
Payable to Other Governments	3,503		3,503
Unearned Revenue	913,999	85,560	999,559
Noncurrent Liabilities			
Due Within One Year	3,339,836		3,339,836
Due Beyond One Year	<u>76,666,255</u>	<u>-</u>	<u>76,666,255</u>
 Total Liabilities	 <u>81,946,288</u>	 <u>125,376</u>	 <u>82,071,664</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>5,191,383</u>	<u>-</u>	<u>5,191,383</u>
 Total Deferred Inflows of Resources	 <u>5,191,383</u>	 <u>-</u>	 <u>5,191,383</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>87,137,671</u>	 <u>125,376</u>	 <u>87,263,047</u>
NET POSITION			
Net Investment in Capital Assets	48,026,214	161,011	48,187,225
Restricted for			
Capital Projects	6,210,429		6,210,429
Facility Maintenance	400,000		400,000
Other Purposes	111,032		111,032
Unrestricted (Deficit)	<u>(19,558,216)</u>	<u>(75,778)</u>	<u>(19,633,994)</u>
 Total Net Position	 <u>\$ 35,189,459</u>	 <u>\$ 85,233</u>	 <u>\$ 35,274,692</u>

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

**RIDGEWOOD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 59,983,668	\$ 558,136	\$ 22,622,238		\$ (36,803,294)		\$ (36,803,294)
Special Education	22,486,330		8,617,000		(13,869,330)		(13,869,330)
Other Instruction	4,617,299	983,802	1,383,048		(2,250,449)		(2,250,449)
School Sponsored Activities and Athletics	1,772,473				(1,772,473)		(1,772,473)
Support Services							
Student and Instruction Related Services	21,485,639		4,393,976		(17,091,663)		(17,091,663)
School Administration Services	6,469,407		1,859,398		(4,610,009)		(4,610,009)
General Administration Services	1,434,644				(1,434,644)		(1,434,644)
Central Services	1,689,427				(1,689,427)		(1,689,427)
Administration Information Technology	1,452,331				(1,452,331)		(1,452,331)
Plant Operations And Maintenance	9,523,448		96,746		(9,426,702)		(9,426,702)
Pupil Transportation	3,391,224		157,892		(3,233,332)		(3,233,332)
Interest On Long-Term Debt	1,561,651	-	-	-	(1,561,651)	-	(1,561,651)
Total Governmental Activities	<u>135,867,541</u>	<u>1,541,938</u>	<u>39,130,298</u>	<u>-</u>	<u>(95,195,305)</u>	<u>-</u>	<u>(95,195,305)</u>
Business-Type Activities							
Food Service	1,845,060	1,883,039	-			\$ 37,979	37,979
Infant/Toddler Development	1,054,794	989,001				(65,793)	(65,793)
Technology Initiative	85,159	97,890				12,731	12,731
Inclusive Preschool	14,140	8,700				(5,440)	(5,440)
Total Business-Type Activities	<u>2,999,153</u>	<u>2,978,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,523)</u>	<u>(20,523)</u>
Total Primary Government	<u>\$ 138,866,694</u>	<u>\$ 4,520,568</u>	<u>\$ 39,130,298</u>	<u>\$ -</u>	<u>(95,195,305)</u>	<u>(20,523)</u>	<u>(95,215,828)</u>
General Revenues							
Taxes							
Property Taxes Levied for General Purposes					\$ 90,636,248		\$ 90,636,248
Property Taxes Levied for Debt Service					3,323,724		3,323,724
Federal and State Aid -Unrestricted					440,918		440,918
Investment Earnings					18,164	\$ 235	18,399
Miscellaneous Income					1,381,757	-	1,381,757
Total General Revenues					<u>95,800,811</u>	<u>235</u>	<u>95,801,046</u>
Change in Net Position					605,506	(20,288)	585,218
Net Position, Beginning of Year - Restated					<u>34,583,953</u>	<u>105,521</u>	<u>34,689,474</u>
Net Position, End of Year					<u>\$ 35,189,459</u>	<u>\$ 85,233</u>	<u>\$ 35,274,692</u>

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

FUND FINANCIAL STATEMENTS

**RIDGEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

	<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	\$ 5,565,678	\$ 177,671	\$ 3,616,701	\$ 111,032	\$ 9,471,082
Restricted, Cash with Fiscal Agent			914,161		914,161
Receivables, Net					
Receivables from Other Governments	556,583	183,565	1,466,952		2,207,100
Other Accounts Receivable	94,348				94,348
Due from Other Funds	1,320,081	-	-	-	1,320,081
	<u>7,536,690</u>	<u>361,236</u>	<u>5,997,814</u>	<u>111,032</u>	<u>14,006,772</u>
Total Assets	<u>\$ 7,536,690</u>	<u>\$ 361,236</u>	<u>\$ 5,997,814</u>	<u>\$ 111,032</u>	<u>\$ 14,006,772</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 335,488	\$ 47,914	\$ 35,044		\$ 418,446
Payable to State Government		3,503			3,503
Due to Other Funds			1,117,445		1,117,445
Unearned Revenue	546,030	309,819	58,150	-	913,999
	<u>881,518</u>	<u>361,236</u>	<u>1,210,639</u>	<u>-</u>	<u>2,453,393</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	750,000				750,000
Excess Surplus - Designated for					
Subsequent Year's Expenditures	750,000				750,000
Capital Reserve	1,587,415				1,587,415
Capital Reserve - Designated for					
Subsequent Year's Expenditures	750,000				750,000
Capital Lease Equipment					
Reserve			914,161		914,161
Maintenance Reserve	200,000				200,000
Maintenance Reserve - Designated for					
Subsequent Year's Expenditures	200,000				200,000
Emergency Reserve	100,000				100,000
Emergency Reserve - Designated for					
Subsequent Year's Expenditures	300,000				300,000
Capital Projects			3,873,014		3,873,014
Debt Service				\$ 111,032	111,032
Committed Fund Balance					
Year End Encumbrances	208,900				208,900
Assigned Fund Balance					
Year End Encumbrances	419,839				419,839
Designated for Subsequent Year's					
Expenditures	929,800				929,800
Unassigned Fund Balance:					
General Fund	459,218	-	-	-	459,218
	<u>6,655,172</u>	<u>-</u>	<u>4,787,175</u>	<u>111,032</u>	<u>11,553,379</u>
Total Fund Balances	<u>6,655,172</u>	<u>-</u>	<u>4,787,175</u>	<u>111,032</u>	<u>11,553,379</u>
Total Liabilities and Fund Balances	<u>\$ 7,536,690</u>	<u>\$ 361,236</u>	<u>\$ 5,997,814</u>	<u>\$ 111,032</u>	<u>\$ 14,006,772</u>

Continued

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

**RIDGEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

Total Fund Balances - Governmental Funds	\$	11,553,379
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$143,037,126 and the accumulated depreciation is \$44,002,550.		99,034,576
Accrued interest on long-term bonds, notes and capital leases is not due and payable in the current period and therefore is not reported as a liability in the funds.		(604,249)
Amounts resulting from the refunding of debt are reported as deferred outflows of reserves on the statement of net position and amortized over the life of the debt.		3,434,244
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	\$ 6,968,983	
Deferred Inflows of Resources	<u>(5,191,383)</u>	1,777,600
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Serial Bonds Payable (including unamortized premium)	(51,731,379)	
Capital Leases/Lease Purchase Agreements	(3,626,831)	
Compensated Absences	(1,196,163)	
Net Pension Liability	<u>(23,451,718)</u>	<u>(80,006,091)</u>
Net position of governmental activities (Exhibit A-1)	\$	<u>35,189,459</u>

RIDGEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 90,636,248			\$ 3,323,724	\$ 93,959,972
Tuition	1,541,938				1,541,938
Miscellaneous	1,398,645	\$ 555,077	\$ 1,276	-	1,954,998
Total - Local Sources	<u>93,576,831</u>	<u>555,077</u>	<u>1,276</u>	<u>3,323,724</u>	<u>97,456,908</u>
State Sources	16,260,335	3,653		440,918	16,704,906
Federal Sources	-	1,294,706	-	-	1,294,706
Total Revenues	<u>109,837,166</u>	<u>1,853,436</u>	<u>1,276</u>	<u>3,764,642</u>	<u>115,456,520</u>
EXPENDITURES					
Current					
Instruction:					
Regular	44,000,206	357,382	\$ 438,265		44,795,853
Special Education	18,135,185	1,033,330			19,168,515
Other Instruction	3,571,731	177,383			3,749,114
School Sponsored Activities and Athletics	1,700,797				1,700,797
Support Services					
Student and Instruction Related Services	17,990,206	137,831			18,128,037
School Administrative Services	5,173,877		1,374		5,175,251
General Administration Services	1,092,904		9,044		1,101,948
Central Services	1,624,563		1,374		1,625,937
Administration Information Technology	1,179,250		122,603		1,301,853
Plant Operations And Maintenance	9,475,173		2,573		9,477,746
Pupil Transportation	3,338,945	13,067			3,352,012
Debt Service:					
Principal	1,070,158	49,821		2,275,000	3,394,979
Interest and Other Charges	47,350			1,378,611	1,425,961
Cost of Issuance			28,305	274,482	302,787
Advanced Refunding Escrow				3,526,091	3,526,091
Capital Outlay	2,348,584	84,622	4,307,593	-	6,740,799
Total Expenditures	<u>110,748,929</u>	<u>1,853,436</u>	<u>4,911,131</u>	<u>7,454,184</u>	<u>124,967,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(911,763)</u>	<u>-</u>	<u>(4,909,855)</u>	<u>(3,689,542)</u>	<u>(9,511,160)</u>
Other Financing Sources (Uses)					
Payment to Refunding Bond Escrow Agent				(33,170,000)	(33,170,000)
Refunding Bond Proceeds				32,860,000	32,860,000
Premium on Refunding Bond				4,110,573	4,110,573
Proceeds from Sale of Bonds			6,660,000	-	6,660,000
Premium on Sale of Bonds			452,878		452,878
Capital Lease Proceeds (Non Budget)	663,969	-	915,000	-	1,578,969
Transfers In			315,000		315,000
Transfers Out	(315,000)	-	-	-	(315,000)
Total Other Financing Sources (Uses)	<u>348,969</u>	<u>-</u>	<u>8,342,878</u>	<u>3,800,573</u>	<u>12,492,420</u>
Net Change in Fund Balances	(562,794)	-	3,433,023	111,031	2,981,260
Fund Balance, Beginning of Year	7,217,966	-	1,354,152	1	8,572,119
Fund Balance, End of Year	<u>\$ 6,655,172</u>	<u>\$ -</u>	<u>\$ 4,787,175</u>	<u>\$ 111,032</u>	<u>\$ 11,553,379</u>

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

**RIDGEWOOD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 2,981,260**

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

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

Capital Additions	\$ 6,740,799	
Depreciation Expense	<u>(3,178,208)</u>	
		3,562,591

In the statement of activities, interest on debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest		(56,414)
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Repayments of bond and capital lease principal are expenditures 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.

Serial Bonds		2,275,000
Capital Lease/Lease Purchase Agreements Payable		1,119,979
Payments to Escrow Agent for Refunding		33,170,000

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt Issued		
Refunding Bonds		(32,860,000)
Premium on Refunding Bonds - Net of Amortization		(4,003,501)
Energy Savings Improvement Bonds		(6,660,000)
Premium on ESIP Bonds		(452,878)
Capital Lease/Lease Purchase Agreement Proceeds		(1,578,969)

Governmental funds report the effect of discounts and losses on the refunding of debt when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Deferred Amounts on Refunding of Debt - Net of Amortization		3,339,743
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension Expense		(382,297)
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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).

Decrease in Compensated Absences		<u>150,992</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 605,506**

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

**RIDGEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Non-Major Technology Initiative</u>	<u>Non-Major Inclusive Preschool</u>	<u>Totals</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 162,388	\$ 500	\$ 51,092		\$ 213,980
Other Accounts Receivable	5,712	4,097	-	-	9,809
Inventories	9,437	-	-	-	9,437
Total Current Assets	<u>177,537</u>	<u>4,597</u>	<u>51,092</u>	<u>-</u>	<u>233,226</u>
Capital Assets					
Equipment	306,295	82,580			388,875
Less: Accumulated Depreciation	<u>(184,523)</u>	<u>(43,341)</u>	<u>-</u>	<u>-</u>	<u>(227,864)</u>
Total Capital Assets, Net	<u>121,772</u>	<u>39,239</u>	<u>-</u>	<u>-</u>	<u>161,011</u>
Total Assets	<u>299,309</u>	<u>43,836</u>	<u>51,092</u>	<u>-</u>	<u>394,237</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	39,556	260			39,816
Due to Other Funds	54,225	124,963		\$ 4,440	183,628
Unearned Revenue	<u>48,310</u>	<u>36,250</u>	<u>-</u>	<u>1,000</u>	<u>85,560</u>
Total Current Liabilities	<u>142,091</u>	<u>161,473</u>	<u>-</u>	<u>5,440</u>	<u>309,004</u>
NET POSITION					
Net Investment in Capital Assets	121,772	39,239			161,011
Unrestricted	<u>35,446</u>	<u>(156,876)</u>	<u>51,092</u>	<u>(5,440)</u>	<u>(75,778)</u>
Total Net Position	<u>\$ 157,218</u>	<u>\$ (117,637)</u>	<u>\$ 51,092</u>	<u>\$ (5,440)</u>	<u>\$ 85,233</u>

**RIDGEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Business-Type Activities - Enterprise Fund</u>				<u>Totals</u>
	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Non-Major Technology Initiative</u>	<u>Non-Major Inclusive Preschool</u>	
OPERATING REVENUES					
Charges for Services					
Daily Sales	\$ 1,883,039				\$ 1,883,039
Program Fees	-	\$ 989,001	\$ 97,890	\$ 8,700	1,095,591
Total Operating Revenues	<u>1,883,039</u>	<u>989,001</u>	<u>97,890</u>	<u>8,700</u>	<u>2,978,630</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	720,146	889,868	1,704		1,611,718
Cost of Sales	745,592				745,592
Administrative and Management Fees	129,023				129,023
Transportation		16,813			16,813
Telephone		601			601
Insurance	90,263	10,918			101,181
Rent		104,064			104,064
Depreciation	15,493	9,611			25,104
Repairs and Maintenance	17,776				17,776
Supplies and Materials	74,341	8,575	73,335		156,251
Other Purchased Services			10,120	14,140	24,260
Miscellaneous	52,426	14,344	-	-	66,770
Total Operating Expenses	<u>1,845,060</u>	<u>1,054,794</u>	<u>85,159</u>	<u>14,140</u>	<u>2,999,153</u>
Operating Income (Loss)	<u>37,979</u>	<u>(65,793)</u>	<u>12,731</u>	<u>(5,440)</u>	<u>(20,523)</u>
NONOPERATING REVENUES					
Interest	235	-	-	-	235
Total Nonoperating Revenues	<u>235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235</u>
Net Income (Loss)	<u>38,214</u>	<u>(65,793)</u>	<u>12,731</u>	<u>(5,440)</u>	<u>(20,288)</u>
Change in Net Position	38,214	(65,793)	12,731	(5,440)	(20,288)
Net Position, Beginning of Year - Restated	119,004	(51,844)	38,361	-	105,521
Net Position, End of Year	<u>\$ 157,218</u>	<u>\$ (117,637)</u>	<u>\$ 51,092</u>	<u>\$ (5,440)</u>	<u>\$ 85,233</u>

**RIDGEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund				Totals
	Food Service	Infant/ Toddler Development	Non-Major Technology Initiative	Non-Major Inclusive Preschool	
Cash Flows from Operating Activities					
Receipts from Customers	\$ 1,880,819	\$ 999,365	\$ 97,890	\$ 9,700	\$ 2,987,774
Payments for Employees' Salaries and Benefits	(720,146)	(889,868)	(1,704)		(1,611,718)
Payments to Suppliers for Goods and Services	<u>(1,070,970)</u>	<u>(155,055)</u>	<u>(83,455)</u>	<u>(14,140)</u>	<u>(1,323,620)</u>
Net Cash Provided by Operating Activities	<u>89,703</u>	<u>(45,558)</u>	<u>12,731</u>	<u>(4,440)</u>	<u>52,436</u>
Cash Flows from Noncapital Financing Activities					
Transfers from Other Funds	<u>-</u>	<u>44,224</u>	<u>-</u>	<u>4,440</u>	<u>48,664</u>
Net Cash Provided by(Used) Noncapital Financing Activities	<u>-</u>	<u>44,224</u>	<u>-</u>	<u>4,440</u>	<u>48,664</u>
Cash Flows from Investing Activities					
Interest Earnings	<u>235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235</u>
Net Cash Provided by Investing Activities	<u>235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	<u>(28,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,209)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(28,209)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,209)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	61,729	(1,334)	12,731	-	73,126
Cash and Cash Equivalents, Beginning of Year	<u>100,659</u>	<u>1,834</u>	<u>38,361</u>	<u>-</u>	<u>140,854</u>
Cash and Cash Equivalents, End of Year	<u>\$ 162,388</u>	<u>\$ 500</u>	<u>\$ 51,092</u>	<u>\$ -</u>	<u>\$ 213,980</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	<u>\$ 37,979</u>	<u>\$ (65,793)</u>	<u>\$ 12,731</u>	<u>\$ (5,440)</u>	<u>\$ (20,523)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	15,493	9,611			25,104
Change in Assets and Liabilities:					
Decrease/(Increase) in Accounts Receivable	(2,461)	6,514			4,053
(Decrease)/Increase in Unearned Revenue	241	3,850		1,000	5,091
(Increase)/Decrease in Inventories	(542)				(542)
Increase/(Decrease) in Accounts Payable	<u>38,993</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>39,253</u>
Total Adjustments	<u>51,724</u>	<u>20,235</u>	<u>-</u>	<u>1,000</u>	<u>72,959</u>
Net Cash Provided by Operating Activities	<u>\$ 89,703</u>	<u>\$ (45,558)</u>	<u>\$ 12,731</u>	<u>\$ (4,440)</u>	<u>\$ 52,436</u>

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2017**

	Private Purpose Scholarship Trust	Unemployment Compensation Trust	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 512,648	\$ 149,201	\$ 527,516
Investments, at fair value	<u>2,031,309</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,543,957</u>	<u>149,201</u>	<u>527,516</u>
LIABILITIES			
Due to Student Groups			335,039
Due to Other Funds			19,008
Accounts Payable		26,874	17,552
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>155,917</u>
Total Liabilities	<u>-</u>	<u>26,874</u>	<u>\$ 527,516</u>
NET POSITION			
Held in Trust for Unemployment Claims		<u>\$ 122,327</u>	
Held in Trust for Scholarships	<u>\$ 2,543,957</u>		

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

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS		
Contributions		
Employees		\$ 32,482
Dividends	\$ 43,689	
Net Gain in Fair Value	215,000	
Other Contributions	12,800	-
	271,489	32,482
 Investment Earnings		
Interest	1,784	137
	1,784	137
Net Investment Earnings	1,784	137
	273,273	32,619
 DEDUCTIONS		
Other Purchased Services and Other Expenses	10,779	
Scholarship/Award Payments	73,155	
Unemployment Claims and Contributions	-	88,686
	83,934	88,686
 Change in Net Position	189,339	(56,067)
Net Position, Beginning of the Year	2,354,618	178,394
Net Position, End of the Year	\$ 2,543,957	\$ 122,327

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

NOTES TO THE FINANCIAL STATEMENTS

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2017, the District adopted the following GASB statements:

- GASB 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*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that 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.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB 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 Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and 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*. 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 for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The *infant/toddler development fund* accounts for the activities of the District's teaching and recreation school program which provides daycare and recreation to infants and toddlers.

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

The *technology initiative fund* accounts for the non refundable deposits charged to repair and replenish the District's chromebooks which are provided to students.

The *inclusive preschool fund* accounts for the activities of the District's education program which provides instruction and recreation to preschool age children.

Additionally, the government reports the following fund types:

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

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

Reclassifications

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

Food Service Fund inventories, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

4. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects.

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Building and Building Improvements	45
Machinery and Equipment	5-20

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

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

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

8. Pensions

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

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

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations (Continued)*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures.

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Capital Lease Equipment Reserve – This restriction was created from proceeds of the lease purchase agreement.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

Emergency Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$3,071,448. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The Infant/Toddler Development and Inclusive Preschool Enterprise Funds have cumulative deficits in net position of \$117,637 and \$5,440, respectively, as of June 30, 2017. The District expects to eliminate these deficits through normal operations in the 2017/2018 fiscal year.

C. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 1,790,327
Increased by	
Deposits Approved by Resolution	<u>1,547,088</u>
	<u>3,337,415</u>
Withdrawals	
Approved in District Budget	<u>1,000,000</u>
Balance, June 30, 2017	<u>\$ 2,337,415</u>

The District utilized \$750,000 of Capital Reserve account in the 2017/18 adopted budget.

D. Maintenance Reserve

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

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 400,000</u>
Balance, June 30, 2017	<u>\$ 400,000</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$5,223,567. The District also utilized \$200,000 of the maintenance reserve account in the 2017/18 adopted budget.

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 700,000
Withdrawals	
Approved in the Budget	<u>300,000</u>
Balance, June 30, 2017	<u>\$ 400,000</u>

The District utilized \$300,000 of the emergency reserve in the 2017/18 adopted budget.

F. Transfers to Capital Outlay

During the 2016/2017 school year, the district transferred \$685,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve transfer to capital projects account to capital outlay in order to account for fully funded local projects in the General Fund rather than the Capital Projects Fund.

G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2017 is \$1,500,000. Of this amount, \$750,000 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$750,000 will be appropriated in the 2018/2019 original budget certified for taxes.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$11,788,588 and bank and brokerage firm balances of the Board's deposits amounted to \$16,849,444. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 16,849,444</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2017, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Private Purpose Scholarship Various	<u>\$ 2,031,309</u>

The investments, which were received as donations to the school district, are to be invested with specific custodians, according to donor stipulations. These custodians, which are subsidiaries of banks, make all investment decisions.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer. At June 30, 2017, the District’s investments were invested in BNY Mellon and Morgan Stanley brokerage accounts.

B. Receivables

Receivables as of June 30, 2017 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Total</u>
Receivables:						
Other	\$ 94,348			\$ 5,712	\$ 4,097	\$ 104,157
Intergovernmental-						-
Federal		\$ 183,565				183,565
State	263,467		\$ 1,466,952			1,730,419
Local	293,116	-	-	-	-	293,116
	<u>650,931</u>	<u>183,565</u>	<u>1,466,952</u>	<u>5,712</u>	<u>4,097</u>	<u>2,311,257</u>
Gross Receivables						
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 650,931</u>	<u>\$ 183,565</u>	<u>\$ 1,466,952</u>	<u>\$ 5,712</u>	<u>\$ 4,097</u>	<u>\$ 2,311,257</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepaid Tuition Fees	\$ 546,030
Special Revenue Fund	
Unencumbered Grant Draw Downs	224,174
Grant Draw Downs Reserved for Encumbrances	85,645
Capital Projects Fund	
Unrealized School Facilities Grants	58,150
Total Unearned Revenue for Governmental Funds	<u>\$ 913,999</u>

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016 (Restated)	Increases	Decreases	Adjustments	Balance, June 30, 2017
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,435,206				\$ 7,435,206
Construction in Progress	632,900	\$ 3,713,384	-	\$ (632,900)	3,713,384
Total Capital Assets, Not Being Depreciated	8,068,106	3,713,384	-	(632,900)	11,148,590
Capital Assets, Being Depreciated:					
Land Improvements	6,900,876				6,900,876
Building and Building Improvements	117,030,340	1,783,222		632,900	119,446,462
Machinery and Equipment	4,297,005	1,244,193	-	-	5,541,198
Total Capital Assets Being Depreciated	128,228,221	3,027,415	-	632,900	131,888,536
Less Accumulated Depreciation for:					
Land Improvements	(2,130,712)	(336,423)			(2,467,135)
Building and Building Improvements	(36,459,931)	(2,278,599)			(38,738,530)
Machinery and Equipment	(2,233,699)	(563,186)	-	-	(2,796,885)
Total Accumulated Depreciation	(40,824,342)	(3,178,208)	-	-	(44,002,550)
Total Capital Assets, Being Depreciated, Net	87,403,879	(150,793)	-	632,900	87,885,986
Governmental Activities Capital Assets, Net	\$ 95,471,985	\$ 3,562,591	\$ -	\$ -	\$ 99,034,576

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2016 <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2017
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 360,666	\$ 28,209	-	\$ 388,875
Total Capital Assets Being Depreciated	<u>360,666</u>	<u>28,209</u>	<u>-</u>	<u>388,875</u>
Less Accumulated Depreciation for:				
Equipment	(202,760)	(25,104)	-	(227,864)
Total Accumulated Depreciation	<u>(202,760)</u>	<u>(25,104)</u>	<u>-</u>	<u>(227,864)</u>
Total Capital Assets, Being Depreciated, Net	<u>157,906</u>	<u>3,105</u>	<u>-</u>	<u>161,011</u>
Business-Type Activities Capital Assets, Net	<u>\$ 157,906</u>	<u>\$ 3,105</u>	<u>\$ -</u>	<u>\$ 161,011</u>

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

Governmental Activities:

Instruction		
Regular		\$ 1,460,452
Special		601,942
Other Instruction		118,553
School Sponsored Athletics and Activities		<u>41,359</u>
Total Instruction		<u>2,222,306</u>
Support Services		
Student and Instruction Related		597,130
General Administration		22,165
School Administration		104,931
Central Services		32,948
Administrative Information Technology		128,068
Operations and Maintenance of Plant		34,205
Student Transportation		<u>36,455</u>
Total Support Services		<u>955,902</u>
Total Depreciation Expense - Governmental Funds		<u>\$ 3,178,208</u>
Business-Type Activities:		3178208
Food Service Fund		\$ 15,493
Infant/Toddler Development Fund		<u>9,611</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 25,104</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Ridgewood High School - Chiller Replacement Energy Savings Improvement Program	\$ 208,900 <u>3,653,688</u>
Total	<u>\$ 3,862,588</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	\$ 19,008
General Fund	Food Service Fund	54,225
General Fund	Infant/Toddler Development Fund	124,963
	Inclusive Preschool	4,440
General Fund	Capital Projects Fund	<u>1,117,445</u>
Total		<u>\$ 1,320,081</u>

The above balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

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

Interfund transfers

	<u>Transfer In:</u>
	<u>Capital Projects</u>
Transfer Out:	
General Fund	\$ 315,000

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases/Lease Purchase Agreements

The District is leasing computers and technology equipment totaling \$5,958,969 under capital leases and lease purchase agreements. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Computers and Equipment	\$ <u>5,958,969</u>

The unexpended proceeds from capital leases in the amount of \$914,161 at June 30, 2017 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2018	\$ 1,235,549
2019	1,035,842
2020	736,697
2021	539,542
2022	<u>217,335</u>
Total minimum lease payments	3,764,965
Less: amount representing interest	<u>(138,134)</u>
Present value of minimum lease payments	<u>\$ 3,626,831</u>

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$38,420,000, 2010 School Improvement Bonds, due in annual installments of \$700,000 to \$1,500,000 through March 15, 2020, interest at 3.25% to 4.00%	\$3,000,000
\$3,475,000, 2011 Refunding Bonds, due in annual installments of \$205,000 to \$230,000 through February 15, 2028, interest at 3.00% to 5.00%	2,475,000
\$5,300,000, 2013 School Refunding Bonds, due in annual installments of \$1,205,000 to \$1,250,000 through October 1, 2018, interest at 1.78% to 2.23%	2,455,000
\$32,860,000, 2016 School Refunding Bonds, due in annual installments of \$1,580,000 to \$2,755,000 through March 15, 2035, interest at 3.00% to 4.00%	32,685,000
\$6,660,000, 2016 Energy Savings Improvement Bonds, due in annual installments of \$210,000 to \$710,000 through November 15, 2035, interest at 2.00% to 4.00%	<u>6,660,000</u>
Total	<u>\$47,275,000</u>

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,155,000	\$ 1,821,866	\$ 3,976,866
2019	2,920,000	1,669,135	4,589,135
2020	2,355,000	1,604,049	3,959,049
2021	2,350,000	1,521,400	3,871,400
2022	2,155,000	1,438,750	3,593,750
2023-2027	11,750,000	5,938,125	17,688,125
2028-2032	13,680,000	3,475,250	17,155,250
2033-2035	<u>9,910,000</u>	<u>715,250</u>	<u>10,625,250</u>
Total	<u>\$ 47,275,000</u>	<u>\$ 18,183,825</u>	<u>\$ 65,458,825</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 253,282,184
Less: Net Debt	<u>47,275,000</u>
Remaining Borrowing Power	<u>\$ 206,007,184</u>

Advance Refundings of Debt

On November 23, 2016, the District issued \$32,860,000 in Refunding School Bonds having interest rates of 3.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2010 School Bonds of the District. The total bond principal defeased was \$33,170,000 and the total interest payments defeased to the call date was \$4,797,503. The net proceeds of \$36,386,091 (after payment of underwriting fees and other issuance 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 refunding met the requirements of an in-substance debt defeasance and the refunded bond liability was 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 \$3,526,091. This amount net of the 1st year of amortization has been reported as Deferred Outflows of Resources in the amount of \$3,434,244 on the financial statements and will continue to be amortized over the remaining life of the refunded debt. The advanced refunding was undertaken to reduce total debt service payments over the next nineteen years by \$2,042,126.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, July 1, 2016	Additions	Reductions	Balance, June 30, 2017	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 43,200,000	\$ 39,520,000	\$ 35,445,000	\$ 47,275,000	\$ 2,155,000
Add: Original Issue Premium	-	4,563,451	107,072	4,456,379	-
	<u>43,200,000</u>	<u>44,083,451</u>	<u>35,552,072</u>	<u>51,731,379</u>	<u>2,155,000</u>
Capital Leases	3,167,841	\$ 1,577,338	1,119,791	3,625,388	1,184,836
Lease Purchase Agreement		1,631	188	1,443	
Compensated Absences	1,347,155		150,992	1,196,163	
Net Pension Liability	<u>18,196,878</u>	<u>5,958,290</u>	<u>703,450</u>	<u>23,451,718</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 65,911,874</u>	<u>\$ 51,620,710</u>	<u>\$ 37,526,493</u>	<u>\$ 80,006,091</u>	<u>\$ 3,339,836</u>

For the governmental activities, the liabilities for compensated absences, capital leases and lease purchase agreements are generally liquidated by the general fund.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 32,482	\$ 88,686	\$ 122,327
2016	77,654	60,042	178,394
2015	77,508	53,872	160,631

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

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

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

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2015 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 703,450	\$ 5,014,960	\$ 106,178
2016	696,919	3,526,128	98,033
2015	989,952	2,396,164	83,590

In addition for fiscal year 2016/2017 the District contributed \$4,463 for PERS and the State contributed \$8,619 for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,306,548 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$23,451,718 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportionate share was .07918 percent, which was a decrease of .00188 percent from its proportionate share measured as of June 30, 2015 of .08106 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,085,747 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 436,131	
Changes of Assumptions	4,857,943	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	894,235	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>780,674</u>	<u>\$ 5,191,383</u>
Total	<u>\$ 6,968,983</u>	<u>\$ 5,191,383</u>

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 416,855
2019	416,855
2020	416,855
2021	416,855
2022	110,180
Thereafter	<u>-</u>
	<u>\$ 1,777,600</u>

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
 Municipal Bond Rate *	 From July 1, 2034 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease (<u>2.98%</u>)	Current Discount Rate (<u>3.98%</u>)	1% Increase (<u>4.98%</u>)
District's Proportionate Share of the PERS Net Pension Liability	\$ 28,737,343	\$ 23,451,718	\$ 19,087,976

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$26,031,487 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$346,457,855. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .44041 percent, which was a decrease of .0028 percent from its proportionate share measured as of June 30, 2015 of .44321 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 413,748,104</u>	<u>\$ 346,457,855</u>	<u>\$ 291,506,683</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2017, 2016 and 2015 were \$4,178,603, \$4,198,644 and \$3,803,911, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Tax Abatements

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

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 RESTATEMENT

The governmental activities financial statements for June 30, 2016 have been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net increase of \$3,465,167 in governmental activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2016.

The business activities financial statements for June 30, 2016 have also been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net decrease of \$14,068 in business activities capital assets with a corresponding decrease in the net investment in capital assets component of net position at June 30, 2016.

The results of these restatements is to increase total net position of Governmental Activities as of June 30, 2016 from \$31,118,786, as originally reported to \$34,583,953. In addition, the results of these restatements is to decrease total net position of business activities as of June 30, 2016 from \$119,589, as originally reported to \$105,521. The effects of these restatements are as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<u>Governmental Activities:</u>			
ASSETS			
Capital Assets, Being Depreciated	\$ 131,296,964	\$ (3,068,743)	\$ 128,228,221
Accumulated Depreciation	(47,358,252)	6,533,910	(40,824,342)
Total Capital Assets, Net	92,006,818	3,465,167	95,471,985
Total Assets	101,437,743	3,465,167	104,902,910
Total Assets and Deferred Outflows of Resources	104,928,171	3,465,167	108,393,338
NET POSITION			
Net Investment in Capital Assets	46,831,318	3,465,167	50,296,485
Total Net Position	\$ 31,118,786	\$ 3,465,167	\$ 34,583,953

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 RESTATEMENT (Continued)

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<u>Business Activities:</u>			
ASSETS			
Capital Assets, Being Depreciated	\$ 699,533	\$ (338,867)	\$ 360,666
Accumulated Depreciation	(527,557)	324,799	(202,758)
Total Capital Assets, Net	171,976	(14,068)	157,908
Total Assets	335,585	(14,068)	321,517
NET POSITION			
Net Investment in Capital Assets	171,974	(14,068)	157,906
Total Net Position	\$ 119,589	\$ (14,068)	\$ 105,521

BUDGETARY COMPARISON SCHEDULES

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 90,636,248		\$ 90,636,248	\$ 90,636,248	
Tuition from Individuals	50,000		50,000	146,645	\$ 96,645
Tuition from Other LEAs within the State	650,000		650,000	411,491	(238,509)
Interest on Investments	100		100	18,164	18,064
Rents	300,000		300,000	386,446	86,446
Unrestricted Miscellaneous Revenue	225,000		225,000	994,035	769,035
Other Restricted Miscellaneous Revenues	1,029,789		1,029,789	983,802	(45,987)
State Sources					
Extraordinary Aid	1,376,345		1,376,345	1,745,399	369,054
Categorical Special Education Aid	1,792,061		1,792,061	1,792,061	
Security Aid	98,280		98,280	98,280	
Transportation Aid	136,964		136,964	136,964	
PARCC Readiness Aid	56,660		56,660	56,660	
Per Pupil Growth Aid	56,660		56,660	56,660	
Professional Learning Community Aid	55,375		55,375	55,375	
Additional Nonpublic Transportation Aid				23,260	23,260
Payment of Institutionalized Children - Unknown					
District of Residence				170,923	170,923
Reimbursed TPAF Social Security Payments (Non-Budget)				3,306,548	3,306,548
On-behalf TPAF Pension System Contribution (Non-Budget)				4,839,610	4,839,610
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				175,350	175,350
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				4,178,603	4,178,603
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				8,619	8,619
Federal Sources					
Medicaid Reimbursement	24,154	-	24,154	-	(24,154)
Total Revenues	96,487,636	-	96,487,636	110,221,143	13,733,507
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,274,883	\$ 3,915	1,278,798	817,655	461,143
Grades 1-5	10,629,731	(30,732)	10,598,999	10,485,385	113,614
Grades 6-8	7,923,285	206,276	8,129,561	8,053,487	76,074
Grades 9-12	9,782,079	(230,641)	9,551,438	9,427,778	123,660
Regular Programs - Home Instruction					
Salaries of Teachers		19,987	19,987	19,987	-
Purchased Professional-Educational Services	9,000	(1,075)	7,925	7,646	279
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	74,800	-	74,800		74,800
Purchased Professional-Educational Services	35,377	10,432	45,809	16,583	29,226
Other Purchased Services	1,009,439	87,388	1,096,827	1,087,179	9,648
General Supplies	1,123,665	(66,139)	1,057,526	892,153	165,373
Textbooks	459,833	(109,490)	350,343	303,943	46,400
Other Objects	749	13,473	14,222	13,448	774
Total Regular Programs	32,322,841	(96,606)	32,226,235	31,125,244	1,100,991
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	1,836,903	(369,905)	1,466,998	1,455,103	11,895
Other Salaries for Instruction	295,212	(138,365)	156,847	139,949	16,898
General Supplies	24,510	(13,087)	11,423	6,405	5,018
Total Learning and/or Language Disabilities	2,156,625	(521,357)	1,635,268	1,601,457	33,811

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 422,631	\$ 7,440	\$ 430,071	\$ 413,004	\$ 17,067
Other Salaries for Instruction	235,052	(72,633)	162,419	124,422	37,997
Other Purchased Services	500	400	900	774	126
General Supplies	7,800	(1,961)	5,839	2,384	3,455
Other Objects	500	-	500	-	500
Total Multiple Disabilities	666,483	(66,754)	599,729	540,584	59,145
Resource Room/Resource Center					
Salaries of Teachers	3,657,653	(101,298)	3,556,355	3,376,518	179,837
Other Salaries for Instruction	2,012,923	(29,784)	1,983,139	1,682,339	300,800
General Supplies	20,150	(6,117)	14,033	9,792	4,241
Other Objects	250	-	250	-	250
Total Resource Room	5,690,976	(137,199)	5,553,777	5,068,649	485,128
Autism					
Salaries for Teachers	59,524	2,305	61,829	60,778	1,051
Other Salaries for Instruction	102,402	132,648	235,050	235,049	1
General Supplies	-	104	104	104	-
Total Autism	161,926	135,057	296,983	295,931	1,052
Preschool Disabilities - Full Time					
Salaries of Teachers	440,525	(20,728)	419,797	419,797	-
Other Salaries for Instruction	151,181	(3,681)	147,500	147,500	-
Other Purchased Services	4,100	(2,900)	1,200	13	1,187
General Supplies	8,000	1,176	9,176	7,780	1,396
Total Preschool Disabilities - Full Time	603,806	(26,133)	577,673	575,090	2,583
Home Instruction					
Salaries of Teachers		41,669	41,669	41,669	-
Purchased Professional-Educational Services	18,000	8,473	26,473	19,615	6,858
Total Home Instruction	18,000	50,142	68,142	61,284	6,858
Total Special Education	9,297,816	(566,244)	8,731,572	8,142,995	588,577
Basic Skills/Remedial					
Salaries of Teachers	1,084,887	46,684	1,131,571	1,109,868	21,703
General Supplies	4,500	400	4,900	4,229	671
Total Basic Skills/Remedial	1,089,387	47,084	1,136,471	1,114,097	22,374
Bilingual Education					
Salaries of Teachers	407,801	27,359	435,160	428,322	6,838
General Supplies	2,155	502	2,657	2,341	316
Total Bilingual Education	409,956	27,861	437,817	430,663	7,154

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 241,723	\$ 123,078	\$ 364,801	\$ 364,198	\$ 603
Purchased Services	16,400	1,615	18,015	17,822	193
Supplies and Materials	5,880	(87)	5,793	5,705	88
Other Objects	20,900	(5,958)	14,942	14,942	-
Total School-Sponsored Co/Extra Curricular Activities	284,903	118,648	403,551	402,667	884
School Sponsored Athletics - Instruction					
Salaries	803,519	(100,842)	702,677	702,677	-
Purchased Services	98,901	5,338	104,239	103,704	535
Supplies and Materials	102,251	(10,465)	91,786	90,530	1,256
Other Objects	57,207	8,693	65,900	65,900	-
Total School Sponsored Athletics	1,061,878	(97,276)	964,602	962,811	1,791
Summer School - Instruction					
Salaries of Teachers	56,000	(16,687)	39,313	38,839	474
Other Salaries for Instruction	75,000	(2,321)	72,679	67,065	5,614
General Supplies	900	(900)	-	-	-
Other Objects	-	375	375	375	-
Total Summer School - Instruction	131,900	(19,533)	112,367	106,279	6,088
Other Instructional Programs					
Salaries	61,232	121,944	183,176	181,357	1,819
Other Objects	7,000	(586)	6,414	6,414	-
Total Other Instructional Program	68,232	121,358	189,590	187,771	1,819
Total Instruction	44,666,913	(464,708)	44,202,205	42,472,527	1,729,678
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	867,081	(58,330)	808,751	785,663	23,088
Tuition to County Vocational School District-Regular	459,380	41,162	500,542	500,542	-
Tuition to CSSD & Regional Day Schools	690,205	29,780	719,985	696,897	23,088
Tuition to Private Schools for Disabled - Within State	4,815,693	62,558	4,878,251	4,859,413	18,838
Tuition to Private Schools for Disabled & Other LEAs-Spl,O/S State	319,856	20,642	340,498	340,498	-
Tuition - State Facilities		11,544	11,544		11,544
Tuition - Other	37,000	(30,640)	6,360	6,360	-
Total Undistributed Expenditures - Instruction	7,189,215	76,716	7,265,931	7,189,373	76,558
Attendance and Social Work					
Salaries	59,805	(12,392)	47,413	46,780	633
Supplies and Materials	150	-	150	93	57
Total Attendance and Social Work	59,955	(12,392)	47,563	46,873	690

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 759,442	\$ 38,209	\$ 797,651	\$ 792,402	\$ 5,249
Other Purchased Services	900	(900)			-
Supplies and Materials	24,850	(2,564)	22,286	22,275	11
Other Objects	2,100	2,137	4,237	4,237	-
Total Health Services	787,292	36,882	824,174	818,914	5,260
Speech, OT, PT and Related Svcs.					
Salaries	1,666,817	52,837	1,719,654	1,687,759	31,895
Purchased Professional-Educational Services	1,158,154	(90,138)	1,068,016	990,756	77,260
Supplies and Materials	9,305	5,857	15,162	13,989	1,173
Total Speech, OT, PT and Related Svcs.	2,834,276	(31,444)	2,802,832	2,692,504	110,328
Other Support Services - Students - Extraordinary Services					
Salaries	676,983	(94,717)	582,266	566,605	15,661
Purchased Professional-Educational Services	1,018,717	296,455	1,315,172	1,135,461	179,711
Supplies and Materials	25,000	1,469	26,469	20,295	6,174
Other Objects	900	(785)	115	-	115
Total Other Support Services - Students - Extraordinary Services	1,721,600	202,422	1,924,022	1,722,361	201,661
Guidance					
Salaries of Other Professional Staff	1,682,724	170,556	1,853,280	1,827,063	26,217
Salaries of Secretarial and Clerical Assistants	244,158	16,082	260,240	248,782	11,458
Purchased Professional and Technical Services	127,670	4,760	132,430	132,430	-
Other Purchased Services	22,425	(12,562)	9,863	9,735	128
Supplies and Materials	62,890	1,512	64,402	64,402	-
Supplies and Materials (Non Budgeted - Lease Purchase)				1,631	(1,631)
Other Objects	1,100	(325)	775	775	-
Total Guidance	2,140,967	180,023	2,320,990	2,284,818	36,172
Child Study Teams					
Salaries of Other Professional Staff	2,461,076	149,515	2,610,591	2,598,056	12,535
Salaries of Secretarial and Clerical Assistants	280,296	57,605	337,901	332,569	5,332
Purchased Professional-Educational Services	28,000	(26,302)	1,698	1,347	351
Other Purchased Professional-Technical Services	50,000	40,502	90,502	43,652	46,850
Other Purchased Services	2,500	3,105	5,605	5,605	-
Supplies and Materials	31,500	8,036	39,536	39,521	15
Other Objects	500	(500)	-	-	-
Total Child Study Teams	2,853,872	231,961	3,085,833	3,020,750	65,083
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	1,184,434	6,211	1,190,645	1,190,645	-
Salaries of Other Professional Staff	50,310	(47,388)	2,922	2,922	-
Salaries of Secretarial and Clerical Assistants	196,326	70,504	266,830	266,830	-
Purchased Professional - Educational Services	138,616	(60,449)	78,167	78,167	-
Other Purchased Services	37,250	(10,796)	26,454	26,454	-
Supplies and Materials	18,500	(1,398)	17,102	17,102	-
Other Objects	9,650	(4,316)	5,334	5,334	-
Total Improvement of Instructional Services	1,635,086	(47,632)	1,587,454	1,587,454	-

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 1,161,583	\$ 27,691	\$ 1,189,274	\$ 1,167,732	\$ 21,542
Purchased Professional and Technical Services	60,000	(9,900)	50,100	47,071	3,029
Other Purchased Services	29,725	(7,979)	21,746	19,828	1,918
Supplies and Materials	253,958	(21,231)	232,727	231,362	1,365
Other Objects	200	(200)	-	-	-
Total Educational Media Serv./School Library	<u>1,505,466</u>	<u>(11,619)</u>	<u>1,493,847</u>	<u>1,465,993</u>	<u>27,854</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	37,476	916	38,392	38,391	1
Salaries of Secretarial and Clerical Assistants	51,742	1,990	53,732	53,732	-
Purchased Professional - Educational Services		1,625	1,625	1,625	-
Other Purchased Services	111,625	(20,384)	91,241	90,341	900
Supplies and Materials	8,500	(7,220)	1,280	1,280	-
Total Instructional Staff Training Services	<u>209,343</u>	<u>(23,073)</u>	<u>186,270</u>	<u>185,369</u>	<u>901</u>
Support Services - General Administration					
Salaries	293,668	(21,132)	272,536	272,536	-
Legal Services	102,000	23,342	125,342	125,341	1
Audit Fees	60,000	3,535	63,535	61,580	1,955
Other Purchased Professional Services	2,100	3,800	5,900	5,900	-
Communications/Telephone	222,236	(14,062)	208,174	186,354	21,820
BOE Other Purchased Services	4,254	549	4,803	4,488	315
Misc Purchased Services	244,462	11,935	256,397	256,395	2
General Supplies	11,400	(1,390)	10,010	9,868	142
Miscellaneous Expenditures	23,867	(2,602)	21,265	21,265	-
BOE Membership Dues and Fees	29,000	(1,279)	27,721	26,663	1,058
Total Support Services - General Administration	<u>992,987</u>	<u>2,696</u>	<u>995,683</u>	<u>970,390</u>	<u>25,293</u>
Support Services - School Administration					
Salaries of Principal/Asst. Principals	2,491,331	32,296	2,523,627	2,522,582	1,045
Salaries of Secretarial and Clerical Assistants	944,845	36,572	981,417	941,656	39,761
Other Salaries	118,807	69,078	187,885	120,506	67,379
Other Purchased Services	26,250	961	27,211	6,723	20,488
Supplies and Materials	119,000	5,094	124,094	119,586	4,508
Other Objects	4,700	(2,639)	2,061	1,461	600
Total Support Services - School Administration	<u>3,704,933</u>	<u>141,362</u>	<u>3,846,295</u>	<u>3,712,514</u>	<u>133,781</u>
Central Services					
Salaries	1,050,241	34,436	1,084,677	1,074,793	9,884
Purchased Professional Services	44,950	70,282	115,232	115,232	-
Miscellaneous Purchased Services	64,202	15,055	79,257	77,291	1,966
Supplies and Materials	24,200	3,825	28,025	26,022	2,003
Miscellaneous Expenditures	5,200	(1,696)	3,504	3,503	1
Total Central Services	<u>1,188,793</u>	<u>121,902</u>	<u>1,310,695</u>	<u>1,296,841</u>	<u>13,854</u>

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 825,754	\$ 49,357	\$ 875,111	\$ 788,605	\$ 86,506
Purchased Professional Services	3,500	4,250	7,750	7,749	1
Other Purchased Services	140,651	(16,669)	123,982	111,254	12,728
Supplies and Materials	3,532	22,192	25,724	22,958	2,766
Other Objects	1,125	-	1,125	825	300
Total Admin. Info. Technology	974,562	59,130	1,033,692	931,391	102,301
Required Maintenance for School Facilities					
Salaries	136,491	1,271	137,762	135,192	2,570
Purchased Services - Other Professional Services		35,203	35,203	35,203	-
Architectural/Engineering Services		12,000	12,000		12,000
Cleaning, Repair and Maintenance Services	824,451	461,272	1,285,723	1,231,788	53,935
General Supplies	157,662	158,823	316,485	316,446	39
Other Objects	53,995	(52,015)	1,980	1,980	-
Total Required Maintenance for School Facilities	1,172,599	616,554	1,789,153	1,720,609	68,544
Custodial Services					
Salaries	176,533	34,657	211,190	204,841	6,349
Salaries of Non-Instructional Aides	123,078	(60,210)	62,868	62,867	1
Purchased Professional and Technical Services	297,099	(1,357)	295,742	295,741	1
Cleaning, Repair and Maintenance Services	4,338,078	155,442	4,493,520	4,482,256	11,264
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	14,392	28,059	42,451	42,451	-
Other Purchased Property Services	247,532	(121,215)	126,317	119,165	7,152
Insurance	331,732	22,341	354,073	354,073	-
Miscellaneous Purchased Services	6,450	(6,010)	440	440	-
General Supplies	160,786	325,588	486,374	483,682	2,692
Energy (Natural Gas)	421,686	(98,515)	323,171	319,628	3,543
Energy (Electricity)	959,677	(183,925)	775,752	769,408	6,344
Other Objects	790	1,963	2,753	2,753	-
Total Custodial Services	7,077,833	96,818	7,174,651	7,137,305	37,346
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	43,773	560	44,333	44,333	-
Cleaning, Repair and Maintenance Services	375,413	(108,183)	267,230	261,398	5,832
General Supplies	44,920	65,217	110,137	110,114	23
Total Care and Upkeep of Grounds	464,106	(42,406)	421,700	415,845	5,855
Security					
Salaries of Other Professional Staff		2,000	2,000	1,683	317
Purchased Professional and Technical Services	30,000	4,043	34,043	34,043	-
Cleaning, Repair and Maintenance Services	78,048	(34,032)	44,016	44,016	-
General Supplies	1,884	24,670	26,554	25,084	1,470
Other Objects	54,621	(345)	54,276	54,276	-
Total Security	164,553	(3,664)	160,889	159,102	1,787

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation(Bet Home & Sch) Reg	\$ 61,229	\$ 1,382	\$ 62,611	\$ 62,611	
Salaries for Pupil Transportation(Other than Bet Home & Sch)	18,000	16,357	34,357	34,357	
Management Fee-ESC and CTSA Transportation Prog.	56,232	(4,522)	51,710		\$ 51,710
Cleaning, Repair and Maintenance Services	7,000	13,446	20,446	20,446	-
Contracted Services - Aid in Lieu of Payments - Non Public	131,445	(48,615)	82,830	80,620	2,210
Contracted Svcs. (Between Home & School) - Vendors	777,241	25,983	803,224	803,224	
Contracted Svcs. (Other than Between Home and School) - Vendors	232,101	(18,671)	213,430	213,430	-
Contracted Services (Bet. Home & Sch)-Joint Agreements	75,000	34,080	109,080	109,080	-
Contracted Services (Special Ed. Students)-Vendors	18,150	10,710	28,860	27,360	1,500
Contracted Services (Special Ed. Students)-Joint Agreements	1,865,000	92,340	1,957,340	1,957,340	-
Misc. Purchased Services - Transportation	280	(280)			-
Transportation Supplies	3,000	(3,000)	-	-	-
Total Student Transportation Services	3,244,678	119,210	3,363,888	3,308,468	55,420
Unallocated Benefits - Employee Benefits					
Group Insurance	31,421	(31,421)			-
Social Security Contributions	882,300	47,942	930,242	930,242	-
Other Retirement Contributions - PERS	860,455	(46,363)	814,092	812,813	1,279
Workmen's Compensation	362,783	(37,621)	325,162	325,162	-
Health Benefits	9,411,636	(4,041)	9,407,595	9,407,594	1
Unemployment Compensation	5,000	(5,000)			-
Tuition Reimbursement	165,000	(14,202)	150,798	132,039	18,759
Other Employee Benefits	49,749	(3,188)	46,561	46,561	-
Total Unallocated Benefits-Employee Benefits	11,768,344	(93,894)	11,674,450	11,654,411	20,039
Reimbursed TPAF Social Security Payments (Non-Budget)				3,306,548	(3,306,548)
On-behalf TPAF Pension System Contribution (Non-Budget)				4,839,610	(4,839,610)
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				175,350	(175,350)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)	-	-	-	4,178,603	(4,178,603)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)	-	-	-	8,619	(8,619)
Total On-Behalf TPAF	-	-	-	12,508,730	(12,508,730)
Total Undistributed Expenditures	51,690,460	1,619,552	53,310,012	64,830,015	(11,520,003)
Total Expenditures - Current Expenditures	96,357,373	1,154,844	97,512,217	107,302,542	(9,790,325)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 6-8	-	22,557	22,557	22,557	-
Grades 9-12	-	1,026	1,026	976	50
Undistributed Expenditures					
Resource Room	-	2,700	2,700	2,685	15
School-Sponsored and Other Instructional Program	-	38,261	38,261	10,578	27,683
Security	-	10,354	10,354	10,354	-
Care and Upkeep of Grounds	-	16,502	16,502	16,502	-
Noninstructional Services	-	190,508	190,508	163,327	27,181
Total Equipment	-	281,908	281,908	226,979	54,929

**RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services		\$ 71,326	\$ 71,326	\$ 61,730	\$ 9,596
Construction Services		1,644,075	1,644,075	1,397,537	246,538
Assessment for Debt Service on SDA Funding	\$ 42,837	-	42,837	42,837	-
Total Facilities Acquisition and Construction Services	42,837	1,715,401	1,758,238	1,502,104	256,134
Assets Acquired under Capital Leases (Non-Budget)					
Equipment	-	-	-	662,338	(662,338)
Total Assets Acquired under Capital Leases	-	-	-	662,338	(662,338)
Interest Deposit into Capital Reserve	100	-	100	-	100
Total Capital Outlay	42,937	1,997,309	2,040,246	2,391,421	(351,175)
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	61,500	156,573	218,073	218,073	-
Other Salaries for Instruction	85,015	(43,370)	41,645	21,399	20,246
General Supplies	-	6,103	6,103	6,103	-
Total Summer School - Instruction	146,515	119,306	265,821	245,575	20,246
Summer School - Support Services					
Salaries		34,022	34,022	34,022	-
Personal Services - Employee Benefits		16,255	16,255	16,255	-
Other Purchased Services	-	617	617	617	-
Total Summer School - Support Services	-	50,894	50,894	50,894	-
Other Special Schools - Instruction					
Salaries of Teachers	361,519	(92,681)	268,838	244,953	23,885
Purchased Professional and Technical Services	3,500	(3,020)	480	-	480
Other Purchased Services	1,000	(1,000)			-
General Supplies	14,000	638	14,638	14,636	2
Total Other Special Schools - Instruction	380,019	(96,063)	283,956	259,589	24,367
Other Special Schools - Support Services					
Salaries	172,091	(101,602)	70,489	40,911	29,578
Personal Services - Employee Benefits	37,000	(4,082)	32,918	32,918	-
Other Purchased Services	34,500	6,979	41,479	41,478	1
Supplies and Materials	5,000	(1,913)	3,087		3,087
Other Objects	12,000	11,753	23,753	23,753	-
Total Other Special Schools - Support Services	260,591	(88,865)	171,726	139,060	32,666
Adult Education - Local - Instruction					
Salaries of Teachers	115,000	9,797	124,797	124,796	1
Purchased Professional and Technical Services	4,925	3,099	8,024	8,024	-
Other Purchased Services	66,000	11,360	77,360	77,360	-
General Supplies	2,000	(719)	1,281	1,281	-
Textbooks	500	(431)	69	-	69
Total Adult Education - Local - Instruction	188,425	23,106	211,531	211,461	70

(Continued)

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
Adult Education - Local - Support Services					
Salaries of Teachers	\$ 53,000	\$ (1,989)	\$ 51,011	\$ 46,928	\$ 4,083
Personal Services - Employee Benefits	24,500	(2,488)	22,012	22,012	-
Other Purchased Services	80,075	(90)	79,985	77,816	2,169
Supplies and Materials	200	-	200	82	118
Other Objects	4,001	(2,452)	1,549	1,549	-
Total Adult Education - Local - Support Services	161,776	(7,019)	154,757	148,387	6,370
Total Special Schools	1,137,326	1,359	1,138,685	1,054,966	83,719
Total Expenditures	97,537,636	3,153,512	100,691,148	110,748,929	(10,057,781)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,050,000)	(3,153,512)	(4,203,512)	(527,786)	3,675,726
Other Financing Sources/Uses					
Capital Lease Proceeds				663,969	663,969
Transfer Out - Capital Reserve Transfer to Capital Projects	(1,000,000)	685,000	(315,000)	(315,000)	-
Total Other Financing Sources/Uses	(1,000,000)	685,000	(315,000)	348,969	663,969
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(2,050,000)	(2,468,512)	(4,518,512)	(178,817)	4,339,695
Change in Fund Balance	(2,050,000)	(2,468,512)	(4,518,512)	(178,817)	4,339,695
Fund Balance (Deficit), Beginning of Year	8,724,910	-	8,724,910	8,724,910	-
Fund Balance, End of Year	\$ 6,674,910	\$ (2,468,512)	\$ 4,206,398	\$ 8,546,093	\$ 4,339,695

Recapitulation Of Fund Balance:

Restricted Fund Balance:	
Excess Surplus	\$ 750,000
Excess Surplus - Designated for Subsequent Year's Expenditures	750,000
Capital Reserve	1,587,415
Capital Reserve - Designated for Subsequent Year's Expenditures	750,000
Emergency Reserve	100,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	300,000
Maintenance Reserve	200,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	200,000
Committed Fund Balance:	
Year End Encumbrances	208,900
Assigned Fund Balance:	
Year End Encumbrances	419,839
Designated for Subsequent Year's Expenditures	929,800
Unassigned Fund Balance	2,350,139
Reconciliation to Governmental Fund Statement (GAAP)	8,546,093
State Aid Payments Not Recognized on GAAP Basis	
Extraordinary Aid	\$ (1,745,399)
Delayed State Aid Payments	(145,522)
	(1,890,921)
Fund Balance Per Governmental Funds (GAAP)	\$ 6,655,172

**RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 3,100	\$ 4,056	\$ 7,156	\$ 3,653	\$ (3,503)
Local	280,000	603,303	883,303	569,042	(314,261)
Federal	<u>1,205,796</u>	<u>97,560</u>	<u>1,303,356</u>	<u>1,295,379</u>	<u>(7,977)</u>
Total Revenues	<u>1,488,896</u>	<u>704,919</u>	<u>2,193,815</u>	<u>1,868,074</u>	<u>(325,741)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	124,250	64,911	189,161	167,412	21,749
Purchased Prof./Educational Services	1,517	9,242	10,759	6,933	3,826
Other Purchased Services		12,788	12,788	7,651	5,137
Tuition	1,006,000	27,330	1,033,330	1,033,330	-
Supplies and Materials	11,661	1,600	115,244	69,686	45,558
Textbooks	400	1,444	1,844	1,545	299
Miscellaneous	<u>153,933</u>	<u>234,971</u>	<u>388,904</u>	<u>310,322</u>	<u>78,582</u>
Total Instruction	<u>1,297,761</u>	<u>352,286</u>	<u>1,752,030</u>	<u>1,596,879</u>	<u>155,151</u>
Support Services					
Salaries of Other Professional Staff	59,323	10,195	69,518	69,518	-
Personnel Services - Employee Benefits	22,349	26,324	48,673	48,673	-
Social Security Contributions		4,419	4,419	4,419	-
Purchased Professional and Educational/ Technical Services	463	5,844	6,307	471	5,836
Cleaning, Repair & Maintenance		17,530	17,530	850	16,680
Rental	30,500	1,273	31,773	31,772	1
Transportation	15,500	9,307	24,807	13,067	11,740
Travel		5,481	5,481	4,302	1,179
General Supplies		42,045	42,045	16,956	25,089
Miscellaneous Expenditures	<u>63,000</u>	<u>73,601</u>	<u>136,601</u>	<u>63,783</u>	<u>72,818</u>
Total Support Services	<u>191,135</u>	<u>196,019</u>	<u>387,154</u>	<u>253,811</u>	<u>133,343</u>
Facilities Acquisition and Construction Services					
Non-instructional Equipment	<u>-</u>	<u>54,631</u>	<u>54,631</u>	<u>17,384</u>	<u>37,247</u>
Total Facilities Acquisition and Const.Ser.	<u>-</u>	<u>54,631</u>	<u>54,631</u>	<u>17,384</u>	<u>37,247</u>
Total Expenditures	<u>1,488,896</u>	<u>602,936</u>	<u>2,193,815</u>	<u>1,868,074</u>	<u>325,741</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1 and C-2)	\$ 110,221,143	\$ 1,868,074
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances June 30, 2016		71,007
Encumbrances June 30, 2017		(85,645)
State Aid payments recognized for budgetary purposes not recognized for GAAP statements		
Prior Year	1,506,944	
Current Year	<u>(1,890,921)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 109,837,166</u>	<u>\$ 1,853,436</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 110,748,929	\$ 1,868,074
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances June 30, 2016		71,007
Encumbrances June 30, 2017	<u>-</u>	<u>(85,645)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 110,748,929</u>	<u>\$ 1,853,436</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**RIDGEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.07918%	0.08106%	0.12008%	0.11244%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 23,451,718</u>	<u>\$ 18,196,878</u>	<u>\$ 22,482,937</u>	<u>\$ 21,488,873</u>
District's Covered-Employee Payroll	<u>\$ 5,088,990</u>	<u>\$ 5,355,142</u>	<u>\$ 7,167,298</u>	<u>\$ 7,023,952</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	460.83%	339.80%	313.69%	305.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

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

**RIDGEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 703,450	\$ 696,919	\$ 989,952	\$ 847,187
Contributions in Relation to the Contractually Required Contributions	<u>703,450</u>	<u>696,919</u>	<u>989,952</u>	<u>847,187</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 5,088,990</u>	<u>\$ 5,355,142</u>	<u>\$ 7,167,298</u>	<u>\$ 7,023,952</u>
Contributions as a Percentage of Covered-Employee Payroll	13.82%	13.01%	13.81%	12.06%

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

**RIDGEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND
Last Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.44041%	0.44321%	0.43223%	0.44204%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>346,457,855</u>	<u>280,128,643</u>	<u>231,014,249</u>	<u>223,403,034</u>
Total	<u>\$ 346,457,855</u>	<u>\$ 280,128,643</u>	<u>\$ 231,014,249</u>	<u>\$ 223,403,034</u>
District's Covered-Employee Payroll	<u>\$ 44,290,765</u>	<u>\$ 44,690,162</u>	<u>\$ 43,796,359</u>	<u>\$ 42,920,432</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	782.23%	626.82%	527.47%	520.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**RIDGEWOOD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

RIDGEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>I.D.E.A.</u>			<u>Subtotal</u> <u>Page 2</u>	<u>Total</u>
	<u>Part B</u> <u>Basic</u>	<u>Preschool</u>	<u>Other Grants</u>		
REVENUES					
State				\$ 3,653	\$ 3,653
Local			\$ 569,042	-	569,042
Federal	\$ 996,238	\$ 37,092	-	262,049	1,295,379
Total Revenues	<u>\$ 996,238</u>	<u>\$ 37,092</u>	<u>\$ 569,042</u>	<u>\$ 265,702</u>	<u>\$ 1,868,074</u>
EXPENDITURES					
Instruction					
Salaries of Teachers			\$ 69,917	\$ 97,495	\$ 167,412
Purchased Prof./Educational Services			1,032	5,901	6,933
Other Purchased Services			7,651	-	7,651
Tuition	\$ 996,238	\$ 37,092		-	1,033,330
Supplies and Materials			23,899	45,787	69,686
Textbooks				1,545	1,545
Miscellaneous	-	-	310,322	-	310,322
Total Instruction	<u>996,238</u>	<u>37,092</u>	<u>412,821</u>	<u>150,728</u>	<u>1,596,879</u>
Support Services					
Salaries of Other Professional Staff			1,913	67,605	69,518
Personnel Services - Employee Benefits			2,906	45,767	48,673
Social Security Contributions			4,419	-	4,419
Purchased Professional and Educational/ Technical Services				471	471
Cleaning, Repair & Maintenance			850	-	850
Rental			31,772	-	31,772
Transportation			13,067	-	13,067
Travel			3,171	1,131	4,302
General Supplies			16,956	-	16,956
Miscellaneous Expenditures	-	-	63,783	-	63,783
Total Support Services	<u>-</u>	<u>-</u>	<u>138,837</u>	<u>114,974</u>	<u>253,811</u>
Facilities Acquisition and Construction Services					
Non-Instructional Equipment	-	-	17,384	-	17,384
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>17,384</u>	<u>-</u>	<u>17,384</u>
Total Expenditures	<u>\$ 996,238</u>	<u>\$ 37,092</u>	<u>\$ 569,042</u>	<u>\$ 265,702</u>	<u>\$ 1,868,074</u>

Continued

RIDGEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Nonpublic Aid				Title I	Title II A	Title III A	Title III Immigrant	Page 2 Total
	Textbooks	Technology	Security	Nursing					
REVENUES									
State	\$ 1,545	\$ 766	\$ 1,246	\$ 96					\$ 3,653
Local									-
Federal	-	-	-	-	\$ 158,464	\$ 68,568	\$ 25,118	\$ 9,899	262,049
Total Revenues	<u>\$ 1,545</u>	<u>\$ 766</u>	<u>\$ 1,246</u>	<u>\$ 96</u>	<u>\$ 158,464</u>	<u>\$ 68,568</u>	<u>\$ 25,118</u>	<u>\$ 9,899</u>	<u>\$ 265,702</u>
EXPENDITURES									
Instruction									
Salaries of Teachers					\$ 97,495				\$ 97,495
Purchased Prof./Educational Services					5,901				5,901
Other Purchased Services									-
Tuition									-
Supplies and Materials		\$ 766	\$ 1,246		28,042		\$ 5,834	\$ 9,899	45,787
Textbooks	\$ 1,545								1,545
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Instruction	<u>1,545</u>	<u>766</u>	<u>1,246</u>	<u>-</u>	<u>131,438</u>	<u>-</u>	<u>5,834</u>	<u>9,899</u>	<u>150,728</u>
Support Services									
Salaries of Other Professional Staff						\$ 53,686	13,919		67,605
Personnel Services - Employee Benefits					27,026	14,882	3,859		45,767
Social Security Contributions									-
Purchased Professional and Educational/ Technical Services				\$ 96			375		471
Cleaning Repair & Maintenance									-
Rental									-
Transportation									-
General Supplies									-
Travel							1,131		1,131
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>27,026</u>	<u>68,568</u>	<u>19,284</u>	<u>-</u>	<u>114,974</u>
Facilities Acquisition and Construction Services									
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,545</u>	<u>\$ 766</u>	<u>\$ 1,246</u>	<u>\$ 96</u>	<u>\$ 158,464</u>	<u>\$ 68,568</u>	<u>\$ 25,118</u>	<u>\$ 9,899</u>	<u>\$ 265,702</u>

**RIDGEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2017</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Willard New Construction	\$ 5,536,768	\$ 5,478,296	\$ 58,472	
GW New Construction	11,882,309	11,771,698	11,015	\$ 99,596
RHS HVAC Upgrade	742,000	635,166		106,834
RHS Window Replacement	343,550	305,005		38,545
Energy Savings Improvement Program	<u>7,427,878</u>	<u>-</u>	<u>3,741,689</u>	<u>3,686,189</u>
	25,932,505	18,190,165	3,811,176	3,931,164
 <u>Capital Leases</u>				
2015-2016 Capital Lease - Computer Equipment	955,152	851,660	103,492	-
2016-2017 Capital Lease - Computer Equipment	995,846	500	993,962	1,384
2017-2018 Capital Lease - Computer Equipment	<u>915,277</u>	<u>-</u>	<u>2,500</u>	<u>912,777</u>
	<u>\$ 28,798,780</u>	<u>\$ 19,042,325</u>	<u>\$ 4,911,130</u>	<u>\$ 4,845,325</u>

Reconciliation to GAAP

Project Balances, June 30, 2017 - Budgetary	\$ 4,845,325
Less:	
Unearned Revenue - SDA Grants	<u>(58,150)</u>
Fund Balance, June 30, 2017 - GAAP	<u>\$ 4,787,175</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Capital Lease Equipment Reserve	\$ 914,161
Available for Capital Projects	3,931,164
Unearned SDA Grant Revenue	<u>(58,150)</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 4,787,175</u>

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues and Other Financing Sources	
Energy Savings Bond Proceeds	\$ 6,660,000
Premium on Energy Savings Bonds	452,878
Transfer from Capital Outlay	315,000
Capital Lease Proceeds	915,000
Interest	<u>1,276</u>
 Total Revenues and Other Financing Sources	 <u>8,344,154</u>
Expenditures and Other Financing Uses	
Legal Services	4,544
Other Professional Services	79,232
Supplies and Materials	519,762
Equipment	270,253
Construction Services	<u>4,037,340</u>
 Total Expenditures and Other Financing Uses	 <u>4,911,131</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 3,433,023
 Fund Balance, Beginning of Year	 <u>1,412,302</u>
 Fund Balance - End of Year	 <u>\$ 4,845,325</u>
 <u>Reconciliation to GAAP Basis</u>	
 Fund Balance, June 30, 2017 - Budgetary Basis	 \$ 4,845,325
 Less: Unearned Revenue (SDA Grants)	 <u>(58,150)</u>
 Fund Balance, June 30, 2017 - GAAP Basis	 <u>\$ 4,787,175</u>

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
WILLARD CLASSROOMS ADDITIONS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 802,771		\$ 802,771	\$ 802,771
Bond Proceeds and Transfers	4,683,997		4,683,997	4,683,997
Contribution from Private Sources	50,000	-	50,000	50,000
	<u>5,536,768</u>	<u>-</u>	<u>5,536,768</u>	<u>5,536,768</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Purchased Professional and Technical Services	623,976		623,976	623,976
Construction Services	4,690,897	\$ 58,472	4,749,369	4,749,369
General Supplies	163,423	-	163,423	163,423
	<u>5,478,296</u>	<u>58,472</u>	<u>5,536,768</u>	<u>5,536,768</u>
Excess of Revenues over Expenditures	<u>\$ 58,472</u>	<u>\$ (58,472)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

NJ DOE Project Number	4390-130-09-1001
SDA Project Number	4390-130-09-OZZI
Grant Number	G5-3756
Grant Notification Date	2/22/2010
Grant Amount	\$ 802,771
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 4,385,562
Bonds Issued	\$ 4,385,562
Original Authorized Cost	\$ 5,188,333
Additional Authorized Cost	348,435
Revised Authorized Cost	\$ 5,536,768

Percentage Increase (Decrease) over Original Authorized

Cost	6.72%
Percentage Completion	100%
Original Target Completion Date	12/31/2012
Revised Target Completion Date	Complete

RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
GEORGE WASHINGTON CONSTRUCTION AND ADDITION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds and Transfers	\$ 11,402,309		\$ 11,402,309	\$ 11,402,309
Special Item - Legal Settlement	480,000	-	480,000	480,000
Total Revenues	<u>11,882,309</u>	<u>-</u>	<u>11,882,309</u>	<u>11,882,309</u>
 EXPENDITURES AND OTHER FINANCING SOURCES				
Purchased Professional and Technical Services	996,514		996,514	996,514
Construction Services	10,592,772	\$ 11,015	10,603,787	10,703,383
General Supplies	182,412	-	182,412	182,412
Total Expenditures and other Financing Sources	<u>11,771,698</u>	<u>11,015</u>	<u>11,782,713</u>	<u>11,882,309</u>
Excess of Revenues over Expenditures	<u>\$ 110,611</u>	<u>\$ (11,015)</u>	<u>\$ 99,596</u>	<u>\$ -</u>
 Additional Project Information:				
NJ DOE Project Number	N/A			
SDA Project Number	N/A			
Grant Number	N/A			
Grant Notification Date	N/A			
Grant Amount	N/A			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$ 9,594,243			
Bonds Issued	\$ 9,594,243			
Original Authorized Cost	\$ 9,594,243			
Additional Authorized Cost	<u>2,288,066</u>			
Revised Authorized Cost	\$ 11,882,309			
Percentage Increase (Decrease) over Original Authorized				
Cost	23.85%			
Percentage Completion	100%			
Original Target Completion Date	12/31/2012			
Revised Target Completion Date	Complete			

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
RHS HVAC UPGRADES
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 296,800		\$ 296,800	\$ 296,800
Transfer from Capital Reserve	445,200	-	445,200	445,200
Total Revenues	<u>742,000</u>	<u>-</u>	<u>742,000</u>	<u>742,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services	635,166	-	635,166	742,000
Total Expenditures and other Financing Sources	<u>635,166</u>	<u>-</u>	<u>635,166</u>	<u>742,000</u>
Excess of Revenues over Expenditures	<u>\$ 106,834</u>	<u>\$ -</u>	<u>\$ 106,834</u>	<u>\$ -</u>

Additional Project Information:

NJ DOE Project Number	4390-050-14-1002
SDA Project Number	4390-050-14-G1GP
Grant Number	G5-4917
Grant Notification Date	6/27/2014
Grant Amount	\$ 296,800
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	742,000
Additional Authorized Cost	-
Revised Authorized Cost	742,000

Percentage Increase (Decrease) over Original Authorized

Cost	0.00%
Percentage Completion	85.60%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	6/30/2017

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
RHS WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	\$ 137,420		\$ 137,420	\$ 137,420
Transfer from Capital Reserve	<u>206,130</u>	<u>-</u>	<u>206,130</u>	<u>206,130</u>
 Total Revenues	 <u>343,550</u>	 <u>-</u>	 <u>343,550</u>	 <u>343,550</u>
 EXPENDITURES AND OTHER FINANCING SOURCES				
Purchased Professional and Technical Services	6,801		6,801	6,801
Construction Services	<u>298,204</u>	<u>\$ -</u>	<u>298,204</u>	<u>336,749</u>
 Total Expenditures and other Financing Sources	 <u>305,005</u>	 <u>-</u>	 <u>305,005</u>	 <u>343,550</u>
 Excess of Revenues over Expenditures	 <u>\$ 38,545</u>	 <u>\$ -</u>	 <u>\$ 38,545</u>	 <u>\$ -</u>

Additional Project Information:

NJ DOE Project Number	4390-050-14-1003
SDA Project Number	4390-050-14-G1GQ
Grant Number	G5-4918
Grant Notification Date	6/27/2014
Grant Amount	\$ 162,024
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	343,550
Additional Authorized Cost	-
Revised Authorized Cost	343,550

Percentage Increase (Decrease) over Original Authorized

Cost	0.00%
Percentage Completion	88.78%
Original Target Completion Date	6/30/2015
Revised Target Completion Date	6/30/2017

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
2015-2016 CAPITAL LEASE - COMPUTER EQUIPMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ 955,000		\$ 955,000	\$ 955,000
Interest	-	\$ 152	152	152
	<u>955,000</u>	<u>152</u>	<u>955,152</u>	<u>955,152</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Supplies and Materials		70,483	70,483	70,483
Equipment	851,660	33,009	884,669	884,669
	<u>851,660</u>	<u>103,492</u>	<u>955,152</u>	<u>955,152</u>
Total Expenditures and other Financing Sources				
Excess of Revenues over Expenditures	<u>\$ 103,340</u>	<u>\$ (103,340)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	955,000
Additional Authorized Cost	152
Revised Authorized Cost	955,152

Percentage Increase (Decrease) over Original Authorized

Cost	0.02%
Percentage Completion	100.00%
Original Target Completion Date	06/30/2016
Revised Target Completion Date	06/30/2017

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
2016-2017 CAPITAL LEASE - COMPUTER EQUIPMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ 995,000		\$ 995,000	\$ 995,000
Interest	-	\$ 846	846	846
	<u>995,000</u>	<u>846</u>	<u>995,846</u>	<u>995,846</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Legal Services		4,544	4,544	4,544
Professional Services		48,427	48,427	48,427
Supplies and Materials		449,279	449,279	450,125
Equipment		237,244	237,244	237,783
Construction Services	500	254,468	254,968	254,967
	<u>500</u>	<u>993,962</u>	<u>994,462</u>	<u>995,846</u>
Total Expenditures and other Financing Sources				
	<u>500</u>	<u>993,962</u>	<u>994,462</u>	<u>995,846</u>
Excess of Revenues over Expenditures	<u>\$ 994,500</u>	<u>\$ (993,116)</u>	<u>\$ 1,384</u>	<u>\$ -</u>

Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	995,000
Additional Authorized Cost	846
Revised Authorized Cost	995,846

Percentage Increase (Decrease) over Original Authorized

Cost	0.09%
Percentage Completion	99.86%
Original Target Completion Date	06/30/2017
Revised Target Completion Date	06/30/2018

RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
2017-2018 CAPITAL LEASE - COMPUTER EQUIPMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ -	\$ 915,000	\$ 915,000	\$ 915,000
Interest	-	277	277	277
	<u>-</u>	<u>915,277</u>	<u>915,277</u>	<u>915,277</u>
Total Revenues	-	915,277	915,277	915,277
EXPENDITURES AND OTHER FINANCING SOURCES				
Purchased Professional Services		2,500	2,500	2,500
Equipment	-	-	-	912,777
	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,777</u>
Total Expenditures and other Financing Sources	-	2,500	2,500	915,277
Excess of Revenues over Expenditures	\$ -	\$ 912,777	\$ 912,777	\$ -

Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	915,000
Additional Authorized Cost	277
Revised Authorized Cost	915,277

Percentage Increase (Decrease) over Original Authorized

Cost	0.03%
Percentage Completion	0.27%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Energy Savings Bond Proceeds	\$ -	\$ 6,660,000	\$ 6,660,000	\$ 6,660,000
Premium on Energy Savings Bonds		452,878	\$ 452,878	452,878
Transfer from Capital Outlay	-	315,000	315,000	315,000
	<u>-</u>	<u>7,427,878</u>	<u>7,427,878</u>	<u>7,427,878</u>
Total Revenues	-	7,427,878	7,427,878	7,427,878
EXPENDITURES AND OTHER FINANCING SOURCES				
Other Professional Services		28,305	28,305	28,305
Construction Services	-	3,713,384	3,713,384	7,399,573
	<u>-</u>	<u>3,741,689</u>	<u>3,741,689</u>	<u>7,427,878</u>
Total Expenditures and other Financing Sources	-	3,741,689	3,741,689	7,427,878
Excess of Revenues over Expenditures	\$ -	\$ 3,686,189	\$ 3,686,189	\$ -

Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	11/30/2016
Bonds Authorized	\$ 6,660,000
Bonds Issued	\$ 6,660,000
Original Authorized Cost	\$ 7,427,878
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,427,878

Percentage Increase (Decrease) over Original Authorized

Cost	0.00%
Percentage Completion	50.37%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2018

ENTERPRISE FUND

**RIDGEWOOD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY NET POSITION
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 352,591	\$ 174,925	\$ 527,516
Total Assets	<u>\$ 352,591</u>	<u>\$ 174,925</u>	<u>\$ 527,516</u>
LIABILITIES			
Payroll Deductions and Withholdings Payable		\$ 155,917	\$ 155,917
Due to Other Funds		19,008	19,008
Accounts Payable	\$ 17,552		17,552
Due to Student Groups	<u>335,039</u>	<u>-</u>	<u>335,039</u>
Total Liabilities	<u>\$ 352,591</u>	<u>\$ 174,925</u>	<u>\$ 527,516</u>

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
ELEMENTARY SCHOOLS				
Hawes	\$ 4,576	\$ 33,657	\$ 17,469	\$ 20,764
Orchard	20,569	36,771	53,601	3,739
Ridge	10,824	45,837	48,351	8,310
Somerville	13,134	36,133	37,141	12,126
Travell	4,258	1,458	996	4,720
Willard	47,365	114,597	109,885	52,077
	<u>100,726</u>	<u>268,453</u>	<u>267,443</u>	<u>101,736</u>
Total Elementary Schools				
MIDDLE SCHOOLS				
Benjamin Franklin	21,155	241,497	242,282	20,370
George Washington	2,064	229,383	211,801	19,646
	<u>23,219</u>	<u>470,880</u>	<u>454,083</u>	<u>40,016</u>
Total Junior High School				
HIGH SCHOOL				
Ridgewood High School	205,093	533,424	534,155	204,362
Athletic Accounts	3,850	135,280	132,653	6,477
	<u>208,943</u>	<u>668,704</u>	<u>666,808</u>	<u>210,839</u>
Total Senior High School				
Total All Schools	<u>\$ 332,888</u>	<u>\$ 1,408,037</u>	<u>\$ 1,388,334</u>	<u>\$ 352,591</u>

**RIDGEWOOD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash and Cash Equivalents	\$ 67,643	\$ 65,459,661	\$ 65,352,379	\$ 174,925
Total Assets	<u>\$ 67,643</u>	<u>\$ 65,459,661</u>	<u>\$ 65,352,379</u>	<u>\$ 174,925</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 49,421	\$ 65,458,875	\$ 65,352,379	\$ 155,917
Due to Other Funds	<u>18,222</u>	<u>786</u>	<u>-</u>	<u>19,008</u>
Total Liabilities	<u>\$ 67,643</u>	<u>\$ 65,459,661</u>	<u>\$ 65,352,379</u>	<u>\$ 174,925</u>

LONG-TERM DEBT

**RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
Additions and Renovations to Various Schools	April 8, 2010	\$ 38,420,000	03/15/18	\$ 700,000	3.25%	\$36,770,000			
			03/15/19	800,000	4.00%				
			03/15/20	1,500,000	4.00%				
							\$33,770,000	\$ 3,000,000	
Additions and Renovations to Various Schools (Refunded 2003 Bonds Maturing 2/15/2016 to 2/15/2028)	June 1, 2011	3,475,000	2/15/18	205,000	3.00%				
			2/15/19	205,000	3.00%				
			2/15/20	215,000	5.00%				
			2/15/21	220,000	5.00%				
			2/15/22-2/15/23	230,000	3.25%				
			2/15/24-2/15/27	235,000	4.00%				
			2/15/28	230,000	4.00%				
					2,675,000		200,000	2,475,000	
School Refunding Bonds	October 24, 2013	5,300,000	10/01/17	1,250,000	1.78%	3,755,000		1,300,000	2,455,000
			10/01/18	1,205,000	2.23%				
School Refunding Bonds	November 1, 2016	\$ 32,860,000	3/15/21	1,580,000	4.00%				
			3/15/22	1,630,000	4.00%				
			3/15/23	1,680,000	4.00%				
			3/15/24	1,780,000	4.00%				
			3/15/25	1,860,000	4.00%				
			3/15/26	1,975,000	4.00%				
			3/15/27	2,050,000	4.00%				
			3/15/28	2,175,000	4.00%				
			3/15/29	2,275,000	4.00%				
			3/15/30	2,370,000	4.00%				
			3/15/31	2,465,000	4.00%				
			3/15/32	2,610,000	4.00%				
			3/15/33	2,755,000	4.00%				
3/15/34	2,745,000	4.00%							
3/15/35	2,735,000	3.00%							
						32,860,000	175,000	32,685,000	

RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>		<u>July 1, 2016</u>	<u>Issued</u>		
Energy Savings Improvement Bonds	November 1, 2016	\$ 6,660,000	11/15/18	710,000	2.00%				
			11/15/19	640,000	2.00%				
			11/15/20	550,000	2.00%				
			11/15/21	295,000	2.00%				
			11/15/22	305,000	2.00%				
			11/15/23	210,000	3.00%				
			11/15/24	225,000	3.00%				
			11/15/25	240,000	3.00%				
			11/15/26	255,000	3.00%				
			11/15/27	270,000	3.00%				
			11/15/28	290,000	4.00%				
			11/15/29	310,000	4.00%				
			11/15/30	330,000	3.00%				
			11/15/31	355,000	4.00%				
			11/15/32	380,000	4.00%				
			11/15/33	405,000	4.00%				
			11/15/34	430,000	4.00%				
			11/15/35	460,000	4.00%				
						-	\$ 6,660,000	-	\$ 6,660,000
						<u>\$43,200,000</u>	<u>\$ 39,520,000</u>	<u>\$35,445,000</u>	<u>\$ 47,275,000</u>
							Refunded	\$33,170,000	
							Paid	<u>2,275,000</u>	
								<u>\$35,445,000</u>	

**RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Capital Leases</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance, June 30, 2017</u>
Computers - 2012-2013	1.3500%	\$ 725,000	\$ 147,124		\$ 147,124	
Computers - 2013-2014	1.1390%	975,000	392,693		195,234	\$ 197,459
Technology Equipment - 2014-2015	1.2480%	970,000	583,352		192,044	391,308
Computers - 2014-2015	1.4690%	485,000	290,875		95,548	195,327
Technology Equipment - 2015-2016	1.5600%	955,000	758,797		185,318	573,479
Technology Equipment - 2016-2017	1.5730%	995,000	995,000		203,914	791,086
Technology Equipment - 2017-2018	1.7300%	915,000		\$ 915,000		915,000
42 Konica Digital Copier	2.6900%	635,645		635,645	99,242	536,403
2 Savin Digital Copiers	4.8420%	15,400		15,400	883	14,517
1 Konica Digital Copier	4.8430%	11,293	-	11,293	484	10,809
			\$ 3,167,841	\$ 1,577,338	\$ 1,119,791	\$ 3,625,388
<u>Lease Purchase Agreements</u>						
1 Savin Digital Copier	5.0170%	1,631	-	1,631	188	1,443
			\$ 3,167,841	\$ 1,578,969	\$ 1,119,979	\$ 3,626,831

RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original <u>Budget</u>	Adjustments/ Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 3,323,724		\$ 3,323,724	\$ 3,323,724	
State Sources					
State Aid Type II	<u>440,918</u>	<u>-</u>	<u>440,918</u>	<u>440,918</u>	<u>-</u>
Total Revenues	<u>3,764,642</u>	<u>-</u>	<u>3,764,642</u>	<u>3,764,642</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal on Bonds	2,100,000	\$ 176,089	2,276,089	2,275,000	\$ 1,089
Interest on Bonds	<u>1,664,642</u>	<u>(176,089)</u>	<u>1,488,553</u>	<u>1,378,611</u>	<u>109,942</u>
Total Expenditures	<u>3,764,642</u>	<u>-</u>	<u>3,764,642</u>	<u>3,653,611</u>	<u>111,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	111,031	111,031
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 111,032</u>	<u>\$ 111,031</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted for Debt Service:					
Available for Expenditures				<u>\$ 111,032</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 111,032</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

RIDGEWOOD BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal year Ended June 30,									
	2008	2009	2010	2011	2012 (Restated)	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 31,563,716	\$ 32,735,639	\$ (3,026,561)	\$ 20,697,948	\$ 41,756,338	\$ 46,132,466	\$ 46,434,486	\$ 47,460,901	\$ 50,296,485	\$ 48,026,214
Restricted	5,099,625	4,051,369	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989	2,446,640	6,721,461
Unrestricted (Deficit)	(136,004)	(1,033,044)	(1,350,383)	(1,335,961)	(1,415,055)	277,381	479,002	(21,862,874)	(18,159,172)	(19,558,216)
Total Governmental Activities Net Position	\$ 36,527,337	\$ 35,753,964	\$ 37,257,808	\$ 43,277,784	\$ 48,175,471	\$ 51,671,980	\$ 52,185,372	\$ 30,417,016	\$ 34,583,953	\$ 35,189,459
Business-Type Activities										
Net Investment in Capital Assets	\$ 116,267	\$ 84,172	\$ 78,561	\$ 174,404	\$ 200,277	\$ 200,056	\$ 182,963	\$ 165,869	\$ 157,906	\$ 161,011
Unrestricted (Deficit)	402,043	317,127	238,200	84,170	(14,732)	(262,802)	(177,875)	(127,338)	(52,385)	(75,778)
Total Business-Type Activities Net Position	\$ 518,310	\$ 401,299	\$ 316,761	\$ 258,574	\$ 185,545	\$ (62,746)	\$ 5,088	\$ 38,531	\$ 105,521	\$ 85,233
District-Wide										
Net Investment in Capital Assets	\$ 31,679,983	\$ 32,819,811	\$ (2,948,000)	\$ 20,872,352	\$ 41,956,615	\$ 46,332,522	\$ 46,617,449	\$ 47,626,770	\$ 50,454,391	\$ 48,187,225
Restricted	5,099,625	4,051,369	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989	2,446,640	6,721,461
Unrestricted (Deficit)	266,039	(715,917)	(1,112,183)	(1,251,791)	(1,429,787)	14,579	301,127	(21,990,212)	(18,211,557)	(19,633,994)
Total District Net Position	\$ 37,045,647	\$ 36,155,263	\$ 37,574,569	\$ 43,536,358	\$ 48,361,016	\$ 51,609,234	\$ 52,190,460	\$ 30,455,547	\$ 34,689,474	\$ 35,274,692

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB No. 68, "Accounting and Financial Reporting for Pensions".

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 37,489,605	\$ 36,067,316	\$ 37,635,956	\$ 39,044,444	\$ 39,520,534	\$ 41,066,546	\$ 42,268,110	\$ 49,809,263	\$ 52,476,438	\$ 59,983,668
Special Education	6,150,367	6,604,765	6,697,403	7,094,778	8,659,407	9,677,014	10,365,003	12,214,247	20,423,801	22,486,330
Other Special Instruction	1,780,241	1,739,611	1,700,384	1,276,142	1,832,543	1,865,523	1,917,159	2,259,204		
Other Instruction	2,611,483	2,604,698	2,702,014	2,439,657	2,226,960	2,333,329	2,209,523	3,249,504	4,078,298	4,617,299
School Sponsored Activities and Athletics									1,560,774	1,772,473
Support Services:										
Tuition	4,367,446	4,851,442	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926		
Student and Instruction Related Services	14,319,913	13,963,348	15,001,751	14,731,156	15,693,498	16,593,369	17,168,297	20,121,714	19,624,092	21,485,639
School Administrative Services	4,897,256	4,903,953	4,886,853	4,797,546	4,630,097	4,912,473	5,124,205	5,956,806	5,921,747	6,469,407
General Administration Services	1,319,377	1,339,367	1,290,797	973,223	1,002,754	996,072	1,030,247	992,004	1,105,974	1,434,644
Central Services	1,596,351	1,634,429	1,609,055	1,569,040	1,566,374	1,557,969	1,647,350	1,802,578	1,500,900	1,689,427
Administration Information Technology	666,840	745,703	859,287	755,846	784,880	712,561	893,325	1,148,311	1,148,506	1,452,331
Plant Operations And Maintenance	7,187,916	7,699,034	7,343,995	7,235,913	7,743,196	7,760,169	8,829,531	9,002,078	8,907,317	9,523,448
Pupil Transportation	2,775,719	3,014,087	2,852,706	2,672,636	2,691,737	2,831,955	3,096,229	3,214,020	3,420,974	3,391,224
Special Schools	1,267,630	1,243,150	1,052,193	996,687	940,027	915,697	1,010,334	763,467		
Interest On Long-Term Debt	871,721	818,757	1,124,232	2,235,001	2,167,806	2,084,878	2,136,514	1,786,823	1,811,652	1,561,651
Unallocated Depreciation	2,136,188	2,185,602	2,177,278	2,341,669	2,337,989	3,478,605				
Total Governmental Activities Expenses	89,438,053	89,415,262	91,913,880	93,652,653	98,066,328	103,299,971	104,096,558	119,216,945	121,980,473	135,867,541
Business-Type Activities:										
Food Service	1,262,215	1,279,041	1,200,627	1,153,075	1,234,287	1,272,615	1,467,124	1,491,101	1,643,143	1,845,060
Infant/Toddler Development Program	1,047,268	1,061,693	1,056,302	1,074,626	1,005,350	923,260	716,747	952,967	1,005,800	1,054,794
Technology Initiative									58,239	85,159
Inclusive Preschool										14,140
Total Business-Type Activities Expense	2,309,483	2,340,734	2,256,929	2,227,701	2,239,637	2,195,875	2,183,871	2,444,068	2,707,182	2,999,153
Total District Expenses	\$ 91,747,536	\$ 91,755,996	\$ 94,170,809	\$ 95,880,354	\$ 100,305,965	\$ 105,495,846	\$ 106,280,429	\$ 121,661,013	\$ 124,687,655	\$ 138,866,694
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 1,820,589	\$ 1,724,684	\$ 1,697,013	\$ 1,671,910	\$ 1,440,927	\$ 1,932,584	\$ 879,643	\$ 689,432	\$ 390,244	\$ 1,541,938
Operating Grants and Contributions	10,556,693	7,900,404	8,970,346	8,515,529	10,101,630	12,062,765	1,730,518	1,999,970	28,730,584	39,130,298
Capital Grants And Contributions	21,099	279,223	522,627	4,123,851	3,440,895	1,012,305	177,260	1,815,883	10,828	-
Total Governmental Activities Program Revenues	12,398,381	9,904,311	11,189,986	14,311,290	14,983,452	15,007,654	2,787,421	4,505,285	29,131,656	40,672,236
Business-Type Activities:										
Charges For Services										
Food Service	1,107,922	1,126,800	1,058,262	1,044,532	1,078,878	1,096,927	1,395,639	1,537,697	1,678,546	1,883,039
Infant/Toddler Development Program	1,032,819	983,345	990,367	1,011,663	961,850	728,458	853,846	939,697	1,012,840	989,001
Technology Initiative									96,600	97,890
Inclusive Preschool										8,700
Operating Grants And Contributions	106,376	111,834	122,895	112,120	124,847	121,800	2,124			
Total Business Type Activities Program Revenues	2,247,117	2,221,979	2,171,524	2,168,315	2,165,575	1,947,185	2,251,609	2,477,394	2,787,986	2,978,630
Total District Program Revenues	\$ 14,645,498	\$ 12,126,290	\$ 13,361,510	\$ 16,479,605	\$ 17,149,027	\$ 16,954,839	\$ 5,039,030	\$ 6,982,679	\$ 31,919,642	\$ 43,650,866
Net (Expense)/Revenue										
Governmental Activities	\$ (77,039,672)	\$ (79,510,951)	\$ (80,723,894)	\$ (79,341,363)	\$ (83,082,876)	\$ (88,292,317)	\$ (101,309,137)	\$ (114,711,660)	\$ (92,848,817)	\$ (95,195,305)
Business-Type Activities	(62,366)	(118,755)	(85,405)	(59,386)	(74,062)	(248,690)	67,738	33,326	80,804	(20,523)
Total District-Wide Net Expense	\$ (77,102,038)	\$ (79,629,706)	\$ (80,809,299)	\$ (79,400,749)	\$ (83,156,938)	\$ (88,541,007)	\$ (101,241,399)	\$ (114,678,334)	\$ (92,768,013)	\$ (95,215,828)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 70,967,340	\$ 73,806,034	\$ 76,758,275	\$ 79,728,606	\$ 81,323,178	\$ 82,949,642	\$ 84,608,635	\$ 86,223,037	\$ 87,947,497	\$ 90,636,248
Debt Service	1,433,326	1,432,250	1,435,200	2,958,908	3,105,755	3,200,686	3,239,342	3,214,082	3,313,073	3,323,724
Unrestricted Grants And Contributions	4,038,972	3,098,311	3,428,070	2,189,099	3,146,320	5,239,532	12,345,398	23,699,314	436,954	440,918
Investment Earnings	641,380	106,712	127,785	207,272	119,899	27,018	13,687	13,391	32,868	18,164
Miscellaneous	301,912	294,271	478,408	277,454	285,421	371,948	1,510,467	1,282,353	1,820,195	1,381,757
Special Items							105,000			
Total Governmental Activities	77,382,930	78,737,578	82,227,738	85,361,339	87,980,573	91,788,826	101,822,529	114,432,177	93,550,587	95,800,811
Business-Type Activities:										
Investment Earnings	6,968	1,744	867	1,199	1,033	399	96	117	254	235
Total Business-Type Activities	6,968	1,744	867	1,199	1,033	399	96	117	254	235
Total District-Wide	\$ 77,389,898	\$ 78,739,322	\$ 82,228,605	\$ 85,362,538	\$ 87,981,606	\$ 91,789,225	\$ 101,822,625	\$ 114,432,294	\$ 93,550,841	\$ 95,801,046
Change In Net Position										
Governmental Activities	\$ 343,258	\$ (773,373)	\$ 1,503,844	\$ 6,019,976	\$ 4,897,697	\$ 3,496,509	\$ 513,392	\$ (279,483)	\$ 701,770	\$ 605,506
Business-Type Activities	(55,398)	(117,011)	(84,538)	(58,187)	(73,029)	(248,291)	67,834	33,443	81,058	(20,288)
Total District	\$ 287,860	\$ (890,384)	\$ 1,419,306	\$ 5,961,789	\$ 4,824,668	\$ 3,248,218	\$ 581,226	\$ (246,040)	\$ 782,828	\$ 585,218

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

	Fiscal year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 5,099,624	\$ 4,049,600	\$ 4,661,867							
Unreserved	1,224,659	416,268	388,549							
Restricted				\$ 4,491,947	\$ 4,137,931	\$ 4,285,603	\$ 5,271,884	\$ 4,818,989	\$ 4,390,327	\$ 4,637,415
Committed				626,236	524,538	863,807			936,100	208,900
Assigned				55,629	67,945	81,909	201,232	57,326	1,532,412	1,349,639
Unassigned				633,086	595,619	2,131,432	2,121,012	1,757,257	359,127	459,218
Total General Fund	<u>\$ 6,324,283</u>	<u>\$ 4,465,868</u>	<u>\$ 5,050,416</u>	<u>\$ 5,806,898</u>	<u>\$ 5,326,033</u>	<u>\$ 7,362,751</u>	<u>\$ 7,594,128</u>	<u>\$ 6,633,572</u>	<u>\$ 7,217,966</u>	<u>\$ 6,655,172</u>
All Other Governmental Funds										
Reserved			\$ 18,536,160							
Unreserved	\$ 1	\$ 1,769	18,436,725							
Restricted				\$ 3,544,259	\$ 2,682,320	\$ 112,723	\$ 238,428	\$ 217,185	\$ 1,354,153	\$ 4,898,207
Committed				20,507,731	2,697,335					
Assigned				166,046	175,087		997,506	980,585		
Unassigned				(5,420,422)	(2,383,023)					
Total All Other Governmental Funds	<u>\$ 1</u>	<u>\$ 1,769</u>	<u>\$ 36,972,885</u>	<u>\$ 18,797,614</u>	<u>\$ 3,171,719</u>	<u>\$ 112,723</u>	<u>\$ 1,235,934</u>	<u>\$ 1,197,770</u>	<u>\$ 1,354,153</u>	<u>\$ 4,898,207</u>

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

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

	Fiscal year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 72,400,666	\$ 75,238,284	\$ 78,193,475	\$ 82,687,514	\$ 84,428,933	\$ 86,150,328	\$ 87,847,977	\$ 89,437,119	\$ 91,260,570	\$ 93,959,972
Tuition	386,413	314,725	468,722	465,061	340,410	551,917	879,643	689,432	1,188,229	1,541,938
Interest Earnings	641,380	106,712	127,785	207,272	119,899	27,018	13,687	13,391		
Miscellaneous	2,316,872	2,471,838	2,372,905	2,284,237	2,391,509	2,924,860	3,124,804	2,142,073	1,620,019	1,954,998
State Sources	13,010,693	9,458,715	10,455,749	12,297,765	14,021,944	15,669,656	12,311,320	13,924,734	13,657,818	16,704,906
Federal Sources	1,245,281	1,275,193	2,025,226	1,963,964	1,893,252	1,672,701	1,297,519	1,256,141	1,377,359	1,294,706
Total Revenue	90,001,305	88,865,467	93,643,862	99,905,813	103,195,947	106,996,480	105,474,950	107,462,890	109,103,995	115,456,520
Expenditures										
Instruction										
Regular Instruction	28,094,313	28,362,247	29,667,390	30,442,131	30,223,875	30,930,494	31,968,923	32,726,271	41,966,925	44,795,853
Special Education Instruction	4,536,206	5,027,038	5,091,202	5,265,323	6,335,189	7,038,909	7,462,101	7,638,879	18,151,458	19,168,515
Other Special Instruction	1,285,484	1,325,825	1,294,233	957,878	1,349,859	1,352,093	1,417,159	1,450,732		
Other Instruction	2,030,176	2,076,127	2,156,305	1,925,886	1,776,047	1,866,881	1,709,523	1,750,022	3,510,599	3,749,114
School Sponsored Activities and Athletics									1,609,224	1,700,797
Support Services:										
Tuition	4,367,446	4,851,442	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926		
Student & Inst. Related Services	11,023,801	11,015,798	11,833,051	11,382,241	12,058,142	12,843,206	13,209,750	13,762,418	17,516,888	18,128,037
General Administration Services	3,607,586	3,737,212	3,706,608	3,552,799	3,394,576	3,584,519	3,734,917	3,769,146	1,059,126	1,404,735
School Administration Services	1,167,782	1,207,743	1,179,235	926,283	911,760	897,146	896,078	812,902	4,967,525	5,175,251
Central Services	1,286,182	1,294,683	1,264,768	1,174,765	1,177,958	1,181,180	1,246,810	1,182,702	1,494,132	1,625,937
Administrative Information Technology Services	626,394	681,177	760,859	589,380	617,686	548,276	679,276	774,375	1,142,986	1,301,853
Plant Operations And Maintenance	7,284,167	7,786,236	7,505,750	7,500,654	8,008,255	8,037,721	8,345,568	8,409,424	8,574,472	9,477,746
Pupil Transportation	2,758,853	2,995,211	2,832,276	2,644,397	2,664,944	2,806,253	2,939,264	3,020,649	3,301,115	3,352,012
Employee Benefits	17,852,008	15,603,662	16,241,126	17,271,044	18,897,615	20,406,898	18,215,072	19,683,350		
Special Schools	1,267,630	1,243,150	1,052,193	996,687	940,027	915,697	1,010,334	841,165		
Capital Outlay	4,360,048	2,307,514	3,824,054	25,114,187	21,742,993	6,127,501	2,266,611	3,461,864	1,317,861	6,740,799
Debt Service:										
Principal	1,080,000	1,135,000	1,190,000	1,260,000	1,565,000	1,640,000	1,755,000	1,975,000	3,019,821	3,394,979
Interest And Other Charges	829,439	774,549	716,821	2,102,778	2,085,255	2,053,173	2,004,717	1,745,785	1,726,086	1,425,961
Total Expenditures	93,457,515	91,424,614	95,295,847	118,595,348	120,017,707	108,743,758	105,261,834	109,901,610	109,358,218	121,441,589
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(3,456,210)	(2,559,147)	(1,651,985)	(18,689,535)	(16,821,760)	(1,747,278)	213,116	(2,438,720)	(254,223)	(5,985,069)
Other Financing Sources (Uses)										
Proceeds from Borrowing			38,420,000							6,660,000
Premium (Discount) on Bonds			649				(31,800)			1,037,360
Capital Leases (Non-Budgeted)	695,319	702,500	787,000	1,215,000	715,000	725,000	975,000	1,440,000	995,000	1,578,969
Proceeds from Refunding				3,609,274			5,300,000			32,360,000
Payments to Refunded Bond Escrow Agent				(3,553,528)			(5,206,728)			(33,170,000)
Special Item							105,000			
Transfers In	1,000		44,452	115,897	37,468	1,255		651,330		315,000
Transfers Out	(1,000)		(44,452)	(115,897)	(37,468)	(1,255)		(651,330)		(315,000)
Total Other Financing Sources (Uses)	695,319	702,500	39,207,649	1,270,746	715,000	725,000	1,141,472	1,440,000	995,000	8,966,329
Net Change In Fund Balances	\$ (2,760,891)	\$ (1,856,647)	\$ 37,555,664	\$ (17,418,789)	\$ (16,106,760)	\$ (1,022,278)	\$ 1,354,588	\$ (998,720)	\$ 740,777	\$ 2,981,260
Debt Service As A Percentage Of										
Noncapital Expenditures	2.14%	2.14%	2.08%	3.60%	3.71%	3.60%	3.65%	3.50%	4.39%	4.20%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Rentals</u>	<u>Transportation</u>	<u>Reimbursements/ Refunds</u>	<u>Miscellaneous Restricted</u>	<u>Miscellaneous Unrestricted</u>	<u>Summer School Tuition and Fees</u>	<u>Adult School and Other Special School Fees</u>	<u>Student Activity Fees</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 452,285			\$ 258,805	\$ 35,252	\$ 106,057	\$ 989,051	\$ 114,632		\$ 1,956,082
2009	459,380	\$ 53,484		241,656	46,002	103,138	946,009	78,139		1,927,808
2010	441,031	25,413		240,976	186,463		864,429	174,525		1,932,837
2011	436,537	16,712		74,458	74,101		863,701	251,978		1,717,487
2012	443,372	22,261		68,737	77,555		836,173	169,762		1,617,860
2013	442,037	16,169		217,516	119,653	41,545	813,197	302,498		1,952,615
2014	409,329	32,749		289,969	374,403	56,625	879,643	361,079		2,403,797
2015	282,355	22,750		521,180	59,698	100,940	689,432	308,821	\$ 13,391	1,998,567
2016	329,492	58,413			278,441	38,575	797,985	258,817	32,868	1,794,591
2017	386,446	144,251	\$ 160,391		381,187	34,655		273,551	18,164	1,398,645

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008 (b)	\$ 19,347,800	\$ 5,972,283,900	\$ 619,430,500	\$ 116,784,800	\$ 6,727,847,000	\$ 5,610,668	\$ 6,733,457,668	\$ 6,848,892,924	\$ 1.117
2009	22,187,800	5,950,985,100	613,560,000	114,272,000	6,701,004,900	10,343,605	6,711,348,505	6,827,113,070	1.165
2010	24,188,000	5,948,400,600	596,467,300	106,335,700	6,675,391,600	10,616,803	6,686,008,403	6,707,210,394	1.237
2011	22,561,000	5,928,833,100	593,617,600	106,335,700	6,651,347,400	9,425,266	6,660,772,666	6,476,883,013	1.268
2012	23,955,900	5,908,926,300	574,609,800	102,767,000	6,610,259,000	10,000	6,610,269,000	6,342,573,286	1.304
2013 (b)	16,795,700	5,111,925,100	506,624,400	88,306,400	5,723,651,600		5,723,651,600	5,968,091,065	1.535
2014	17,989,100	5,122,760,900	504,096,500	88,306,400	5,733,152,900		5,733,152,900	6,022,176,495	1.560
2015	18,991,800	5,138,526,500	504,214,500	88,306,400	5,750,039,200		5,750,039,200	6,224,840,527	1.590
2016	16,723,800	5,163,336,500	506,142,200	88,156,400	5,774,358,900		5,774,358,900	6,404,608,448	1.592
2017	20,509,500	5,176,844,900	503,089,400	87,624,700	5,788,068,500		5,788,068,500	6,449,820,036	1.654

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Source: County Abstract of Ratables

a Tax rates are per \$100

b The Village reassessed real property effective 2013 and 2008

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

<u>Assessment Year</u>	<u>Basic Rate</u>	<u>General Obligation Debt Services</u>	<u>Total District School</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
				<u>Village of Ridgewood</u>	<u>County of Bergen</u>	
2008	\$ 1.089	\$ 0.028	\$ 1.117	\$ 0.417	\$ 0.189	\$ 1.723
2009	1.144	0.021	1.165	0.431	0.196	1.792
2010	1.194	0.043	1.237	0.454	0.196	1.887
2011	1.220	0.048	1.268	0.419	0.269	1.956
2012	1.255	0.049	1.304	0.500	0.210	2.014
2013 (A)	1.489	0.046	1.535	0.577	0.247	2.359
2014	1.518	0.042	1.560	0.540	0.243	2.343
2015	1.554	0.036	1.590	0.545	0.257	2.392
2016	1.534	0.058	1.592	0.551	0.269	2.412
2017	1.601	0.053	1.654	0.560	0.270	2.484

Source: The Village Tax Duplicate

(A) The Village reassessed real property effective 2013 and 2008

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% Total of District Net Assessed Value
1200 E. Ridgewood Ave LLC	\$ 23,000,000	0.40%		
Milridge Realty, LLC	10,250,000	0.18%		
LSREF4 Oak Manor, LLC	9,705,700	0.17%		
Ridgewood Mayflower Realty	8,700,600	0.15%		
257 Ridgewood Avenue LLC	8,468,300	0.15%		
Cameron Apartments	8,167,200	0.14%		
Lucerne-Ridgewood LLC	8,080,000	0.14%		
Pondview Medical Center of Ridgewood	8,063,800	0.14%		
Kimco Ridgewood	7,452,500	0.13%		
Van Dyk Health Care, Inc.	7,391,000	0.13%		
1200 E. Ridgewood Ave LLC			\$ 27,683,800	0.41%
Society of the Valley Hospital			16,293,300	0.24%
Milridge Realty, LLC			14,704,900	0.22%
Home Properties WMF, LLC			14,413,500	0.21%
Van Dyk Health Care, Inc.			14,351,300	0.21%
Verizon - New Jersey			14,322,870	0.21%
257 Ridgewood Avenue LLC			13,614,400	0.20%
Dakota 4 LLC			11,505,000	0.17%
Ridgewood Mayflower Realty			11,324,200	0.17%
Pondview Medical Center of Ridgewood			11,040,500	0.16%
Total	\$ 99,279,100	1.73%	\$ 149,253,770	2.20%

Source: Municipal Tax Assessor

The Village reassessed real property effective 2013

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 72,400,666	\$ 72,400,666	100.00%	N/A
2009	75,238,284	75,238,284	100.00%	N/A
2010	78,193,475	78,193,475	100.00%	N/A
2011	82,661,789	82,661,789	100.00%	N/A
2012	84,454,658	84,454,658	100.00%	N/A
2013	86,150,328	86,150,328	100.00%	N/A
2014	87,847,977	87,847,977	100.00%	N/A
2015	89,437,119	89,437,119	100.00%	N/A
2016	91,260,570	91,260,570	100.00%	N/A
2017	93,959,972	93,959,972	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchases			
2008	\$ 17,016,000	\$ 1,248,082	\$ 18,264,082	24,102	\$ 758
2009	15,881,000	1,333,071	17,214,071	24,181	712
2010	53,111,000	1,456,614	54,567,614	25,000	2,183
2011	51,915,000	1,866,566	53,781,566	25,160	2,138
2012	50,350,000	1,763,477	52,113,477	25,258	2,063
2013	48,710,000	1,662,254	50,372,254	25,380	1,985
2014	47,230,000	2,720,676	49,950,676	25,473	1,961
2015	45,255,000	3,137,662	48,392,662	25,621	1,889
2016	43,200,000	3,167,841	46,367,841	25,533	1,816
2017	47,275,000	3,626,831	50,901,831	25,533 (A)	1,994

Source: District records

(A) -Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2008	\$ 17,016,000		\$ 17,016,000	0.25%	\$ 706
2009	15,881,000		15,881,000	0.24%	657
2010	53,111,000		53,111,000	0.79%	2,124
2011	51,915,000		51,915,000	0.78%	2,063
2012	50,350,000		50,350,000	0.76%	1,993
2013	48,710,000		48,710,000	0.85%	1,919
2014	47,230,000		47,230,000	0.82%	1,854
2015	45,255,000		45,255,000	0.79%	1,777
2016	43,200,000		43,200,000	0.75%	1,686
2017	47,275,000	\$ 111,032	47,163,968	0.81%	1,847

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIDGEWOOD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR YEAR ENDED DECEMBER 31, 2016
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
School Purposes	\$ 48,250,000	\$ 48,250,000	
Local Utilities	24,237,200	24,237,200	
Municipal Purposes	<u>46,665,924</u>	<u>-</u>	<u>\$ 46,665,924</u>
	<u>\$ 119,153,124</u>	<u>\$ 72,487,200</u>	<u>46,665,924</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County			
County of Bergen (A)			45,948,876
Northwest Bergen County Utilities Authority (B)			<u>45,413</u>
			<u>45,994,289</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 92,660,213</u>

SOURCE:

(1) Village of Ridgewood 2016 Annual Debt Statement

(A) The debt information for this entity was obtained from the Bergen County Treasurer's office and was apportioned to the Village of Ridgewood by dividing the municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Source: Village of Ridgewood Chief Financial Officer and Bergen County Treasurer's Office.

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

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized Valuation Basis
2016	\$ 6,434,543,013
2015	6,366,296,723
2014	6,195,324,076
	<u>\$ 18,996,163,812</u>
Average Equalized Valuation of Taxable Property	\$ 6,332,054,604
Debt Limit	253,282,184
Total Net Debt Applicable to Limit	<u>47,275,000</u>
Legal debt margin	<u>\$ 206,007,184</u>

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 252,358,585	\$ 266,708,799	\$ 270,146,454	\$ 266,850,895	\$ 260,721,259	\$ 253,879,774	\$ 200,299,151	\$ 199,955,909	\$ 247,500,182	\$ 253,282,184
Total Net Debt Applicable to Limit	<u>17,016,000</u>	<u>15,881,000</u>	<u>53,111,000</u>	<u>51,915,000</u>	<u>50,350,000</u>	<u>48,710,000</u>	<u>47,230,000</u>	<u>45,255,000</u>	<u>43,200,000</u>	<u>47,275,000</u>
Legal Debt Margin	<u>\$ 235,342,585</u>	<u>\$ 250,827,799</u>	<u>\$ 217,035,454</u>	<u>\$ 214,935,895</u>	<u>\$ 210,371,259</u>	<u>\$ 205,169,774</u>	<u>\$ 153,069,151</u>	<u>\$ 154,700,909</u>	<u>\$ 204,300,182</u>	<u>\$ 206,007,184</u>
Total net debt applicable to the limit as a percentage of debt limit	6.74%	5.95%	19.66%	19.45%	19.31%	19.19%	23.58%	22.63%	17.45%	18.66%

Source: Annual Debt Statements

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	24,102	\$ 68,548	3.00%
2009	24,181	64,571	5.50%
2010	25,000	65,275	5.70%
2011	25,160	68,244	5.60%
2012	25,258	71,380	5.90%
2013	25,380	70,498	5.30%
2014	25,473	73,536	4.00%
2015	25,621	75,849	5.30%
2016	25,533	75,849 (A)	3.20%
2017	25,533 (A)	75,849 (A)	N/A

(A) - Estimated

N/A - Not Available

Source: New Jersey State Department of Education

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

Employer	2017		2008	
	Employees	Percentage of Municipal Employment	Employees	Percentage of Municipal Employment
NOT AVAILABLE				
	-		-	

Source: Information was not available

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	351	354	372	369	348	350	341	344	350	352
Special education	139	141	93	54	78	76	89	82	73	77
Other special education - suppl/mainstreaming	12	13	15	59	107	119	95	101	102	101
Other Instruction	1	1								
Support Services:										
Student & instruction related services	152	152	123	125	108	108	95	114	95	108
General administration	4	4	4	4	4	4	2	2	2	2
School administrative services	44	44	63	41	54	54	44	40	40	35
Central services	14	14	24	16	20	20	15	14	14	13
Administrative Information Technology	5	5	17	19	19	19	7	11	11	10
Plant operations and maintenance	16	16	9	2	7	6	3	2	2	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Special Schools	7	7	2	2	2	2	2	2	2	2
Infant/Toddler Development Center	33	33	33	33	33	32	33	33	33	33
Total	<u>779</u>	<u>785</u>	<u>756</u>	<u>725</u>	<u>781</u>	<u>791</u>	<u>727</u>	<u>746</u>	<u>725</u>	<u>737</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	5,665	\$ 87,188,028	\$ 15,391	5.80%	413.89	14.1	12.7	13.4	5,611	5,410.0	0.77%	96.42%
2009	5,670	87,207,551	15,381	-0.07%	419.00	14.3	12.5	13.4	5,644	5,443.7	0.59%	96.45%
2010	5,777	89,564,972	15,504	0.80%	419.27	14.1	12.6	13.1	5,709	5,477.0	1.15%	95.94%
2011	5,822	90,118,383	15,479	-0.16%	423.00	14.4	12.4	11.8	5,711	5,488.7	0.04%	96.11%
2012	5,793	94,624,459	16,334	5.53%	431.30	13.9	12.8	13.1	5,700	5,520.5	-0.19%	96.85%
2013	5,829	98,923,084	16,971	3.90%	432.00	14.0	12.7	13.0	5,751	5,542.3	0.89%	96.37%
2014	5,743	99,235,506	17,279	1.83%	430.10	13.6	12.6	11.1	5,717	5,517.9	-0.59%	96.52%
2015	5,650	102,718,961	18,180	5.21%	426.00	15.5	15.9	15.0	5,650	5,463.0	-1.17%	96.69%
2016	5,655	103,293,950	18,266	0.47%	423.00	13.6	13.2	10.3	5,655	5,478.0	-1.08%	96.87%
2017	5,678	109,577,063	19,299	5.65%	426.00	13.8	13.0	13.3	5,659	5,473.0	0.16%	96.71%

Sources: District records

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>Elementary</u>										
<u>Glen (1959)</u>										
Square Feet	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	50	34	42	54	37	42	42	42	42	42
<u>Hawes (1966)</u>										
Square Feet	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	410	405	416	407	405	407	407	407	407	423
<u>Orchard (1966)</u>										
Square Feet	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	325	328	331	340	337	333	333	333	333	316
<u>Ridge (1960)</u>										
Square Feet	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	488	478	478	500	497	514	514	514	514	432
<u>Somerville (1950)</u>										
Square Feet	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	508	507	534	527	502	517	517	517	517	411
<u>Travel (1966)</u>										
Square Feet	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	419	416	416	407	395	365	365	365	365	385
<u>Willard (1926)</u>										
Square Feet	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	453	468	458	484	479	500	500	500	500	496
<u>Middle School</u>										
<u>Benjamin Franklin (1954)</u>										
Square Feet	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	677	692	691	691	697	738	738	738	738	711
<u>George Washington (1928)</u>										
Square Feet	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	632	664	678	661	688	652	652	652	652	732

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Building</u>										
<u>High School</u>										
<u>Ridgewood High School</u>										
Square Feet	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	6,149	1,652	1,664	1,662	1,663	1,684	1,684	1,684	1,684	1,730
<u>Other</u>										
Central Administration (1895)										
Square Feet	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640

Number of Schools at June 30, 2017

 Elementary = 7

 Middle School = 2

 Senior High School = 1

 Other = 1

Source: District Facilities Office

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

N/A - Information is not available

**RIDGEWOOD BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
*School Facilities	School #										
Ridgewood High School	050	\$ 397,798	\$ 387,746	\$ 469,753	\$ 28,872	\$ 377,586	\$ 374,705	\$ 355,471	\$ 346,196	\$ 351,787	\$ 493,690
Benjamin Franklin Middle School	060	274,941	198,025	221,103	75,875	349,328	287,346	204,427	199,093	269,770	295,869
George Washington Middle School	070	128,173	73,267	158,124	122,790	173,071	149,408	141,019	137,340	141,119	216,994
Glen Elementary School	080	40,646	72,943	18,158	20,656	37,476	41,200	52,398	51,031	38,681	73,316
Hawes Elementary School	085	68,371	131,657	45,628	46,837	25,864	52,821	89,505	87,170	56,341	72,499
Ridge Elementary School	090	73,544	64,070	99,958	73,875	52,033	71,565	66,201	64,474	67,726	79,050
Somerville Elementary School	100	94,982	82,723	169,905	186,173	116,760	102,623	142,082	138,375	96,347	115,136
Travel Elementary School	110	68,174	87,790	79,188	140,485	83,408	69,120	70,942	69,091	67,726	117,861
Orchard Elementary School	120	66,382	111,325	71,535	204,931	126,520	58,103	66,450	64,716	59,697	101,684
Willard Elementary School	130	78,421	92,656	133,068	427,402	25,329	76,213	73,703	71,780	71,551	99,301
Education Center	999	55,298	20,321	46,167	134,943	111,929	49,259	83,579	81,398	46,246	55,209
Total School Facilities		<u>\$1,346,730</u>	<u>\$1,322,523</u>	<u>\$1,512,587</u>	<u>\$1,462,839</u>	<u>\$ 1,479,304</u>	<u>\$ 1,332,363</u>	<u>\$ 1,345,777</u>	<u>\$ 1,310,664</u>	<u>\$1,266,991</u>	<u>\$ 1,720,609</u>

Source: District Records

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2017
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
PACKAGE POLICY - Great American Ins. Co.		
Property	\$ 262,768,685	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood (Zones A & V)	1,000,000	500,000
Automobile	1,000,000	\$1,000/COMP&COLL
Comprehensive General Liability	1,000,000	
Crime (Non-Statutory Bonds) Selective Ins. Co.	\$100,000 Per Employee \$400,000 Excess	5,000
Boiler & Machinery	262,768,685	
ENVIRONMENTAL - ACE	4,000,000 20,000,000 Group Aggregate	15,000
EDUCATOR'S LEGAL LIABILITY/ EMPLOYMENT PRACTICES - Darwin	1,000,000	25,000
COMMERCIAL UMBRELLA-Great American Ins. Co.	9,000,000	10,000
EXCESS UMBRELLA - Fireman's Fund	\$50,000,000 Group Aggregate	
CYBER LIABILITY-Indian Harbor Ins. Co.	\$1,000,000 Occurrence \$4,000,000 Group Aggregate (Subject to Sublimits)	15,000
WORKER'S COMPENSATION-Safety National		
Maximum Limit of Indemnity per Occurrence	Statutory	
Employer's Liability Per Occurrence	1,000,000	
TRAVEL ACCIDENT POLICY - Gerber Life	\$100,000 AD&D	
Board Members, Business Admin., Superintendent		
STUDENT AND ATHLETIC ACCIDENT-Zurich Ins. Co	5,000,000	20% Co insurance on 1st \$25,000
Voluntary - Monumental Life	500,000	

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Ridgewood Board of Education's basic financial statements and have issued our report thereon dated November 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ridgewood 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 Ridgewood Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ridgewood 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 Ridgewood Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgewood Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 2017.

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 Ridgewood Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Ridgewood Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Ridgewood Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Ridgewood Board of Education's major federal and state programs for the fiscal year ended June 30, 2017. The Ridgewood Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Ridgewood Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Ridgewood 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 Ridgewood Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Ridgewood Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

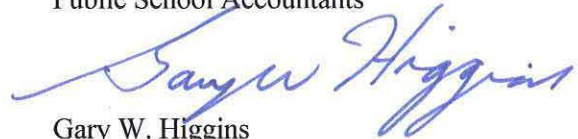
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 14, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 14, 2017

RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	July 1, 2016		A/R Carryover Amount	Def. Rev. Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2017			MEMO GAAP Receivable	
					Accounts Receivable	Unearned Revenue							Accounts Receivable	Unearned Revenue	Due to Grantor		
Special Revenue Fund																	
U.S. Department of Education																	
Passed-through State Department of Education																	
IDEA Part B	84.027	H027A160100	7/1/16-6/30/17	\$ 996,238					\$ 996,238	\$ 996,238						*	
IDEA Part B	84.027	H027A150100	7/1/15-6/30/16	1,043,418	\$ (3,267)			3,267								*	
I.D.E.A. Preschool	84.173	H173A160114	7/1/16-6/30/17	37,092				37,092	37,092							*	
I.D.E.A. Preschool	84.173	H173A150114	7/1/15-6/30/16	36,614	(7,863)	-	-	7,863	-							*	
Total Special Education Cluster (IDEA)					(11,130)	-	-	1,044,460	1,033,330							*	
Title I Part A	84.010	S010A160030	7/1/16-6/30/17	154,774			\$ (4,389)	\$ 4,389	60,697	158,464		\$ (98,466)	\$ 699		\$ (97,767)	*	
Title I Part A	84.010	S010A150030	7/1/15-6/30/16	154,709	(64,513)	\$ 4,389	4,389	(4,389)	60,124							*	
Title II A	84.367	S367A160029	7/1/16-6/30/17	68,568					35,753	68,568		(32,815)	-		(32,815)	*	
Title II A	84.367	S367A150029	7/1/15-6/30/16	74,280	(29,744)				29,744							*	
Title III	84.365	S365A160030	7/1/16-6/30/17	25,634			(2,375)	2,375	11,177	25,118		(16,832)	2,891		(13,941)	*	
Title III	84.365	S365A150030	7/1/15-6/30/16	21,219	(9,910)	2,375	2,375	(2,375)	7,535							*	
Title III, Immigrant	84.365	S365A150030	7/1/16-6/30/17	14,286	-	-	-	-	-	9,899		(14,286)	4,387		(9,899)	*	
Total Title III Cluster					(9,910)	2,375	-	-	18,712	35,017		(31,118)	7,278		(23,840)	*	
Teaching American History	84.215X	N/A	9/1/10-8/31/15	999,479	-	5,383	-	-	-	-		-	-	5,383	-	*	
Total U.S. Department of Education					(115,297)	12,147	-	-	1,249,490	1,295,379		(162,399)	13,360		(154,422)	*	
U.S. Department of Homeland Security																	
Passed-through the New Jersey State Police																	
Disaster Grants - Public Assist.	97.036	N/A	9/1/12-8/31/13	208,188	(29,143)	-	-	-	-	-		(29,143)	-		(29,143)	*	
Total Special Revenue Fund					(144,440)	12,147	-	-	1,249,490	1,295,379		(191,542)	13,360		(183,565)	*	
Total Federal Awards					\$ (144,440)	\$ 12,147	\$ -	\$ -	\$ 1,249,490	\$ 1,295,379	\$ -	\$ -	\$ (191,542)	\$ 13,360	\$ -	\$ (183,565)	*

See Accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$383,977 for the general fund and a decrease of \$14,638 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 16,260,335	\$ 16,260,335
Special Revenue Fund	\$ 1,294,706	3,653	1,298,359
Debt Service Fund	-	440,918	440,918
Total Awards Financial Assistance	<u>\$ 1,294,706</u>	<u>\$ 16,704,906</u>	<u>\$ 17,999,612</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$3,306,548 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$5,014,960, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,178,603 and TPAF Long-Term Disability Insurance in the amount of \$8,619 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions as well as on-behalf School Development Authority Educational Facility Construction and Financing Act Program payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Were material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

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

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A160100	IDEA Basic
84.173	H173A160114	IDEA Preschool

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

Auditee qualified as low-risk auditee? X yes no

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part I – Summary of Auditor’s Results

State Awards Section

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? yes X no

Identification of major State programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-075</u>	<u>Debt Service Aid</u>

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

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**RIDGEWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-001

Condition

The transactions related to the acquisition of computer equipment through the capital lease bank accounts maintained by the Fiscal Agent were not reported on the District's accounting records or approved by the Board.

Status

Corrective action has been taken.