

**SCHOOL DISTRICT OF THE  
BOROUGH OF RAMSEY  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

**School District  
of**

**Ramsey**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2018**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2018**

**Prepared by**

**Thomas W. O'Hern**  
**Business Administrator/Board Secretary**

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## **INTRODUCTORY SECTION**



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

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

THOMAS W. O'HERN  
BUSINESS ADMINISTRATOR  
BOARD SECRETARY

January 28, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Ramsey School District for the fiscal year ending June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, the management's discussion and analysis, and the financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance) and new Jersey States Office of Management and budget Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** Ramsey School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement #34. All funds and account groups of the District are included in this report. The Ramsey School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for disabled students. During the 2017-2018 fiscal year, the average daily enrollment of 2,767 students is 11 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

**Enrollment Data**

Fiscal Year	Average Daily Enrollment	% Change
2017-2018	2,767	-0.40%
2016-2017	2,778	-1.87%
2015-2016	2,831	-1.66%
2014-2015	2,878	-2.18%
2013-2014	2,942	-1.18%
2012-2013	2,977	-1.55%
2011-2012	3,024	-1.08%
2010-2011	3,057	-1.45%
2009-2010	3,102	-0.19%
2008-2009	3,108	-0.73%

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

As a suburb of the New York Metropolitan area, the region has seen an increase of 2.0% in the consumer price index for the year ending June, 2018.

**3. MAJOR INITIATIVES:** The 2017-2018 school year saw several new projects and initiatives that deserve mention.

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

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

**4. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the District is protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles

(GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

**6. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

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

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

Respectfully submitted:

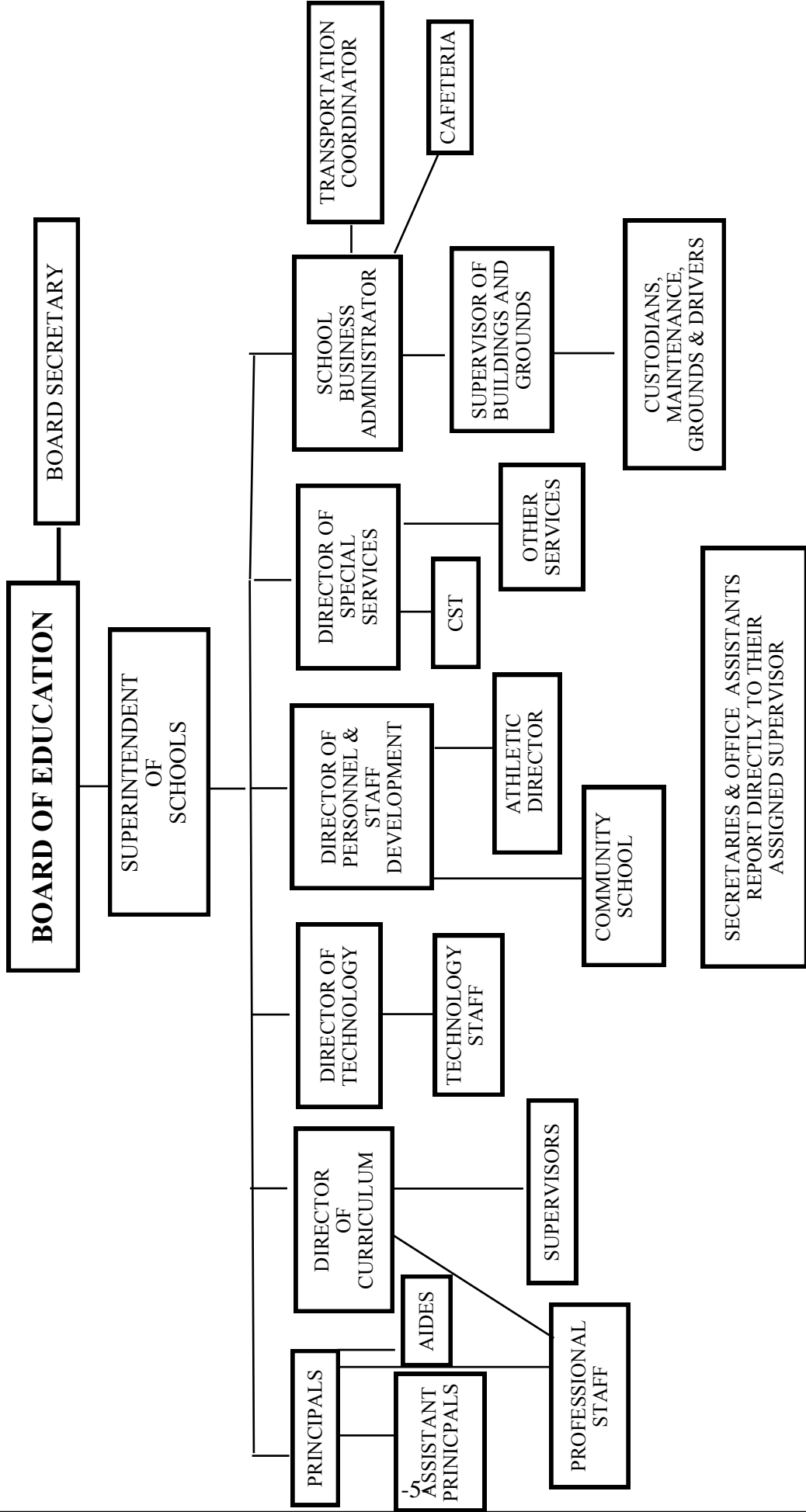
Matthew J. Murphy

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

Thomas W. O'Hern

Thomas W. O'Hern  
Business Administrator/Board Secretary

# ORGANIZATIONAL CHART



SECRETARIES & OFFICE ASSISTANTS REPORT DIRECTLY TO THEIR ASSIGNED SUPERVISOR

RAMSEY PUBLIC SCHOOLS  
RAMSEY, NEW JERSEY

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

**ROSTER OF OFFICIALS  
JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Laura E. Genovese Behrmann, President	2021
David Rockefeller, Vice President	2019
Jennifer Burns	2020
Andrea Lamendola	2021
Mae Fine	2019
Anthony Gasparovich (7/1/17-1/2/18)	2018
Ralph Caputo (1/2/18-6/30/18)	2021
James Meiman	2030
Anthony Socci	2020
Keri Walsh	2019
<b><u>Other Officials</u></b>	
Dr. Matthew Murphy, Superintendent of Schools	
Thomas W. O'Hern, Business Administrator/Board Secretary	
Eric Harrison, Esq., Solicitors	

**RAMSEY BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
JUNE 30, 2018**

**Architect/Engineer**

Solutions Architecture  
96 Pompton Ave.  
2<sup>nd</sup> Floor, Suite 200  
Verona, NJ 07044

**Audit Firm**

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

**Attorney**

Eric Harrison, Esq.  
Methfessel & Werbel, Esqs.  
2025 Lincoln Highway  
Edison, NJ 08818

**Official Depositories**

TD Bank, N.A.  
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Ramsey, NJ 07446

**FINANCIAL SECTION**



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

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

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

Honorable President and  
Members of the Board of Education  
Page 2.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ramsey Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not

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

#### *Other Information*

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

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Honorable President and  
Members of the Board of Education  
Page 4.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019 on our consideration of the Borough of Ramsey Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ramsey Board of Education's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

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

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

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

January 28, 2019

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

As management of the Borough of Ramsey School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Ramsey School District for the fiscal year ended June 30, 2018.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

In total, net position increased \$1,483,424. Net position of governmental activities increased \$1,500,655 while net assets of business-type activity decreased by \$(17,231).

General revenues accounted for \$79,203,567 in revenue or 98 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,812,659 or 2 percent of total revenues of \$81,016,226.

The School District had \$79,532,802 in expenses related to governmental activities; only \$1,165,205 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$79,423,758 were adequate to provide for these programs.

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**USING THIS ANNUAL REPORT**

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

**District-Wide Financial Statements**

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

The *statement of net position* presents information on all of the Borough of Ramsey School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Ramsey School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Ramsey School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Ramsey School District include instruction, support services and special schools. The business-type activities of the Borough of Ramsey School District include the food service program.

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Ramsey School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Ramsey School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Ramsey School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

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



**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

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

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

The School District's net position was \$26,606,454 at June 30, 2018 and \$25,123,030 at June 30, 2017, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2018 compared to 2017 (Table 1) and change in net position (Table 2) of the School District.

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**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>						
Current and Other Assets	15,799,000	15,257,403	211,191	191,613	16,010,191	15,449,016
Capital Assets	<u>39,778,509</u>	<u>39,113,113</u>	<u>30,193</u>	<u>29,067</u>	<u>39,808,702</u>	<u>39,142,180</u>
Total Assets	<u>55,577,509</u>	<u>54,370,516</u>	<u>241,384</u>	<u>220,680</u>	<u>55,818,893</u>	<u>54,591,196</u>
<b>Deferred Outflows:</b>						
Unamortized Bond Issuance Costs	68,969	86,212			68,969	86,212
Deferred Outflows of Resources						
Related to PERS	<u>7,045,373</u>	<u>8,733,014</u>	_____	_____	<u>7,045,373</u>	<u>8,733,014</u>
Total Deferred Outflows	<u>7,114,342</u>	<u>8,819,226</u>	_____	_____	<u>7,114,342</u>	<u>8,819,226</u>
<b>Liabilities</b>						
Current Liabilities	1,088,789	1,033,947	37,935	36,237	1,126,724	1,070,184
Noncurrent Liabilities	<u>30,549,018</u>	<u>36,557,990</u>	_____	_____	<u>30,549,018</u>	<u>36,557,990</u>
Total Liabilities	<u>31,637,807</u>	<u>37,591,937</u>	<u>37,935</u>	<u>36,237</u>	<u>31,675,742</u>	<u>37,628,174</u>
<b>Deferred Inflows:</b>						
Unamortized Bond Issuance						
Premiums	556,364	695,455			556,364	695,455
Deferred Inflows of Resources						
Related to PERS	<u>4,094,675</u>	_____	_____	_____	<u>4,094,675</u>	_____
Total Deferred Inflows	<u>4,651,039</u>	<u>695,455</u>	_____	_____	<u>4,651,039</u>	<u>695,455</u>
<b>Net Assets</b>						
Net Investment in Capital Assets	30,401,114	28,303,870	30,193	29,067	30,431,307	28,332,937
Restricted	14,707,228	14,263,949			14,707,228	14,263,949
Unrestricted	<u>(18,705,337)</u>	<u>(17,665,469)</u>	<u>173,256</u>	<u>191,613</u>	<u>(18,532,081)</u>	<u>(17,473,856)</u>
Total Net Position	<u>26,403,005</u>	<u>24,902,350</u>	<u>203,449</u>	<u>220,680</u>	<u>26,606,454</u>	<u>25,123,030</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2018 compared to 2017.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			579,988	613,550	579,988	613,550
Operating Grants and Contributions	1,165,205	1,276,427	67,466	64,817	1,232,671	1,341,244
General Revenues:						
Taxes:						
Property taxes	55,472,446	54,330,203			55,472,446	54,330,203
Federal and State Aid not Restricted	22,047,624	20,165,843			22,047,624	20,165,843
Transportation Fees	30,312				30,312	
Tuition Received	1,484,058	1,923,824			1,484,058	1,923,824
Miscellaneous Income	388,500	268,429			388,500	268,429
Investment Income	818	327	26	13	844	340
Other Financing Sources/(Uses)	<u>(251,499)</u>	<u>(31,194)</u>	<u>31,282</u>	<u>31,194</u>	<u>(220,217)</u>	<u>0</u>
Total Revenues and Transfers	<u>80,337,464</u>	<u>77,933,859</u>	<u>678,762</u>	<u>709,574</u>	<u>81,016,226</u>	<u>78,643,433</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

start

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	27,823,413	29,796,361			27,823,413	29,796,361
Special Education	7,576,342	6,966,988			7,576,342	6,966,988
Other Special Instruction	926,700	913,722			926,700	913,722
Other Instruction	1,624,754	1,423,812			1,624,754	1,423,812
Support Services:						
Tuition	2,284,987	2,081,435			2,284,987	2,081,435
Student & Instruction						
Related Services	10,183,764	11,089,386			10,183,764	11,089,386
General Administrative						
Services	1,268,434	1,219,371			1,268,434	1,219,371
Central Services	595,887	642,619			595,887	642,619
Administrative Info. Tech.	34,617	36,005			34,617	36,005
School Administrative						
Services	2,841,274	2,973,038			2,841,274	2,973,038
Plant Operations and						
Maintenance	5,822,222	6,033,700			5,822,222	6,033,700
Pupil Transportation	1,680,367	1,551,363			1,680,367	1,551,363
Unallocated Benefits	13,588,871	9,026,426			13,588,871	9,026,426
Capital Outlay-						
Non-depreciable	312,012	1,730,368			312,012	1,730,368
Interest on Long-Term Debt	363,037	411,356			363,037	411,356
Unallocated depreciation	2,031,976	2,103,814			2,031,976	2,103,814
Capital Lease Obligation and						
Amortization	(121,848)	(121,848)			(121,848)	(121,848)
Food Service	<u>                    </u>	<u>                    </u>	<u>695,993</u>	<u>714,501</u>	<u>695,993</u>	<u>714,501</u>
Total Expenses	<u>78,836,809</u>	<u>77,877,916</u>	<u>695,993</u>	<u>714,501</u>	<u>79,532,802</u>	<u>78,592,417</u>
Increase or (Decrease) in						
Net Position	<u>1,500,655</u>	<u>55,943</u>	<u>(17,231)</u>	<u>(4,927)</u>	<u>1,483,424</u>	<u>51,016</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$79,532,802. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$55,472,446 because some of the cost was paid by those who benefitted from the programs \$579,988, by other governments and organizations who subsidized certain programs with grants and contributions \$1,232,671, unrestricted federal and state aid \$22,047,624, tuition received \$1,484,058, and by miscellaneous sources \$199,439.

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

- ✓ Food service expenses exceeded revenues by \$17,231.
- ✓ Charges for services provided totaled \$579,988 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$67,466.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2018, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$57,376,134	84.3%	\$853,351	1.51%	\$56,522,783
State Source	9,981,234	14.7%	1,094,571	12.32%	8,886,663
Federal Source	<u>720,125</u>	<u>1.0%</u>	<u>(191,940)</u>	(21.04)%	<u>912,065</u>
Total	<u>\$68,077,493</u>	<u>100.0%</u>	<u>\$1,755,982</u>	2.65%	<u>\$66,321,511</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$26,352,689	39.2%	\$827,907	3.24%	\$25,524,782
Undistributed	36,709,202	54.5%	2,256,191	6.55%	34,453,011
Debt Service	1,691,050	2.5%	(610,950)	(26.54)%	2,302,000
Capital Outlay	<u>2,563,098</u>	<u>3.8%</u>	<u>483,335</u>	23.36%	<u>2,077,763</u>
Total	<u>\$67,316,039</u>	<u>100.0%</u>	<u>\$2,956,483</u>	4.60%	<u>\$64,357,556</u>

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

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

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

During the fiscal year ended June 30, 2018, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$267,591 for increases in federal and state grant awards.

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**General Fund**

The general fund actual revenue was \$65,225,414 including transfers. That amount is \$8,268,227 above the final amended budget of \$56,957,187. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$7,804,516 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$93,558, and an excess of \$370,153 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$64,711,283 including transfers which is \$1,257,250 above the final amended budget of \$63,454,033. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$7,804,516, and \$6,547,266 unexpended budgeted funds.

General fund had total revenues of \$65,225,414 including transfers and total expenditures and transfers of \$64,711,283 with an ending fund balance of \$15,842,890.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,185,190 including transfers. That amount is \$177,087 below the final amended budget of \$1,362,277. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,185,190, which is \$177,087 below the final amended budget of \$1,362,277. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.



**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2018 the School District had \$75,137,986 invested in sites, buildings, equipment. Of this amount \$35,329,284 in depreciation has been taken over the years. We currently have a net book value of \$39,808,702.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Sites and Improvements	\$4,425,700	\$4,425,700	\$	\$	\$4,425,700	\$4,425,700
Buildings and Improvements	33,845,551	32,919,587			33,845,551	32,919,587
Furniture, Equipment and Vehicles	<u>1,507,258</u>	<u>1,767,826</u>	<u>30,193</u>	<u>29,067</u>	<u>1,537,451</u>	<u>1,796,893</u>
	<u>\$39,778,509</u>	<u>\$39,113,113</u>	<u>\$30,193</u>	<u>\$29,067</u>	<u>\$39,808,702</u>	<u>\$39,142,180</u>

**Debt Administration**

At June 30, 2018, the District had \$30,549,018 of long-term debt. Of this amount, \$1,259,787 is for compensated absences, \$8,890,000 is school improvement serial bonds issues dated April 4, 2012, and \$20,399,231 is for net pension liability.

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
School Refunding Bonds - 2012	<u>\$ 8,890,000</u>	<u>\$10,200,000</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2018-2019 school year that is greater than the level of the 2017-2018 school year.

These factors were considered in preparing the Borough of Ramsey School District's budgets for the 2018-2019 fiscal year.

**REQUESTS FOR INFORMATION**

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

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

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**RAMSEY BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	6,475,121	111,710	6,586,831
Receivables, net	772,150	39,394	811,544
Internal balances	(48,644)	48,644	-
Inventory		11,443	11,443
Restricted assets:			
Capital reserve account - cash	8,600,373		8,600,373
Capital assets, net:			
Land	4,425,700		4,425,700
Other capital assets, net	35,352,809	30,193	35,383,002
Total Assets	<u>55,577,509</u>	<u>241,384</u>	<u>55,818,893</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	68,969		68,969
Deferred outflows of resources related to PERS	7,045,373		7,045,373
Total Deferred Outflows	<u>7,114,342</u>		<u>7,114,342</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,015,974	37,935	1,053,909
Payable to state government	31,955		31,955
Unearned revenue	40,860		40,860
Noncurrent liabilities:			
Due within one year	1,355,000		1,355,000
Due beyond one year	29,194,018		29,194,018
Total liabilities	<u>31,637,807</u>	<u>37,935</u>	<u>31,675,742</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	556,364		556,364
Deferred inflows of resources related to PERS	4,094,675		4,094,675
Total Deferred Inflows	<u>4,651,039</u>		<u>4,651,039</u>
<b>NET POSITION</b>			
Net investment in capital assets	30,401,114	30,193	30,431,307
Restricted for:			
Debt service	13,472		13,472
Capital projects	8,620,590		8,620,590
Other purposes	6,073,166		6,073,166
Unrestricted (Deficit)	<u>(18,705,337)</u>	<u>173,256</u>	<u>(18,532,081)</u>
Total net position	<u>26,403,005</u>	<u>203,449</u>	<u>26,606,454</u>

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

**RAMSEY BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	19,146,853	8,676,560			(27,823,413)		(27,823,413)
Special education	5,327,655	2,248,687		582,924	(6,993,418)		(6,993,418)
Other special instruction	670,785	255,915			(926,700)		(926,700)
Other instruction	1,177,358	447,396			(1,624,754)		(1,624,754)
Support services:							
Instruction	2,284,987				(2,284,987)		(2,284,987)
Student & instruction related services	7,645,377	2,538,387		582,281	(9,601,483)		(9,601,483)
General administrative services	1,083,746	184,688			(1,268,434)		(1,268,434)
School administrative services	2,000,119	841,155			(2,841,274)		(2,841,274)
Central Services	415,373	180,514			(595,887)		(595,887)
Administrative information tech.	34,617				(34,617)		(34,617)
Plant operations and maintenance	4,686,078	1,136,144			(5,822,222)		(5,822,222)
Pupil transportation	1,594,784	85,583			(1,680,367)		(1,680,367)
Unallocated benefits	13,588,871				(13,588,871)		(13,588,871)
Capital outlay - non-depreciable	312,012				(312,012)		(312,012)
Interest on long-term debt	363,037				(363,037)		(363,037)
Unallocated depreciation	2,031,976				(2,031,976)		(2,031,976)
Amortization	(121,848)				121,848		121,848
Total governmental activities	62,241,780	16,595,029	-	1,165,205	(77,671,604)	-	(77,671,604)
Business-type activities:							
Food Service	695,993		579,988	67,466		(48,539)	(48,539)
Total business-type activities	695,993		579,988	67,466		(48,539)	(48,539)
Total primary government	62,937,773		579,988	1,232,671	(77,671,604)	(48,539)	(77,720,143)
General revenues:							
Taxes:							
Levied for general purposes					53,781,644		53,781,644
Taxes levied for debt service					1,690,802		1,690,802
Federal and State aid not restricted					22,047,624		22,047,624
Tuition received					187,812		187,812
Tuition from Other LEAs Within the State					1,296,246		1,296,246
Transportation Fees					30,312		30,312
Investment Earnings					818	26	844
Miscellaneous Income					388,500		388,500
Other Financing Sources/(Uses)					(251,499)	31,282	(220,217)
Total general revenues, special items, extraordinary items and transfers					79,172,259	31,308	79,203,567
Change in Net Position					1,500,655	(17,231)	1,483,424
Net Position—beginning					24,902,350	220,680	25,123,030
Net Position—ending					26,403,005	203,449	26,606,454

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

**FUND FINANCIAL STATEMENTS**

**RAMSEY BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	6,461,649		241,085	11,867	6,714,601
Accounts Receivable -					
Intergovernmental - State	327,445				327,445
Intergovernmental - Federal		341,905			341,905
Interfund receivables	262,777			1,605	264,382
Other receivables	102,800				102,800
Restricted cash and cash equivalents:					
Capital Reserve	8,600,373				8,600,373
<b>Total assets</b>	<u>15,755,044</u>	<u>341,905</u>	<u>241,085</u>	<u>13,472</u>	<u>16,351,506</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Deficit in cash and cash equivalents			239,480		239,480
Accounts payable		6,313			6,313
Intergovernmental payable:					
State		31,955			31,955
Interfund Payable	48,644	262,777	1,605		313,026
Unearned revenue		40,860			40,860
<b>Total liabilities</b>	<u>48,644</u>	<u>341,905</u>	<u>241,085</u>	<u>-</u>	<u>631,634</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - current year	2,367,215				2,367,215
Excess Surplus - prior year - designated for subsequent year's expenditures	2,507,901				2,507,901
Capital reserve account	8,620,590				8,620,590
<b>Assigned to:</b>					
Year-end Encumbrances	1,198,050				1,198,050
Debt service fund				13,472	13,472
<b>Unassigned:</b>					
General Fund	1,012,644				1,012,644
<b>Total Fund balances</b>	<u>15,706,400</u>	<u>-</u>	<u>-</u>	<u>13,472</u>	<u>15,719,872</u>
<b>Total liabilities and fund balances</b>	<u>15,755,044</u>	<u>341,905</u>	<u>241,085</u>	<u>13,472</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$74,680,530 and the accumulated depreciation, is \$34,902,021	39,778,509
Accounts payable for subsequent Pension payment is not a payable in the funds	(853,026)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,390,910 and accumulated amortization is \$834,546	(556,364)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$172,427 and accumulated amortization is \$103,458	68,969
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds. Deferred outflows of resources related to PERS Pension Liability Deferred inflows of resources related to PERS Pension Liability	7,045,373 (4,094,675)
Accrued interest liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(156,635)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(30,549,018)
Net position of governmental activities	<u>26,403,005</u>

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



**RAMSEY BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	53,781,644			1,690,802	55,472,446
Tuition charges	187,812				187,812
Tuition from Other LEAs Within the State	1,296,246				1,296,246
Transportation Fees	30,312				30,312
Interest on Investments			818		818
Miscellaneous	388,500				388,500
<b>Total - Local Sources</b>	<b>55,684,514</b>	<b>-</b>	<b>818</b>	<b>1,690,802</b>	<b>57,376,134</b>
State sources	9,536,154	445,080			9,981,234
Federal sources		720,125			720,125
<b>Total revenues</b>	<b>65,220,668</b>	<b>1,165,205</b>	<b>818</b>	<b>1,690,802</b>	<b>68,077,493</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	19,170,391				19,170,391
Special education instruction	4,744,731	582,924			5,327,655
Other special instruction	670,785				670,785
School sponsored/other instructional	1,183,858				1,183,858
Support services and undistributed costs:					
Instruction	2,284,987				2,284,987
Attendance and social work services	46,078				46,078
Health services	484,960				484,960
Student & instruction related services	6,609,898	582,281			7,192,179
General administrative services	1,083,746				1,083,746
School administrative services	2,028,104				2,028,104
Central services	415,373				415,373
Administrative information tech.	34,617				34,617
Plant operations and maintenance	4,996,501				4,996,501
Pupil transportation	1,594,784				1,594,784
Unallocated benefits	8,743,357				8,743,357
On-behalf contributions	7,804,516				7,804,516
Debt Service:					
Principal				1,310,000	1,310,000
Interest and charges				381,050	381,050
Capital outlay	2,563,098				2,563,098
<b>Total expenditures</b>	<b>64,459,784</b>	<b>1,165,205</b>	<b>-</b>	<b>1,691,050</b>	<b>67,316,039</b>
Excess (Deficiency) of revenues over expenditures	760,884	-	818	(248)	761,454
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out - Enterprise Fund	(31,282)				(31,282)
Transfers out - Debt Service			(818)		(818)
Transfers in - Capital Projects				818	818
Transfers in - Capital Reserves			220,217		220,217
Transfers out - Capital Reserves	(220,217)				(220,217)
Cancellation of Accounts Receivable			(220,217)		(220,217)
<b>Total other financing sources and uses</b>	<b>(251,499)</b>	<b>-</b>	<b>(818)</b>	<b>818</b>	<b>(251,499)</b>
Net change in fund balances	509,385	-	-	570	509,955
Fund balance—July 1	15,197,015	-		12,902	15,209,917
Fund balance—June 30	15,706,400	-	-	13,472	15,719,872

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

**RAMSEY BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2018**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		509,955
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(2,031,976)	
Asset retired prior to full depreciation	(1,267)	
Depreciable outlays	<u>2,698,639</u>	665,396
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year, these amounts consist of:		
Serial bond obligations		1,310,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in interest is an adjustment in the reconciliation.		
Prior Year	174,648	
Current Year	<u>(156,635)</u>	18,013
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in compensated absences payable		(38,492)
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District Pension Contributions	811,813	
Less: Pension Expense	<u>(1,897,878)</u>	(1,086,065)
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
Increase in On-behalf State Aid TPAF Pension		7,851,672
Increase in On-behalf TPAF Pension Expense		(7,851,672)
The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)		
		139,091
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		
		(17,243)
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
Increase in On-behalf State Aid TPAF Post Employment Medical Revenue		4,659,798
Increase in On-behalf State Aid TPAF Post Employment Medical Expense		<u>(4,659,798)</u>
<b>Change in net position of governmental activities</b>		<u><u>1,500,655</u></u>

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

**RAMSEY BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	<b><u>Food Service Program</u></b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	111,710
Accounts receivable:	
State	176
Federal	3,583
Interfund - General Fund	48,644
Other	35,635
Inventories	11,443
Total current assets	<u>211,191</u>
Noncurrent assets:	
Capital assets:	
Equipment	457,456
Less accumulated depreciation	<u>(427,263)</u>
Total capital assets (net of accumulated depreciation)	<u>30,193</u>
Total assets	<u><u>241,384</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	<u>37,935</u>
Total current liabilities	<u>37,935</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	30,193
Unrestricted	<u>173,256</u>
Total net position	<u><u>203,449</u></u>

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

**Exhibit B-5**

**RAMSEY BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2018**

	<b>Food Service Program</b>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	94,138
Daily sales - non-reimbursable programs	420,500
Special functions	65,350
Total operating revenues	579,988
 Operating expenses:	
Cost of sales - reimbursable	93,535
Cost of sales - non-reimbursable	169,779
Salaries	239,354
Benefits	65,527
Supplies and materials	17,277
Purchased property services	65,000
Other expenses	37,285
Depreciation	8,236
Total operating expenses	695,993
Operating income (loss)	(116,005)
 Nonoperating revenues (expenses):	
State sources:	
State school lunch program	2,163
Federal sources:	
National school lunch program	46,543
Food distribution program	18,760
Interest Income	26
Total nonoperating revenues (expenses)	67,492
Income (loss) before contributions & transfers	(48,513)
 Other financing sources/(uses)	
Transfers in	31,282
Change in net position	(17,231)
Total net position—beginning	220,680
Total net position—ending	203,449

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

**RAMSEY BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2018**

	<u><b>Food Service Program</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	575,636
Payments to suppliers	<u>(629,007)</u>
Net cash provided by (used for) operating activities	<u>(53,371)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Local Sources	<u>76,472</u>
Net cash provided by (used for) non-capital financing activities	<u>76,472</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	<u>26</u>
Net cash provided by (used for) investing activities	<u>26</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	<u>(9,362)</u>
Net cash provided by (used for) capital and related financing activities	<u>(9,362)</u>
Net increase (decrease) in cash and cash equivalents	13,765
Balances—beginning of year	<u>97,945</u>
Balances—end of year	<u><u>111,710</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(116,005)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable	(4,352)
Depreciation and net amortization	8,236
Food Distribution Program	18,760
(Increase) decrease in inventories	2,055
Increase (decrease) in accounts payable	<u>37,935</u>
Total adjustments	<u>62,634</u>
Net cash provided by (used for) operating activities	<u><u>(53,371)</u></u>

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

**RAMSEY BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	268,765	18,321	1,777,054
Interfund Receivable	155		
Total assets	268,920	18,321	1,777,054
<b>LIABILITIES</b>			
Payable to student groups			1,707,661
Payroll deductions and withholdings			38,632
Contribution Pledged to Specific Awards			30,606
Due to State of NJ	1,317		
Interfund Payable			155
Total liabilities	1,317		1,777,054
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	267,603		
Reserved for scholarships		18,321	
	267,603	18,321	

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

**RAMSEY BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Payroll withholdings	53,141	
Donations		5,760
Budget Contributions		
Total Contributions	53,141	5,760
Investment earnings:		
Interest	746	
Net investment earnings	746	
Total additions	53,887	5,760
<b>DEDUCTIONS</b>		
Unemployment Claims	8,017	
Total deductions	8,017	7,801
Change in net position	45,870	(2,041)
Net position—beginning of the year	221,733	20,362
Net position—end of the year	267,603	18,321

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

**NOTES TO THE FINANCIAL STATEMENTS**



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

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

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

**A. Description of the School District and Reporting Entity:**

The Board of Education ("Board") of the Borough of Ramsey School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ramsey School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Borough of Ramsey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Basis of Presentation**

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

**District-wide Financial Statements**

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

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

**Fund Financial Statements**

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**PROPRIETARY FUNDS**

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

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

**FIDUCIARY FUNDS**

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

**C. Measurement Focus**

**District-wide Financial Statements**

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Measurement Focus, (continued)**

**Fund Financial Statements**

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

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

**D. Basis of Accounting**

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

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Basis of Accounting, (continued)**

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

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

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

**Expenses/Expenditures**

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

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

**E. Budgets/Budgetary Control**

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**E. Budgets/Budgetary Control, (continued)**

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

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

**F. Encumbrances**

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

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

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

**G. Cash, Cash Equivalents and Investments**

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. Cash, Cash Equivalents and Investments, (continued)**

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**H. Tuition Revenues/Receivable**

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

**I. Inventories**

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

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

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Short-Term Interfund Receivables/Payables**

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

**L. Capital Assets**

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

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

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Compensated Absences**

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

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

**N. Unearned Revenue**

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

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**O. Accrued Liabilities and Long-term Obligations**

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

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

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

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. Accounting and Financial Reporting for Pensions (continued)**

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

**Q. Deferred Outflows/Inflows of Resources**

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

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

**R. Fund Balances**

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**R. Fund Balances, (continued)**

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

**S. Net Position**

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

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

**T. Operating Revenues and Expenses**

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**U. Extraordinary and Special Items**

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

**V. Allocation of Indirect Expenses**

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

**W. Use of Estimates**

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

**X. Recent Accounting Pronouncements**

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017 and was implemented by the District for the year ended June 30, 2018.

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**X. Recent Accounting Pronouncements, (continued)**

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The District does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The District implemented this Statement for the year ended June 30, 2018.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District had no transactions of this type for the year ended June 30, 2018.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves 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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**X. Recent Accounting Pronouncements, (continued)**

debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2017, the Government Accounting Standards Board issued GASB Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This Statement requires 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. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District is currently reviewing what effect, if any, this Statement may have on future financial statements.

In March 2018, Government Accounting Standards Board issued GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. The District believes this may impact the disclosures relating to debt in the notes to the financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2018, \$466 of the District's bank balance of \$19,260,354 was exposed to custodial credit risk.



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2018, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$327,445	\$176	\$327,621
Federal Aid	341,905	3,583	345,488
Other	102,800	35,635	138,435
Interfunds	<u>264,832</u>	<u>48,644</u>	<u>          </u>
Gross Receivables	1,036,982	88,038	811,544
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$1,036,982</u></u>	<u><u>\$88,038</u></u>	<u><u>\$811,544</u></u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 4. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2018, consist of the following:

\$1,605	Due to the Debt Service Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
48,644	Due to the Food Service Fund from the General Fund for subsidy reimbursements received but not turned over and Board share of expenses paid.
262,777	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>155</u>	Due to the Unemployment Compensation Trust Fund from the Payroll Agency Fund for employee deductions not turned over.
<u>\$313,181</u>	

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

Interfund transfers for the year ended June 30, 2018 consisted of the following:

\$44,930	Due from the General Fund to the Enterprise Fund to for subsidy reimbursement received.
220,217	Due from the General Fund to the Capital Projects Fund for local share of project.
<u>31,282</u>	Due from the General Fund to the Enterprise Fund to cover a deficit.
<u>\$296,429</u>	

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>6/30/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/18</u>
<b>Governmental Activities</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$4,425,700	\$ _____	\$ _____	\$4,425,700
Total Capital Assets, Not Being Depreciated	<u>4,425,700</u>	<u>                    </u>	<u>                    </u>	<u>4,425,700</u>
Building and building improvements	57,068,703	2,490,280		59,558,983
Machinery and equipment	<u>10,555,236</u>	<u>208,359</u>	<u>(67,748)</u>	<u>10,695,847</u>
Totals at Historical Cost	<u>67,623,939</u>	<u>2,698,639</u>	<u>(67,748)</u>	<u>70,254,830</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(24,149,116)	(1,564,316)		(25,713,432)
Equipment	<u>(8,787,410)</u>	<u>(467,660)</u>	<u>66,481</u>	<u>(9,188,589)</u>
Total Accumulated Depreciation	<u>(32,936,526)</u>	<u>(2,031,976)</u>	<u>66,481</u>	<u>(34,902,021)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>34,687,413</u>	<u>666,663</u>	<u>(1,267)</u>	<u>35,352,809</u>
Governmental Activities Capital Assets, Net	<u>\$39,113,113</u>	<u>\$666,663</u>	<u>(\$1,267)</u>	<u>\$39,778,509</u>
	<u>Balance</u> <u>6/30/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/18</u>
<b>Business-Type Activity</b>				
Equipment	\$448,094	\$9,362		457,456
Less Accumulated Depreciation For:				
Equipment	<u>(419,027)</u>	<u>(8,236)</u>	<u>                    </u>	<u>(427,263)</u>
Business-Type Activity Capital Assets, Net	<u>\$29,067</u>	<u>\$1,126</u>	<u>\$                    </u>	<u>\$30,193</u>

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 6. LONG-TERM OBLIGATIONS**

**Advance and Current Refundings of Debt**

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

Changes in long-term obligations for the fiscal year ended June 30, 2018 are as follows:

	<u>Balance June 30, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds payable:						
General obligation debt	\$10,200,000	\$ _____	\$(1,310,000)	\$8,890,000	\$1,355,000	\$7,535,000
Total Bonds Payable	<u>10,200,000</u>	<u>_____</u>	<u>(1,310,000)</u>	<u>8,890,000</u>	<u>1,355,000</u>	<u>7,535,000</u>
Other Liabilities:						
Compensated absences payable	1,221,295	139,895	(101,402)	1,259,788		1,259,788
Net Pension Liability PERS	<u>25,136,695</u>	<u>_____</u>	<u>(4,737,464)</u>	<u>20,399,231</u>	<u>_____</u>	<u>20,399,231</u>
Total other liabilities	<u>26,357,990</u>	<u>139,895</u>	<u>(4,838,866)</u>	<u>21,659,019</u>	<u>_____</u>	<u>21,659,019</u>
Total Governmental Activities	<u>\$36,557,990</u>	<u>\$139,895</u>	<u>(\$6,148,866)</u>	<u>\$30,549,019</u>	<u>\$1,355,000</u>	<u>\$29,194,019</u>

**A. Bonds Payable:**

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 6. LONG-TERM OBLIGATIONS, (continued)**

Outstanding bonds payable at June 30, 2018 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2018</u>
Refunding School Bonds	\$16,700,000	4/4/2012	2.0%-5.0%	1/15/2024	<u>\$8,890,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$1,355,000	\$341,750	\$1,696,750
2020	1,395,000	301,100	1,696,100
2021	1,455,000	247,300	1,702,300
2022	1,500,000	203,650	1,703,650
2023	1,560,000	143,650	1,703,650
2024	<u>1,625,000</u>	<u>81,250</u>	<u>1,706,250</u>
	<u>\$8,890,000</u>	<u>\$1,318,700</u>	<u>\$10,208,700</u>

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

As of June 30, 2018 the Board has no authorized but not issued bonds.

**C. Capital Leases:**

The District had no capital leases outstanding at June 30, 2018.

**NOTE 7. OPERATING LEASES**

The District has commitments to lease certain office equipment under operating leases that expire in 2022. Total operating lease payments made during the year ended June 30, 2018 were \$87,600. Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$80,980
2020	52,524
2021	10,829
2022	6,640
2023	<u>2,307</u>
Total future minimum lease payments	<u>\$153,280</u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS**

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

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

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Defined Contribution Retirement Program**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

**Contributions Requirements Fund Based Statements**

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

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u>		
6/30/18	\$811,813	\$41,061
6/30/17	753,992	23,689
6/30/16	693,030	22,333



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>	Long-Term Disability <u>Insurance</u>
6/30/18	\$3,523,876	\$2,331,229	\$85,516	\$3,068
6/30/17	2,663,521	2,299,730	96,506	3,605
6/30/16	1,858,476	2,323,165	92,577	

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,860,827 during the year ended June 30, 2018 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

**Public Employees Retirement System (PERS)**

At June 30, 2018, the District had a liability of \$20,399,231 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportion was 0.0876315801 percent, which was an increase of 0.0027594367 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$1,897,878. At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$480,331	\$
Changes of assumptions	4,109,742	4,094,675
Net difference between projected and actual earnings on pension plan investments	138,905	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,463,369	
District contributions subsequent to the measurement date	<u>853,026</u>	<u>                    </u>
Total	<u>\$7,045,373</u>	<u>\$4,094,675</u>

The \$853,026 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$480,218
2019	724,660
2020	439,107
2021	(584,013)
2022	(425,669)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts, respectively.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

**Additional Information**

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
District's Proportion	0.0876315801%	0.0848721434%

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

**Actuarial Assumptions, (continued)**

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2017</u>		
	<u>1%</u> Decrease <u>4.00%</u>	<u>At Current</u> Discount Rate <u>5.00%</u>	<u>1%</u> Increase <u>6.00%</u>
District's proportionate share of the pension liability	\$25,306,631	\$20,399,231	\$16,310,759

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>165,443,148</u>
	<u>\$165,443,148</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was 0.2453786717%.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$11,461,064 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

**Mortality Rates**

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 8. PENSION PLANS, (continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

**NOTE 9. POST-RETIREMENT BENEFITS:**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The 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.

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

Employees covered by benefits terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State Contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2018 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>107,832,107</u>
	<u><u>\$107,832,107</u></u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<b><u>TPAF/ABP</u></b>	<b><u>PERS</u></b>
Salary increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PFRS, respectively.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

**(a) *Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**(b) *Discount Rate***

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate***

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

***Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:***

For the year ended June 30, 2018, the board of education/board of trustees recognized on-behalf OPEB expense of \$6,991,027 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Ramsey School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 10. DEFERRED COMPENSATION**

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

AIM Fund Services	Equitable
Franklin Templeton	Lincoln
Lincoln Investment	Vanguard
Metropolitan Life	TIAA Creff
Paul Revere	Union Central Life
Valic	

**NOTE 11. RISK MANAGEMENT**

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

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$746	\$53,141	\$8,017	\$267,603
2016-2017	274	51,833	69,790	221,733
2015-2016	229	51,344	57,388	239,416

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 12. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Ramsey Board of Education by inclusion of \$502,000 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$8,369,487
Increased by:	
Deposit Approved by Resolution - June 26, 2018	3,600,000
Decreased by:	
Budget Appropriations	<u>3,348,897</u>
Ending balance, June 30, 2018	<u>\$8,620,590</u>

**NOTE 13. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$15,706,400 General Fund fund balance at June 30, 2018, \$4,875,116 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$2,507,901 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$8,620,590 has been reserved in the Capital Reserve Account; \$1,198,050 is reserved for encumbrances; and \$1,001,019 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund fund balance at June 30, 2018 of \$13,472 is unreserved and undesignated.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2018**

**NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$4,875,116. Of this amount, \$2,367,215 is the result of current year operations.

**NOTE 15. INVENTORY**

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$6,602
Supplies	<u>4,841</u>
	<u>\$11,443</u>

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

**NOTE 16. CONTINGENT LIABILITIES**

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

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

The Ramsey Education Association has filed a grievance against the District alleging that the District has violated applicable law by deducting dental insurance premiums from employees represented by the Ramsey Education Association. The grievance filed by the Association seeks a determination and order directing the District to reimburse, retroactively, all affected members of the Association on account of the monies that were allegedly illegally deducted. The Board is vigorously defending the claim, which has been denied through the various levels of the grievance procedure and which will now proceed to arbitration. The grievance arbitration is scheduled for January.

**NOTE 17. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through January 28, 2019, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	53,781,644		53,781,644	53,781,644	
Tuition	36,082		36,082	187,812	151,730
Tuition from Other LEAs Within the State	1,405,469		1,405,469	1,296,246	(109,223)
Transportation Fees from Individuals	20,000		20,000	30,312	10,312
Interest Earned on Capital Reserve Funds	5,000		5,000		(5,000)
Other Restricted Miscellaneous Revenues	43,001		43,001		(43,001)
Unrestricted Miscellaneous Revenues	23,165		23,165	388,500	365,335
<b>Total - Local Sources</b>	<u>55,314,361</u>		<u>55,314,361</u>	<u>55,684,514</u>	<u>370,153</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,117,379		1,117,379	1,194,536	77,157
Categorical Security Aid	47,931		47,931	47,931	
Categorical Transportation Aid	81,666		81,666	81,666	
PARCC Readiness Aid	26,720		26,720	26,720	
Per Pupil Growth Aid	26,720		26,720	26,720	
Professional Learning Community Aid	25,575		25,575	25,575	
Extraordinary Aid	300,000		300,000	260,953	(39,047)
NTE Homeless Reimbursement				54,867	54,867
Other Restricted State Aid				11,625	11,625
Lead Testing for Schools Aid				5,791	5,791
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,331,229	2,331,229
On-behalf TPAF Pension (non-budgeted)				3,523,876	3,523,876
On-behalf TPAF NCGI Premium (non-budgeted)				85,516	85,516
On-behalf TPAD LTDI				3,068	3,068
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,860,827	1,860,827
<b>Total - State Sources</b>	<u>1,625,991</u>		<u>1,625,991</u>	<u>9,540,900</u>	<u>7,914,909</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative - ARRA	16,835		16,835		(16,835)
<b>Total - Federal Sources</b>	<u>16,835</u>		<u>16,835</u>		<u>(16,835)</u>
<b>TOTAL REVENUES</b>	<u>56,957,187</u>		<u>56,957,187</u>	<u>65,225,414</u>	<u>8,268,227</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	241,732		241,732	207,985	33,747
Grades 1-5 - Salaries of Teachers	6,568,748		6,568,748	6,276,968	291,780
Grades 6-8 - Salaries of Teachers	4,848,711	(21,513)	4,827,198	4,613,282	213,916
Grades 9-12 - Salaries of Teachers	7,869,364		7,869,364	6,997,745	871,619
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	88,500		88,500	69,176	19,324
Purchased Professional-Educational Services		11,440	11,440	10,730	710
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	220,150	12,080	232,230	209,235	22,995
Other Purchased Services (400-500 series)	71,657	(595)	71,062	61,011	10,051
General Supplies	610,515	44,149	654,664	552,304	102,360
Textbooks	142,226	46,179	188,405	169,176	19,229
Other Objects	6,007	(360)	5,647	2,779	2,868
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>20,667,610</u>	<u>91,380</u>	<u>20,758,990</u>	<u>19,170,391</u>	<u>1,588,599</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	1,008,569	(20,454)	988,115	987,595	520
Other Salaries for Instruction	878,991	123,456	1,002,447	999,308	3,139
General Supplies	7,382		7,382	5,584	1,798
<b>Total Learning and/or Language Disabilities</b>	<u>1,894,942</u>	<u>103,002</u>	<u>1,997,944</u>	<u>1,992,487</u>	<u>5,457</u>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	60,212	2,768	62,980	62,980	
<b>Total Behavioral Disabilities</b>	<u>60,212</u>	<u>2,768</u>	<u>62,980</u>	<u>62,980</u>	
<b>Multiple Disabilities</b>					
Salaries of Teachers	293,881	4,015	297,896	297,896	
Other Salaries for Instruction	209,443	25,164	234,607	234,607	
Other Purchased Services (400-500 Series)	14		14	11	3
General Supplies	2,660		2,660	429	2,231
<b>Total Multiple Disabilities</b>	<u>505,998</u>	<u>29,179</u>	<u>535,177</u>	<u>532,943</u>	<u>2,234</u>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,794,387	(103,254)	1,691,133	1,691,133	
Other Purchased Services (400-500 Series)	1,376		1,376	1,208	168
General Supplies	21,655	(61)	21,594	16,716	4,878
Textbooks	3,825		3,825		3,825
<b>Total Resource Room/Resource Center</b>	<b>1,821,243</b>	<b>(103,315)</b>	<b>1,717,928</b>	<b>1,709,057</b>	<b>8,871</b>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	113,437	10,830	124,267	124,267	
Other Salaries for Instruction	248,805	69,056	317,861	310,042	7,819
General Supplies	5,310	8,000	13,310	12,682	628
<b>Total Preschool Disabilities - Full-Time</b>	<b>367,552</b>	<b>87,886</b>	<b>455,438</b>	<b>446,991</b>	<b>8,447</b>
<b>Home Instruction:</b>					
Professional Svcs-Educational Services		2,730	2,730	273	2,457
<b>Total Home Instruction</b>		<b>2,730</b>	<b>2,730</b>	<b>273</b>	<b>2,457</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>4,649,947</b>	<b>122,250</b>	<b>4,772,197</b>	<b>4,744,731</b>	<b>27,466</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	544,355	(159,817)	384,538	382,025	2,513
Other Salaries for Instruction	138,274		138,274	126,477	11,797
General Supplies	3,400	(91)	3,309	2,913	396
<b>Total Basic Skills/Remedial - Instruction</b>	<b>686,029</b>	<b>(159,908)</b>	<b>526,121</b>	<b>511,415</b>	<b>14,706</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	105,000	48,756	153,756	153,756	
General Supplies	3,275	653	3,928	3,917	11
Textbooks	2,400	(653)	1,747	1,697	50
<b>Total Bilingual Education - Instruction</b>	<b>110,675</b>	<b>48,756</b>	<b>159,431</b>	<b>159,370</b>	<b>61</b>
<b>School-Sponsored Co/Extra Curricular Activities - Instruction</b>					
Salaries	288,276	(41,186)	247,090	235,615	11,475
Purchased Services (300-500 series)	27,000		27,000	19,124	7,876
Supplies and Materials	19,834		19,834	12,036	7,798
Other Objects	4,800		4,800	4,040	760
<b>Total School-Sponsored Co/Extra Curricular Activities - Instruction</b>	<b>339,910</b>	<b>(41,186)</b>	<b>298,724</b>	<b>270,815</b>	<b>27,909</b>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	665,867	41,186	707,053	701,048	6,005
Purchased Services (300-500 series)	150,756	(1,901)	148,855	138,729	10,126
Supplies and Materials	40,106	15,530	55,636	53,372	2,264
Other Objects	27,490	(2,599)	24,891	19,894	4,997
<b>Total School-Sponsored Athletics - Instruction</b>	<b>884,219</b>	<b>52,216</b>	<b>936,435</b>	<b>913,043</b>	<b>23,392</b>
<b>TOTAL INSTRUCTION</b>	<b>27,338,390</b>	<b>113,508</b>	<b>27,451,898</b>	<b>25,769,765</b>	<b>1,682,133</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	693,300	100,000	793,300	697,794	95,506
Tuition to County Voc. School Dist. - Regular	199,936		199,936	184,713	15,223
Tuition to CSSD & Regional Day Schools	83,160		83,160	78,956	4,204
Tuition to Private Schools for the Disabled Within State	1,397,228	(104,975)	1,292,253	1,180,343	111,910
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	117,478	4,975	122,453	118,406	4,047
Tuition - State Facilities	24,775		24,775	24,775	
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,515,877</b>		<b>2,515,877</b>	<b>2,284,987</b>	<b>230,890</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	47,134		47,134	46,078	1,056
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>47,134</b>		<b>47,134</b>	<b>46,078</b>	<b>1,056</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	473,791		473,791	459,245	14,546
Purchased Professional and Technical Services		700	700	643	57
Other Purchased Services (400-500 Series)	405		405	299	106
Supplies and Materials	35,440	(7,092)	28,348	24,773	3,575
Other Objects	245		245		245
<b>Total Undistributed Expenditures - Health Services</b>	<b>509,881</b>	<b>(6,392)</b>	<b>503,489</b>	<b>484,960</b>	<b>18,529</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	753,959	(34,631)	719,328	717,589	1,739
Purchased Prof. Services-Educational Services	179,225	(176,440)	2,785		2,785
Supplies and Materials	2,690	(258)	2,432	1,942	490
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>	<b>935,874</b>	<b>(211,329)</b>	<b>724,545</b>	<b>719,531</b>	<b>5,014</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>					
Salaries	349,108	(2,421)	346,687	286,420	60,267
Purchased Professional - Educational Services	566,040	(8,230)	557,810	417,236	140,574
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>915,148</b>	<b>(10,651)</b>	<b>904,497</b>	<b>703,656</b>	<b>200,841</b>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,218,866	11,646	1,230,512	1,230,512	
Salaries of Secretarial and Clerical Assistants	181,393	31,247	212,640	212,303	337
Other Purchased Professional and Technical Services	151,767	(6,841)	144,926	144,926	
Other Purchased Services (400-500 Series)	7,268	(952)	6,316	4,618	1,698
Supplies and Materials	19,705	(3,026)	16,679	14,825	1,854
Other Objects	1,980	79	2,059	2,056	3
<b>Total Undist. Expend. - Guidance</b>	<u>1,580,979</u>	<u>32,153</u>	<u>1,613,132</u>	<u>1,609,240</u>	<u>3,892</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	1,199,162	70,590	1,269,752	1,240,521	29,231
Salaries of Secretarial and Clerical Assistants	134,141	13,090	147,231	147,231	
Professional Svcs-Educational Services		5,000	5,000	5,000	
Other Purchased Professional and Technical Services	178,000	11,841	189,841	116,977	72,864
Misc. Pur Services (400-500 Series)	49,594	(4,500)	45,094	25,489	19,605
Supplies and Materials	77,866	(325)	77,541	46,990	30,551
Other Objects	2,500		2,500	1,610	890
<b>Total Undist. Expend. - Child Study Teams</b>	<u>1,641,263</u>	<u>95,696</u>	<u>1,736,959</u>	<u>1,583,818</u>	<u>153,141</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	198,716	(21,661)	177,055	136,500	40,555
Salaries of Other Professional Staff	315,400	(29,818)	285,582	105,780	179,802
Purchased Prof-Educational Services	50,000	(23,100)	26,900	26,695	205
Other Purch Prof. and Tech. Services	33,290	3,600	36,890	36,037	853
Supplies and Materials	21,500	27,290	48,790	34,769	14,021
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>618,906</u>	<u>(43,689)</u>	<u>575,217</u>	<u>339,781</u>	<u>235,436</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	992,785	(36,829)	955,956	730,532	225,424
Salaries of Technology Coordinators	133,426		133,426	132,779	647
Other Purchased Services (400-500)	75,136	10,955	86,091	77,214	8,877
Supplies and Materials	1,314,843	(454,378)	860,465	622,668	237,797
Other Objects	1,730	80	1,810	1,707	103
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>2,517,920</u>	<u>(480,172)</u>	<u>2,037,748</u>	<u>1,564,900</u>	<u>472,848</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Other Professional Staff	6,000	(5,000)	1,000	815	185
Purchased Professional - Educational Services	40,000	(9,900)	30,100	25,838	4,262
Other Purchased Services (400-500 Series)	62,000	(15,730)	46,270	36,042	10,228
Supplies and Materials	18,600	(881)	17,719	17,708	11
Other Objects	9,500		9,500	8,569	931
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>136,100</u>	<u>(31,511)</u>	<u>104,589</u>	<u>88,972</u>	<u>15,617</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	418,258	22,636	440,894	386,662	54,232
Legal Services	126,902		126,902	77,874	49,028
Audit Fees	31,620		31,620	29,500	2,120
Architectural/Engineering Services	127,610		127,610	112,813	14,797
Other Purchased Professional Services	136,000	(16,940)	119,060	40,773	78,287
Purchased Technical Services	41,065	5,474	46,539	39,139	7,400
Communications/Telephone	113,167	(12,842)	100,325	88,740	11,585
BOE Other Purchased Services	6,750	(1,250)	5,500	1,164	4,336
Other Purch Services (400-500 Series)	259,184	4,218	263,402	244,357	19,045
General Supplies	40,800	(11,270)	29,530	22,199	7,331
Judgements Against The School District	25,000		25,000	10,000	15,000
Misc. Expenditures	6,500	1,520	8,020	7,692	328
BOE Membership Dues and Fees	31,500		31,500	22,833	8,667
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>1,364,356</u>	<u>(8,454)</u>	<u>1,355,902</u>	<u>1,083,746</u>	<u>272,156</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,041,074	170,870	1,211,944	1,035,073	176,871
Salaries of Secretarial and Clerical Assistants	719,604	15,530	735,134	725,960	9,174
Purchased Professional and Technical Services	10,000		10,000	8,241	1,759
Other Purchased Services (400-500 series)	41,453	6,529	47,982	40,933	7,049
Supplies and Materials	213,957	7,700	221,657	206,775	14,882
Other Objects	12,366	(456)	11,910	11,122	788
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>2,038,454</u>	<u>200,173</u>	<u>2,238,627</u>	<u>2,028,104</u>	<u>210,523</u>
<b>Undist. Expend. - Central Services</b>					
Salaries	400,972	10,000	410,972	377,922	33,050
Purchased Professional Services	8,500		8,500	5,750	2,750
Misc. Pur Services (400-500 Series)	25,500	(3,177)	22,323	15,203	7,120
Supplies and Materials	30,000	(8,800)	21,200	14,833	6,367
Miscellaneous Expenditures	2,000		2,000	1,665	335
<b>Total Undist. Expend. - Central Services</b>	<u>466,972</u>	<u>(1,977)</u>	<u>464,995</u>	<u>415,373</u>	<u>49,622</u>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2018**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Purchased Technical Services	27,050	11,500	38,550	34,617	3,933
<b>Total Undist. Expend. - Support Serv. - Administrative</b>	<u>27,050</u>	<u>11,500</u>	<u>38,550</u>	<u>34,617</u>	<u>3,933</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	475,447	(150,892)	324,555	320,348	4,207
Cleaning, Repair and Maintenance Services	655,799	(64,226)	591,573	559,272	32,301
General Supplies	50,470	5,300	55,770	23,420	32,350
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>1,181,716</u>	<u>(209,818)</u>	<u>971,898</u>	<u>903,040</u>	<u>68,858</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	1,517,920	6,220	1,524,140	1,505,922	18,218
Salaries of Non-Instructional Aides	271,914	21,763	293,677	269,721	23,956
Cleaning, Repair and Maintenance Services	467,326	274,221	741,547	356,934	384,613
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	3,000		3,000	3,000	
Other Purchased Property Services	85,595	8,000	93,595	87,905	5,690
Insurance	364,090		364,090	340,396	23,694
Miscellaneous Purchased Services	8,820	769	9,589	5,922	3,667
General Supplies	261,197	32,941	294,138	252,005	42,133
Energy (Natural Gas)	344,000	(90,185)	253,815	251,469	2,346
Energy (Electricity)	450,500	28,200	478,700	459,407	19,293
Other Objects	48,781	(16,421)	32,360	32,021	339
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>3,823,143</u>	<u>265,508</u>	<u>4,088,651</u>	<u>3,564,702</u>	<u>523,949</u>
<b>Undist. Expend. - Care and Upkeep of Grounds (263)</b>					
Salaries	189,000	(56,457)	132,543	132,543	
Cleaning, Repair and Maintenance Services	193,355	(35,350)	158,005	148,119	9,886
General Supplies	66,439	(22,902)	43,537	43,339	198
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<u>448,794</u>	<u>(114,709)</u>	<u>334,085</u>	<u>324,001</u>	<u>10,084</u>
<b>Undist. Expend. - Security (266)</b>					
Salaries	149,041	1,043	150,084	150,084	
Purchased Professional and Technical Services	2,775		2,775	2,077	698
Cleaning, Repair and Maintenance Services	58,790	12,114	70,904	52,597	18,307
General Supplies		226,951	226,951		226,951
<b>Total Undist. Expend. - Security</b>	<u>210,606</u>	<u>240,108</u>	<u>450,714</u>	<u>204,758</u>	<u>245,956</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	71,791		71,791	42,567	29,224
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	147,886		147,886	136,609	11,277
Cleaning, Repair and Maintenance Services	25,000	(11,200)	13,800	10,954	2,846
Contract Services (Between Home & School)-Vendors	285,600	139,455	425,055	412,196	12,859
Contract Services (Other than Between Home & School)-Vendors	134,440	26,368	160,808	137,760	23,048
Contract Services (Sp. Ed. Students)-Vendors	850,000		850,000	805,711	44,289
Contract Services - Aid in Lieu Pymts - NonPub Sch.	50,000	(10,000)	40,000	34,000	6,000
Misc. Purchased Services - Transportation	4,200		4,200	1,314	2,886
General Supplies	500		500		500
Transportation Supplies	36,586	(7,100)	29,486	13,673	15,813
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>1,606,003</u>	<u>137,523</u>	<u>1,743,526</u>	<u>1,594,784</u>	<u>148,742</u>
<b>UNALLOCATED BENEFITS (291)</b>					
Social Security Contributions	987,696		987,696	606,137	381,559
Other Retirement Contributions-PERS	880,943		880,943	839,952	40,991
Workmen's Compensation	280,000		280,000	207,428	72,572
Health Benefits	7,636,937	(100,000)	7,536,937	6,946,887	590,050
Tuition Reimbursement	150,000		150,000	55,420	94,580
Other Employee Benefits	115,000		115,000		115,000
Unused Sick Payment to Terminated/Retired Staff	65,000	22,533	87,533	87,533	
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>10,115,576</u>	<u>(77,467)</u>	<u>10,038,109</u>	<u>8,743,357</u>	<u>1,294,752</u>
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,331,229	(2,331,229)
On-behalf TPAF Pension (non-budgeted)				3,523,876	(3,523,876)
On-behalf TPAF NCGI Premium (non-budgeted)				85,516	(85,516)
On-behalf TPAF LTDI				3,068	(3,068)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,860,827	(1,860,827)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>7,804,516</u>	<u>(7,804,516)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>10,115,576</u>	<u>(77,467)</u>	<u>10,038,109</u>	<u>16,547,873</u>	<u>(6,509,764)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>32,701,752</u>	<u>(213,508)</u>	<u>32,488,244</u>	<u>36,126,921</u>	<u>(3,638,677)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>60,040,142</u>	<u>(100,000)</u>	<u>59,940,142</u>	<u>61,896,686</u>	<u>(1,956,544)</u>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Undistributed</b>					
Support Services - Child Study Teams	5,000		5,000		5,000
Custodial Services	8,100		8,100		8,100
School Buses-Reg.		100,000	100,000		100,000
<b>Total Equipment</b>	<u>13,100</u>	<u>100,000</u>	<u>113,100</u>		<u>113,100</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	265,415	10,979	276,394	269,843	6,551
Construction Services	2,813,045	505	2,813,550	2,247,466	566,084
Supplies and Materials	263,780	(11,484)	252,296	37,238	215,058
Assessment for Debt Service on SDA Funding	8,551		8,551	8,551	
<b>Total Facilities Acquisition and Construction Services</b>	<u>3,350,791</u>		<u>3,350,791</u>	<u>2,563,098</u>	<u>787,693</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>3,363,891</u>	<u>100,000</u>	<u>3,463,891</u>	<u>2,563,098</u>	<u>900,793</u>
<b>TOTAL EXPENDITURES</b>	<u>63,404,033</u>		<u>63,404,033</u>	<u>64,459,784</u>	<u>(1,055,751)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(6,446,846)</u>		<u>(6,446,846)</u>	<u>765,630</u>	<u>7,212,476</u>
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(50,000)		(50,000)	(31,282)	(18,718)
Capital Reserve - Transfer to Capital Projects				(220,217)	220,217
<b>Total Other Financing Sources/(Uses):</b>	<u>(50,000)</u>		<u>(50,000)</u>	<u>(251,499)</u>	<u>201,499</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(6,496,846)</u>		<u>(6,496,846)</u>	<u>514,131</u>	<u>7,413,975</u>
<b>Fund Balance, July 1</b>	<u>15,328,759</u>		<u>15,328,759</u>	<u>15,328,759</u>	
<b>Fund Balance, June 30</b>	<u>8,831,913</u>		<u>8,831,913</u>	<u>15,842,890</u>	<u>7,413,975</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(845,233)		(845,233)	(845,233)	
Increase in Capital Reserve:					
Principal				3,600,000	3,600,000
Interest Deposit to Capital Reserve	5,000		5,000		(5,000)
Withdrawal from Capital Reserve	(3,128,680)		(3,128,680)	(3,348,897)	220,217
Budgeted Fund Balance	<u>(2,527,933)</u>		<u>(2,527,933)</u>	<u>1,108,261</u>	<u>3,598,758</u>
	<u>(6,496,846)</u>		<u>(6,496,846)</u>	<u>514,131</u>	<u>7,413,975</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				2,367,215	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,507,901	
Capital Reserve				8,620,590	
<b>Committed Fund Balance:</b>					
Year-end Encumbrances				1,198,050	
<b>Unassigned Fund Balance</b>				1,149,134	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>15,842,890</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				136,490	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>15,706,400</u>	

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	313,981	173,608	487,589	458,389	(29,200)
Federal Sources	780,705	93,983	874,688	726,801	(147,887)
<b>Total Revenues</b>	<b>1,094,686</b>	<b>267,591</b>	<b>1,362,277</b>	<b>1,185,190</b>	<b>(177,087)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers		29,971	29,971	29,971	-
Other Salaries for Instruction	25,049	11,811	36,860	36,860	-
Other Purchased Services (400-500 series)	577,459	(56,450)	521,009	407,357	113,652
General Supplies	43,803	31,528	75,331	70,245	5,086
Textbooks	36,531	5,595	42,126	37,638	4,488
<b>Total instruction</b>	<b>682,842</b>	<b>22,455</b>	<b>705,297</b>	<b>582,071</b>	<b>123,226</b>
<b>Support services:</b>					
Personal Services - Employee Benefits	6,513	(4,221)	2,292	2,292	-
Purchased Professional - Educational Services	362,931	197,075	560,006	522,002	38,004
General Supplies	42,400	46,882	89,282	75,226	14,056
Other Objects		5,400	5,400	3,599	1,801
<b>Total support services</b>	<b>411,844</b>	<b>245,136</b>	<b>656,980</b>	<b>603,119</b>	<b>53,861</b>
<b>Total Expenditures</b>	<b>1,094,686</b>	<b>267,591</b>	<b>1,362,277</b>	<b>1,185,190</b>	<b>177,087</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**RAMSEY BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2018**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	65,225,414	1,185,190
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			28,884
Current Year			(48,869)
The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		131,744	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(136,490)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	65,220,668	1,165,205
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	64,459,784	1,185,190
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			28,884
Current Year			(48,869)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	64,459,784	1,165,205



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0777475999%	\$ 14,556,477	\$ 5,608,577	259.54%	52.08%
2016	0.0806100224%	18,095,335	5,980,007	302.60%	94.63%
2017	0.0848721434%	25,136,695	5,926,963	424.11%	100.77%
2018	0.0876315801%	20,399,231	6,128,533	332.86%	90.77%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 640,940	\$ (640,940)	\$ -	\$ 5,608,577	11.43%		
2016	\$ 693,030	\$ (693,030)	\$ -	\$ 5,980,007	11.59%		
2017	\$ 753,992	\$ (753,992)	\$ -	\$ 5,926,963	12.72%		
2018	\$ 811,813	\$ (811,813)	\$ -	\$ 6,128,533	13.25%		

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

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

Fiscal Year Ending June 30,	District's	State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)			
2015	0.2389734233%	\$ -	\$ 127,723,517	\$ 25,046,127	0.00%	33.64%
2016	0.2428812621%	-	153,511,329	25,132,890	0.00%	28.71%
2017	0.2436970485%	-	191,699,748	25,168,865	0.00%	22.33%
2018	0.2453786717%	-	165,443,148	26,134,251	0.00%	25.41%

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

**RAMSEY BOARD OF EDUCATION**  
**Note to Required Schedules of Supplementary Information - Part III**  
**Fiscal Year Ended June 30, 2018**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.98% to 5.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (2.85%) to the current measurement date (3.58%), resulting in a change in the discount rate from 3.22% to 4.25%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

**RAMSEY BOARD OF EDUCATION**  
**Schedule of Required Supplementary Information**  
**Schedule of Changes in the District's Proportionate Share of the State OPEB Liability**  
*Last 10 Fiscal Years\**

	2018
<b>Total OPEB Liability</b>	
Service Costs	\$ 5,053,029
Interest on Total OPEB Liability	3,418,761
Changes in Assumptions	(14,331,916)
Gross Benefit Payments	(2,497,620)
Contribution from the Member	91,969
<b>Net Changes in total Share of OPEB Liability</b>	(8,265,777)
<b>Total OPEB Liability - Beginning</b>	116,097,864
<b>Total OPEB Liability - Ending</b>	\$ 107,832,087
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	107,832,107
Total OPEB Liability - Ending	\$ 107,832,107
District's Covered Employee Payroll	\$ 32,262,784
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%

**Notes to Schedule:**

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

Change in benefit terms                      None

Change in assumptions                      Assumptions used in calculating the OPEB liability are presented  
in Note 8.

\* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

## **Supplementary Schedules**

**SPECIAL REVENUE FUND**



**RAMSEY BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2018

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B		Title I, Part A	Title II, Part A Teacher & Principal Training & Recruiting	Title III	Totals 2018
		Basic	Preschool				
<b>REVENUES</b>							
State Sources	458,389						458,389
Federal Sources	20,163	573,625	29,460	67,578	26,543	9,432	726,801
<b>Total Revenues</b>	478,552	573,625	29,460	67,578	26,543	9,432	1,185,190
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	2,474			25,166		2,331	29,971
Other Salaries for Instruction	7,500		29,360				36,860
Other Purchased Services (400-500 series)	-	407,357					407,357
General Supplies	27,262	9,328	100	30,958		2,597	70,245
Textbooks	37,638						37,638
<b>Total instruction</b>	74,874	416,685	29,460	56,124	-	4,928	582,071
<b>Support services:</b>							
Personal Services - Employee Benefits	189			1,925		178	2,292
Purchased Professional - Educational Services	330,411	156,940		9,325	21,000	4,326	522,002
General Supplies	73,078			204	1,944		75,226
Other Objects	-				3,599		3,599
<b>Total support services</b>	403,678	156,940	-	11,454	26,543	4,504	603,119
<b>Total Expenditures</b>	478,552	573,625	29,460	67,578	26,543	9,432	1,185,190
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-

**RAMSEY BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2018

	Total Brought Forward (Ex. E-1b)	Title III, Immigrant	Title IV	Emergency Impact Aid	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	Total Carried Forward
<b>REVENUES</b>								
State Sources	286,692	2,663	10,000	7,500	37,638	106,797	27,262	458,389
Federal Sources	-	-	-	-	-	-	-	20,163
<b>Total Revenues</b>	<b>286,692</b>	<b>2,663</b>	<b>10,000</b>	<b>7,500</b>	<b>37,638</b>	<b>106,797</b>	<b>27,262</b>	<b>478,552</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	-	2,474	-	-	-	-	-	2,474
Other Salaries for Instruction	-	-	-	7,500	-	-	-	7,500
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	27,262	27,262
Textbooks	-	-	-	-	37,638	-	-	37,638
<b>Total instruction</b>	<b>-</b>	<b>2,474</b>	<b>-</b>	<b>7,500</b>	<b>37,638</b>	<b>-</b>	<b>27,262</b>	<b>74,874</b>
<b>Support services:</b>								
Personal Services - Employee Benefits	-	189	-	-	-	-	-	189
Purchased Professional - Educational Services	214,161	-	9,453	-	-	106,797	-	330,411
General Supplies	72,531	-	547	-	-	-	-	73,078
Other Objects	-	-	-	-	-	-	-	-
<b>Total support services</b>	<b>286,692</b>	<b>189</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>106,797</b>	<b>-</b>	<b>403,678</b>
<b>Total Expenditures</b>	<b>286,692</b>	<b>2,663</b>	<b>10,000</b>	<b>7,500</b>	<b>37,638</b>	<b>106,797</b>	<b>27,262</b>	<b>478,552</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**RAMSEY BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2018

	N.J. Nonpublic Security Aid	N.J. Nonpublic Handicapped Services, Chapter 193		N.J. Nonpublic Auxiliary Services Chapter 192		Total Carried Forward
		Supplemental Instruction	Examination & Classification	Corrective Speech	Compensatory Education	
<b>REVENUES</b>						
State Sources	72,531	59,039	93,934	17,410	42,875	286,692
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	<b>72,531</b>	<b>59,039</b>	<b>93,934</b>	<b>17,410</b>	<b>42,875</b>	<b>286,692</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>						
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Educational Services	-	59,039	93,934	17,410	42,875	214,161
General Supplies	72,531	-	-	-	-	72,531
Other Objects	-	-	-	-	-	-
<b>Total support services</b>	<b>72,531</b>	<b>59,039</b>	<b>93,934</b>	<b>17,410</b>	<b>42,875</b>	<b>286,692</b>
<b>Total Expenditures</b>	<b>72,531</b>	<b>59,039</b>	<b>93,934</b>	<b>17,410</b>	<b>42,875</b>	<b>286,692</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CAPITAL PROJECTS FUND**

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budgetary Basis**  
**Fiscal Year Ended June 30, 2018**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	
Bond proceeds and transfers	
Transfers from Capital Reserve	220,217
Transfers from Capital Outlay	
Interest on Investments	818
	221,035

**Expenditures and Other Financing Uses**

Purchased professional and technical services	
Land and improvements	
Construction services	
Equipment purchases	
Cancellation of accounts receivable	220,217
Transfer to Capital Reserve	
Transfer to Debt Service Fund	818
	221,035

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

Fund balance - beginning \_\_\_\_\_

Fund balance - ending -\_\_\_\_\_

**PROPRIETARY FUNDS**

**RAMSEY BOARD OF EDUCATION  
Combining Statement of Net Position  
Enterprise Funds  
Fiscal Year Ended June 30, 2018**

	<b>Food Service Program</b>	<b>Totals</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	111,710	111,710
Accounts receivable:		
State	176	176
Federal	3,583	3,583
Interfund - General Fund	48,644	48,644
Other	35,635	35,635
Inventories	11,443	11,443
Total current assets	211,191	211,191
Noncurrent assets:		
Capital assets:		
Equipment	457,456	457,456
Less accumulated depreciation	(427,263)	(427,263)
Total capital assets (net of accumulated depreciation)	30,193	30,193
Total assets	241,384	241,384
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	37,935	37,935
Total current liabilities	37,935	37,935
Total liabilities	37,935	37,935
<b>NET POSITION</b>		
Net investment in capital assets	30,193	30,193
Unrestricted	173,256	173,256
Total net position	203,449	203,449

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2018**

	<b>Food Service Program</b>	<b>Totals</b>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	94,138	94,138
Daily sales - non-reimbursable programs	420,500	420,500
Special functions	65,350	65,350
Total operating revenues	579,988	579,988
 Operating expenses:		
Cost of sales - reimbursable programs	93,535	93,535
Cost of sales - non-reimbursable programs	169,779	169,779
Salaries	239,354	239,354
Benefits	65,527	65,527
Supplies and materials	17,277	17,277
Purchased property services	65,000	65,000
Other expenses	37,285	37,285
Depreciation	8,236	8,236
Total operating expenses	695,993	695,993
Operating income (loss)	(116,005)	(116,005)
 Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,163	2,163
Federal sources:		
National school lunch program	46,543	46,543
Food distribution program	18,760	18,760
Interest Income	26	26
Total nonoperating revenues (expenses)	67,492	67,492
Income (loss) before contributions & transfers	(48,513)	(48,513)
 Other financing sources/(uses)		
Transfers in	31,282	31,282
Change in net position	(17,231)	(17,231)
Total net position—beginning	220,680	220,680
Total net position—ending	203,449	203,449



**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2018**

	<b>Food Service Program</b>	<b>Totals</b>
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	575,636	575,636
Payments to suppliers	<u>(629,007)</u>	<u>(629,007)</u>
Net cash provided by (used for) operating activities	<u>(53,371)</u>	<u>(53,371)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local Sources	<u>76,472</u>	<u>76,472</u>
Net cash provided by (used for) non-capital financing activities	<u>76,472</u>	<u>76,472</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	<u>26</u>	<u>26</u>
Net cash provided by (used for) investing activities	<u>26</u>	<u>26</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	<u>(9,362)</u>	<u>(9,362)</u>
Net cash provided by (used for) capital and related financing activities	<u>(9,362)</u>	<u>(9,362)</u>
Net increase (decrease) in cash and cash equivalents	13,765	13,765
Balances—beginning of year	97,945	97,945
Balances—end of year	<u>111,710</u>	<u>111,710</u>
<b>(used) by operating activities:</b>		
Operating income (loss)	(116,005)	(116,005)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in accounts receivable	(4,352)	(4,352)
Depreciation and net amortization	8,236	8,236
Food Distribution Program	18,760	18,760
(Increase) decrease in inventories	2,055	2,055
Increase (decrease) in accounts payable	<u>37,935</u>	<u>37,935</u>
Total adjustments	<u>62,634</u>	<u>62,634</u>
Net cash provided by (used for) operating activities	<u>(53,371)</u>	<u>(53,371)</u>

**FIDUCIARY FUND**

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	268,765	18,321	1,777,054
Interfund receivable	155		
Total assets	268,920	18,321	1,777,054
<b>LIABILITIES</b>			
Payable to student groups			1,707,661
Payroll deductions and withholdings			38,632
Contributions pledged to specific awards			30,606
Due to State of NJ	1,317		
Interfund payable			155
Total liabilities	1,317	-	1,777,054
<b>NET Position</b>			
Held in trust for unemployment claims and other purposes	267,603		
Reserved for scholarships		18,321	

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2018**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Payroll withholdings	53,141	
Donations		5,760
Total Contributions	53,141	5,760
Investment earnings:		
Interest	746	
Net investment earnings	746	-
Total additions	53,887	5,760
<b>DEDUCTIONS</b>		
Unemployment Claims	8,017	
Scholarships awarded		7,801
Total deductions	8,017	7,801
Change in net position	45,870	(2,041)
Net position—beginning of the year	221,733	20,362
Net position—end of the year	267,603	18,321

**RAMSEY BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2018</u>
Elementary Schools:				
Wesley D. Tisdale School	3,810	18,647	17,712	4,745
Mary A. Hubbard School	1,700	18,436	18,882	1,254
John Y. Dater School	1,611	22,329	18,445	5,495
Total Elementary Schools	<u>7,121</u>	<u>59,412</u>	<u>55,039</u>	<u>11,494</u>
Middle School:				
Eric S. Smith School	23,698	81,983	85,887	19,794
Total Middle Schools	<u>23,698</u>	<u>81,983</u>	<u>85,887</u>	<u>19,794</u>
High School:				
High School	276,665	520,178	521,777	275,066
Student Fund	5,838	82,677	82,928	5,587
Total High Schools	<u>282,503</u>	<u>602,855</u>	<u>604,705</u>	<u>280,653</u>
Athletic Departments:				
Athletic Department	8,764	120,903	129,667	-
Total Athletic Department	<u>8,764</u>	<u>120,903</u>	<u>129,667</u>	<u>-</u>
Adult Education:				
Due to Nonsupportive Enrichment Adult Program	1,203,708	1,586,052	1,394,040	1,395,720
Total Adult Education	<u>1,203,708</u>	<u>1,586,052</u>	<u>1,394,040</u>	<u>1,395,720</u>
Total All Schools	<u>\$ 1,525,794</u>	<u>2,451,205</u>	<u>2,269,338</u>	<u>1,707,661</u>

**RAMSEY BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2018</u>
Net Payroll	3,221	21,809,969	21,808,425	4,765
Payroll Deductions and Withholdings	82,919	18,083,592	18,165,811	700
Flexible Spending Account	20,185	100,260	87,278	33,167
Interfund Payable - UCI	13,333	155	13,333	155
	<u>119,658</u>	<u>39,993,976</u>	<u>40,074,847</u>	<u>38,787</u>

**RAMSEY BOARD OF EDUCATION  
Contributions Pledged to Specific Awards  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2018</u>
Contributions Pledged to Specific Awards	<u>26,489</u>	<u>57,171</u>	<u>53,054</u>	<u>30,606</u>
Total Contributions Pledged to Specific Awards	<u><u>26,489</u></u>	<u><u>57,171</u></u>	<u><u>53,054</u></u>	<u><u>30,606</u></u>

**LONG-TERM DEBT**





**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	1,690,802		1,690,802	1,690,802	-
Total - Local Sources	1,690,802	-	1,690,802	1,690,802	-
<b>Total Revenues</b>	<b>1,690,802</b>	<b>-</b>	<b>1,690,802</b>	<b>1,690,802</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	381,050	-	381,050	381,050	-
Redemption of Principal	1,310,000	-	1,310,000	1,310,000	-
Total Regular Debt Service	1,691,050	-	1,691,050	1,691,050	-
<b>Total expenditures</b>	<b>1,691,050</b>	<b>-</b>	<b>1,691,050</b>	<b>1,691,050</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248)	-	(248)	(248)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Project Fund				818	818
Total Other Financing Sources	-	-	-	818	818
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(248)	-	(248)	570	818
Fund Balance, July 1	12,902	12,902	12,902	12,902	-
Fund Balance, June 30	12,654	12,902	12,654	13,472	818
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(248)		(248)	(248)	-
Interest Earned in Capital Project Fund				818	818
	(248)	-	(248)	570	818

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

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- J-20 Insurance Schedule

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>								Restated		
Invested in capital assets	\$ 13,954,258	\$ 14,217,638	\$ 15,273,557	\$ 14,628,397	\$ 17,432,803	\$ 17,765,187	\$ 20,645,498	\$ 28,073,441	\$ 28,303,870	\$ 30,401,114
Restricted	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237	10,271,833	12,285,224	14,263,949	14,707,228
Unrestricted	(450,212)	(264,084)	(165,952)	(17,482)	(295,447)	(276,446)	(14,860,987)	(15,512,258)	(17,665,469)	(18,705,337)
<b>Total governmental activities net position</b>	<b>\$ 16,054,072</b>	<b>\$ 17,463,677</b>	<b>\$ 19,483,171</b>	<b>\$ 21,522,393</b>	<b>\$ 24,932,135</b>	<b>\$ 27,282,978</b>	<b>\$ 16,056,344</b>	<b>\$ 24,846,407</b>	<b>\$ 24,902,350</b>	<b>\$ 26,403,005</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 160,821	\$ 142,242	\$ 172,449	\$ 181,888	\$ 34,829	\$ 60,889	\$ 45,951	\$ 37,508	\$ 29,067	\$ 30,193
Restricted	297,565	290,411	268,288	239,353	230,668	205,444	153,274	188,099	191,613	173,256
<b>Total business-type activities net position</b>	<b>\$ 458,386</b>	<b>\$ 432,653</b>	<b>\$ 440,737</b>	<b>\$ 421,241</b>	<b>\$ 265,497</b>	<b>\$ 266,333</b>	<b>\$ 199,225</b>	<b>\$ 225,607</b>	<b>\$ 220,680</b>	<b>\$ 203,449</b>
<b>District-wide</b>										
Invested in capital assets	\$ 14,115,079	\$ 14,359,880	\$ 15,446,006	\$ 14,810,285	\$ 17,467,632	\$ 17,826,076	\$ 20,691,449	\$ 28,110,949	\$ 28,332,937	\$ 30,431,307
Restricted	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237	10,271,833	12,285,224	14,263,949	14,707,228
Unrestricted	(152,647)	26,327	102,336	221,871	(64,779)	(71,002)	(14,707,713)	(15,324,159)	(17,473,856)	(18,532,081)
<b>Total district net position</b>	<b>\$ 16,512,458</b>	<b>\$ 17,896,330</b>	<b>\$ 19,923,908</b>	<b>\$ 21,943,634</b>	<b>\$ 25,197,632</b>	<b>\$ 27,549,311</b>	<b>\$ 16,255,569</b>	<b>\$ 25,072,014</b>	<b>\$ 25,123,030</b>	<b>\$ 26,606,454</b>

Source: CAFR Schedule A-1

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

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 19,400,100	\$ 21,022,394	\$ 21,340,017	\$ 21,268,865	\$ 21,847,647	\$ 21,945,607	\$ 25,249,007	\$ 27,057,690	\$ 29,796,361	\$ 27,823,413
Special education	5,811,653	5,783,787	4,919,294	4,590,023	4,651,567	4,720,971	5,605,792	6,124,387	6,966,988	7,576,342
Other special education	1,237,458	1,044,853	842,159	925,934	924,521	913,949	984,373	861,548	913,722	926,700
Other instruction	1,046,027	1,046,586	1,023,763	1,055,248	1,099,984	1,161,090	1,376,244	1,461,061	1,423,812	1,624,754
Support Services:										
Tuition	2,516,482	1,945,016	2,758,946	2,988,157	2,336,364	2,446,519	2,612,882	1,956,654	2,081,435	2,284,987
Student & instruction related services	6,910,938	7,041,305	7,203,833	7,124,675	7,733,785	8,269,347	9,545,803	10,511,434	11,089,386	10,183,764
General administrative services	1,500,420	1,114,013	1,239,011	1,295,683	1,247,047	1,339,512	1,237,013	1,114,193	1,219,371	1,268,434
School administrative services	2,397,196	2,152,701	2,275,194	2,320,494	2,177,689	2,176,490	2,506,659	2,613,838	2,973,038	2,841,274
Central services	492,412	513,877	533,362	540,506	538,395	558,455	644,652	755,885	642,619	595,887
Administrative information tech.	17,460	17,460	17,460	17,460	17,460	17,460	17,460	49,480	36,005	34,617
Plant operations and maintenance	4,196,998	4,319,354	4,518,777	4,837,580	4,792,863	4,945,370	5,329,590	6,023,238	6,033,700	5,822,222
Pupil transportation	1,702,849	1,716,737	1,635,220	1,515,917	1,350,075	1,417,645	1,437,641	1,496,661	1,551,363	1,680,367
Unallocated Benefits	3,230,696	3,268,891	3,205,691	4,082,254	5,163,141	4,423,952	5,098,594	6,775,837	9,026,426	13,588,871
Capital outlay - non-depreciable	548	-	17,175	6,230	-	751,687	39,074	359,968	1,730,368	312,012
Interest on long-term debt	1,207,941	1,074,845	967,729	630,270	664,734	580,083	525,206	457,042	411,356	363,037
Unallocated depreciation	1,403,024	1,394,350	1,333,946	1,215,320	1,603,072	1,797,686	2,106,290	2,133,704	2,103,814	2,031,976
Capital lease obligations and amortization				1,204,483	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)
Total governmental activities expenses	53,072,202	53,456,169	53,831,577	55,619,099	56,026,496	57,343,975	64,194,432	69,630,772	77,877,916	78,836,809
Business-type activities:										
Food service	703,250	787,647	785,738	809,196	730,013	710,095	704,807	755,061	714,501	695,993
Total business-type activities expense	703,250	787,647	785,738	809,196	730,013	710,095	704,807	755,061	714,501	695,993
Total district expenses	\$ 53,775,452	\$ 54,243,816	\$ 54,617,315	\$ 56,428,295	\$ 56,756,509	\$ 58,054,070	\$ 64,899,239	\$ 70,385,833	\$ 78,592,417	\$ 79,532,802
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 1,172,014	\$ 1,810,557	\$ 1,178,123	\$ 1,123,278	\$ 1,121,693	\$ 1,112,463	\$ 1,183,677	\$ 1,199,952	\$ 1,276,427	\$ 1,165,205
Capital grants and contributions	-	35,600	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,172,014	1,846,157	1,178,123	1,123,278	1,121,693	1,112,463	1,183,677	1,199,952	1,276,427	1,165,205

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities:</b>										
Charges for services										
Food service	631,450	692,468	709,350	692,178	597,772	592,876	538,095	653,461	613,550	579,988
Operating grants and contributions	75,486	88,025	84,472	97,522	93,915	103,493	99,580	75,682	64,817	67,466
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	706,936	780,493	793,822	789,700	691,687	696,369	637,675	729,143	678,367	647,454
Total district program revenues	\$ 1,878,950	\$ 2,626,650	\$ 1,971,945	\$ 1,912,978	\$ 1,813,380	\$ 1,808,832	\$ 1,821,352	\$ 1,929,095	\$ 1,954,794	\$ 1,812,659
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (51,900,188)	\$ (51,610,012)	\$ (52,653,454)	\$ (54,495,821)	\$ (54,904,803)	\$ (56,231,512)	\$ (63,010,755)	\$ (68,430,820)	\$ (76,601,489)	\$ (77,671,604)
Business-type activities	3,686	(7,154)	8,084	(19,496)	(38,326)	(13,726)	(67,132)	(25,918)	(36,134)	(48,539)
Total district-wide net expense	\$ (51,896,502)	\$ (51,617,166)	\$ (52,645,370)	\$ (54,515,317)	\$ (54,943,129)	\$ (56,245,238)	\$ (63,077,887)	\$ (68,456,738)	\$ (76,637,623)	\$ (77,720,143)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 41,700,559	\$ 43,243,170	\$ 46,159,075	\$ 46,954,695	\$ 47,541,824	\$ 48,292,660	\$ 48,971,745	\$ 50,496,209	\$ 52,028,416	\$ 53,781,644
Taxes levied for debt service	2,354,723	2,556,156	2,577,389	2,556,822	2,545,340	2,417,466	2,278,081	2,311,978	2,301,787	1,690,802
Unrestricted grants and contributions	5,716,800	5,241,212	3,957,151	5,454,640	6,819,525	6,402,622	12,381,943	15,211,699	20,165,843	22,047,624
Federal and State aid - Capital Outlay	-	-	-	-	5,400	-	562,284	-	-	-
Tuition received	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684	1,906,306	1,734,522	1,923,824	1,484,058
Transportation Fees	23,916	15,830	22,297	24,562	23,677	27,216	30,941	31,883	50,679	30,312
Investment earnings	68,529	39,893	51,977	185	216	7,141	213	248	327	818
Miscellaneous income	876,956	232,558	357,943	33,214	37,429	88,594	71,148	32,199	217,750	388,500
Other financing sources/ (uses)	-	-	-	-	-	-	-	(28,099)	(31,194)	(251,499)
Total governmental activities	\$ 52,468,368	\$ 53,019,617	\$ 54,672,948	\$ 56,535,043	\$ 58,302,588	\$ 59,095,383	\$ 66,202,661	\$ 69,790,639	\$ 76,657,432	\$ 79,172,259
Business-type activities:										
Investment earnings	-	-	-	-	25	64	24	21	13	26
Miscellaneous income	-	-	-	-	12,706	-	-	24,180	-	-
Other financing sources/ (uses)	-	-	-	-	-	-	-	28,099	31,194	31,282
Total business-type activities	-	-	-	-	12,731	64	24	52,300	31,207	31,308
Total district-wide	\$ 52,468,368	\$ 53,019,617	\$ 54,672,948	\$ 56,535,043	\$ 58,315,319	\$ 59,095,447	\$ 66,202,685	\$ 69,842,939	\$ 76,688,639	\$ 79,203,567
<b>Change in Net Position</b>										
Governmental activities	\$ 568,180	\$ 1,409,605	\$ 2,019,494	\$ 2,039,222	\$ 3,397,785	\$ 2,863,871	\$ 3,191,906	\$ 1,359,819	\$ 55,943	\$ 1,500,655
Business-type activities	3,686	(7,154)	8,084	(19,496)	(25,595)	(13,662)	(67,108)	26,382	(4,927)	(17,231)
Total district	\$ 571,866	\$ 1,402,451	\$ 2,027,578	\$ 2,019,726	\$ 3,372,190	\$ 2,850,209	\$ 3,124,798	\$ 1,386,201	\$ 51,016	\$ 1,483,424

Source: CAFR Schedule A-2

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

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,480,607	\$ 3,445,095								
Unreserved	822,014	1,016,861								
Restricted			4,118,464	6,344,131	7,504,974	9,531,400	9,746,063	11,957,308	13,405,321	13,495,706
Committed				420,000						
Assigned			127,562	32,722	64,699	30,139	186,080		845,726	1,198,050
Unassigned			1,042,504	1,094,025	1,022,529	1,233,237	955,131	991,932	945,968	1,012,644
Total general fund	<u>\$ 3,302,621</u>	<u>\$ 4,461,956</u>	<u>\$ 5,288,530</u>	<u>\$ 7,890,878</u>	<u>\$ 8,592,202</u>	<u>\$ 10,794,776</u>	<u>\$ 10,887,274</u>	<u>\$ 12,949,240</u>	<u>\$ 15,197,015</u>	<u>\$ 15,706,400</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	47,084	45,683	106,593	106,593	106,593	106,593	327,455	327,455		
Debt service fund	22,335	19,345	22,947	8,032	118,513	126,105	12,235	461	12,902	13,472
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 69,419</u>	<u>\$ 65,028</u>	<u>\$ 129,540</u>	<u>\$ 114,625</u>	<u>\$ 225,106</u>	<u>\$ 232,698</u>	<u>\$ 339,690</u>	<u>\$ 327,916</u>	<u>\$ 12,902</u>	<u>\$ 13,472</u>

Source: CAFR Schedule B-1



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax levy	\$ 44,055,282	\$ 45,799,326	\$ 48,736,464	\$ 49,511,517	\$ 50,087,164	\$ 50,710,126	\$ 51,249,826	\$ 52,808,187	\$ 54,330,203	\$ 55,472,446
Tuition charges	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684	1,906,306	1,734,522	1,923,824	1,484,058
Transportation fees	23,916	15,830	22,297	24,562	23,677	27,216	30,941	31,883	50,679	30,312
Interest earned	68,529	39,893	51,977	185	216	7,141	213	248	327	818
Other Local Revenue	876,956	232,558	357,943	33,214	37,429	88,594	71,148	32,199	217,750	388,500
State sources	6,064,521	5,572,289	4,217,899	5,635,968	7,094,532	6,685,950	7,708,229	8,076,532	8,886,663	9,981,234
Federal sources	824,293	1,515,080	917,375	941,950	852,086	829,135	860,056	912,923	912,065	720,125
<b>Total revenue</b>	<b>53,640,382</b>	<b>54,865,774</b>	<b>55,851,071</b>	<b>57,658,321</b>	<b>59,424,281</b>	<b>60,207,846</b>	<b>61,826,719</b>	<b>63,596,494</b>	<b>66,321,511</b>	<b>68,077,493</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	16,191,526	17,192,653	17,247,762	17,213,992	18,593,763	18,492,941	18,934,393	19,363,075	19,482,283	19,170,391
Special education instruction	4,786,241	4,630,808	3,912,539	3,654,051	3,813,026	3,931,862	4,119,097	4,289,214	4,439,308	5,327,655
Other special instruction	1,015,953	865,382	682,334	777,329	794,121	791,837	757,983	628,383	617,113	670,785
Other instruction	894,799	842,086	849,802	875,684	935,881	1,002,426	1,072,134	1,093,616	986,078	1,183,858
Support Services:										
Tuition	2,516,482	1,945,016	2,758,946	2,994,928	2,336,364	2,446,519	2,612,882	1,962,999	2,081,435	2,284,987
Attendance and social work services	44,177	45,225	44,137	74,196	40,645	42,916	43,686	44,428	45,213	46,078
Health services	353,605	381,027	401,583	408,930	423,031	443,315	470,360	468,481	481,741	484,960
Student & instruction related services	5,576,927	5,512,243	5,674,540	5,246,227	6,004,627	6,554,093	6,735,690	7,166,442	7,434,665	7,192,179
General administrative services	1,394,797	989,238	1,110,822	1,159,074	1,157,927	1,249,809	1,088,766	944,821	1,016,153	1,083,746
School Administrative services	2,003,181	1,750,632	1,843,531	1,880,884	1,818,342	1,846,347	1,890,814	1,904,490	1,981,553	2,028,104
Central services	411,991	418,446	432,114	439,942	449,197	473,459	488,162	551,302	426,818	415,373
Administrative information tech	17,460	17,460	17,460	17,460	17,460	17,460	17,460	49,480	36,005	34,617
Plant operations and maintenance	3,794,057	3,939,191	3,992,074	4,329,071	4,337,031	4,500,902	4,479,237	4,993,716	4,655,616	4,996,501
Pupil transportation	1,665,714	1,673,943	1,592,399	1,472,325	1,312,946	1,386,596	1,381,062	1,428,154	1,427,698	1,594,784
Unallocated employee benefits	6,563,083	7,620,214	8,113,738	8,014,412	7,255,936	6,731,933	6,895,771	7,724,296	7,972,579	8,743,357
TPAF Pension / Social Security	3,195,812	3,233,976	3,248,520	3,883,306	5,096,104	4,423,952	5,193,741	6,070,807	6,893,535	7,804,516
Capital outlay	59,913	92,249	460,295	52,910	1,775,773	1,239,417	3,053,827	510,499	2,077,763	2,563,098
Debt service:										
Principal	1,405,000	1,460,000	1,580,000	1,650,000	1,925,000	1,815,000	1,850,000	1,850,000	1,865,000	1,310,000
Interest and other charges	1,234,879	1,101,041	997,389	926,167	525,302	606,896	542,164	474,000	437,000	381,050
<b>Total expenditures</b>	<b>53,125,597</b>	<b>53,710,830</b>	<b>54,959,985</b>	<b>55,070,888</b>	<b>58,612,476</b>	<b>57,997,680</b>	<b>61,627,229</b>	<b>61,518,203</b>	<b>64,357,556</b>	<b>67,316,039</b>
Excess (Deficiency) of revenues over (under) expenditures	514,785	1,154,944	891,086	2,587,433	811,805	2,210,166	199,490	2,078,291	1,963,955	761,454

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing sources (uses)</b>										
Cancellation of Accounts Receivable	17,450	74,048	192,564	185	1,440,116	1,041,926	2,452,670	248	327,782	(220,217)
Transfers in	(17,450)	(74,048)	(192,564)	(185)	(1,440,116)	(1,041,926)	(2,452,670)	(28,347)	(358,976)	(252,317)
Transfers out	-	-	-	-	-	-	-	(28,099)	(31,194)	221,035
Total other financing sources (uses)	-	-	-	-	-	-	-	(28,099)	(31,194)	(251,499)
Net change in fund balances	\$ 514,785	\$ 1,154,944	\$ 891,086	\$ 2,587,433	\$ 811,805	\$ 2,210,166	\$ 199,490	\$ 2,050,192	\$ 1,932,761	\$ 509,955
Debt service as a percentage of noncapital expenditures	5.0%	4.8%	4.7%	4.7%	4.3%	4.3%	4.1%	3.8%	3.7%	2.6%

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

Fiscal Year Ended June 30,	Interest on Investments	Transportation Fees	Tuition Revenue	Sale of Assets	Refund of Prior year Expenses	Cancellation of Prior Year Payable	Misc.	Total
2009	66,204	23,916	1,726,885	-	191,583	613,138	57,110	2,678,836
2010	37,998	15,830	1,690,798	-	95,738	-	136,820	1,977,184
2011	50,075	22,297	1,547,116	-	70,100	-	93,709	1,783,297
2012	-	24,562	1,510,925	-	-	-	28,969	1,564,456
2013	-	23,677	1,329,177	-	-	-	22,202	1,375,056
2014	6,896	27,216	1,859,684	-	11,172	-	65,645	1,970,613
2015	-	30,941	1,906,306	-	-	-	71,148	2,008,395
2016	-	31,883	1,734,522	-	-	-	32,199	1,798,604
2017	20,534	50,679	1,923,824	-	-	-	197,216	2,192,253
2018	56,953	30,312	1,484,058	40,934	-	-	290,613	1,902,870

Source: District Records

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

Fiscal Year Ended June 30,	Total Assessed Value							Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2009	\$ 43,098,900	\$2,206,335,300	\$ 787,700	\$ 60,600	\$ 438,558,400	\$ 110,771,900	\$ 14,643,500	\$ -	\$ 8,802,794	\$2,822,210,794	1.599	\$3,808,264,765	74.11%
2010	\$ 39,244,200	\$2,217,284,100	\$ 787,700	\$ 60,600	\$ 437,542,800	\$ 110,271,900	\$ 14,643,500	\$ -	\$ 8,679,688	\$2,828,514,488	1.671	\$3,820,525,750	74.03%
2011	\$ 36,287,300	\$2,227,238,000	\$ 787,700	\$ 60,600	\$ 443,851,600	\$ 109,771,900	\$ 14,643,500	\$ -	\$ 8,679,688	\$2,841,320,288	1.729	\$3,702,343,039	76.74%
2012	\$ 30,368,200	\$2,232,674,400	\$ 787,700	\$ 60,600	\$ 443,870,300	\$ 116,220,700	\$ 14,643,500	\$ -	\$ 9,447,502	\$2,848,072,602	1.748	\$3,532,621,934	80.62%
2013	\$ 27,718,500	\$2,237,051,300	\$ 787,700	\$ 60,000	\$ 442,433,100	\$ 115,536,600	\$ 14,643,500	\$ -	\$ 84,100	\$2,838,315,400	1.752	\$3,386,000,514	83.83%
2014	\$ 22,539,500	\$2,253,963,600	\$ 787,700	\$ 60,000	\$ 441,990,200	\$ 113,953,800	\$ 14,643,500	\$ -	\$ 83,770	\$2,848,022,070	1.873	\$3,311,941,272	85.99%
2015	\$ 19,149,500	\$2,259,341,000	\$ 787,700	\$ 60,600	\$ 444,671,400	\$ 114,908,200	\$ 14,643,500	\$ -	\$ 83,770	\$2,853,645,670	1.825	\$3,394,672,734	84.06%
2016	\$ 21,974,900	\$2,692,366,400	\$ 2,041,300	\$ 9,900	\$ 582,349,300	\$ 156,885,400	\$ 20,292,300	\$ -	\$ 300,000	\$3,476,219,500	1.541	\$3,521,701,621	98.71%
2017	\$ 22,402,700	\$2,693,194,700	\$ 2,041,300	\$ 284,900	\$ 580,879,600	\$ 157,397,300	\$ 20,292,300	\$ -	\$ 300,000	\$3,478,957,200	1.587	\$3,409,438,542	102.04%
2018	\$ 22,370,100	\$2,698,381,500	\$ 2,041,300	\$ 284,900	\$ 577,198,200	\$ 156,991,300	\$ 20,292,300	\$ -	\$ 300,000	\$3,477,559,600	1.621	\$3,665,067,825	94.89%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

*(rate per \$100 of assessed value)*

Fiscal Year Ended Dec. 31,	Ramsey Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Borough of Ramsey	Bergen County	
		Total Direct				
2009	1.540	0.059	1.599	0.539	0.260	2.40
2010	1.578	0.093	1.671	0.558	0.265	2.49
2011	1.637	0.092	1.729	0.562	0.271	2.56
2012	1.657	0.091	1.748	0.569	0.272	2.59
2013	1.663	0.089	1.752	0.578	0.273	2.60
2014	1.703	0.085	1.788	0.617	0.276	2.68
2015	1.743	0.082	1.825	0.558	0.276	2.66
2016	1.474	0.067	1.541	0.501	0.245	2.29
2017	1.520	0.067	1.587	0.510	0.255	2.35
2018	1.572	0.049	1.621	0.520	0.025	2.17

Source: District Records and Municipal Tax Collector

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

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

**b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Ramsey Interstate CTR LLC	\$ 79,755,700	1	2.29%			
Lithia Northeast Realty	\$ 57,113,400	2	1.64%			
Commercial Realty Enterprises	\$ 32,000,000	3	0.92%	\$ 32,675,000	2	1.16%
LC KMI Ramsey NJ LLC	\$ 25,222,200	4	0.73%			
Triangle 17 Center LLC	\$ 17,000,000	5	0.49%	\$ 13,600,000	5	0.48%
Ferncroft C/O H. W. Young & Assoc., Inc.	\$ 12,588,000	6	0.36%	\$ 9,002,600	9	0.32%
Adventures in Recreation, Inc.	\$ 12,000,000	7	0.35%	\$ 9,125,000	8	0.32%
Yankee Partners LLC	\$ 11,087,000	8	0.32%			
Ramsey Center	\$ 11,000,000	9	0.32%			
Minolta Corp. C/O Tax Mgr	\$ 11,000,000	10	0.32%	\$ 10,000,000	6	0.35%
Gabrellian Associates				\$ 55,800,000	1	1.98%
Realty Associates Fund VIII LP				\$ 17,463,100	3	0.62%
Krisujen Realty L.P.				\$ 14,400,000	4	0.51%
Kislevitz, C/O Hunter Group				\$ 10,196,000	7	0.36%
Verizon Property Tax Dept				\$ 8,679,688	10	0.31%
<b>Total</b>	<b>\$ 268,766,300</b>		<b>7.73%</b>	<b>\$ 180,941,388</b>		<b>6.41%</b>

Net Assessed Valuation: \$ 3,477,859,600 \$ 2,822,210,794

Source: Municipal Tax Assessor.

**Exhibit J-9**

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

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	45,019,071	45,019,071	100.00%	\$ -
2010	47,264,967	47,264,967	100.00%	\$ -
2011	48,736,464	48,736,464	100.00%	\$ -
2012	49,511,517	49,511,517	100.00%	\$ -
2013	50,087,164	50,087,164	100.00%	\$ -
2014	50,710,126	50,710,126	100.00%	\$ -
2015	51,249,826	51,249,826	100.00%	\$ -
2016	52,808,187	52,808,187	100.00%	\$ -
2017	54,330,203	54,330,203	100.00%	\$ -
2018	55,472,446	55,472,446	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases		
2009	24,209,000	-	-	2,500,000	-	26,709,000	\$ 410
2010	22,749,000	-	-	2,500,000	-	25,249,000	\$ 382
2011	21,169,000	-	-	2,500,000	-	23,669,000	\$ 343
2012	19,505,000	-	-	2,500,000	-	22,005,000	\$ 306
2013	17,580,000	-	-	2,500,000	-	20,080,000	\$ 281
2014	15,765,000	-	-	2,500,000	-	18,265,000	\$ 249
2015	13,915,000	-	-	-	-	13,915,000	\$ 182
2016	12,065,000	-	-	-	-	12,065,000	\$ 156
2017	10,200,000	-	-	-	-	10,200,000	Not Available
2018	8,890,000	-	-	-	-	8,890,000	Not Available

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

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

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

**b** Includes Early Retirement Incentive Plan (ERIP) refunding



**Exhibit J-11**

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	24,209,000	-	24,209,000	0.86%	\$ 372
2010	22,749,000	-	22,749,000	0.80%	\$ 344
2011	21,169,000	-	21,169,000	0.75%	\$ 307
2012	19,505,000	-	19,505,000	0.68%	\$ 271
2013	17,580,000	-	17,580,000	0.62%	\$ 246
2014	15,765,000	-	15,765,000	0.55%	\$ 215
2015	13,915,000	-	13,915,000	0.49%	\$ 182
2016	12,065,000	-	12,065,000	0.35%	\$ 156
2017	10,200,000	-	10,200,000	0.29%	Not Available
2018	8,890,000	-	8,890,000	Not Available	Not Available

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

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

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

**Ramsey Board of Education**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2018</b>			
<b>Net overlapping debt of School District:</b>			
Borough of Ramsey	100.000%	\$ 12,485,227	
County of Bergen	2.085%	\$ 18,262,328	
<b>Subtotal, overlapping debt</b>		<b>\$ 30,747,555</b>	
<b>Total direct and overlapping debt</b>			<b>\$ 39,637,555</b>

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

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

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



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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>	
2009	14,718	\$ 958,097,646	65,097	5.70%	
2010	14,560	\$ 962,124,800	66,080	5.90%	
2011	14,701	\$ 1,015,015,844	69,044	5.80%	
2012	14,831	\$ 1,067,134,943	71,953	5.90%	
2013	14,966	\$ 1,069,305,734	71,449	5.40%	
2014	15,051	\$ 1,103,132,943	73,293	4.30%	
2015	15,145	\$ 1,156,896,260	76,388	3.50%	
2016	15,168	\$ 1,170,772,416	77,187	3.30%	
2017	15,242	Not Available	Not Available	3.20%	
2018	Not Available	Not Available	Not Available	Not Available	

**Source:**

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



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

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	253	248	241	239	242	243	243	241	254	253
Special education	44	42	41	41	42	42	42	42	43	44
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	48	48	48	48	48	44	48	48	57	58
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	18	18	18	17	17	17	16	19	19	19
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	37	37	37	37	37	37	37	39	39	38
Pupil transportation	5	5	5	5	5	5	5	5	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	415	408	400	397	401	398	401	404	427	427

Source: District Personnel Records

Ramsey Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2009	3,108	50,425,805	16,225	0.14%	297	12:0	10:8	10:1	3,108	2,985	12.32%	96.04%
2010	3,102	51,057,540	16,462	1.47%	290	11:7	9:8	10:2	3,102	2,967	12.10%	95.65%
2011	3,073	51,922,301	16,896	2.64%	282	11:2	9:5	10:3	3,057	2,928	-1.64%	95.78%
2012	3,020	52,441,811	17,365	2.77%	280	13:7	11:8	11:9	3,024	2,903	-1.08%	96.00%
2013	2,971	54,386,401	18,306	5.42%	284	13:3	10:5	11:9	2,977	2,858	-1.55%	96.00%
2014	2,942	54,336,367	18,467	0.88%	285	13:7	10:5	11:9	2,942	2,831	-1.18%	96.23%
2015	2,878	56,181,238	19,521	5.71%	285	13:7	10:5	11:9	2,878	2,775	-2.18%	96.42%
2016	2,960	58,683,704	19,826	1.56%	283	13:7	10:5	11:9	2,831	2,731	-1.63%	96.47%
2017	2,768	59,977,793	21,668	9.29%	297	12:1	11:1	11:1	2,778	2,671	-1.87%	96.15%
2018	2,763	63,061,891	22,824	5.33%	297	11:1	10:1	9:1	2,767	2,660	-0.40%	96.13%

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

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

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Ramsey Board of Education  
School Building Information  
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
John Y. Dater Elementary School (Grades K-5)										
Square Feet	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	460	419	432	433	412	448	443	403	414	400
Mary A. Hubbard Elementary School (Grades K-5)										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	450	446	427	416	413	414	407	405	381	379
Welsey D. Tisdale Elementary School (Grades K-5)										
Square Feet	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	425	443	444	455	452	406	420	397	373	405
<b><u>Middle School</u></b>										
Eric S. Smith Middle School (Grades 6-8)										
Square Feet	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	849	836	785	745	727	742	753	755	755	742
<b><u>High School</u></b>										
Ramsey High School (Grades 9-12)										
Square Feet	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	924	957	968	971	967	924	856	870	845	837
<b><u>Other</u></b>										
Administration Building										
Square Feet	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455

Number of Schools at June 30, 2018  
 Elementary = 3  
 Middle School = 1  
 High School = 1  
 Other = 0

Source: District records, ASSA

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



**Ramsey Board of Education**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Fiscal Years**  
**Unaudited**

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

School Facilities	Project # (s)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Ramsey High School	N/A	197,332	295,644	213,634	236,870	186,110	210,818	214,032	197,365	140,332	173,601
Eric S. Smith Middle School	N/A	186,775	150,499	85,409	77,524	111,489	70,826	108,028	87,711	93,351	99,386
John Y. Dater Elementary School	N/A	160,068	142,999	104,729	96,850	127,547	105,316	100,404	117,377	84,549	91,307
Mary A. Hubbard Elementary School	N/A	163,105	68,756	131,169	114,177	109,326	107,105	111,799	87,909	96,856	144,719
Welsey D. Tisdale Elementary School	N/A	195,760	74,178	80,298	65,084	136,275	126,263	92,930	100,586	95,568	96,431
<b>Grand Total</b>		<b>\$ 903,040</b>	<b>\$ 732,076</b>	<b>\$ 615,239</b>	<b>\$ 590,505</b>	<b>\$ 670,748</b>	<b>\$ 620,328</b>	<b>\$ 627,193</b>	<b>\$ 590,948</b>	<b>\$ 510,656</b>	<b>\$ 605,444</b>

**Ramsey Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2018  
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	Property Blanket Building & Contents- Replacement Cost Values	7,700,000,000	2,500
	General Liability	5,000,000	
	Comprehensive Automobile Liability	5,000,000	
	Employee Benefit Liability	5,000,000	1,000
	Umbrella Liability First Layer Catastrophe	5,000,000	
	Electronic Data Processing Equipment	Included in Blanket Limit	
	Boiler & Machinery - Umbrella policy	Included in Blanket Limit	
	School Board Legal Liability - Directors and Officers Policy	5,000,000	25,000
	Student Accident Liability		
	Public Employees' Faithful Performance Blanket		
	Position Bond - Board Secretary		
	Position Bond - Assistant Board Secretary		
	Blanket Dishonesty Bond	500,000	1,000

Source: District Records

**SINGLE AUDIT SECTION**

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2019.

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Ramsey School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 28, 2019.

***Purpose of this Report***

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

*Steven D. Wielkocz*

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

*Ferraioli, Wielkocz, Cerullo & Cova, P.A.*

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

January 28, 2019

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

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

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

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

We have audited the Board of Education of the Borough of Ramsey School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ramsey Board of Education's major federal and state programs for the year ended June 30, 2018. The Borough of Ramsey Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

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

Our responsibility is to express an opinion on compliance for each of the Borough of Ramsey Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB

Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ramsey Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Borough of Ramsey Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

Management of the Borough of Ramsey Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Ramsey Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Ramsey Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

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

*Steven D. Wielkocz*

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

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

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

January 28, 2019



**BOROUGH OF RAMSEY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year ended June 30, 2018**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO Cumulative Total Expenditures
					From	To						(Accounts Receivable)	Deferred Revenue	
<b>General Fund:</b>														
<b>US Department of Education</b>														
ARRA - Special Education Medicaid Initiative	93.778	1705NJ5MAP	N/A	493	7/1/2016	6/30/2017	493		493					493
<b>Total General Fund</b>														
<b>US Department of Education</b>														
<b>Passed Through State Dept of Education:</b>														
<b>Special Revenue Fund</b>														
Title I, Part A	84.010	S010A170030	ESEA-4310-18	67,651	7/1/2017	6/30/2018	(2,554)	(2,554)	36,559	67,578		(33,573)		67,578
Title I, Part A	84.010	S010A160030	NCLB-4310-17	67,438	7/1/2016	6/30/2017	(2,554)		36,559	67,578		(33,573)		66,438
<b>Total Title I, Part A</b>														
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A170029	ESEA-4310-18	35,554	7/1/2017	6/30/2018	(3,333)	(3,333)	11,868	26,543		(18,008)		26,543
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A160029	NCLB-4310-17	53,089	7/1/2016	6/30/2017	(3,333)		11,868	26,543		(18,008)		53,048
<b>Total Title II, Part A</b>														
Title III	84.365	S365A170030	ESEA-4310-18	10,719	7/1/2017	6/30/2018	(3,673)	(3,673)	8,969	9,432		(4,136)		9,432
Title III	84.365	S365A160030	NCLB-4310-17	10,636	7/1/2016	6/30/2017	(3,673)		2,435	2,663		(547)		10,152
Title III, Immigrant	84.365	S365A170030	ESEA-4310-18	2,517	7/1/2017	6/30/2018	(319)	(319)	11,404	12,095		(4,683)		2,041
Title III, Immigrant	84.365	S365A160030	NCLB-4310-17	2,187	7/1/2016	6/30/2017	(3,992)							24,288
<b>Total Title III</b>														
Title IV	84.369	S369A170031	ESEA-4310-18	10,000	7/1/2017	6/30/2018				10,000		(10,000)		10,000
Emergency Impact Aid	84.938C	S938C18005		7,500	7/1/2017	6/30/2018				7,500		(7,500)		7,500
<b>Total Title IV</b>														
<b>Total Special Revenue Fund</b>														
IDEA, Part B-Basic	84.027	H027A170100	IDEA-4310-18	699,516	7/1/2017	6/30/2018	(39,098)	(39,098)	347,101	573,625		(265,622)		573,625
IDEA, Part B-Basic	84.027	H027A160100	IDEA-4310-17	708,915	7/1/2016	6/30/2017	(39,098)		33,341	29,460		(10,528)		708,664
IDEA, Part B-Preschool	84.173	H173A170114	IDEA-4310-18	31,385	7/1/2017	6/30/2018	(14,409)	(14,409)	380,442	603,085		(276,150)		29,460
IDEA, Part B-Preschool	84.173	H173A160114	IDEA-4310-17	31,562	7/1/2016	6/30/2017	(53,507)		440,273	726,801		(349,914)		31,562
<b>Total IDEA, Part B</b>														
<b>Total Special Revenue Fund</b>														
<b>US Department of Agriculture</b>														
<b>Passed Through State Dept of Education:</b>														
<b>Enterprise Fund</b>														
Food Distribution Program	10.555	171NJ309NI099	N/A	18,760	7/1/2017	6/30/2018			18,760	18,760				18,760
National School Lunch Program	10.555	171NJ304NI099	N/A	46,543	7/1/2017	6/30/2018			42,960	46,543		(3,583)		46,543
National School Lunch Program	10.555	161NJ304NI099	N/A	43,125	7/1/2016	6/30/2017	(3,539)		3,539	65,303		(3,583)		43,125
<b>Total Enterprise Fund</b>														
<b>Total Federal Financial Assistance</b>														
				\$	(66,432)				505,532	792,597		(353,497)		1,707,627

**BOROUGH OF RAMSEY SCHOOL DISTRICT**  
**Schedule of Expenditures of State and Local Financial Awards**  
**Year ended June 30, 2018**

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018		Memo	
			From										(Accounts Receivable)	Revenue/ Interfund Payable		Due to Grantor at
			From	To												
<b>State Department of Education:</b>																
<b>General Fund</b>																
Transition Aid	495-034-5120-014	\$ 81,666	7/1/2017	6/30/2018	\$		73,673	81,666								
Special Education Categorical Aid	495-034-5120-089	1,194,536	7/1/2017	6/30/2018			1,078,463	1,194,536								
Security Aid	495-034-5120-084	47,931	7/1/2017	6/30/2018			43,240	47,931								
PARCC Readiness Aid	495-034-5120-098	26,720	7/1/2017	6/30/2018			24,105	26,720								
Per Pupil Growth Aid	495-034-5120-097	26,720	7/1/2017	6/30/2018			24,105	26,720								
Professional Learning Community Aid	495-034-5120-101	25,575	7/1/2017	6/30/2018			23,072	25,575								
Lead Testing for Schools Aid	495-034-5120-104	5,791	7/1/2017	6/30/2018			5,791	5,791								
Extraordinary Aid	495-034-5120-044	260,953	7/1/2017	6/30/2018			236,795	260,953								
Extraordinary Aid	495-034-5120-044	236,795	7/1/2016	6/30/2017	(236,795)											
Non Public Transportation	495-078-6060-034	11,625	7/1/2017	6/30/2018			10,440	11,625								
Non Public Transportation	495-078-6060-034	10,440	7/1/2016	6/30/2017	(10,440)											
NTE Homeless Reimbursement	100-029-6060-034	54,867	7/1/2017	6/30/2018			56,941	54,867								
NTE Homeless Reimbursement	100-029-6060-034	56,941	7/1/2016	6/30/2017	(56,941)											
Reimbursed TPAF Social Security	495-034-5094-003	1,830,173	7/1/2017	6/30/2018			1,860,827	1,860,827								
Reimbursed TPAF Social Security	495-034-5094-003	1,830,173	7/1/2016	6/30/2017	(132,105)		132,105									
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	2,331,229	7/1/2017	6/30/2018			2,331,229	2,331,229								
On Behalf TPAF Pension	495-034-5094-002	3,523,876	7/1/2017	6/30/2018			3,523,876	3,523,876								
On Behalf TPAF NCGI Premium	495-034-5094-004	85,516	7/1/2017	6/30/2018			85,516	85,516								
On-Behalf TPAF - LTDI	495-034-5094-004	3,068	7/1/2017	6/30/2018			3,068	3,068								
<b>Total General Fund</b>					(436,281)		9,513,246	9,540,900					(327,445)		11,675,249	
<b>Special Revenue Fund</b>																
<b>NJ NonPublic Aid:</b>																
Textbook Aid	100-034-5120-064	42,126	7/1/2017	6/30/2018			42,126	37,638						4,488	37,638	
Textbook Aid	100-034-5120-064	41,270	7/1/2016	6/30/2017		94					94				41,176	
Technology Aid	100-034-5120-573	28,453	7/1/2017	6/30/2018			28,453	27,262						1,191	27,262	
Technology Aid	100-034-5120-573	18,616	7/1/2016	6/30/2017		194					194				18,422	
Nursing Services	100-034-5120-070	106,797	7/1/2017	6/30/2018			106,797	106,797						10,044	106,797	
Security Aid	100-034-5120-509	82,575	7/1/2017	6/30/2018			82,575	72,531						2,755	72,531	
Security Aid	100-034-5120-509	53,000	7/1/2016	6/30/2017		4,895					4,895				48,105	
<b>Handicapped Services:</b>																
Exam & Classification	100-034-5120-066	97,573	7/1/2017	6/30/2018			97,573	93,934						3,639	93,934	
Exam & Classification	100-034-5120-066	87,357	7/1/2016	6/30/2017		1,131					1,131				86,226	
Corrective Speech	100-034-5120-066	24,195	7/1/2017	6/30/2018			24,195	17,410						6,785	17,410	
Corrective Speech	100-034-5120-066	22,088	7/1/2016	6/30/2017		2,828					2,828				19,260	
Supplementary Inst.	100-034-5120-066	59,789	7/1/2017	6/30/2018			59,789	59,039						750	59,039	
Supplementary Inst.	100-034-5120-066	49,357	7/1/2016	6/30/2017		3,000					3,000				46,357	
<b>Auxiliary Services:</b>																
Compensatory Education	100-034-5120-067	45,178	7/1/2017	6/30/2018			45,178	42,875						2,303	42,875	
Compensatory Education	100-034-5120-067	44,431	7/1/2016	6/30/2017		7,793					7,793				36,638	
English as a Second Language	100-034-5120-067	903	7/1/2017	6/30/2018			903	903							903	
<b>Total Special Revenue Fund</b>						19,935	487,589	458,389			2,755	19,935		31,955	755,263	

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

Year ended June 30, 2018

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Carryover/ (W/cover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018		Memo
			From	To							Deferred Revenue (Accts Receivable)	Due to Grantor	
<b>Capital Projects Fund</b>													
State School Building Aid - FDA Grant													
Ramsey High School Building Partial Roof Replacement	4190-050-05-1000-NE	98,116			(98,116)				98,116				98,116
Ramsey High School PEC Sprinkler Systems	4310-050-090-1001-G02	41,384			(35,600)			35,600					35,600
Ramsey High School Partial Roof Replacement and HVAC Upgrades	4310-050-09-1001-G0PB	127,108			(86,501)			86,501					86,501
Tisdale Elementary School Window Replacement	4310-080-14-1004	46,800			(44,022)								44,022
Eric S. Smith Middle School Boiler Replacement	4310-055-14-1005	344,600			(228,167)			228,167					228,167
Ramsey High School HVAC Replacement in Gyms	4310-050-14-1001	290,095			(290,095)			290,095					290,095
<b>Total Capital Projects Fund</b>					(782,501)	562,284			220,217				782,501
<b>Enterprise Fund</b>													
<b>State Department of Agriculture</b>													
National School Lunch Program (State Share)	100-010-3350-023	2,163	7/1/2017	6/30/2018	(159)	1,987	2,163				(176)		2,163
National School Lunch Program (State Share)	100-010-3350-023	1,969	7/1/2016	6/30/2017		159							1,969
<b>Total Enterprise Fund</b>					(159)	2,146	2,163				(176)		4,132
<b>Total State Financial Assistance</b>					(1,218,941)	10,565,265	10,001,452		222,972	19,935	(327,621)	31,955	(136,490)
Less: On-Behalf TPAF Pension System Contributions							5,943,689						
<b>Total State Financial Assistance</b>							4,057,763						

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

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Ramsey School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(4,746) for the general fund and \$(19,985) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -0-	\$9,536,154	\$9,536,154
Special Revenue Fund	720,125	445,080	1,165,205
Food Service Fund	<u>65,303</u>	<u>2,163</u>	<u>67,466</u>
Total Financial Awards	<u>\$785,428</u>	<u>\$9,983,397</u>	<u>\$10,768,825</u>

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

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$5,943,689 of on-behalf payments is excluded from major program determination.

**NOTE 7. INDIRECT COST RATE**

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$67,578
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	26,543
Title III: <i>English Language Acquisition State Grants</i>	12,095
Title IV: <i>Student Support and Academic Enrichment</i>	<u>10,000</u>
Total	<u>\$116,216</u>

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200 section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.027	(B) _____ H027A170100	I.D.E.A. Cluster: _____ I.D.E.A., Part B - Basic Regular
_____ 84.173	(B) _____ H173A170114	_____ I.D.E.A., Part B - Preschool

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

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

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





**BOROUGH OF RAMSEY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Section II – Financial Statement Findings*

NONE

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

**STATE AWARDS**

**Finding 2018-001**

**Information on the state program:**

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(084/089/097/098/101) Grant Period 7/1/17-6/30/18.

**Criteria or specific requirement:**

The Guidance on 2017-18 Revised State Aid issued by the State of New Jersey Department of Education requires that districts that experienced an increase in state aid had the option to: provide tax relief by reducing the certified tax levy presented in the originally approved 2017-18 budget; increase the 2017-18 general fund appropriations during the budget year; and/or designate any portion of the increase in state aid as “Assigned Fund Balance – Designated for Subsequent Year’s Expenditures’ for use in 2018-19.

**Condition:**

The district received an increase in state aid; however, a board resolution accepting the revised state aid in the amount of \$77,157, which was to be approved by 2/3 affirmative vote of the authorized membership of the Board was not prepared.

**Questioned Costs:**

None

**Context:**

The actual budgetary basis state aid revenue did not equal the state aid revenue as presented in the revised July 2017 State Aid Notice received by the district.

**Effect:**

The district is not in compliance with the Guidance on 2017-18 Revised State Aid issued by the State of New Jersey Department of Education.

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Cause:**

The district received revised state in the amount of \$77,157. Per the Guidance on 2017-18 Revised State Aid, the district had three options to recognize the increase in state aid supported by an approved Board resolution. The district did not opt to utilize any of these options and did not prepare a Board resolution.

**Recommendation:**

The district should ensure that actual budgetary basis state aid revenue is equal to state aid revenue as presented in the revised State Aid Notice received by the district. A board resolution reflecting 2/3 affirmative vote of the authorized membership of the board must support the revised State Aid.

**Management's response:**

In the event there are revisions to State Aid in the future, the revisions will be properly approved by Board resolution and the budget will be adjusted accordingly.

**Finding 2018-002**

**Information on the state program:**

Extraordinary Special Education Aid, NJCFS Number 495-034-5120-044, Grant Period 7/1/17-6/30/18.

**Criteria or specific requirement:**

The Extraordinary Aid application process requires that districts complete one on-line form for each child eligible for aid. EXAID is available for partial reimbursement of expenditures incurred for individual classified pupils attending a school district who are placed in one of three categories and whose Individualized Education Plan (IEP) requires the provision of at least one intensive service.

**Condition:**

There were instances in which the individual student applications contained errors and omissions of information included in the district prepared EXAID work papers. A few of the applications did not have an intensive service selected and the amount submitted for reimbursement on some of the applications was entered incorrectly.

**Questioned Costs:**

NONE

**Context:**

There were instances in which information entered into the individual student applications did not agree to the school district prepared EXAID work papers.

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Effect:**

The district is not in compliance with requirements of the Extraordinary Special Education Aid.

**Cause:**

The information entered into the on-line form for some of the children eligible for aid did not agree to the district prepared EXAID work papers. Also, there were on-line forms that did not have an Intensive Service Provided selected.

**Recommendation:**

The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the work papers prepared.

**Management's response:**

Prior to final submission of the EXAID application, the on-line forms will be reviewed for completeness and accuracy to ensure the information entered agrees to the district workpapers.

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2017-001:**

Condition:

The district recorded a reimbursement for prior year expenditures as an expense reimbursement. The reimbursement was reclassified as miscellaneous revenue which caused an over-expenditure in the General Supplies-Undistributed Expenditures-Required Maintenance for School Facilities line item of \$74,089.

Current Status:

There were no instances of non-compliance in the current year.