

**SCHOOL DISTRICT OF THE  
BOROUGH OF RAMSEY  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**School District  
of**

**Ramsey**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2019**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2019**

**Prepared by**

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

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

Letter of Transmittal. . . . .	1
Organizational Chart. . . . .	5
Roster of Officials. . . . .	6
Consultants and Advisors. . . . .	7

## FINANCIAL SECTION

Independent Auditor's Report. . . . .	8
Required Supplementary Information - Part I Management's Discussion and Analysis. . . . .	12

## BASIC FINANCIAL STATEMENTS

### A. District-wide Financial Statements:

A-1 Statement of Net Position. . . . .	25
A-2 Statement of Activities. . . . .	26

### B. Fund Financial Statements:

#### Governmental Funds:

B-1 Balance Sheet. . . . .	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances. . . . .	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. . . . .	29

#### Proprietary Funds:

B-4 Statement of Net Position. . . . .	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position. . . . .	31
B-6 Statement of Cash Flows. . . . .	32

#### Fiduciary Funds:

B-7 Statement of Fiduciary Net Position. . . . .	33
B-8 Statement of Changes in Fiduciary Net Position. . . . .	34

Notes to the Financial Statements. . . . .	35
--------------------------------------------	----

### Required Supplementary Information - Part II

## OUTLINE OF CAFR

### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund.....	74
C-1a	Not Applicable	
C-1b	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund.....	79
Notes to the Required Supplementary Information		
C-3	Budget-to-GAAP Reconciliation. ....	80

### Required Supplementary Information - Part III

### L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS.....	81
L-2	Schedule of District Contributions – PERS. ....	82
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF.....	83
L-4	Notes to Required Schedules of Supplementary Information - Part III. ....	84

### M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1	Schedule of Changes in the District's Proportionate Share of the State OPEB Liability.....	85
-----	-----------------------------------------------------------------------------------------------	----

### Other Supplementary Information

### D. School Level Schedules:

Not Applicable

### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis. ....	86
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis. ....	87
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis. ....	88
E-2	Not Applicable	
E-3	Not Applicable	

## OUTLINE OF CAFR

### F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis.....	89
F-1a -	Schedule of Project Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis.....	91-99
F-1j	Fund Balance - Budgetary Basis.....	
F-2	Summary Statement of Project Expenditures.....	100

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Position.....	101
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	102
G-3	Combining Statement of Cash Flows.....	103

#### Internal Service Fund:

Not Applicable

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position.....	104
H-2	Combining Statement of Changes in Fiduciary Net Position.....	105
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.....	106
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.....	107
H-5	Contributions Pledged to Specific Awards.....	108

### I. Long-Term Debt:

I-1	Schedule of Serial Bonds.....	109
I-2	Not Applicable	
I-3	Debt Service Fund Budgetary Comparison Schedule.....	110

### J. Statistical Section (Unaudited)

#### Financial Trends

##### Introduction to the Statistical Section

J-1	Net Position by Component.....	111
J-2	Changes in Net Position.....	112
J-3	Fund Balances - Governmental Funds.....	114
J-4	Changes in Fund Balances - Governmental Funds.....	115
J-5	General Fund Other Local Revenue by Source.....	117

## OUTLINE OF CAFR

### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property..	118
J-7	Direct and Overlapping Property Tax Rates.....	119
J-8	Principal Property Taxpayers. ....	120
J-9	Property Tax Levies and Collections. ....	121

### Debt Capacity

J-10	Ratios of Outstanding Debt by Type.....	122
J-11	Ratios of General Bonded Debt Outstanding. ....	123
J-12	Direct and Overlapping Governmental Activities Debt. ....	124
J-13	Legal Debt Margin Information. ....	125

### Demographic and Economic Information

J-14	Demographic and Economic Statistics. ....	126
J-15	Principal Employers. ....	127

### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.....	128
J-17	Operating Statistics.....	129
J-18	School Building Information. ....	130
J-19	Schedule of Allowable Maintenance Expenditures by School Facility. ....	131
J-20	Insurance Schedule. ....	132

## K. SINGLE AUDIT SECTION

K-1	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. ....	133
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular Letter 15-08. ....	135
K-3	Schedule of Expenditures of Federal Awards - Schedule A.....	138
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B..	139
K-5	Notes to the Schedules of Awards and Financial Assistance. ....	141
K-6	Schedule of Findings and Questioned Costs.....	144
K-7	Schedule of Financial, Federal and State Findings.....	146
K-8	Summary Schedule of Prior Audit Findings.....	147

## **INTRODUCTORY SECTION**





## RAMSEY SCHOOL DISTRICT

266 East Main Street

Ramsey, NJ 07446

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**MATTHEW J. MURPHY, ED.D**  
SUPERINTENDENT OF SCHOOLS

**THOMAS W. O'HERN**  
BUSINESS ADMINISTRATOR  
BOARD SECRETARY

November 22, 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, 2019, 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.

*Achieving Excellence One Student At A Time*

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 2018-2019 fiscal year, the average daily enrollment of 2,726 students is 41 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
2018-2019	2,726	-1.50%
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%

**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 1.7% in the consumer price index for the year ending June, 2019.

**3. MAJOR INITIATIVES:** The 2018-2019 school year saw several new projects and initiatives that deserve mention.

The District continued with its Profile of a Graduate 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 1:1 Device 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, 2019.

**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, Wielkottz, 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:

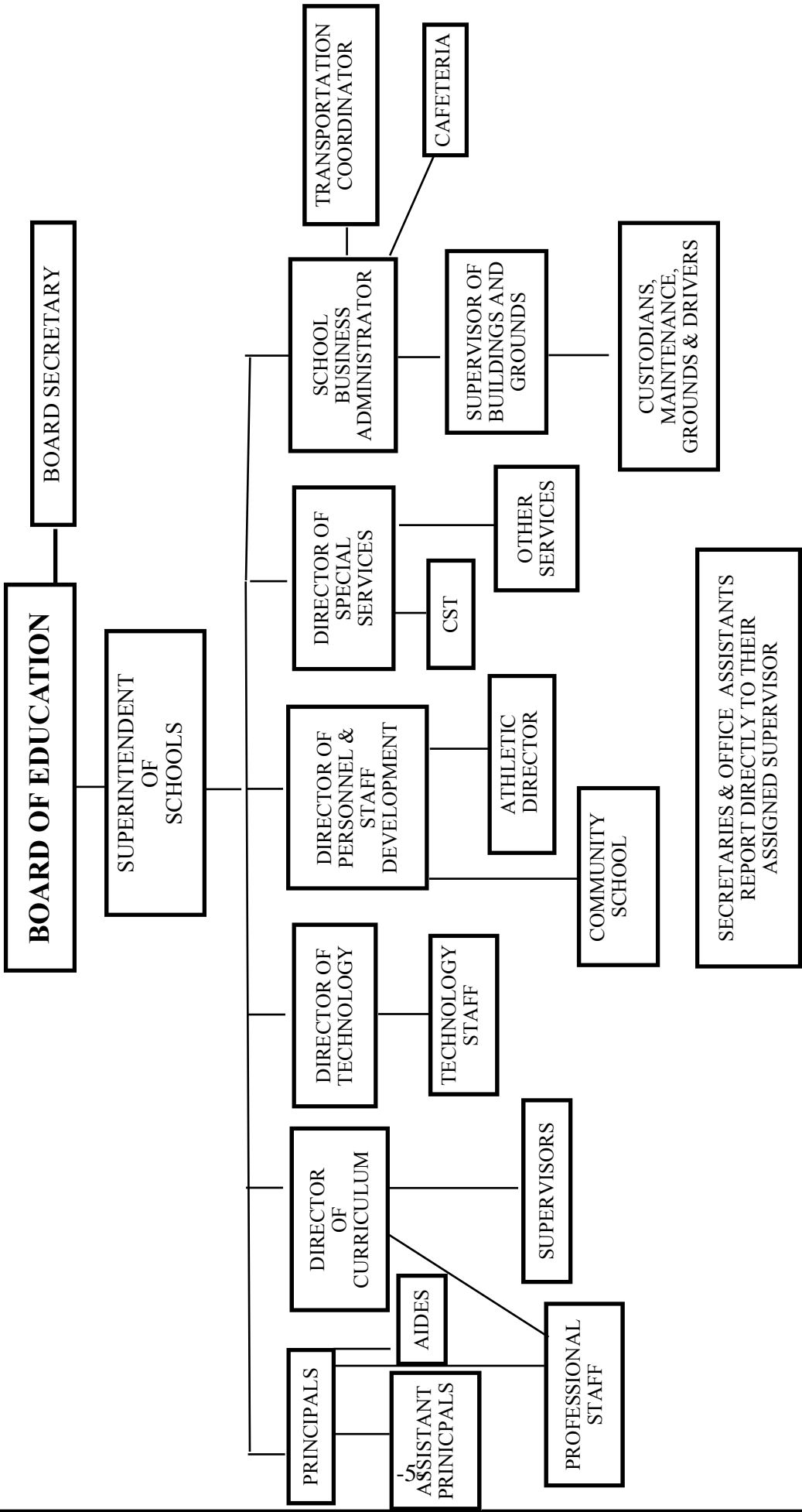
Matthew J. Murphy

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, 2019**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Laura E. Genovese Behrmann, President	2021
Keri Walsh, Vice President	2022
Jennifer Burns	2020
Nicholas Capuano	2022
Mae Fine	2019
Ralph J. Caputo	2021
James H. Meiman	2020
Andrea F. Lamendola	2021
Nicholas Schifano	2022
Anthony Socci	2020

**Other Officials**

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, 2019**

**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.  
1100 Lake Street  
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

Certified Public Accountants  
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973-579-3212  
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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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, 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 November 22, 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

November 22, 2019

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019.

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 \$3,098,194. Net position of governmental activities increased \$3,158,108 while net assets of business-type activity decreased by \$(59,914).

General revenues accounted for \$78,705,904 in revenue or 97 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,115,724 or 3 percent of total revenues of \$80,821,628.

The School District had \$76,957,713 in expenses related to governmental activities; only \$1,429,889 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$78,727,825 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, 2019  
(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, 2019  
(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, 2019  
(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, 2019  
(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 \$29,704,648 at June 30, 2019 and \$26,606,454 at June 30, 2018, 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 2019 compared to 2018 (Table 1) and change in net position (Table 2) of the School District.

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	54,633,688	15,799,000	158,047	211,191	54,791,735	16,010,191
Capital Assets	<u>40,613,156</u>	<u>39,778,509</u>	<u>52,730</u>	<u>30,193</u>	<u>40,665,886</u>	<u>39,808,702</u>
Total Assets	<u>95,246,844</u>	<u>55,577,509</u>	<u>210,777</u>	<u>241,384</u>	<u>95,457,621</u>	<u>55,818,893</u>
<b>Deferred Outflows:</b>						
Unamortized Bond Issuance Costs	51,726	68,969			51,726	68,969
Deferred Outflows of Resources						
Related to PERS	<u>4,981,317</u>	<u>7,045,373</u>	_____	_____	<u>4,981,317</u>	<u>7,045,373</u>
Total Deferred Outflows	<u>5,033,043</u>	<u>7,114,342</u>	_____	_____	<u>5,033,043</u>	<u>7,114,342</u>
<b>Liabilities</b>						
Current Liabilities	1,596,096	1,088,789	67,242	37,935	1,663,338	1,126,724
Noncurrent Liabilities	<u>62,713,538</u>	<u>30,549,018</u>	_____	_____	<u>62,713,538</u>	<u>30,549,018</u>
Total Liabilities	<u>64,309,634</u>	<u>31,637,807</u>	<u>67,242</u>	<u>37,935</u>	<u>64,376,876</u>	<u>31,675,742</u>
<b>Deferred Inflows:</b>						
Unamortized Bond Issuance						
Premiums	417,273	556,364			417,273	556,364
Deferred Inflows of Resources						
Related to PERS	<u>5,991,867</u>	<u>4,094,675</u>	_____	_____	<u>5,991,867</u>	<u>4,094,675</u>
Total Deferred Inflows	<u>6,409,140</u>	<u>4,651,039</u>	_____	_____	<u>6,409,140</u>	<u>4,651,039</u>
<b>Net Assets</b>						
Net Investment in Capital Assets	(4,379,391)	30,401,114	52,730	30,193	(4,326,661)	30,431,307
Restricted	53,443,142	14,707,228			53,443,142	14,707,228
Unrestricted	<u>(19,502,638)</u>	<u>(18,705,337)</u>	<u>90,805</u>	<u>173,256</u>	<u>(19,411,833)</u>	<u>(18,532,081)</u>
Total Net Position	<u>29,561,113</u>	<u>26,403,005</u>	<u>143,535</u>	<u>203,449</u>	<u>29,704,648</u>	<u>26,606,454</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			619,110	579,988	619,110	579,988
Operating Grants and Contributions	1,429,889	1,165,205	66,725	67,466	1,496,614	1,232,671
General Revenues:						
Taxes:						
Property taxes	57,342,821	55,472,446			57,342,821	55,472,446
Federal and State Aid not Restricted	17,550,958	22,047,624			17,550,958	22,047,624
Transportation Fees	88,695	30,312			88,695	30,312
Tuition Received	2,258,857	1,484,058			2,258,857	1,484,058
Miscellaneous Income	1,221,261	388,500			1,221,261	388,500
Investment Income	265,233	818	115	26	265,348	844
Other Financing Sources/(Uses)	<u>(41,893)</u>	<u>(251,499)</u>	<u>19,857</u>	<u>31,282</u>	<u>(22,036)</u>	<u>(220,217)</u>
Total Revenues and Transfers	<u>80,115,821</u>	<u>80,337,464</u>	<u>705,807</u>	<u>678,762</u>	<u>80,821,628</u>	<u>81,016,226</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	26,430,829	27,823,413			26,430,829	27,823,413
Special Education	7,388,346	7,576,342			7,388,346	7,576,342
Other Special Instruction	1,041,809	926,700			1,041,809	926,700
Other Instruction	1,624,423	1,624,754			1,624,423	1,624,754
Support Services:						
Tuition	2,308,995	2,284,987			2,308,995	2,284,987
Student & Instruction						
Related Services	10,315,158	10,183,764			10,315,158	10,183,764
General Administrative						
Services	1,467,330	1,268,434			1,467,330	1,268,434
Central Services	609,136	595,887			609,136	595,887
Administrative Info. Tech.	34,821	34,617			34,821	34,617
School Administrative						
Services	2,448,378	2,841,274			2,448,378	2,841,274
Plant Operations and						
Maintenance	6,230,266	5,822,222			6,230,266	5,822,222
Pupil Transportation	1,841,917	1,680,367			1,841,917	1,680,367
Unallocated Benefits	11,769,457	13,588,871			11,769,457	13,588,871
Capital Outlay-						
Non-depreciable	676,847	312,012			676,847	312,012
Interest on Long-Term Debt	792,943	363,037			792,943	363,037
Unallocated depreciation	2,098,906	2,031,976			2,098,906	2,031,976
Capital Lease Obligation and						
Amortization	(121,848)	(121,848)			(121,848)	(121,848)
Food Service	<u>                    </u>	<u>                    </u>	<u>765,721</u>	<u>695,993</u>	<u>765,721</u>	<u>695,993</u>
Total Expenses	<u>76,957,713</u>	<u>78,836,809</u>	<u>765,721</u>	<u>695,993</u>	<u>77,723,434</u>	<u>79,532,802</u>
Increase or (Decrease) in						
Net Position	<u>3,158,108</u>	<u>1,500,655</u>	<u>(59,914)</u>	<u>(17,231)</u>	<u>3,098,194</u>	<u>1,483,424</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$77,723,434. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$57,342,821 because some of the cost was paid by those who benefitted from the programs \$619,110, by other governments and organizations who subsidized certain programs with grants and contributions \$1,496,614, unrestricted federal and state aid \$17,550,958, tuition received \$2,258,857, and by miscellaneous sources \$1,553,268.

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 \$59,914.
- ✓ Charges for services provided totaled \$619,110 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 \$66,725.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2019, 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 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$98,268,867	88.9%	\$40,892,733	71.27%	\$57,376,134
State Source	11,252,273	10.2%	1,271,039	12.73%	9,981,234
Federal Source	<u>1,017,081</u>	<u>0.9%</u>	<u>296,956</u>	41.24%%	<u>720,125</u>
Total	<u>\$110,538,221</u>	<u>100.0%</u>	<u>\$42,460,728</u>	62.37%	<u>\$68,077,493</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$27,006,471	37.6%	\$653,782	2.48%	\$26,352,689
Undistributed	39,486,885	55.0%	2,777,683	7.57%	36,709,202
Debt Service	1,696,750	2.5%	5,700	0.34%	1,691,050
Capital Outlay	<u>3,540,681</u>	<u>4.9%</u>	<u>977,583</u>	38.14%	<u>2,563,098</u>
Total	<u>\$71,730,787</u>	<u>100.0%</u>	<u>\$4,414,748</u>	6.56%	<u>\$67,316,039</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, 2019, 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 \$550,633 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, 2019  
(CONTINUED)**

**General Fund**

The general fund actual revenue was \$70,341,275 including transfers. That amount is \$11,503,236 above the final amended budget of \$58,834,268. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$8,797,698 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$129,238, and an excess of \$2,311,731 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$67,565,526 including transfers which is \$2,940,307 above the final amended budget of \$64,575,219. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$8,797,698, and \$5,857,391 unexpended budgeted funds.

General fund had total revenues of \$70,341,275 including transfers and total expenditures and transfers of \$67,565,526 with an ending fund balance of \$18,618,639.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,496,946 including transfers. That amount is \$121,117 below the final amended budget of \$1,618,063. 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 \$1,496,946, which is \$121,117 below the final amended budget of \$1,618,063. 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, 2019  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2019 the School District had \$78,094,463 invested in sites, buildings, equipment. Of this amount \$37,428,577 in depreciation has been taken over the years. We currently have a net book value of \$40,665,886.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sites and Improvements	\$6,977,902	\$4,425,700	\$	\$	\$6,977,902	\$4,425,700
Buildings and Improvements	32,209,926	33,845,551			32,209,926	33,845,551
Furniture, Equipment and Vehicles	<u>1,425,328</u>	<u>1,507,258</u>	<u>52,730</u>	<u>30,193</u>	<u>1,478,058</u>	<u>1,537,451</u>
	<u>\$40,613,156</u>	<u>\$39,778,509</u>	<u>\$52,730</u>	<u>\$30,193</u>	<u>\$40,665,886</u>	<u>\$39,808,702</u>

**Debt Administration**

At June 30, 2019, the District had \$62,713,538 of long-term debt. Of this amount, \$1,200,998 is for compensated absences, \$44,627,000 is school improvement serial bonds issues dated April 4, 2012, and \$16,885,540 is for net pension liability.

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

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
School Refunding Bonds - 2012	\$ 7,535,000	\$8,890,000
School Improvement Bonds - 2019	<u>37,092,000</u>	<u>                    </u>
	<u>\$44,627,000</u>	<u>\$8,890,000</u>

**RAMSEY BOARD OF EDUCATION  
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 2019-2020 school year that is greater than the level of the 2018-2019 school year.

These factors were considered in preparing the Borough of Ramsey School District's budgets for the 2019-2020 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, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	43,411,456	75,051	43,486,507
Receivables, net	1,091,642	73,650	1,165,292
Inventory		9,346	9,346
Restricted assets:			
Capital reserve account - cash	10,130,590		10,130,590
Capital assets, net:			
Land	6,977,902		6,977,902
Other capital assets, net	33,635,254	52,730	33,687,984
Total Assets	<u>95,246,844</u>	<u>210,777</u>	<u>95,457,621</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	51,726		51,726
Deferred outflows of resources related to PERS	4,981,317		4,981,317
Total Deferred Outflows	<u>5,033,043</u>		<u>5,033,043</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,447,828	45,605	1,493,433
Payable to state government	40,216		40,216
Unearned revenue	108,052	21,637	129,689
Noncurrent liabilities:			
Due within one year	1,395,000		1,395,000
Due beyond one year	61,318,538		61,318,538
Total liabilities	<u>64,309,634</u>	<u>67,242</u>	<u>64,376,876</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	417,273		417,273
Deferred inflows of resources related to PERS	5,991,867		5,991,867
Total Deferred Inflows	<u>6,409,140</u>		<u>6,409,140</u>
<b>NET POSITION</b>			
Net investment in capital assets	(4,379,391)	52,730	(4,326,661)
Restricted for:			
Debt service	1,482		1,482
Capital projects	46,142,074		46,142,074
Other purposes	7,299,586		7,299,586
Unrestricted (Deficit)	<u>(19,502,638)</u>	<u>90,805</u>	<u>(19,411,833)</u>
Total net position	<u>29,561,113</u>	<u>143,535</u>	<u>29,704,648</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, 2019**

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	19,361,427	7,069,402			(26,430,829)		(26,430,829)
Special education	5,569,365	1,818,981		809,413	(6,578,933)		(6,578,933)
Other special instruction	820,769	221,040			(1,041,809)		(1,041,809)
Other instruction	1,245,507	378,916			(1,624,423)		(1,624,423)
Support services:							
Instruction	2,308,995				(2,308,995)		(2,308,995)
Student & instruction related services	8,174,037	2,141,121		620,476	(9,694,682)		(9,694,682)
General administrative services	1,305,724	161,606			(1,467,330)		(1,467,330)
School administrative services	1,796,428	651,950			(2,448,378)		(2,448,378)
Central Services	451,420	157,716			(609,136)		(609,136)
Administrative information tech.	34,821				(34,821)		(34,821)
Plant operations and maintenance	5,320,619	909,647			(6,230,266)		(6,230,266)
Pupil transportation	1,765,001	76,916			(1,841,917)		(1,841,917)
Unallocated benefits	11,769,457				(11,769,457)		(11,769,457)
Capital outlay - non-depreciable	676,847				(676,847)		(676,847)
Interest on long-term debt	792,943				(792,943)		(792,943)
Unallocated depreciation	2,098,906				(2,098,906)		(2,098,906)
Amortization	(121,848)				121,848		121,848
Total governmental activities	63,370,418	13,587,295	-	1,429,889	(75,527,824)	-	(75,527,824)
Business-type activities:							
Food Service	765,721		619,110			(79,886)	(79,886)
Total business-type activities	765,721		619,110			(79,886)	(79,886)
Total primary government	64,136,139		619,110	1,496,614	(75,527,824)		(75,607,710)
General revenues:							
Taxes:							
Levied for general purposes					55,658,725		55,658,725
Taxes levied for debt service					1,684,096		1,684,096
Federal and State aid not restricted					17,550,958		17,550,958
Tuition received					185,941		185,941
Tuition from Other LEAs Within the State					2,072,916		2,072,916
Transportation Fees					88,695		88,695
Investment Earnings					265,233	115	265,348
Miscellaneous Income					1,221,261		1,221,261
Other Financing Sources/(Uses)					(41,893)	19,857	(22,036)
Total general revenues, special items, extraordinary items and transfers					78,685,932	19,972	78,705,904
Change in Net Position					3,158,108	(59,914)	3,098,194
Net Position—beginning					26,403,005	203,449	26,606,454
Net Position—ending					29,561,113	143,535	29,704,648

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, 2019**

	<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	7,133,920		36,276,054	1,482	43,411,456
Accounts Receivable -					
Intergovernmental - State	380,025	1,259			381,284
Intergovernmental - Federal		416,711			416,711
Interfund receivables	540,771				540,771
Other receivables	287,147				287,147
Restricted cash and cash equivalents:					
Capital Reserve	10,130,590				10,130,590
Total assets	<u>18,472,453</u>	<u>417,970</u>	<u>36,276,054</u>	<u>1,482</u>	<u>55,167,959</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	7				7
Intergovernmental payable:					
State		40,216			40,216
Interfund Payable		269,702	264,569		534,271
Unearned revenue		108,052			108,052
Total liabilities	<u>7</u>	<u>417,970</u>	<u>264,569</u>	<u>-</u>	<u>682,546</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,418,519				2,418,519
Excess Surplus - prior year - designated for subsequent year's expenditures	2,367,215				2,367,215
Capital reserve account	10,130,590				10,130,590
Assigned to:					
Year-end Encumbrances	2,513,852				2,513,852
Capital projects fund			36,011,485		36,011,485
Debt service fund				1,482	1,482
Unassigned:					
General Fund	1,042,270				1,042,270
Total Fund balances	<u>18,472,446</u>	<u>-</u>	<u>36,011,485</u>	<u>1,482</u>	<u>54,485,413</u>
Total liabilities and fund balances	<u>18,472,453</u>	<u>417,970</u>	<u>36,276,054</u>	<u>1,482</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 \$77,610,390 and the accumulated depreciation, is \$36,997,234					
					40,613,156
Accounts payable for subsequent Pension payment is not a payable in the funds					
					(839,993)
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 \$973,637					
					(417,273)
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 \$120,701					
					51,726
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					
					4,981,317
Deferred inflows of resources related to PERS Pension Liability					
					(5,991,867)
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)					
					(607,828)
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)					
					<u>(62,713,538)</u>
Net position of governmental activities					
					<u>29,561,113</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, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	55,658,725			1,684,096	57,342,821
Tuition charges	185,941				185,941
Tuition from Other LEAs Within the State	2,072,916				2,072,916
Transportation Fees	88,695				88,695
Bonds Issued			37,092,000		37,092,000
Interest on Investments			265,233		265,233
Miscellaneous	1,221,261				1,221,261
Total - Local Sources	59,227,538	-	37,357,233	1,684,096	98,268,867
State sources	10,768,182	484,091			11,252,273
Federal sources	71,283	945,798			1,017,081
Total revenues	70,067,003	1,429,889	37,357,233	1,684,096	110,538,221
<b>EXPENDITURES</b>					
Current:					
Regular instruction	19,370,830				19,370,830
Special education instruction	4,759,952	809,413			5,569,365
Other special instruction	820,769				820,769
School sponsored/other instructional	1,245,507				1,245,507
Support services and undistributed costs:					
Instruction	2,308,995				2,308,995
Attendance and social work services	47,010				47,010
Health services	472,501				472,501
Student & instruction related services	7,053,759	620,476			7,674,235
General administrative services	1,305,724				1,305,724
School administrative services	1,808,419				1,808,419
Central services	451,420				451,420
Administrative information tech.	34,821				34,821
Plant operations and maintenance	5,349,235				5,349,235
Pupil transportation	1,765,001				1,765,001
Unallocated benefits	9,471,826				9,471,826
On-behalf contributions	8,797,698				8,797,698
Debt Service:					
Principal				1,355,000	1,355,000
Interest and charges				341,750	341,750
Capital outlay	2,460,166		1,080,515		3,540,681
Total expenditures	67,523,633	1,429,889	1,080,515	1,696,750	71,730,787
Excess (Deficiency) of revenues over expenditures	2,543,370	-	36,276,718	(12,654)	38,807,434
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out - Enterprise Fund	(41,893)				(41,893)
Transfers out - Debt Service			(664)		(664)
Transfers in - Capital Projects	264,569			664	265,233
Transfers out - General Fund			(264,569)		(264,569)
Total other financing sources and uses	222,676	-	(265,233)	664	(41,893)
Net change in fund balances	2,766,046	-	36,011,485	(11,990)	38,765,541
Fund balance—July 1	15,706,400	-		13,472	15,719,872
Fund balance—June 30	18,472,446	-	36,011,485	1,482	54,485,413

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, 2019**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		38,765,541
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	(2,098,906)
	Non-depreciable capital outlay - Construction in Progress	1,932,702
	Non-depreciable capital outlay - Land	619,500
	Asset retired prior to full depreciation	(194)
	Depreciable outlays	<u>381,545</u>
		834,647
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	1,355,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Proceeds of long-term debt		
	<u>(37,092,000)</u>	(37,092,000)
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	156,635
	Current Year	<u>(607,828)</u>
		(451,193)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
	Decrease in compensated absences payable	58,789
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	853,026
	Less: Pension Expense	<u>(1,287,550)</u>
	(Increase)/Decrease in Pension Expense	(434,524)
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	4,115,469
	Increase in On-behalf TPAF Pension Expense	<u>(4,115,469)</u>
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	2,596,024
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(2,596,024)</u>
<b>Change in net position of governmental activities</b>		<u><u>3,158,108</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, 2019**

	<b><u>Food Service Program</u></b>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	75,051
Accounts receivable:	
State	195
Federal	4,218
Other	69,237
Inventories	9,346
Total current assets	<u>158,047</u>
Noncurrent assets:	
Capital assets:	
Equipment	484,073
Less accumulated depreciation	<u>(431,343)</u>
Total capital assets (net of accumulated depreciation)	<u>52,730</u>
Total assets	<u><u>210,777</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	45,605
Prepaid revenue	<u>21,637</u>
Total current liabilities	<u>67,242</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	52,730
Unrestricted	<u>90,805</u>
Total net position	<u><u>143,535</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, 2019**

	<b>Food Service Program</b>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	103,225
Daily sales - non-reimbursable programs	420,529
Special functions	95,356
Total operating revenues	619,110
 Operating expenses:	
Cost of sales - reimbursable	107,683
Cost of sales - non-reimbursable	157,725
Salaries	269,576
Benefits	63,864
Supplies and materials	47,392
Purchased property services	65,000
Other expenses	45,126
Depreciation	9,355
Total operating expenses	765,721
Operating income (loss)	(146,611)
 Nonoperating revenues (expenses):	
State sources:	
State school lunch program	2,184
Federal sources:	
National school lunch program	47,991
Food distribution program	16,550
Interest Income	115
Total nonoperating revenues (expenses)	66,840
Income (loss) before contributions & transfers	(79,771)
 Other financing sources/(uses)	
Prior year prepaid revenue	(22,036)
Transfers in	41,893
Change in net position	(59,914)
Total net position—beginning	203,449
Total net position—ending	143,535

**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, 2019**

	<u><b>Food Service Program</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	622,650
Payments to suppliers	<u>(730,050)</u>
Net cash provided by (used for) operating activities	<u>(107,400)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Local Sources	52,997
State Sources	2,165
Federal Sources	<u>47,356</u>
Net cash provided by (used for) non-capital financing activities	<u>102,518</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	<u>115</u>
Net cash provided by (used for) investing activities	<u>115</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	<u>(31,892)</u>
Net cash provided by (used for) capital and related financing activities	<u>(31,892)</u>
Net increase (decrease) in cash and cash equivalents	(36,659)
Balances—beginning of year	<u>111,710</u>
Balances—end of year	<u><u>75,051</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(146,611)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable	3,939
Depreciation and net amortization	9,355
Food Distribution Program	16,550
(Increase) decrease in inventories	2,097
Increase (decrease) in accounts payable	7,670
Increase (decrease) in prepaid revenue	<u>(400)</u>
Total adjustments	<u>39,211</u>
Net cash provided by (used for) operating activities	<u><u>(107,400)</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, 2019**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	286,373	16,321	935,374
Deficit in Athletic Account			1,880
Interfund Receivable	156		
Total assets	286,529	16,321	937,254
<b>LIABILITIES</b>			
Payable to student groups			867,779
Payroll deductions and withholdings			30,633
Deficit in Cash - Athletic Account			1,880
Contribution Pledged to Specific Awards			30,306
Due to State of NJ	2,686		
Interfund Payable			6,656
Total liabilities	2,686		937,254
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	283,843		
Reserved for scholarships		16,321	
	283,843	16,321	

**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, 2019**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Payroll withholdings	54,291	
Donations		1,250
Total Contributions	54,291	1,250
Investment earnings:		
Interest	2,390	
Net investment earnings	2,390	
Total additions	56,681	1,250
<b>DEDUCTIONS</b>		
Unemployment Claims	40,441	
Total deductions	40,441	3,250
Change in net position	16,240	(2,000)
Net position—beginning of the year	267,603	18,321
Net position—end of the year	283,843	16,321

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019 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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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, 2019**

**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. New Accounting Standards:**

During fiscal year 2019, the District adopted the following GASB Statements:

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.

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

**Borough of Ramsey School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2019**

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

**X. New Accounting Standards, (continued)**

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.

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. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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, 2019, \$0- of the District's bank balance of \$56,506,567 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2019, 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	\$381,284	\$195	\$381,479
Federal Aid	416,711	4,218	420,929
Other	287,147	69,237	356,384
Interfunds	<u>540,771</u>		<u>6,500</u>
Gross Receivables	1,625,913	73,650	1,165,292
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,625,913</u>	<u>\$73,650</u>	<u>\$1,165,292</u>

**NOTE 4. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2019, consist of the following:

\$264,569	Due to the General Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
6,500	Due to the General Fund from the Payroll Agency Fund for excess funds transferred.
269,702	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>156</u>	Due to the Unemployment Compensation Trust Fund from the Payroll Agency Fund for employee deductions not turned over.
<u>\$540,927</u>	

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

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 4. INTERFUND BALANCES AND ACTIVITY, (continued)**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

\$664	Due from the Capital Projects Fund to the Debt Service Fund for interest earnings.
<u>41,893</u>	Due from the General Fund to the Enterprise Fund to cover a deficit.
<u>\$42,557</u>	

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/19</u>
<b>Governmental Activities</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$4,425,700	\$619,500	\$	\$5,045,200
Construction in Progress	<u>                    </u>	<u>1,932,702</u>	<u>                    </u>	<u>1,932,702</u>
Total Capital Assets, Not Being Depreciated	<u>4,425,700</u>	<u>2,552,202</u>	<u>                    </u>	<u>6,977,902</u>
Building and building improvements	59,558,983	2,410		59,561,393
Machinery and equipment	<u>10,695,847</u>	<u>379,135</u>	<u>(3,887)</u>	<u>11,071,095</u>
Totals at Historical Cost	<u>70,254,830</u>	<u>381,545</u>	<u>(3,887)</u>	<u>70,632,488</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(25,713,432)	(1,638,035)		(27,351,467)
Equipment	<u>(9,188,589)</u>	<u>(460,871)</u>	<u>3,693</u>	<u>(9,645,767)</u>
Total Accumulated Depreciation	<u>(34,902,021)</u>	<u>(2,098,906)</u>	<u>3,693</u>	<u>(36,997,234)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>35,352,809</u>	<u>(1,717,361)</u>	<u>(194)</u>	<u>33,635,254</u>
Governmental Activities Capital Assets, Net	<u>\$39,778,509</u>	<u>\$834,841</u>	<u>(\$194)</u>	<u>\$40,613,156</u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 5. CAPITAL ASSETS, (continued)**

	<u>Balance</u> <u>6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/19</u>
<b>Business-Type Activity</b>				
Equipment	\$457,456	\$31,892	\$(5,275)	\$484,073
Less Accumulated Depreciation For:				
Equipment	<u>(427,263)</u>	<u>(9,355)</u>	<u>5,275</u>	<u>(431,343)</u>
Business-Type Activity Capital Assets, Net	<u>\$30,193</u>	<u>\$22,537</u>	<u>\$</u>	<u>\$52,730</u>

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

**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.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

Changes in long-term obligations for the fiscal year ended June 30, 2019 are as follows:

	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds payable:						
General obligation debt	\$8,890,000	\$37,092,000	\$(1,355,000)	\$44,627,000	\$1,395,000	\$43,232,000
Total Bonds Payable	<u>8,890,000</u>	<u>37,092,000</u>	<u>(1,355,000)</u>	<u>44,627,000</u>	<u>1,395,000</u>	<u>43,232,000</u>
Other Liabilities:						
Compensated absences payable	1,259,788	115,582	(174,372)	1,200,998		1,200,998
Net Pension Liability PERS	<u>20,399,231</u>	<u>                    </u>	<u>(3,513,691)</u>	<u>16,885,540</u>	<u>                    </u>	<u>16,885,540</u>
Total other liabilities	<u>21,659,019</u>	<u>115,582</u>	<u>(3,688,063)</u>	<u>18,086,538</u>	<u>                    </u>	<u>18,086,538</u>
Total Governmental Activities	<u>\$30,549,019</u>	<u>\$37,207,582</u>	<u>(\$5,043,063)</u>	<u>\$62,713,538</u>	<u>\$1,395,000</u>	<u>\$61,318,538</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.

Outstanding bonds payable at June 30, 2019 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, 2019</u>
Refunding School Bonds	\$16,700,000	4/4/12	2.0%-5.0%	1/15/24	\$7,535,000
School Improvement Bonds	\$37,092,000	2/14/19	3.00%-3.625%	1/15/44	<u>37,092,000</u>
					<u>\$44,627,000</u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

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>
2020	\$1,395,000	\$1,531,185	\$2,926,185
2021	2,307,000	1,464,605	3,771,605
2022	2,350,000	1,394,894	3,744,894
2023	2,410,000	1,308,331	3,718,331
2024	2,475,000	1,218,838	3,693,838
2025-2029	8,500,000	4,928,250	13,428,250
2030-2034	8,500,000	3,547,000	12,047,000
2035-2039	8,500,000	2,160,438	10,660,438
2040-2044	<u>8,190,000</u>	<u>715,475</u>	<u>8,905,475</u>
	<u>\$44,627,000</u>	<u>\$18,269,016</u>	<u>\$62,896,016</u>

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

As of June 30, 2019 the Board has no authorized but not issued bonds.

**C. Capital Leases:**

The District had no capital leases outstanding at June 30, 2019.

**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, 2019 were \$83,135. Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$63,546
2021	19,421
2022	15,232
2023	10,899
2024	6,437
2025	<u>570</u>
Total future minimum lease payments	<u>\$116,105</u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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, 2019**

**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 55 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, 2019**

**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 55 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 TPAF, 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>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/19	\$853,026	\$43,337
6/30/18	811,813	41,061
6/30/17	753,992	23,689



**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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>
6/30/19	\$4,661,446	\$2,158,685	\$97,576	\$3,085
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

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 \$1,876,906 during the year ended June 30, 2019 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, 2019, the District had a liability of \$16,885,540 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was 0.0857591000 percent, which was a decrease of (.0000187248) percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$1,287,550. At June 30, 2019, 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, 2019**

**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	\$322,010	\$87,067
Changes of assumptions	2,782,457	5,399,098
Net difference between projected and actual earnings on pension plan investments		158,387
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,036,857	347,315
District contributions subsequent to the measurement date	<u>839,993</u>	<u>                    </u>
Total	<u>\$4,981,317</u>	<u>\$5,991,867</u>

The \$839,993 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	\$117,194
2020	(162,257)
2021	(1,163,516)
2022	(1,008,554)
2023	(322,952)

**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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 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, 2019**

**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, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	0.085791000%	0.0876315801%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. 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, 2019**

**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, 2017 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2018) 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, 2018 are summarized in the following table:

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2019**

**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, 2018, 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, 2018</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$21,231,620	\$16,885,540	\$13,239,455

**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, 2019**

**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, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>152,230,251</u>
	<u><u>\$152,230,251</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was 0.2392885746%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$8,874,491 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

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

mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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, 2019**

**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 4.86% and 4.25% as of June 30, 2018 and 2017, 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 3.87% and 3.58% as of June 30, 2018 and 2017, 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 50% 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 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.

**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**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

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, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share	
associated with the District	<u>94,555,048</u>
	<u>\$94,555,048</u>

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2018 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, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

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

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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, 2018 was 3.87%. 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, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$4,754,709 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, 2019**

**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>
2018-2019	\$2,390	\$54,291	\$40,441	\$283,843
2017-2018	746	53,141	8,017	267,603
2016-2017	274	51,833	69,790	221,733

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$8,620,590
Increased by:	
Deposit Approved by Resolution - June 18, 2019	3,600,000
Decreased by:	
Budget Appropriations	<u>2,090,000</u>
Ending balance, June 30, 2019	<u>\$10,130,590</u>

**NOTE 13. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$18,472,446 General Fund fund balance at June 30, 2019, \$4,785,734 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$2,367,215 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$10,130,590 has been reserved in the Capital Reserve Account; \$2,513,852 is reserved for encumbrances; and \$1,042,270 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund fund balance at June 30, 2019 of \$1,482 is unreserved and undesignated.

**Borough of Ramsey School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**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, 2019 is \$4,785,734. Of this amount, \$2,418,519 is the result of current year operations.

**NOTE 15. INVENTORY**

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$5,199
Supplies	<u>4,147</u>
	<u>\$9,346</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.

**NOTE 17. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 22, 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, 2019**

	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	55,658,725		55,658,725	55,658,725	
Tuition	36,082		36,082	185,941	149,859
Tuition from Other LEAs Within the State	1,131,298		1,131,298	2,072,916	941,618
Transportation Fees from Individuals	20,000		20,000	88,695	68,695
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	21,701		21,701	1,221,261	1,199,560
<b>Total - Local Sources</b>	<u>56,915,807</u>		<u>56,915,807</u>	<u>59,227,538</u>	<u>2,311,731</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,194,536		1,194,536	1,194,536	
Categorical Security Aid	96,206		96,206	96,206	
Categorical Transportation Aid	309,420		309,420	309,420	
Extraordinary Aid	300,000		300,000	290,655	(9,345)
NTE Homeless Reimbursement				75,426	75,426
Other Restricted State Aid				13,944	13,944
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,158,685	2,158,685
On-behalf TPAF Pension (non-budgeted)				4,661,446	4,661,446
On-behalf TPAF NCGI Premium (non-budgeted)				97,576	97,576
On-behalf TPAD LTDI				3,085	3,085
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,876,906	1,876,906
<b>Total - State Sources</b>	<u>1,900,162</u>		<u>1,900,162</u>	<u>10,777,885</u>	<u>8,877,723</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	18,299		18,299	40,189	21,890
Medicaid Administrative Claiming (MAC)				3,771	
FEMA - Snow Removal				27,323	27,323
<b>Total - Federal Sources</b>	<u>18,299</u>		<u>18,299</u>	<u>71,283</u>	<u>49,213</u>
<b>TOTAL REVENUES</b>	<u>58,834,268</u>		<u>58,834,268</u>	<u>70,076,706</u>	<u>11,238,667</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	215,795		215,795	215,795	
Grades 1-5 - Salaries of Teachers	6,846,606	(512,740)	6,333,866	6,324,178	9,688
Grades 6-8 - Salaries of Teachers	5,052,322	(217,840)	4,834,482	4,830,452	4,030
Grades 9-12 - Salaries of Teachers	7,676,449	(685,613)	6,990,836	6,986,877	3,959
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	75,000	(29,200)	45,800	45,771	29
Purchased Professional-Educational Services		3,822	3,822	3,822	
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	193,925	11,965	205,890	167,978	37,912
Other Purchased Services (400-500 series)	74,665	(246)	74,419	63,474	10,945
General Supplies	642,027	126,994	769,021	568,390	200,631
Textbooks	110,674	75,392	186,066	160,482	25,584
Other Objects	6,227	(1,550)	4,677	3,611	1,066
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>20,893,690</u>	<u>(1,229,016)</u>	<u>19,664,674</u>	<u>19,370,830</u>	<u>293,844</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	994,767	(92,214)	902,553	902,551	2
Other Salaries for Instruction	1,062,898	142,926	1,205,824	1,201,988	3,836
General Supplies	7,382		7,382	5,628	1,754
<b>Total Learning and/or Language Disabilities</b>	<u>2,065,047</u>	<u>50,712</u>	<u>2,115,759</u>	<u>2,110,167</u>	<u>5,592</u>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	66,720	(18,300)	48,420	48,403	17
<b>Total Behavioral Disabilities</b>	<u>66,720</u>	<u>(18,300)</u>	<u>48,420</u>	<u>48,403</u>	<u>17</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	299,530	(22,500)	277,030	276,839	191
Other Salaries for Instruction	239,071	(32,660)	206,411	206,408	3
Other Purchased Services (400-500 Series)	12		12	11	1
General Supplies	2,657		2,657	517	2,140
<b>Total Multiple Disabilities</b>	<u>541,270</u>	<u>(55,160)</u>	<u>486,110</u>	<u>483,775</u>	<u>2,335</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,806,171	(51,082)	1,755,089	1,755,086	3
Other Purchased Services (400-500 Series)	2,394		2,394	2,393	1
General Supplies	21,511	63	21,574	11,695	9,879
Textbooks	1,525		1,525	1,525	
<b>Total Resource Room/Resource Center</b>	<u>1,831,601</u>	<u>(51,019)</u>	<u>1,780,582</u>	<u>1,769,174</u>	<u>11,408</u>
<b>Preschool Disabilities - Part-Time:</b>					
General Supplies	1,020		1,020	998	22
<b>Total Preschool Disabilities - Part Time</b>	<u>1,020</u>		<u>1,020</u>	<u>998</u>	<u>22</u>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	108,025	8,796	116,821	116,821	
Other Salaries for Instruction	285,356	(54,496)	230,860	227,078	3,782
General Supplies	3,570		3,570	3,536	34
<b>Total Preschool Disabilities - Full-Time</b>	<u>396,951</u>	<u>(45,700)</u>	<u>351,251</u>	<u>347,435</u>	<u>3,816</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>4,902,609</u>	<u>(119,467)</u>	<u>4,783,142</u>	<u>4,759,952</u>	<u>23,190</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	393,762	33,717	427,479	420,984	6,495
Other Salaries for Instruction	128,960	119,830	248,790	236,366	12,424
General Supplies	3,400	(478)	2,922	2,811	111
<b>Total Basic Skills/Remedial - Instruction</b>	<u>526,122</u>	<u>153,069</u>	<u>679,191</u>	<u>660,161</u>	<u>19,030</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	154,055	371	154,426	154,426	
General Supplies	3,950		3,950	3,872	78
Textbooks	2,400		2,400	2,310	90
<b>Total Bilingual Education - Instruction</b>	<u>160,405</u>	<u>371</u>	<u>160,776</u>	<u>160,608</u>	<u>168</u>
<b>School-Sponsored Co/Extra Curricular Activities - Instruction</b>					
Salaries	296,924	(94,890)	202,034	202,027	7
Purchased Services (300-500 series)	27,000	5,720	32,720	23,733	8,987
Supplies and Materials	20,334		20,334	17,442	2,892
Other Objects	4,920		4,920	4,327	593
<b>Total School-Sponsored Co/Extra Curricular Activities - Instruction</b>	<u>349,178</u>	<u>(89,170)</u>	<u>260,008</u>	<u>247,529</u>	<u>12,479</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	782,332	26,000	808,332	784,369	23,963
Purchased Services (300-500 series)	149,701	(8,182)	141,519	136,896	4,623
Supplies and Materials	40,990	19,760	60,750	56,744	4,006
Other Objects	24,100		24,100	19,969	4,131
<b>Total School-Sponsored Athletics - Instruction</b>	<u>997,123</u>	<u>37,578</u>	<u>1,034,701</u>	<u>997,978</u>	<u>36,723</u>
<b>TOTAL INSTRUCTION</b>	<u>27,829,127</u>	<u>(1,246,635)</u>	<u>26,582,492</u>	<u>26,197,058</u>	<u>385,434</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular		276	276	276	
Tuition to Other LEAs Within the State - Special	749,370	(105,463)	643,907	590,571	53,336
Tuition to County Voc. School Dist. - Regular	199,936	55,000	254,936	203,982	50,954
Tuition to CSSD & Regional Day Schools	253,160		253,160	184,642	68,518
Tuition to Private Schools for the Disabled Within State	1,633,566	(108,080)	1,525,486	1,091,422	434,064
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	47,353	211,937	259,290	238,102	21,188
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,883,385</u>	<u>53,670</u>	<u>2,937,055</u>	<u>2,308,995</u>	<u>628,060</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	47,098		47,098	47,010	88
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>47,098</u>		<u>47,098</u>	<u>47,010</u>	<u>88</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	449,507	(2,800)	446,707	446,482	225
Purchased Professional and Technical Services		175	175	175	
Other Purchased Services (400-500 Series)	365	(12)	353	235	118
Supplies and Materials	35,201	(3,078)	32,123	25,609	6,514
Other Objects	245		245	245	
<b>Total Undistributed Expenditures - Health Services</b>	<u>485,318</u>	<u>(5,715)</u>	<u>479,603</u>	<u>472,501</u>	<u>7,102</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	722,081	1,400	723,481	723,409	72
Supplies and Materials	2,810	(86)	2,724	2,428	296
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>	<u>724,891</u>	<u>1,314</u>	<u>726,205</u>	<u>725,837</u>	<u>368</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>					
Salaries	351,975	(61,400)	290,575	289,070	1,505
Purchased Professional - Educational Services	655,726	(18,584)	637,142	507,208	129,934
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<u>1,007,701</u>	<u>(79,984)</u>	<u>927,717</u>	<u>796,278</u>	<u>131,439</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,217,514	31,541	1,249,055	1,249,030	25
Salaries of Secretarial and Clerical Assistants	186,957	14,571	201,528	201,441	87
Other Purchased Professional and Technical Services	140,681	8,000	148,681	148,681	
Other Purchased Services (400-500 Series)	6,869		6,869	4,200	2,669
Supplies and Materials	19,115		19,115	9,415	9,700
Other Objects	2,475		2,475	2,466	9
<b>Total Undist. Expend. - Guidance</b>	<u>1,573,611</u>	<u>54,112</u>	<u>1,627,723</u>	<u>1,615,233</u>	<u>12,490</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	1,274,495	57,818	1,332,313	1,331,878	435
Salaries of Secretarial and Clerical Assistants	135,791	21,055	156,846	156,844	2
Professional Svcs-Educational Services					
Other Purchased Professional and Technical Services	187,765	12,784	200,549	184,102	16,447
Misc. Pur Services (400-500 Series)	44,429	2,387	46,816	43,776	3,040

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Supplies and Materials	79,783	(25,123)	54,660	48,510	6,150
Other Objects	2,500		2,500	1,515	985
<b>Total Undist. Expend. - Child Study Teams</b>	<b>1,724,763</b>	<b>68,921</b>	<b>1,793,684</b>	<b>1,766,625</b>	<b>27,059</b>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	160,680		160,680	159,744	936
Salaries of Other Professional Staff	195,000	20,364	215,364	184,148	31,216
Other Purch Prof. and Tech. Services	40,992	(2,908)	38,084	36,529	1,555
Supplies and Materials	23,538	(1,588)	21,950	21,395	555
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>420,210</b>	<b>15,868</b>	<b>436,078</b>	<b>401,816</b>	<b>34,262</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	770,294	3,161	773,455	769,713	3,742
Salaries of Technology Coordinators	136,762		136,762	135,965	797
Other Purchased Services (400-500)	87,391	2,421	89,812	75,059	14,753
Supplies and Materials	1,450,244	(340,887)	1,109,357	684,916	424,441
Other Objects	2,675		2,675	1,607	1,068
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>2,447,366</b>	<b>(335,305)</b>	<b>2,112,061</b>	<b>1,667,260</b>	<b>444,801</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Other Professional Staff	5,000	2,500	7,500	7,500	
Purchased Professional - Educational Services	70,045	(24,236)	45,809	43,967	1,842
Other Purchased Services (400-500 Series)	47,080	(47,080)			
Supplies and Materials	23,700	(3,927)	19,773	19,773	
Other Objects	9,500	(30)	9,470	9,470	
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>155,325</b>	<b>(72,773)</b>	<b>82,552</b>	<b>80,710</b>	<b>1,842</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	428,201	(5,000)	423,201	420,694	2,507
Legal Services	129,539	(23,666)	105,873	80,324	25,549
Audit Fees	31,620		31,620	30,000	1,620
Architectural/Engineering Services	150,000	26,789	176,789	160,289	16,500
Other Purchased Professional Services	136,850	46,067	182,917	115,391	67,526
Purchased Technical Services	47,400	6,605	54,005	52,735	1,270
Communications/Telephone	120,967	(26,087)	94,880	94,097	783
BOE Other Purchased Services	4,500	(1,846)	2,654	2,087	567
Other Purch Services (400-500 Series)	282,900	(10,197)	272,703	267,139	5,564
General Supplies	34,000	2,063	36,063	36,014	49
Judgements Against The School District	50,000	(37,344)	12,656	12,656	
Misc. Expenditures	7,000	4,465	11,465	11,465	
BOE Membership Dues and Fees	30,000	(5,741)	24,259	22,833	1,426
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>1,452,977</b>	<b>(23,892)</b>	<b>1,429,085</b>	<b>1,305,724</b>	<b>123,361</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,048,586	(24,354)	1,024,232	1,022,671	1,561
Salaries of Secretarial and Clerical Assistants	768,605	(46,903)	721,702	674,485	47,217
Other Purchased Services (400-500 series)	49,496	(6,206)	43,290	32,240	11,050
Supplies and Materials	88,510	(2,208)	86,302	68,534	17,768
Other Objects	11,151	98	11,249	10,489	760
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>1,966,348</b>	<b>(79,573)</b>	<b>1,886,775</b>	<b>1,808,419</b>	<b>78,356</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	412,607		412,607	410,565	2,042
Purchased Professional Services	5,000	750	5,750	5,750	
Misc. Pur Services (400-500 Series)	24,500	(4,394)	20,106	17,582	2,524
Supplies and Materials	30,000	(2,699)	27,301	15,853	11,448
Miscellaneous Expenditures	2,000	(80)	1,920	1,670	250
<b>Total Undist. Expend. - Central Services</b>	<b>474,107</b>	<b>(6,423)</b>	<b>467,684</b>	<b>451,420</b>	<b>16,264</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Purchased Technical Services	27,590	7,788	35,378	34,821	557
<b>Total Undist. Expend. - Support Serv. - Administrative Information Technology</b>	<b>27,590</b>	<b>7,788</b>	<b>35,378</b>	<b>34,821</b>	<b>557</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	483,356	(167,915)	315,441	312,104	3,337
Cleaning, Repair and Maintenance Services	491,250	(209,976)	281,274	275,718	5,556
General Supplies	77,483	(39,700)	37,783	36,098	1,685
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>1,052,089</b>	<b>(417,591)</b>	<b>634,498</b>	<b>623,920</b>	<b>10,578</b>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	1,595,857	(106,129)	1,489,728	1,465,977	23,751
Salaries of Non-Instructional Aides	270,517	15,924	286,441	283,012	3,429
Cleaning, Repair and Maintenance Services	774,604	123,913	898,517	642,097	256,420
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	3,000		3,000	3,000	
Other Purchased Property Services	87,490	(3,800)	83,690	80,174	3,516
Insurance	371,373	(40,000)	331,373	331,351	22
Miscellaneous Purchased Services	12,307	(3,750)	8,557	6,072	2,485
General Supplies	317,061	(30,176)	286,885	282,630	4,255
Energy (Natural Gas)	341,000	(20,186)	320,814	242,097	78,717
Energy (Electricity)	513,208	26,173	539,381	475,753	63,628
Other Objects	50,306	78,501	128,807	98,434	30,373
<b>Total Undist. Expend. - Custodial Services</b>	<b>4,336,723</b>	<b>40,470</b>	<b>4,377,193</b>	<b>3,910,597</b>	<b>466,596</b>
<b>Undist. Expend. - Care and Upkeep of Grounds (263)</b>					
Salaries	142,641		142,641	122,011	20,630
Cleaning, Repair and Maintenance Services	129,100	42,335	171,435	114,886	56,549
General Supplies	66,439	(11,764)	54,675	51,222	3,453
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>338,180</b>	<b>30,571</b>	<b>368,751</b>	<b>288,119</b>	<b>80,632</b>
<b>Undist. Expend. - Security (266)</b>					
Salaries	143,656	41,978	185,634	184,891	743
Purchased Professional and Technical Services	2,850		2,850	1,500	1,350
Cleaning, Repair and Maintenance Services	59,355	33,550	92,905	74,058	18,847
General Supplies	226,951	46,714	273,665	266,150	7,515
<b>Total Undist. Expend. - Security</b>	<b>432,812</b>	<b>122,242</b>	<b>555,054</b>	<b>526,599</b>	<b>28,455</b>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries for Pupil Trans (Bet Home & Sch) - Regular					
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	160,513	39,856	200,369	200,227	142
Cleaning, Repair and Maintenance Services	25,000	(17,800)	7,200	6,400	800
Contract Services - Aid in Lieu Pymts - NonPub Sch.	60,000	347,868	407,868	399,520	8,348
Contract Services (Between Home & School)-Vendors	380,038	(208,953)	171,085	126,859	44,226
Contract Services (Other than Between Home & School)-Vendors	145,621	837,079	982,700	973,514	9,186
Contract Services (Sp. Ed. Students)-Vendors	850,000	(807,356)	42,644	42,499	145
Misc. Purchased Services - Transportation	6,800	(4,000)	2,800	705	2,095
General Supplies	250		250		250
Transportation Supplies	36,586	(20,500)	16,086	15,277	809
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>1,664,808</b>	<b>166,194</b>	<b>1,831,002</b>	<b>1,765,001</b>	<b>66,001</b>
<b>UNALLOCATED BENEFITS (291)</b>					
Social Security Contributions	1,117,608		1,117,608	743,178	374,430
Other Retirement Contributions-PERS	949,385		949,385	863,832	85,553
Workmen's Compensation	280,000		280,000	207,428	72,572
Health Benefits	8,650,368		8,650,368	7,465,066	1,185,302
Tuition Reimbursement	150,000		150,000	52,872	97,128
Other Employee Benefits	115,000	(80,000)	35,000		35,000
Unused Sick Payment to Terminated/Retired Staff	65,000	80,000	145,000	139,450	5,550
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>11,327,361</b>		<b>11,327,361</b>	<b>9,471,826</b>	<b>1,855,535</b>
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,158,685	(2,158,685)
On-behalf TPAF Pension (non-budgeted)				4,661,446	(4,661,446)
On-behalf TPAF NCGI Premium (non-budgeted)				97,576	(97,576)
On-behalf TPAF LTDI				3,085	(3,085)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,876,906	(1,876,906)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>8,797,698</b>	<b>(8,797,698)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>11,327,361</b>		<b>11,327,361</b>	<b>18,269,524</b>	<b>(6,942,163)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>34,542,663</b>	<b>(460,106)</b>	<b>34,082,557</b>	<b>38,866,409</b>	<b>(4,783,852)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>62,371,790</b>	<b>(1,706,741)</b>	<b>60,665,049</b>	<b>65,063,467</b>	<b>(4,398,418)</b>

Exhibit C-1

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**

	<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		8,648	8,648		8,648
Care and Upkeep of Grounds		73,094	73,094	56,464	16,630
School Buses-Reg.	99,878		99,878	99,878	
<b>Total Equipment</b>	<u>104,878</u>	<u>81,742</u>	<u>186,620</u>	<u>156,342</u>	<u>30,278</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services		1,622,300	1,622,300	202,574	1,419,726
Building Other than Lease Purchase Agreement		2,092,699	2,092,699	2,092,699	
Assessment for Debt Service on SDA Funding	8,551		8,551	8,551	
<b>Total Facilities Acquisition and Construction Services</b>	<u>8,551</u>	<u>3,714,999</u>	<u>3,723,550</u>	<u>2,303,824</u>	<u>1,419,726</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>113,429</u>	<u>3,796,741</u>	<u>3,910,170</u>	<u>2,460,166</u>	<u>1,450,004</u>
<b>TOTAL EXPENDITURES</b>	<u>62,485,219</u>	<u>2,090,000</u>	<u>64,575,219</u>	<u>67,523,633</u>	<u>(2,948,414)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,650,951)</u>	<u>(2,090,000)</u>	<u>(5,740,951)</u>	<u>2,553,073</u>	<u>8,294,024</u>
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(50,000)		(50,000)	(41,893)	8,107
Operating Transfer In					
Capital Projects				264,569	264,569
<b>Total Other Financing Sources/(Uses):</b>	<u>(50,000)</u>		<u>(50,000)</u>	<u>222,676</u>	<u>272,676</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(3,700,951)</u>	<u>(2,090,000)</u>	<u>(5,790,951)</u>	<u>2,775,749</u>	<u>8,566,700</u>
<b>Fund Balance, July 1</b>	15,842,890		15,842,890	15,842,890	
<b>Fund Balance, June 30</b>	<u>12,141,939</u>	<u>(2,090,000)</u>	<u>10,051,939</u>	<u>18,618,639</u>	<u>8,566,700</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(1,198,050)		(1,198,050)	(1,198,050)	
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		(2,090,000)	(2,090,000)	(2,090,000)	
Budgeted Fund Balance	<u>(2,507,901)</u>		<u>(2,507,901)</u>	<u>2,463,799</u>	<u>4,971,700</u>
	<u>(3,700,951)</u>	<u>(2,090,000)</u>	<u>(5,790,951)</u>	<u>2,775,749</u>	<u>8,566,700</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				2,418,519	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,367,215	
Capital Reserve				10,130,590	
<b>Committed Fund Balance:</b>					
Year-end Encumbrances				2,513,852	
<b>Unassigned Fund Balance</b>				1,188,463	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>18,618,639</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				146,193	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>18,472,446</u>	

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	313,981	274,762	588,743	551,282	(37,461)
Federal Sources	753,449	275,871	1,029,320	945,664	(83,656)
<b>Total Revenues</b>	<b>1,067,430</b>	<b>550,633</b>	<b>1,618,063</b>	<b>1,496,946</b>	<b>(121,117)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	20,213	23,284	43,497	38,924	4,573
Other Salaries for Instruction	25,049	2,405	27,454	27,454	-
Other Purchased Services (400-500 series)	521,009	116,059	637,068	637,068	-
General Supplies	45,409	35,664	81,073	65,602	15,471
Textbooks	36,531	4,106	40,637	40,365	272
<b>Total instruction</b>	<b>648,211</b>	<b>181,518</b>	<b>829,729</b>	<b>809,413</b>	<b>20,316</b>
<b>Support services:</b>					
Personal Services - Employee Benefits	6,513	(3,184)	3,329	2,978	351
Purchased Professional - Educational Services	370,306	251,449	621,755	523,474	98,281
General Supplies	42,400	120,850	163,250	161,081	2,169
<b>Total support services</b>	<b>419,219</b>	<b>369,115</b>	<b>788,334</b>	<b>687,533</b>	<b>100,801</b>
<b>Total Expenditures</b>	<b>1,067,430</b>	<b>550,633</b>	<b>1,618,063</b>	<b>1,496,946</b>	<b>121,117</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, 2019**

**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]	70,076,706	1,496,946
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			48,869
Current Year			(115,926)
The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		136,490	
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).		(146,193)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	70,067,003	1,429,889
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	67,253,633	1,496,946
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			48,869
Current Year			(115,926)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	67,253,633	1,429,889



**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%
2019	0.0857591000%	16,885,540	6,213,586	271.75%	83.06%

\* 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	-	\$ 5,608,577	11.43%
2016	\$ 693,030	\$ (693,030)	\$ -	\$ 5,980,007	-	\$ 5,980,007	11.59%
2017	\$ 753,992	\$ (753,992)	\$ -	\$ 5,926,963	-	\$ 5,926,963	12.72%
2018	\$ 811,813	\$ (811,813)	\$ -	\$ 6,128,533	-	\$ 6,128,533	13.25%
2019	\$ 853,026	\$ (853,026)	\$ -	\$ 6,213,586	-	\$ 6,213,586	13.73%

\* 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 Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	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
	2015	0.2389734233%	\$ -	\$ 127,723,517	\$ 25,046,127	0.00%
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%
2019	0.2392885746%	-	152,230,251	26,522,843	0.00%	26.49%

\* 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, 2019**

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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. 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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. 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\**

	2019	2018
<b>Total OPEB Liability</b>		
Service Costs	\$ 4,188,191	\$ 5,053,029
Interest on Total OPEB Liability	3,967,017	3,418,761
Difference between Expected and Actual Expenditures	(8,140,618)	
Changes in Assumptions	(10,850,665)	(14,331,916)
Gross Benefit Payments	(2,528,368)	(2,497,620)
Contribution from the Member	87,384	91,969
<b>Net Changes in total Share of OPEB Liability</b>	(13,277,059)	(8,265,777)
<b>Total OPEB Liability - Beginning</b>	107,832,107	116,097,884
<b>Total OPEB Liability - Ending</b>	\$ 94,555,048	\$ 107,832,107
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	94,555,048	107,832,107
Total OPEB Liability - Ending	\$ 94,555,048	\$ 107,832,107
District's Covered Employee Payroll	\$ 32,736,429	\$ 32,262,784
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2019

	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 2019
		Basic	Preschool				
<b>REVENUES</b>							
State Sources	551,282						551,282
Federal Sources	11,245	783,885	31,740	64,805	44,774	9,215	945,664
<b>Total Revenues</b>	<b>562,527</b>	<b>783,885</b>	<b>31,740</b>	<b>64,805</b>	<b>44,774</b>	<b>9,215</b>	<b>1,496,946</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	1,129			34,400		3,395	38,924
Other Salaries for Instruction	-		27,454				27,454
Other Purchased Services (400-500 series)	-	637,068					637,068
General Supplies	27,877	9,370	253	24,773		3,329	65,602
Textbooks	40,365						40,365
<b>Total instruction</b>	<b>69,371</b>	<b>646,438</b>	<b>27,707</b>	<b>59,173</b>	<b>-</b>	<b>6,724</b>	<b>809,413</b>
<b>Support services:</b>							
Personal Services - Employee Benefits	86			2,632		260	2,978
Purchased Professional - Educational Services	331,989	137,447	4,033	3,000	44,774	2,231	523,474
General Supplies	161,081						161,081
<b>Total support services</b>	<b>493,156</b>	<b>137,447</b>	<b>4,033</b>	<b>5,632</b>	<b>44,774</b>	<b>2,491</b>	<b>687,533</b>
<b>Total Expenditures</b>	<b>562,527</b>	<b>783,885</b>	<b>31,740</b>	<b>64,805</b>	<b>44,774</b>	<b>9,215</b>	<b>1,496,946</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>

**RAMSEY BOARD OF EDUCATION**  
 Special Revenue Fund  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
 Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1b)	Title III, Immigrant	Title IV	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	Total Carried Forward
<b>REVENUES</b>							
State Sources	385,399			40,365	105,245	20,273	551,282
Federal Sources	-	1,880	9,365				11,245
<b>Total Revenues</b>	385,399	1,880	9,365	40,365	105,245	20,273	562,527
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	-	1,129					1,129
Other Salaries for Instruction	-						-
Other Purchased Services (400-500 series)	-	665	6,939			20,273	27,877
General Supplies	-			40,365			40,365
Textbooks	-						
<b>Total instruction</b>	-	1,794	6,939	40,365	-	20,273	69,371
<b>Support services:</b>							
Personal Services - Employee Benefits	-	86					86
Purchased Professional - Educational Services	224,318		2,426		105,245		331,989
General Supplies	161,081						161,081
<b>Total support services</b>	385,399	86	2,426	-	105,245	-	493,156
<b>Total Expenditures</b>	385,399	1,880	9,365	40,365	105,245	20,273	562,527
<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, 2019

	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	161,081	59,312	92,654	16,695	54,398	385,399
Federal Sources	-	-	-	-	-	-
<b>Total Revenues</b>	161,081	59,312	92,654	16,695	54,398	385,399
<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>Support services:</b>						
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Professional - Educational Services	161,081	59,312	92,654	16,695	54,398	224,318
General Supplies	-	-	-	-	-	161,081
<b>Total support services</b>	161,081	59,312	92,654	16,695	54,398	385,399
<b>Total Expenditures</b>	161,081	59,312	92,654	16,695	54,398	385,399
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</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, 2019**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	-
Bond proceeds and transfers	37,092,000
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	265,233
	37,357,233

**Expenditures and Other Financing Uses**

Purchased professional and technical services	701,808
Land and improvements	-
Construction services	378,707
General supplies	-
Equipment purchases	-
Transfer to General Fund	264,569
Transfer to Debt Service Fund	664
	1,345,748

Excess (deficiency) of revenues over (under) expenditures	36,011,485
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Fund balance - beginning	-
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Fund balance - ending	36,011,485
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**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Ramsey High School Educational Adequacy Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		11,676,493	11,676,493	11,676,493
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>11,676,493</u>	<u>11,676,493</u>	<u>11,676,493</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		25,000	25,000	1,840,468
Land and improvements			-	-
Construction services			-	8,885,625
General supplies			-	950,400
Equipment purchases			-	-
	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>11,676,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>11,651,493</u>	<u>11,651,493</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-050-18-2000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	11,676,493			
Bonds issued	11,676,493			
Original authorization cost	11,676,493			
Additional authorized cost				
Revised authorized cost	11,676,493			
Percentage increase over original authorized cost	-			
Percentage completion	0%			
Original target completion date	November 2022			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Ramsey High School Capital Renovations Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		7,662,708	7,662,708	7,662,708
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>7,662,708</u>	<u>7,662,708</u>	<u>7,662,708</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		147,834	147,834	1,199,700
Land and improvements			-	-
Construction services			-	6,413,008
General supplies				50,000
Equipment purchases			-	-
	<u>-</u>	<u>147,834</u>	<u>147,834</u>	<u>7,662,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>7,514,874</u>	<u>7,514,874</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-050-18-1000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	7,662,708			
Bonds issued	7,662,708			
Original authorization cost	7,315,200			
Additional authorized cost	347,508			
Revised authorized cost	7,662,708			
Percentage increase over original authorized cost	0.05			
Percentage completion	2%			
Original target completion date	August 2020			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Eric S. Smith Middle School Educational Adequacy Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		10,067,275	10,067,275	10,067,275
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>10,067,275</u>	<u>10,067,275</u>	<u>10,067,275</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		149,028	149,028	1,584,835
Land and improvements			-	-
Construction services		234,414	234,414	7,340,850
General supplies			-	1,141,590
Equipment purchases			-	-
	<u>-</u>	<u>383,442</u>	<u>383,442</u>	<u>10,067,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>9,683,833</u>	<u>9,683,833</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-055-18-1000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	10,067,275			
Bonds issued	10,067,275			
Original authorization cost	9,984,685			
Additional authorized cost	82,590			
Revised authorized cost	10,067,275			
Percentage increase over original authorized cost	0.01			
Percentage completion	4%			
Original target completion date	May 2021			
Revised target completion date				



**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Eric S. Smith Middle School Capital Renovations Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		4,503,748	4,503,748	4,503,748
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>4,503,748</u>	<u>4,503,748</u>	<u>4,503,748</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		49,755	49,755	738,072
Land and improvements			-	-
Construction services			-	3,765,676
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>49,755</u>	<u>49,755</u>	<u>4,503,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>4,453,993</u>	<u>4,453,993</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-055-18-2000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	4,503,748			
Bonds issued	4,503,748			
Original authorization cost	4,497,772			
Additional authorized cost	5,976			
Revised authorized cost	4,503,748			
Percentage increase over original authorized cost	0.00			
Percentage completion	1%			
Original target completion date	August 2022			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**John Y. Dater Elementary School Educational Adequacy Projects**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		126,120	126,120	126,120
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>126,120</u>	<u>126,120</u>	<u>126,120</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		11,723	11,723	32,120
Land and improvements			-	-
Construction services		7,505	7,505	94,000
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>19,228</u>	<u>19,228</u>	<u>126,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>106,892</u>	<u>106,892</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-060-18-2000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	126,120			
Bonds issued	126,120			
Original authorization cost	184,320			
Additional authorized cost	(58,200)			
Revised authorized cost	126,120			
Percentage increase over original authorized cost	(0.32)			
Percentage completion	15%			
Original target completion date	December 2019			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**John Y. Dater Elementary School Capital Renovations Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		1,477,369	1,477,369	1,477,369
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>1,477,369</u>	<u>1,477,369</u>	<u>1,477,369</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		145,267	145,267	326,558
Land and improvements			-	-
Construction services		65,287	65,287	1,150,811
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>210,554</u>	<u>210,554</u>	<u>1,477,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,266,815</u>	<u>1,266,815</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-060-18-1000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	1,477,369			
Bonds issued	1,477,369			
Original authorization cost	1,746,653			
Additional authorized cost	(269,284)			
Revised authorized cost	1,477,369			
Percentage increase over original authorized cost	(0.15)			
Percentage completion	14%			
Original target completion date	September 2021			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Mary A. Hubbard Elementary School Educational Adequacy Projects**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		156,500	156,500	156,500
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>156,500</u>	<u>156,500</u>	<u>156,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		11,141	11,141	29,982
Land and improvements			-	-
Construction services		7,505	7,505	108,000
General supplies			-	18,518
Equipment purchases			-	-
	<u>-</u>	<u>18,646</u>	<u>18,646</u>	<u>156,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>137,854</u>	<u>137,854</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-070-18-1000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	156,500			
Bonds issued	156,500			
Original authorization cost	177,132			
Additional authorized cost	(20,632)			
Revised authorized cost	156,500			
Percentage increase over original authorized cost	(0.12)			
Percentage completion	12%			
Original target completion date	March 2021			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Mary A. Hubbard Elementary School Capital Renovations Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		551,780	551,780	551,780
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>551,780</u>	<u>551,780</u>	<u>551,780</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		57,628	57,628	138,229
Land and improvements			-	-
Construction services		33,551	33,551	413,551
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>91,179</u>	<u>91,179</u>	<u>551,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>460,601</u>	<u>460,601</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-070-18-2000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	551,780			
Bonds issued	551,780			
Original authorization cost	619,720			
Additional authorized cost	(67,940)			
Revised authorized cost	551,780			
Percentage increase over original authorized cost	(0.11)			
Percentage completion	17%			
Original target completion date	August 2022			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Wesley D. Tisdale Elementary School Educational Adequacy Projects**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		245,715	245,715	245,715
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>245,715</u>	<u>245,715</u>	<u>245,715</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		30,853	30,853	34,874
Land and improvements			-	-
Construction services		7,505	7,505	184,000
General supplies			-	26,841
Equipment purchases			-	-
	<u>-</u>	<u>38,358</u>	<u>38,358</u>	<u>245,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>207,357</u>	<u>207,357</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-080-18-2000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	245,715			
Bonds issued	245,715			
Original authorization cost	174,514			
Additional authorized cost	71,201			
Revised authorized cost	245,715			
Percentage increase over original authorized cost	0.41			
Percentage completion	16%			
Original target completion date	March 2021			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Wesley D. Tisdale Elementary School Capital Renovations Project**  
**Fiscal Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		624,292	624,292	624,292
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>624,292</u>	<u>624,292</u>	<u>624,292</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		73,579	73,579	156,352
Land and improvements			-	-
Construction services		22,940	22,940	467,940
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>96,519</u>	<u>96,519</u>	<u>624,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>527,773</u>	<u>527,773</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	4310-080-18-1000			
Grant date	N/A			
Bond authorization date	12/11/2018			
Bonds authorized	624,292			
Bonds issued	624,292			
Original authorization cost	715,511			
Additional authorized cost	(91,219)			
Revised authorized cost	624,292			
Percentage increase over original authorized cost	(0.13)			
Percentage completion	15%			
Original target completion date	August 2022			
Revised target completion date				

**RAMSEY BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2019**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer to Capital Reserve	Unexpended Balance June 30, 2019
			Prior Years	Current Year		
Ramsey High School Educational Adequacy Project	11-Dec-18	11,676,493	-	25,000	-	11,651,493
Ramsey High School Capital Renovation Project	11-Dec-18	7,662,708	-	147,834	-	7,514,874
Eric S. Smith Middle School Educational Adequacy Project	11-Dec-18	10,067,275	-	383,442	-	9,683,833
Eric S. Smith Middle School Capital Renovation Project	11-Dec-18	4,503,748	-	49,755	-	4,453,993
John Y. Dater Elementary School Educational Adequacy Project	11-Dec-18	126,120	-	19,228	-	106,892
John Y. Dater Elementary School Capital Renovation Project	11-Dec-18	1,477,369	-	210,554	-	1,266,815
Mary A. Hubbard Elementary School Educational Adequacy Project	11-Dec-18	156,500	-	18,646	-	137,854
Mary A. Hubbard Elementary School Capital Renovation Project	11-Dec-18	551,780	-	91,179	-	460,601
Welsey D. Tisdale Elementary School Educational Adequacy Project	11-Dec-18	245,715	-	38,358	-	207,357
Welsey D. Tisdale Elementary School Capital Renovation Project	11-Dec-18	624,292	-	96,519	-	527,773
		<u>37,092,000</u>	-	<u>1,080,515</u>	-	<u>36,011,485</u>



**PROPRIETARY FUNDS**

**RAMSEY BOARD OF EDUCATION  
Combining Statement of Net Position  
Enterprise Funds  
Fiscal Year Ended June 30, 2019**

	<b>Food Service Program</b>	<b>Totals</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	75,051	75,051
Accounts receivable:		
State	195	195
Federal	4,218	4,218
Other	69,237	69,237
Inventories	9,346	9,346
Total current assets	158,047	158,047
Noncurrent assets:		
Capital assets:		
Equipment	484,073	484,073
Less accumulated depreciation	(431,343)	(431,343)
Total capital assets (net of accumulated depreciation)	52,730	52,730
Total assets	210,777	210,777
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	45,605	45,605
Prepaid revenue	21,637	21,637
Total current liabilities	67,242	67,242
Total liabilities	67,242	67,242
<b>NET POSITION</b>		
Net investment in capital assets	52,730	52,730
Unrestricted	90,805	90,805
Total net position	143,535	143,535

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	103,225	103,225
Daily sales - non-reimbursable programs	420,529	420,529
Special functions	95,356	95,356
Total operating revenues	<u>619,110</u>	<u>619,110</u>
Operating expenses:		
Cost of sales - reimbursable programs	107,683	107,683
Cost of sales - non-reimbursable programs	157,725	157,725
Salaries	269,576	269,576
Benefits	63,864	63,864
Supplies and materials	47,392	47,392
Purchased property services	65,000	65,000
Other expenses	45,126	45,126
Depreciation	9,355	9,355
Total operating expenses	<u>765,721</u>	<u>765,721</u>
Operating income (loss)	<u>(146,611)</u>	<u>(146,611)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,184	2,184
Federal sources:		
National school lunch program	47,991	47,991
Food distribution program	16,550	16,550
Interest Income	115	115
Total nonoperating revenues (expenses)	<u>66,840</u>	<u>66,840</u>
Income (loss) before contributions & transfers	<u>(79,771)</u>	<u>(79,771)</u>
Other financing sources/(uses)		
Prior year prepaid revenue	(22,036)	(22,036)
Transfers in	41,893	41,893
Change in net position	<u>(59,914)</u>	<u>(59,914)</u>
Total net position—beginning	<u>203,449</u>	<u>203,449</u>
Total net position—ending	<u>143,535</u>	<u>143,535</u>

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Food Service Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	622,650	622,650
Payments to suppliers	(730,050)	(730,050)
Net cash provided by (used for) operating activities	(107,400)	(107,400)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local Sources	52,997	52,997
State Sources	2,165	2,165
Federal Sources	47,356	47,356
Net cash provided by (used for) non-capital financing activities	102,518	102,518
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	115	115
Net cash provided by (used for) investing activities	115	115
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(31,892)	(31,892)
Net cash provided by (used for) capital and related financing activities	(31,892)	(31,892)
Net increase (decrease) in cash and cash equivalents	(36,659)	(36,659)
Balances—beginning of year	111,710	111,710
Balances—end of year	75,051	75,051
<b>(used) by operating activities:</b>		
Operating income (loss)	(146,611)	(146,611)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in accounts receivable	3,939	3,939
Depreciation and net amortization	9,355	9,355
Food Distribution Program	16,550	16,550
(Increase) decrease in inventories	2,097	2,097
Increase (decrease) in accounts payable	7,670	7,670
Increase (decrease) in prepaid revenue	(400)	(400)
Total adjustments	39,211	39,211
Net cash provided by (used for) operating activities	(107,400)	(107,400)

**FIDUCIARY FUND**

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	286,373	16,321	935,374
Deficit in Athletic Account			1,880
Interfund receivable	156		
Total assets	286,529	16,321	937,254
<b>LIABILITIES</b>			
Payable to student groups			867,779
Payroll deductions and withholdings			30,633
Deficit in Cash - Athletic Account			1,880
Contributions pledged to specific awards			30,306
Due to State of NJ	2,686		
Interfund payable			6,656
Total liabilities	2,686	-	937,254
<b>NET Position</b>			
Held in trust for unemployment claims and other purposes	283,843		
Reserved for scholarships		16,321	

**RAMSEY BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Payroll Withholdings	54,291	
Donations		1,250
Total Contributions	<u>54,291</u>	<u>1,250</u>
Investment Earnings:		
Interest	2,390	
Net Investment Earnings	<u>2,390</u>	<u>-</u>
Total Additions	<u>56,681</u>	<u>1,250</u>
<b>DEDUCTIONS</b>		
Unemployment Claims	40,441	
Scholarships Awarded		3,250
Total Deductions	<u>40,441</u>	<u>3,250</u>
Change in Net Position	16,240	(2,000)
Net Position—beginning of the year	<u>267,603</u>	<u>18,321</u>
Net Position—end of the year	<u>283,843</u>	<u>16,321</u>

**RAMSEY BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Elementary Schools:				
Wesley D. Tisdale School	4,745	15,596	15,922	4,419
Mary A. Hubbard School	1,254	19,438	17,683	3,009
John Y. Dater School	5,495	14,765	17,457	2,803
Total Elementary Schools	<u>11,494</u>	<u>49,799</u>	<u>51,062</u>	<u>10,231</u>
Middle School:				
Eric S. Smith School	19,794	101,781	101,471	20,104
Total Middle Schools	<u>19,794</u>	<u>101,781</u>	<u>101,471</u>	<u>20,104</u>
High School:				
High School	275,066	764,110	742,756	296,420
Student Fund	5,587	126,170	126,106	5,651
Total High Schools	<u>280,653</u>	<u>890,280</u>	<u>868,862</u>	<u>302,071</u>
Athletic Departments:				
Athletic Department		142,769	144,649	(1,880)
Total Athletic Department	<u>-</u>	<u>142,769</u>	<u>144,649</u>	<u>(1,880)</u>
Adult Education:				
Due to Nonsupportive Enrichment Adult Program	1,395,720	1,599,353	2,459,700	535,373
Total Adult Education	<u>1,395,720</u>	<u>1,599,353</u>	<u>2,459,700</u>	<u>535,373</u>
Total All Schools	<u>\$ 1,707,661</u>	<u>2,783,982</u>	<u>3,625,744</u>	<u>865,899</u>



**RAMSEY BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Net Payroll	4,765	22,814,375	22,812,736	6,404
Payroll Deductions and Withholdings	700	18,199,256	18,194,912	5,044
Flexible Spending Account	33,167	90,623	104,605	19,185
Interfund Payable - Agency			6,500	(6,500)
Interfund Receivable - UCI	155	1		156
	<u>38,787</u>	<u>41,104,255</u>	<u>41,118,753</u>	<u>24,289</u>

**RAMSEY BOARD OF EDUCATION  
 Contributions Pledged to Specific Awards  
 Schedule of Receipts and Disbursements  
 Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Contributions Pledged to Specific Awards	<u>30,606</u>	<u>75,885</u>	<u>76,185</u>	<u>30,306</u>
Total Contributions Pledged to Specific Awards	<u><u>30,606</u></u>	<u><u>75,885</u></u>	<u><u>76,185</u></u>	<u><u>30,306</u></u>

**LONG-TERM DEBT**

**RAMSEY BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Serial Bonds**  
**June 30, 2019**

Issue	Date of Loan	Amount of Loan	Principal Payment		Interest Rate	Balance, June 30, 2018	Issued	Retired	Balance, June 30, 2019
			Date	Amount					
Refunding Bond	April 4, 2012	16,700,000	1/15/20	1,395,000	3-4%	8,890,000		1,355,000	7,535,000
			1/15/21	1,455,000	3.000%				
			1/15/22	1,500,000	4.00%				
			1/15/23	1,560,000	4.00%				
			1/15/24	1,625,000	5.00%				
School Improvements Bond, Series 2019	February 14, 2019	37,092,000	01/15/21	852,000	3.000%	37,092,000			37,092,000
			01/15/22	850,000	3.125%				
			01/15/23	850,000	3.125%				
			01/15/24	850,000	3.250%				
			01/15/25	1,700,000	3.250%				
			01/25/26	1,700,000	3.250%				
			01/15/27	1,700,000	3.250%				
			01/15/28	1,700,000	3.250%				
			01/15/29	1,700,000	3.250%				
			01/15/30	1,700,000	3.250%				
			01/15/31	1,700,000	3.250%				
			01/15/32	1,700,000	3.250%				
			01/15/33	1,700,000	3.250%				
			01/15/34	1,700,000	3.250%				
			01/15/35	1,700,000	3.250%				
01/15/36	1,700,000	3.250%							
01/15/37	1,700,000	3.250%							
01/15/38	1,700,000	3.375%							
01/15/39	1,700,000	3.500%							
01/15/40	1,700,000	3.500%							
01/15/41	1,690,000	3.500%							
01/15/42	1,600,000	3.500%							
01/15/43	1,600,000	3.500%							
01/15/44	1,600,000	3.625%							
						\$ 8,890,000	37,092,000	1,355,000	44,627,000

**RAMSEY BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	1,684,096		1,684,096	1,684,096	-
Total - Local Sources	1,684,096	-	1,684,096	1,684,096	-
<b>Total Revenues</b>	<b>1,684,096</b>	<b>-</b>	<b>1,684,096</b>	<b>1,684,096</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	341,750	-	341,750	341,750	-
Redemption of Principal	1,355,000	-	1,355,000	1,355,000	-
Total Regular Debt Service	1,696,750	-	1,696,750	1,696,750	-
<b>Total expenditures</b>	<b>1,696,750</b>	<b>-</b>	<b>1,696,750</b>	<b>1,696,750</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,654)	-	(12,654)	(12,654)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Project Fund				664	664
Total Other Financing Sources	-	-	-	664	664
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(12,654)	-	(12,654)	(11,990)	664
Fund Balance, July 1	13,472		13,472	13,472	-
Fund Balance, June 30	818	-	818	1,482	664
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(12,654)		(12,654)	(12,654)	-
Interest Earned in Capital Project Fund	(12,654)	-	(12,654)	664	664
	(12,654)	-	(12,654)	(11,990)	664

**STATISTICAL SECTION**

# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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

## STATISTICAL SECTION (UNAUDITED)

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

### **Financial Trends**

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- 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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Invested in capital assets	\$ 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	\$ (4,379,391)
Restricted	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	53,443,142
Unrestricted	(264,084)	(165,952)	(17,482)	(295,447)	(276,446)	(14,860,987)	(15,512,258)	(17,665,469)	(18,705,337)	(19,502,638)
<b>Total governmental activities net position</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>\$ 29,561,113</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 142,242	\$ 172,449	\$ 181,888	\$ 34,829	\$ 60,889	\$ 45,951	\$ 37,508	\$ 29,067	\$ 30,193	\$ 52,730
Restricted	290,411	268,288	239,353	230,668	205,444	153,274	188,099	191,613	173,256	90,805
Unrestricted	432,653	440,737	421,241	265,497	266,333	199,225	225,607	220,680	203,449	143,535
<b>Total business-type activities net position</b>	<b>\$ 865,306</b>	<b>\$ 881,474</b>	<b>\$ 842,482</b>	<b>\$ 544,994</b>	<b>\$ 672,666</b>	<b>\$ 398,450</b>	<b>\$ 551,214</b>	<b>\$ 441,360</b>	<b>\$ 507,104</b>	<b>\$ 286,070</b>
<b>District-wide</b>										
Invested in capital assets	\$ 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	\$ (4,326,661)
Restricted	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	53,443,142
Unrestricted	26,327	102,336	221,871	(64,779)	(71,002)	(14,707,713)	(15,324,159)	(17,473,856)	(18,532,081)	(19,411,833)
<b>Total district net position</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>\$ 25,123,050</b>	<b>\$ 26,606,454</b>	<b>\$ 29,704,648</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 26,430,829
Special education	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	7,388,346
Other special education	1,044,853	842,159	925,934	924,521	913,949	984,373	861,548	913,722	926,700	1,041,809
Other instruction	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	1,624,423
Support Services:										
Tuition	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	2,308,995
Student & instruction related services	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	10,315,158
General administrative services	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	1,467,330
School administrative services	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	2,448,378
Central services	513,877	533,362	540,506	538,395	558,455	644,652	755,885	642,619	595,887	609,136
Administrative information tech.	17,460	17,460	17,460	17,460	17,460	17,460	49,480	36,005	34,617	34,821
Plant operations and maintenance	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	6,230,266
Pupil transportation	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	1,841,917
Unallocated Benefits	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	11,769,457
Capital outlay - non-depreciable	-	17,175	6,230	17,175	751,687	39,074	359,968	1,730,368	312,012	676,847
Interest on long-term debt	1,074,845	967,729	630,270	664,734	580,083	525,206	457,042	411,356	363,037	792,943
Unallocated depreciation	1,394,350	1,333,946	1,215,520	1,603,072	1,797,686	2,106,290	2,133,704	2,103,814	2,031,976	2,098,906
Capital lease obligations and amortization			1,204,483	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)	(121,848)
Total governmental activities expenses	53,450,169	53,831,577	55,619,099	56,026,496	57,343,975	64,194,432	69,630,772	77,877,916	78,836,809	76,957,713
Business-type activities:										
Food service	787,647	785,738	809,196	730,013	710,095	704,807	755,061	714,501	695,993	765,721
Total business-type activities expense	787,647	785,738	809,196	730,013	710,095	704,807	755,061	714,501	695,993	765,721
Total district expenses	\$ 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	\$ 77,723,434
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 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	\$ 1,429,889
Capital grants and contributions	35,600	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	1,429,889

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Charges for services										
Food service	692,468	709,350	692,178	597,772	592,876	538,095	653,461	613,550	579,988	619,110
Operating grants and contributions	88,025	84,472	97,522	93,915	103,493	99,580	75,682	64,817	67,466	66,725
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	780,493	793,822	789,700	691,687	696,369	637,675	729,143	678,367	647,454	685,835
Total district program revenues	\$ 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	\$ 2,115,724
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (75,527,824)
Business-type activities	(7,154)	8,084	(19,496)	(38,326)	(13,726)	(67,132)	(25,918)	(36,134)	(48,539)	(79,886)
Total district-wide net expense	\$ (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)	\$ (75,607,710)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 55,658,725
Taxes levied for debt service	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	1,684,096
Unrestricted grants and contributions	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	17,550,958
Federal and State aid - Capital Outlay				5,400	562,284					
Tuition received	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	2,258,857
Transportation Fees	15,830	22,297	24,562	23,677	27,216	30,941	31,883	50,679	30,312	88,695
Investment earnings	39,893	51,977	185	216	7,141	213	248	327	818	265,233
Miscellaneous income	232,558	357,943	33,214	37,429	88,594	71,148	32,199	217,750	388,500	1,221,261
Other financing sources/ (uses)	-	-	-	-	-	-	(28,099)	(31,194)	(251,499)	(41,893)
Total governmental activities	\$ 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	\$ 78,685,932
Business-type activities:										
Investment earnings	-	-	-	25	64	24	21	13	26	115
Miscellaneous income	-	-	-	12,706	-	-	24,180	-	-	-
Other financing sources/ (uses)	-	-	-	-	-	24	28,099	31,194	31,282	19,857
Total business-type activities	-	-	-	12,731	64	24	52,300	31,207	31,308	19,972
Total district-wide	\$ 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	\$ 78,705,904
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 3,158,108
Business-type activities	(7,154)	8,084	(19,496)	(25,595)	(13,662)	(67,108)	26,382	(4,927)	(17,231)	(59,914)
Total district	\$ 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	\$ 3,098,194

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)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 3,445,095									
Unreserved	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	14,916,324
Committed			420,000							
Assigned		127,562	32,722	64,699	30,139	186,080		845,726	1,198,050	2,513,852
Unassigned		1,042,504	1,094,025	1,022,529	1,233,237	955,131	991,932	945,968	1,012,644	1,042,270
Total general fund	\$ 4,461,956	\$ 5,288,530	\$ 7,890,878	\$ 8,592,202	\$ 10,794,776	\$ 10,887,274	\$ 12,949,240	\$ 15,197,015	\$ 15,706,400	\$ 18,472,446
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	45,683	106,593	106,593	106,593	106,593	327,455	327,455	12,902	13,472	36,011,485
Debt service fund	19,345	22,947	8,032	118,513	126,105	12,235	461			1,482
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 65,028	\$ 129,540	\$ 114,625	\$ 225,106	\$ 232,698	\$ 339,690	\$ 327,916	\$ 12,902	\$ 13,472	\$ 36,012,967

Source: CAFR Schedule B-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 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	\$ 57,342,821
Tuition charges	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	2,258,857
Transportation fees	15,830	22,297	24,562	23,677	27,216	30,941	31,883	50,679	30,312	88,695
Interest earned	39,893	51,977	185	216	7,141	213	248	327	818	265,233
Other Local Revenue	232,558	357,943	33,214	37,429	88,594	71,148	32,199	217,750	388,500	38,313,261
State sources	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	11,252,273
Federal sources	1,515,080	917,375	941,950	852,086	829,135	860,056	912,923	912,065	720,125	1,017,081
Total revenue	54,865,774	55,851,071	57,658,321	59,424,281	60,207,846	61,826,719	63,596,494	66,321,511	68,077,493	110,538,221
<b>Expenditures</b>										
Instruction										
Regular instruction	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	19,370,830
Special education instruction	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	5,569,365
Other special instruction	865,382	682,334	777,329	794,121	791,837	757,983	628,383	617,113	670,785	820,769
Other instruction	842,086	849,802	875,684	935,881	1,002,426	1,072,134	1,093,616	986,078	1,183,858	1,245,507
Support Services:										
Tuition	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	2,308,995
Attendance and social work services	45,225	44,137	74,196	40,645	42,916	43,686	44,428	45,213	46,078	47,010
Health services	381,027	401,583	408,930	423,031	443,315	470,360	468,481	481,741	484,960	472,501
Student & instruction related services	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	7,674,235
General administrative services	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	1,305,724
School Administrative services	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	1,808,419
Central services	418,446	432,114	439,942	449,197	473,459	488,162	551,302	426,818	415,373	451,420
Administrative information tech	17,460	17,460	17,460	17,460	17,460	17,460	49,480	36,005	34,617	34,821
Plant operations and maintenance	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	5,349,235
Pupil transportation	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	1,765,001
Unallocated employee benefits	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	9,471,826
TPAF Pension / Social Security	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	8,797,698
Capital outlay	92,249	460,295	52,910	1,775,773	1,239,417	3,053,827	510,499	2,077,763	2,563,098	3,540,681
Debt service:										
Principal	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	1,355,000
Interest and other charges	1,101,041	997,389	926,167	525,302	606,896	542,164	474,000	437,000	381,050	341,750
Total expenditures	53,710,830	54,959,985	55,070,888	58,612,476	57,997,680	61,627,229	61,518,203	64,357,556	67,316,039	71,730,787
Excess (Deficiency) of revenues over (under) expenditures	1,154,944	891,086	2,587,433	811,805	2,210,166	199,490	2,078,291	1,963,955	761,454	38,807,434

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing sources (uses)</b>										
Cancellation of Accounts Receivable			185	1,440,116	1,041,926	2,452,670	248	327,782	(220,217)	265,233
Transfers in	74,048	192,564	(185)	(1,440,116)	(1,041,926)	(2,452,670)	(28,347)	(358,976)	221,035	(307,126)
Transfers out	(74,048)	(192,564)	(185)	(1,440,116)	(1,041,926)	(2,452,670)	(28,347)	(358,976)	221,035	(307,126)
Total other financing sources (uses)	-	-	-	-	-	-	(28,099)	(31,194)	(251,499)	(41,893)
Net change in fund balances	\$ 1,154,944	\$ 891,086	\$ 2,587,433	\$ 811,805	\$ 2,210,166	\$ 199,490	\$ 2,050,192	\$ 1,932,761	\$ 509,955	\$ 38,765,541
Debt service as a percentage of noncapital expenditures	4.8%	4.7%	4.7%	4.3%	4.3%	4.1%	3.8%	3.7%	2.6%	2.5%

**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
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
2019	179,600	88,695	2,258,857	-	-	-	1,041,661	3,568,813

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						
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	\$3,477,859,600	1.621	\$3,665,067,825	94.89%
2019	\$ 20,538,900	\$2,704,733,700	\$ 2,120,400	\$ 18,800	\$ 579,773,200	\$ 153,471,400	\$ 20,292,300	\$ -	\$ 300,000	\$3,539,080,503	1.683	\$3,539,080,503	100.00%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100



**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		Borough of Ramsey	Bergen County	
		Debt Service <sup>b</sup>	Total Direct			
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
2019	1.683	0.048	1.731	0.527	0.248	2.51

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	2019			2010		
	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	\$ 79,785,700	1	2.25%			
Triangle 17 Center LLC	\$ 59,120,000	2	1.67%	\$ 13,600,000	5	0.48%
Lithia Northeast Realty	\$ 51,858,300	3	1.47%			
Commercial Realty Enterprises	\$ 35,200,000	4	0.99%	\$ 32,675,000	2	1.16%
LCN KMI Ramsey NJ LLC	\$ 25,222,200	5	0.71%			
Ferncroft C/O H. W. Young & Assoc., Inc.	\$ 12,588,000	6	0.36%	\$ 9,002,600	9	0.32%
Ramsey Center	\$ 12,387,000	7	0.35%			
Adventures in Recreation, Inc.	\$ 12,000,000	8	0.34%	\$ 9,125,000	8	0.32%
Minolta Corp. C/O Tax Mgr	\$ 11,000,000	9	0.31%	\$ 10,000,000	6	0.35%
Yankee Partners LLC	\$ 10,837,100	10	0.31%			
Gabrellian Associates				\$ 55,800,000	1	1.97%
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>\$ 309,998,300</b>		<b>8.76%</b>	<b>\$ 180,941,388</b>		<b>6.40%</b>

Net Assessed Valuation: \$ 3,539,080,503 \$ 2,828,514,488

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	
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%	\$ -
2019	57,342,821	57,342,821	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	Total District		
2010	22,749,000	-	-	2,500,000	-	25,249,000	2.629%	\$ 383
2011	21,169,000	-	-	2,500,000	-	23,669,000	2.343%	\$ 344
2012	19,505,000	-	-	2,500,000	-	22,005,000	2.077%	\$ 307
2013	17,580,000	-	-	2,500,000	-	20,080,000	1.901%	\$ 282
2014	15,765,000	-	-	2,500,000	-	18,265,000	1.665%	\$ 248
2015	13,915,000	-	-	-	-	13,915,000	1.211%	\$ 181
2016	12,065,000	-	-	-	-	12,065,000	1.036%	\$ 155
2017	10,200,000	-	-	-	-	10,200,000	0.837%	\$ 126
2018	8,890,000	-	-	-	-	8,890,000	Not Available	Not Available
2019	44,627,000	-	-	-	-	44,627,000	Not Available	Not Available

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

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

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

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

**Exhibit J-11**

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions				
2010	22,749,000	-		22,749,000	0.80%	\$ 345
2011	21,169,000	-		21,169,000	0.75%	\$ 307
2012	19,505,000	-		19,505,000	0.68%	\$ 272
2013	17,580,000	-		17,580,000	0.62%	\$ 247
2014	15,765,000	-		15,765,000	0.55%	\$ 214
2015	13,915,000	-		13,915,000	0.49%	\$ 181
2016	12,065,000	-		12,065,000	0.35%	\$ 155
2017	10,200,000	-		10,200,000	0.29%	\$ 126
2018	8,890,000	-		8,890,000	0.26%	Not Available
2019	44,627,000	-		44,627,000	1.26%	Not Available

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

**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, 2019**

<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, 2019</b>			\$ 44,627,000
<b>Net overlapping debt of School District:</b>			
Borough of Ramsey	100.000%	\$ 66,085,525	
County of Bergen	2.085%	<u>\$ 18,898,764</u>	
<b>Subtotal, overlapping debt</b>			<u>\$ 84,984,289</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 129,611,289</u></u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2018**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 151,489,796	\$ 149,466,173	\$ 149,628,416	\$ 144,375,036	\$ 139,983,186	\$ 137,720,238	\$ 136,964,206	\$ 137,677,505	\$ 141,282,773	\$ 141,282,773
Total net debt applicable to limit	<u>22,749,000</u>	<u>21,169,000</u>	<u>19,505,000</u>	<u>17,580,000</u>	<u>15,765,000</u>	<u>13,915,000</u>	<u>12,065,000</u>	<u>10,200,000</u>	<u>8,890,000</u>	<u>44,627,000</u>
Legal debt margin	<u>\$ 128,740,796</u>	<u>\$ 128,297,173</u>	<u>\$ 130,123,416</u>	<u>\$ 126,795,036</u>	<u>\$ 124,218,186</u>	<u>\$ 123,805,238</u>	<u>\$ 124,899,206</u>	<u>\$ 127,477,505</u>	<u>\$ 132,392,773</u>	<u>\$ 96,655,773</u>
Total net debt applicable to the limit as a percentage of debt limit	15.02%	14.16%	13.04%	12.18%	11.26%	10.10%	8.81%	7.41%	6.29%	31.59%

	Equalized valuation basis								
	2018	\$ 3,665,067,825							
	2017	3,409,438,542							
	2016	3,521,701,621							
	<b>[A]</b>	<u>\$ 10,596,207,988</u>							
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 3,532,069,329							
Debt limit (4 % of average equalization value)	<b>[B]</b>	141,282,773	<b>a</b>						
Net bonded school debt	<b>[C]</b>	44,627,000							
Legal debt margin	<b>[B-C]</b>	<u>\$ 96,655,773</u>							

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

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>		
2010	14,553	\$ 960,381,576	65,992		5.90%
2011	14,667	\$ 1,010,042,955	68,865		5.80%
2012	14,757	\$ 1,059,390,273	71,789		5.90%
2013	14,853	\$ 1,056,048,300	71,100		5.40%
2014	14,896	\$ 1,096,896,752	73,637		4.30%
2015	14,963	\$ 1,149,472,623	76,821		3.50%
2016	14,952	\$ 1,164,775,752	77,901		3.30%
2017	15,003	\$ 1,218,288,609	81,203		3.20%
2018	14,991	Not Available	Not Available		2.70%
2019	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>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	248	241	239	242	243	243	241	254	253	242
Special education	42	41	41	42	42	42	42	43	44	62
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	48	48	48	48	44	48	48	57	58	64
General administrative services	5	5	5	5	5	5	5	5	5	4
School administrative services	18	18	17	17	17	16	19	19	19	18
Business administrative services	5	5	5	5	5	5	5	5	5	6
Plant operations and maintenance	37	37	37	37	37	37	39	39	38	39
Pupil transportation	5	5	5	5	5	5	5	5	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>408</b>	<b>400</b>	<b>397</b>	<b>401</b>	<b>398</b>	<b>401</b>	<b>404</b>	<b>427</b>	<b>427</b>	<b>440</b>

**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					
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	-1.45%	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%
2019	2,727	66,493,356	24,383	6.83%	304	11:1	10:1	9:1	2,726	2,607	-1.48%	95.63%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<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	419	432	433	412	448	443	403	414	400	384
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	446	427	416	413	414	407	405	381	379	377
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	443	444	455	452	406	420	397	373	405	383
<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	836	785	745	727	742	753	755	755	742	714
<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	957	968	971	967	924	856	870	845	837	869
<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, 2019  
 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)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Ramsey High School	N/A	137,359	197,332	295,644	213,634	236,870	186,110	210,818	214,032	197,365	140,332
Eric S. Smith Middle School	N/A	148,226	186,775	150,499	85,409	77,524	111,489	70,826	108,028	87,711	93,351
John Y. Dater Elementary School	N/A	141,496	160,068	142,999	104,729	96,850	127,547	105,316	100,404	117,377	84,549
Mary A. Hubbard Elementary School	N/A	115,799	163,105	68,756	131,169	114,177	109,326	107,105	111,799	87,909	96,856
Welsey D. Tisdale Elementary School	N/A	81,040	195,760	74,178	80,298	65,084	136,275	126,263	92,930	100,586	95,568
<b>Grand Total</b>		<b>\$ 623,920</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>

**Ramsey Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2019  
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	1,000
	Electronic Data Processing Equipment	Included in Blanket Limit	
	Boiler & Machinery	100,000,000	
	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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K-1  
Page 1 of 2

**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 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 November 22, 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. 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

November 22, 2019

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

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K-2  
Page 1 of 3

## 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, 2019. 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, 2019.

### **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, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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

November 22, 2019

**BOROUGH OF RAMSEY SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2019

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, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2019			
					From	To						(Accounts Receivable)	Due to Grantor at Revenue		
<b>General Fund:</b>															
<b>US Department of Education</b>															
Medical Assistance Program (SEMI)	93.778	180SNJSMAP	N/A	40,189	7/1/2018	6/30/2019			40,189						
Medicaid Administrative Claiming (MAC)	93.778	180SNJSMAP	N/A	3,771	7/1/2018	6/30/2019	(33,573)	(33,573)	3,771			(3,619)			
<b>US Department of Homeland Security</b>															
FEMA - Show Removal	97.036	PA4264PW29	FEMA-4264	27,323	7/1/2018	6/30/2019			27,323						
<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	S010A180030	ESEA-4310-19	68,109	7/1/2018	6/30/2019	(33,573)	(33,573)	94,759	64,805		(3,619)			
Title I, Part A	84.010	S010A170030	ESEA-4310-18	67,651	7/1/2017	6/30/2018	(33,573)	(33,573)	94,759	64,805		(3,619)			
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A180029	ESEA-4310-19	45,982	7/1/2018	6/30/2019	(18,008)	(18,008)	38,138	44,774		(24,644)			
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	S367A170029	ESEA-4310-18	35,554	7/1/2017	6/30/2018	(18,008)	(18,008)	38,138	44,774		(24,644)			
Title III	84.365	S365A180030	ESEA-4310-19	14,408	7/1/2018	6/30/2019	(4,136)	(4,136)	9,315	9,215		(4,036)			
Title III	84.365	S365A170030	ESEA-4310-18	10,719	7/1/2017	6/30/2018	(4,136)	(4,136)	4,136						
Title III, Immigrant	84.365	S365A180030	ESEA-4310-19	4,365	7/1/2018	6/30/2019	(547)	(547)	1,752	1,880		(675)			
Title III, Immigrant	84.365	S365A170030	ESEA-4310-18	2,517	7/1/2017	6/30/2018	(547)	(547)							
Title IV	84.369	S369A180031	ESEA-4310-19	10,000	7/1/2018	6/30/2019	(10,000)	(10,000)	10,000	9,365		(9,365)			
Title IV	84.369	S369A170031	ESEA-4310-18	10,000	7/1/2017	6/30/2018	(10,000)	(10,000)	10,000	9,365		(9,365)			
Emergency Impact Aid	84.938C	S938CI8005		7,500	7/1/2017	6/30/2018	(7,500)	(7,500)	7,500						
IDEA, Part B-Basic	84.027	H027A180100	IDEA-4310-19	709,953	7/1/2018	6/30/2019	(265,622)	(265,622)	664,626	783,885	10,324	(374,557)			
IDEA, Part B-Basic	84.027	H027A170100	IDEA-4310-18	699,516	7/1/2017	6/30/2018	(265,622)	(265,622)							
IDEA, Part B-Preschool	84.173	H173A180114	IDEA-4310-19	32,187	7/1/2018	6/30/2019	(10,528)	(10,528)	37,578	31,740	(3,000)	(7,690)			
IDEA, Part B-Preschool	84.173	H173A170114	IDEA-4310-18	31,385	7/1/2017	6/30/2018	(10,528)	(10,528)	702,204	815,625	7,324	(382,247)			
<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	181NJ300N1099	N/A	16,550	7/1/2018	6/30/2019			16,550	16,550					
National School Lunch Program	10.555	181NJ304N1099	N/A	47,991	7/1/2018	6/30/2019	(3,583)	(3,583)	47,356	47,991		(4,218)			
National School Lunch Program	10.555	171NJ304N1099	N/A	46,543	7/1/2017	6/30/2018	(3,583)	(3,583)							
<b>Total Enterprise Fund</b>															
<b>Total Federal Financial Assistance</b>															
											\$	(353,497)		7,324	(428,804)

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

**BOROUGH OF RAMSEY SCHOOL DISTRICT**  
**Schedule of Expenditures of State and Local Financial Awards**  
**Year ended June 30, 2019**

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, 2019		Memo
			From	To									(Accounts Receivable)	Deferred Revenue/ Interfund Payable	
													Receivable		
<b>State Department of Education:</b>															
<b>General Fund</b>															
Transportation Aid	495-034-5120-014	\$ 309,420	7/1/2018	6/30/2019	\$		281,301	309,420							
Special Education Categorical Aid	495-034-5120-089	1,194,536	7/1/2018	6/30/2019			1,085,205	1,194,536							
Security Aid	495-034-5120-084	96,206	7/1/2018	6/30/2019			87,463	96,206							
Extraordinary Aid	495-034-5120-044	290,655	7/1/2018	6/30/2019				290,655					(290,655)		
Non Public Transportation	495-078-6060-034	13,944	7/1/2018	6/30/2019	(266,953)		260,953	13,944					(13,944)		
Non Public Transportation	495-078-6060-034	11,625	7/1/2018	6/30/2019	(11,625)		11,625	75,426					(75,426)		
NTE Homeless Reimbursement	100-029-6060-034	54,867	7/1/2018	6/30/2019	(54,867)		54,867	1,876,906					54,867		
Rembursed TPAF Social Security	495-034-5094-003	2,158,685	7/1/2018	6/30/2019			1,876,906	2,158,685					1,876,906		
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	4,661,446	7/1/2018	6/30/2019			4,661,446	4,661,446					4,661,446		
On Behalf TPAF Pension	495-034-5094-002	97,576	7/1/2018	6/30/2019			97,576	97,576					97,576		
On Behalf TPAF NCGI Premium	495-034-5094-004	3,085	7/1/2018	6/30/2019			3,085	3,085					3,085		
On-Behalf TPAF - LTDI															
<b>Total General Fund</b>					(327,445)		10,579,112	10,777,885					(380,025)		11,105,330
<b>Special Revenue Fund</b>															
<b>NJ NonPublic Aid:</b>															
Textbook Aid	100-034-5120-064	40,637	7/1/2018	6/30/2019			40,637	40,365							
Technology Aid	100-034-5120-064	42,126	7/1/2018	6/30/2018		4,488					4,488			272	
Technology Aid	100-034-5120-373	27,396	7/1/2018	6/30/2019			27,396	20,273						7,123	
Technology Aid	100-034-5120-373	28,453	7/1/2018	6/30/2018		1,191					1,191				
Nursing Services	100-034-5120-070	105,245	7/1/2018	6/30/2019			105,245	105,245							
Security Aid	100-034-5120-509	162,750	7/1/2018	6/30/2019			162,750	161,081						1,669	
Security Aid	100-034-5120-509	82,575	7/1/2017	6/30/2018		10,044					10,044				
Security Aid	100-034-5120-509	53,000	7/1/2016	6/30/2017		2,755								2,755	
<b>Handicapped Services:</b>															
Exam & Classification	100-034-5120-066	95,021	7/1/2018	6/30/2019			95,021	92,654						2,367	
Exam & Classification	100-034-5120-066	97,573	7/1/2017	6/30/2018		3,639					3,639				
Corrective Speech	100-034-5120-066	24,106	7/1/2018	6/30/2019			24,106	16,695						7,411	
Corrective Speech	100-034-5120-066	24,195	7/1/2017	6/30/2018		6,785					6,785				
Supplementary Inst.	100-034-5120-066	72,160	7/1/2018	6/30/2019			72,160	59,312						12,848	
Supplementary Inst.	100-034-5120-066	59,789	7/1/2017	6/30/2018		750					750				
<b>Auxiliary Services:</b>															
Compensatory Education	100-034-5120-067	59,306	7/1/2018	6/30/2019			59,306	54,398						4,908	
Compensatory Education	100-034-5120-067	45,178	7/1/2017	6/30/2018		2,303					2,303				
English as a Second Language	100-034-5120-067	863	7/1/2018	6/30/2019			863	1,259						863	
Home Instruction	100-034-5120-067	1,259	7/1/2018	6/30/2019											
<b>Total Special Revenue Fund</b>						31,955	587,484	551,282			29,200		(1,259)		40,216

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

Year ended June 30, 2019

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2018			Balance at June 30, 2019				Memo							
			From	To	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	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>Enterprise Fund</b>																			
<b>State Department of Agriculture</b>																			
National School Lunch Program (State Share)	100-010-3350-023	2,184	7/1/2018	6/30/2019	(176)	176		2,165	2,184										2,184
National School Lunch Program (State Share)	100-010-3350-023	2,163	7/1/2017	6/30/2018	(176)	176													2,163
<b>Total Enterprise Fund</b>					(176)	176		2,165	2,184										4,347
<b>Total State Financial Assistance</b>					(327,621)	31,955		11,168,761	11,331,351		29,200	(381,479)			40,216	(146,193)			12,060,443
Less: On-Behalf TPAF Pension System Contributions																			
<b>Total State Financial Assistance</b>																			
4,410,559																			

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 \$(9,703) for the general fund and \$(67,057) 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	\$71,283	\$10,768,182	\$10,839,465
Special Revenue Fund	945,798	484,091	1,429,889
Food Service Fund	<u>64,541</u>	<u>2,184</u>	<u>66,725</u>
Total Financial Awards	<u>\$1,081,622</u>	<u>\$11,254,457</u>	<u>\$12,336,079</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, 2019.

**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 \$6,920,792 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>	\$64,805
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	44,774
Title III: <i>English Language Acquisition State Grants</i>	11,095
Title IV: <i>Student Support and Academic Enrichment</i>	<u>9,365</u>
Total	<u>\$130,039</u>

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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	(A) _____ H027A180100	I.D.E.A. Cluster: _____ I.D.E.A., Part B - Basic Regular
_____ 84.173	(A) _____ H173A180114	_____ I.D.E.A., Part B - Preschool

Note: (A) - 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 SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(continued)**

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

**State Awards**

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

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

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

Internal Control over major programs:

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

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
495-034-5120-89/	<u>State Aid Public Cluster:</u>
<u>495-034-5120-84</u> (A)	<u>Special Education Categorical Aid/Security Aid</u>
<u>495-034-5120-014</u> (B)	<u>Transportation Aid</u>

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

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Section II - Financial Statement Findings*

NONE

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

**STATE AWARDS**

NONE

**BOROUGH OF RAMSEY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-001:**

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.

Current Status:

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

**Finding 2018-002:**

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 application did not have an intensive service selected and the amount submitted for reimbursement one some of the applications was entered incorrectly.

Current Status:

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