

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

**PREPARED BY
BOROUGH OF RINGWOOD SCHOOL DISTRICT
BUSINESS OFFICE**

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INTRODUCTORY SECTION

RINGWOOD PUBLIC SCHOOLS

121 CARLETONDALE ROAD

RINGWOOD, NJ 07456



Jessica Rapp, School Business Administrator/Board Secretary
rappj@njrps.org

Phone: 973-962-7029
Fax: 973-962-9211

November 14, 2019

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

Dear Board Member:

The comprehensive annual financial report of the Ringwood Public Schools for the fiscal year ended June 30, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and the District's list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1984 and "US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)". "Audits of State and Local Governments," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for students. The District completed the 2018-19 fiscal year with an average daily enrollment of 1,155 students, which is a decrease over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2018-19	1,155	(2.00%)
2017-18	1,171	(4.01%)
2016-17	1,218	1.23%
2015-16	1,203	(2.36%)
2014-15	1,232	.5%
2013-14	1,226	(2.39%)
2012-13	1,256	(.24%)
2011-12	1,259	(1.72%)
2010-11	1,281	(2.65%)
2009-10	1,316	(3.80%)

2. ECONOMIC CONDITION AND OUTLOOK:

From the July 2019 Moody's Investors Service Annual Comment Document:

Ringwood Borough SD'S credit position is favorable. However, its A1 rating is slightly lower than the median rating of Aa3 for school districts nationwide. The notable credit factors include an extremely small debt burden, an affordable pension liability and a very strong wealth and income profile. It also reflects a healthy tax base and a satisfactory financial position.

Debt and Pensions: Ringwood Borough SD has manageable debt and pension burdens overall, which are a credit strength relative to the A1 rating assigned. The net direct debt to full value (0.6%) is materially below the US median, and stayed the same from 2014 to 2018. Furthermore, the district's Moody's-adjusted net pension liability to operating revenues (0.49x) favorably is materially lower than the US median.

Economy and Tax Base: The economy and tax base of Ringwood Borough SD are healthy and are strengths in comparison to the A1 rating assigned. The median family income equals a robust 179.3% of the US level. Moreover, the full value per capita (\$133,477) is much stronger than other Moody's-rated school districts nationwide, and remained the same between 2014 and 2018. Lastly, the total full value (\$1.7 billion) is consistent with the US median.

Finances: Overall, the financial position of Ringwood Borough SD is satisfactory and is slightly favorable with respect to its A1 rating. The cash balance as a percent of operating revenues (8.1%) is much lower than the US median, and declined modestly from 2014 to 2018. That said, the fund balance as a percent of operating revenues (7.4%) is much weaker than other Moody's-rated school districts nationwide. The majority of New Jersey school districts have restricted fund balances set aside for the subsequent year's budget, which Moody's considers to be available and would supplement their reported available fund balance.

3. MAJOR INITIATIVES:

- 1) The district has purchased Chromebooks, and will continue to add to this number in all schools, for teachers and students to use to enhance instruction and apps have been reviewed for class use.
- 2) The use of the Rubicon Atlas Curriculum Platform continues as the curricula for the entire district is maintained by the teachers using the documents. This has been a very successful deployment of the new platform and its use will continue in the future.
- 3) In the previous academic year, a major change was made through the work of the District Evaluation Advisory Committee (DEAC) to shift to the Danielson Framework for Teaching. This academic year, DEAC has decided on a change in digital platforms to manage teacher observations, track professional development hours, and maintain Student Growth Objectives (SGOs) and professional development plans (PDPs).
- 4) STAR Assessment software continues to be utilized as formative assessments to assess students and direct the flow of classroom instruction. The district has started to use the data warehouse, LinkIt!, for analysis and accessibility. AY 2019-2020 is a pilot year for LinkIt!.
- 5) Grades 6-8 Science Teachers are implementing the Next Generation Science Standards. These teachers have transitioned to using multiple online resources from a more textbook and print base.

- 6) Grades K-8 are now employing balanced literacy through a workshop approach for the teaching of reading and writing. In September of 2019, all Language Arts based classrooms have been equipped with leveled classroom libraries.
- 7) The mathematics program continues to require strict attention. In October of 2019, the Math Task Force was announced. There are 15 members of the Math Task Force, each dedicated to the exploration of possible replacement of the math series over the next four years. Grade K-8 Math teachers will be provided professional development on standards based teaching at Conquer Math in AY2019-2020, and this will continue through 2024-2025 until all teachers with math on their schedules are fully trained.
- 8) The School Improvement Panel (ScIP) has worked diligently on designing high quality professional development (PD) for both certificated and paraprofessional staff. They will continue to suggest PD that raises the instructional capacity as well as the collective efficacy of Ringwood's team of employees.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reserves of fund balance at June 30, 2019.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements"

7. **DEBT ADMINISTRATION:** As of **June 30, 2019** the Ringwood Board of Education had outstanding qualifying Debt Service, in the amount of **\$8,875,000**.

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

9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard, pollution, flood, and fire insurance on property and contents, and fidelity bonds. The district continues to closely monitor insurance premiums and works collaboratively with carriers to reduce exposure in workers' compensation claims and promote a return to work program of light duty. Insurance premiums have remained stable and the district has been spared any significant increases.

10. **OTHER INFORMATION:** A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva was selected by the Board's finance committee. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related "US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


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

12. **SERVICE EFFORTS AND ACCOMPLISHMENTS:** Tri-District Board of Education Committees composed of members from the Ringwood, Lakeland Regional High School, and Wanaque Boards of Education again will hold several collaborative meetings in which the districts will continue to identify areas of common needs and goals. The districts will continue their efforts along the lines of curriculum articulation and organizing professional development experiences for the staff of the three districts. The district's Transportation Efficiency Rating remains very high in Passaic County, however, the transportation revenue is down over prior years as the high school district is handling more of their own athletics trips.

Practice drills at each school location to ensure preparedness for emergent situations that may require response. Documented evidence of fire drills, lock down drills, and school bus evacuation drills are provided to the County Office. Close communication with the Ringwood Police Department and Ringwood Fire Department was maintained. The district implemented several surveillance upgrades and continues to work towards perimeter hardening for all schools.

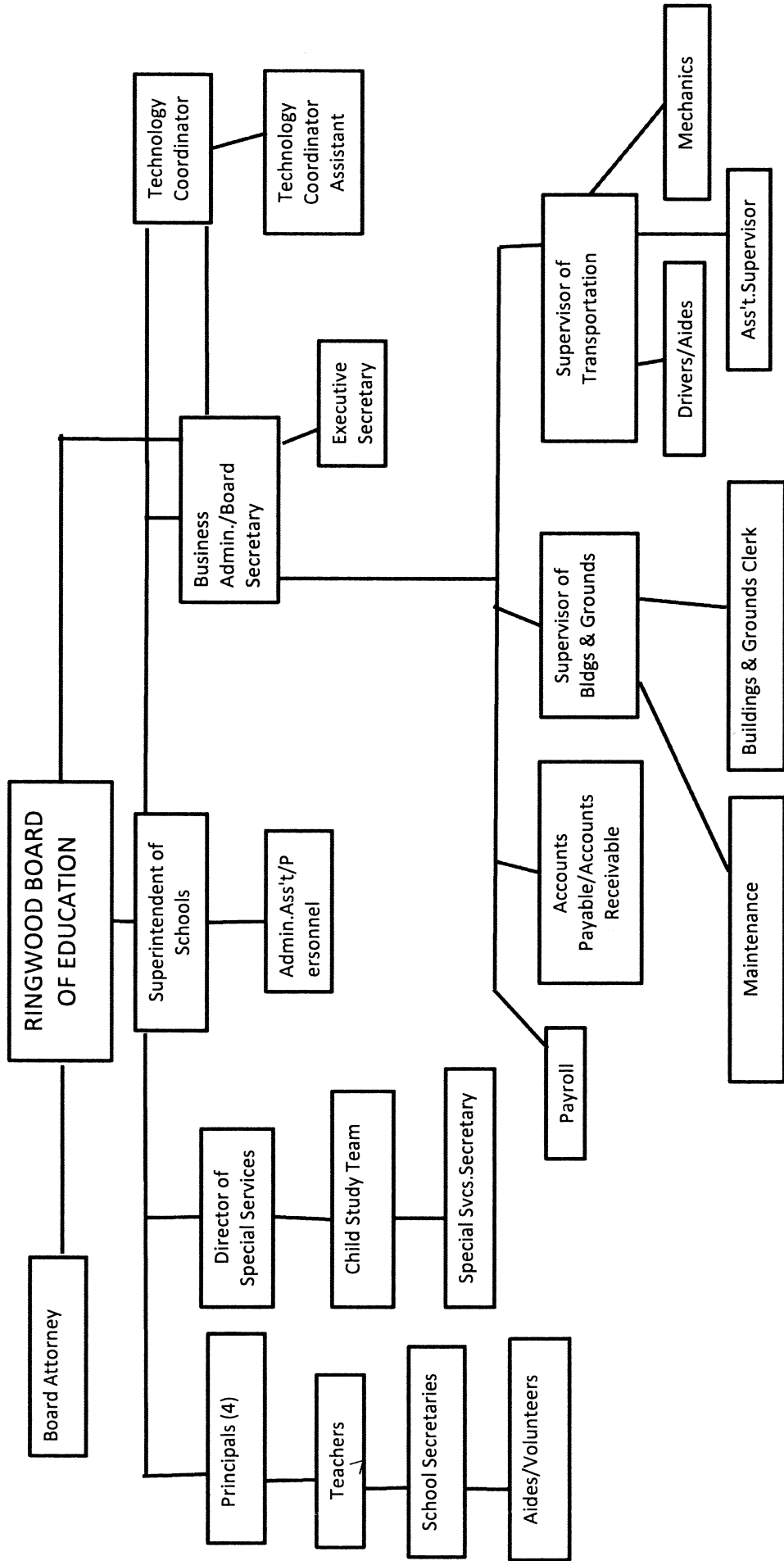
13. **MAJOR OPERATIONS OR FINANCIAL CONCERNS:** The district Facilities Committee examined the options for long range facilities needs and continues to work with the Board and community. A five-year plan is being developed for adoption in this academic year.

Respectfully submitted,


Dr. Nicholas Bernice
Superintendent of Schools


Jessica Rapp
Business Administrator/Board Secretary

Ringwood Public Schools Table of Organization



RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

ROSTER OF OFFICIALS

June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Cheryl Botsolas, President	2019
Jenny Brown, Trustee	2021
Carla Buono, Trustee	2019
Cynthia Carey, Trustee	2019
Ross Dominianni, Trustee	2021
David Raider, Trustee	2020
Zachary Kolstein, Vice President	2019
Mary Kunert, Trustee	2020
Paul Rubacky, Trustee	2020

Other Officials

Dr. Nicholas Bernice, Superintendent

Mark A. Kenney, Interim School Business Administrator

Ernest J. Turner, Interim Board Secretary

Laurie Montague, Treasurer

RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Jessika Kleen
Machado Law Group
1 Cleveland Place
Springfield, NJ 07081

Official Depository

Lakeland Bank
166 Changebridge Road
Montville, NJ 07045

FINANCIAL SECTION

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Ringwood School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 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
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Ringwood Board of Education, in the County of Passaic, 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

Honorable President and
Members of the Board of Education
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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 Ringwood Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by 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 other supplemental information listed in the table of contents, 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, financial schedules and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Honorable President and
Members of the Board of Education
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 on our consideration of the Borough of Ringwood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ringwood Board of Education's internal control over financial reporting and compliance.

Paul J. Cuva

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

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

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

November 14, 2019



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

RINGWOOD BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

As management of the Ringwood Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of the Ringwood Board of Education for the fiscal year ended June 30, 2019.

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

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,267,792, net position of governmental activities increased \$1,229,184 while net position of business-type activity increased by \$38,608.
- General revenues accounted for \$30,682,263 in revenue or 98 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$574,060 or 2 percent of total revenues of \$31,256,323.
- Total assets of governmental activities increased by \$339,898 as cash and cash equivalents increased by \$689,753, receivables increased by \$271,071, and capital assets decreased by \$620,926.
- The School District had \$30,544,468 in expenses; only \$1,128,304 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$30,683,956 were adequate to provide for these programs.

RINGWOOD BOARD OF EDUCATION

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

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

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

Enterprise Funds

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School District as a Whole

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

The School District's net position was \$(5,848,256) at June 30, 2019. Of this amount \$(10,167,892) was unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis on the next page focuses on the net position (Table 1) and change in net position (Table 2) of the School District. Table 1 provides a summary of the School District's net position for 2019 and 2018.

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 1

Net Position
June 30, 2019

	<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>
Current and Other Assets	3,760,436	2,799,612	131,631	87,960	3,892,067	2,887,572
Capital Assets	<u>10,135,509</u>	<u>10,756,435</u>	<u>18,261</u>	<u>16,743</u>	<u>10,153,770</u>	<u>10,773,178</u>
Total Assets	<u>13,895,945</u>	<u>13,556,047</u>	<u>149,892</u>	<u>104,703</u>	<u>14,045,837</u>	<u>13,660,750</u>
Deferred Outflows of Resources	<u>2,042,148</u>	<u>3,124,010</u>	_____	_____	<u>2,042,148</u>	<u>3,124,010</u>
Total Deferred Outflows of Resources	<u>2,042,148</u>	<u>3,124,010</u>	_____	_____	<u>2,042,148</u>	<u>3,124,010</u>
Current Liabilities	686,022	650,429	55,106	39,121	741,128	689,550
Bonds Payable	8,875,000	9,470,000			8,875,000	9,470,000
Obligations Under Capital Leases	227,923	418,688			227,923	418,688
Net Pension Liability PERS	8,104,258	10,748,373			8,104,258	10,748,373
Compensated Absences Payable	<u>248,690</u>	<u>261,732</u>	_____	_____	<u>248,690</u>	<u>261,732</u>
Total Liabilities	<u>18,141,893</u>	<u>21,549,222</u>	<u>55,106</u>	<u>39,121</u>	<u>18,196,999</u>	<u>21,588,343</u>
Deferred Inflows of Resources	<u>3,739,242</u>	<u>2,303,061</u>	_____	_____	<u>3,739,242</u>	<u>2,303,061</u>
Total Deferred Inflows of Resources	<u>3,739,212</u>	<u>2,303,061</u>	_____	_____	<u>3,739,212</u>	<u>2,303,061</u>
Net Position						
Invested in Capital Assets						
Net of Debt	1,032,586	867,747	18,261	16,743	1,050,847	884,490
Restricted	3,268,789	2,528,034			3,268,789	2,528,034
Unrestricted	<u>(10,244,417)</u>	<u>(10,568,007)</u>	<u>76,525</u>	<u>48,839</u>	<u>(10,167,892)</u>	<u>(10,519,168)</u>
Total Net Position	<u>(5,943,042)</u>	<u>(7,172,226)</u>	<u>94,786</u>	<u>65,582</u>	<u>(5,848,256)</u>	<u>(7,106,644)</u>

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 2 below show the changes in net position for the fiscal year 2019 and 2018.

Table 2

Changes in Net Position
Year Ended June 30, 2019

	<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>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales			438,864	401,311	438,864	401,311
Operating Grants & Contributions	574,060	746,985	115,380	100,932	689,440	847,917
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	20,145,544	19,765,641			20,145,544	19,765,641
Federal & State Aid Not Restricted	9,011,275	11,295,853			9,011,275	11,295,853
Miscellaneous Income	<u>1,525,444</u>	<u>1,475,322</u>	<u>1,693</u>	<u>806</u>	<u>1,527,137</u>	<u>1,476,128</u>
Total Revenues	<u>31,256,323</u>	<u>33,283,801</u>	<u>555,937</u>	<u>503,049</u>	<u>31,812,260</u>	<u>33,786,850</u>

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

GOVERNMENT-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>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	7,637,259	8,090,656			7,637,259	8,090,656
Special Education	3,242,404	3,479,887			3,242,404	3,479,887
Other Special Instruction	263,789	330,719			263,789	330,719
Other Instruction	32,500	30,624			32,500	30,624
<u>Support Services:</u>						
Tuition, Student and Instruction Related Services	2,771,155	2,979,567			2,771,155	2,979,567
School Administrative Services	820,482	763,045			820,482	763,045
General Administrative Services	435,432	470,612			435,432	470,612
Central Service	221,137	270,836			221,137	270,836
Admin. Info. Tech.	72,000	92,563			72,000	92,563
Plant Operations and Maintenance	1,915,146	1,857,247			1,915,146	1,857,247
Pupil Transportation	1,112,474	1,340,697			1,112,474	1,340,697
Unallocated Benefits	10,356,498	11,680,533			10,356,498	11,680,533
Capital Outlay - Non- Depreciable	2,874	11,747			2,874	11,747
Unallocated Depreciation	825,745	846,659			825,745	846,659
Interest on Long-Term Debt	318,244	334,780			318,244	334,780
Enterprise Fund			<u>517,329</u>	<u>498,664</u>	<u>517,329</u>	<u>498,664</u>
Total Expenses and Transfers	<u>30,027,139</u>	<u>32,580,172</u>	<u>517,329</u>	<u>498,664</u>	<u>30,544,468</u>	<u>33,078,836</u>
Increase or (Decrease) in Net Position	<u>1,229,184</u>	<u>(850,315)</u>	<u>38,608</u>	<u>(1,820)</u>	<u>1,267,792</u>	<u>(852,135)</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$30,544,468.

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities

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

- Revenues exceeded expenditures by \$38,608 (gain).
- Charges for services represent \$438,864 of revenue. This represents the amounts paid by patrons for daily food service, and amounts charged to attend the District's Safety Town Program.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and free milk, and donated commodities was \$115,380.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2019</u>	<u>Net Cost of Services 2018</u>
Instruction	11,175,952	11,931,886	10,773,769	11,426,189
Support Services:				
Pupils and Instructional Staff	2,771,155	2,979,567	2,645,144	2,793,563
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,464,197	3,454,303	3,464,197	3,454,303
Pupil Transportation	1,112,474	1,340,697	1,112,474	1,340,697
Other	<u>11,503,361</u>	<u>12,873,719</u>	<u>11,457,495</u>	<u>12,818,435</u>
Total Expenses	<u>30,027,139</u>	<u>32,580,172</u>	<u>29,453,079</u>	<u>31,833,187</u>

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

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

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

RINGWOOD BOARD OF EDUCATION

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

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

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

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

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

“Other” includes special schools and unallocated depreciation.

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

- Extraordinary Aid is state aid for special education students whose individual program costs exceed \$40,000 per year. Although additional Extraordinary Aid was ultimately awarded in the amount of \$205,452, as of the writing of this report, the funds were not yet received. More than likely, the grant will be used to increase the special education tuition budget to offset unanticipated out-of-district placements.
- Reimbursement of Nonpublic School Transportation costs in the amount of \$14,006 was received.
- TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditure item to the district, but is required to be reflected in the financial statements.
- Staff members who retired from the district were replaced with staff members at lower salary levels. The breakage from salaries funded a number of accounts which had been under-budgeted, such as contracted transportation and paraprofessionals.

RINGWOOD BOARD OF EDUCATION

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the School District had \$23,282,044 invested in sites, buildings, and equipment. Of this amount \$13,228,274 in depreciation has been taken over the years. We currently have a net book value of \$10,153,770. Total additions for the year were \$204,819, the majority of which was for equipment purchases and improvements to District facilities, the leasing of school buses, and copiers. Table 3 shows fiscal year 2019 balances compared to 2018.

Table 3

**Capital Assets at June 30, 2019
(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>
Land, Buildings and Improvements	9,289,777	9,895,215			9,289,777	9,895,215
Furniture, Equipment and Vehicles	<u>845,732</u>	<u>861,220</u>	<u>18,261</u>	<u>16,743</u>	<u>863,993</u>	<u>877,963</u>
Total Net Assets	<u>10,135,509</u>	<u>10,756,435</u>	<u>18,261</u>	<u>16,743</u>	<u>10,153,770</u>	<u>10,773,178</u>

Debt Administration

At June 30, 2019, the District had \$17,455,871 in outstanding debt. Of this amount, \$248,690 is for compensated absences, \$227,923 is for capital lease obligations, \$8,875,000 is serial bonds payable, and \$8,104,258 is the District's net pension liability.

Table 4

Outstanding Serial Bonds at June 30, 2019

	<u>2019</u>	<u>2018</u>
School Bonds - Series 2008	455,000	560,000
School Bonds - Series 2011	<u>8,420,000</u>	<u>8,910,000</u>
	<u>8,875,000</u>	<u>9,470,000</u>

RINGWOOD BOARD OF EDUCATION

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

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

In fiscal year ending June 30, 2017, the state funding formula was calculated and funded for the first time since 2009. Since the reinstatement of the funding formula, Ringwood's Schools have experienced a reduction of state aid and will continue to experience reductions through the 2024-2025 school year, totaling \$1.143 million dollars. The Board of Education took necessary steps to institute cost savings measures on future budgets, enabling the District to absorb the reductions in state aid. The goal of the 2020-2021 budget will be to maintain current staffing levels and to build on curricular and technology advances that have been made in the immediate short-term in order to create long-term successes for our students.

REQUESTS FOR INFORMATION

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

Mrs. Jessica Rapp
School Business Administrator/Board Secretary
Ringwood Board of Education
121 Carletondale Road
Ringwood, NJ 07456

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,800,845	\$ 124,635	\$ 1,925,480
Receivables, net	598,939	458	599,397
Internal balances	(3,562)	3,562	-
Inventory		2,976	2,976
Restricted assets:			
Cash and cash equivalents	1,364,214		1,364,214
Capital assets; net			
Land/Construction in Process	329,940		329,940
Other Capital Assets, Net	9,805,569	18,261	9,823,830
Total Assets	<u>13,895,945</u>	<u>149,892</u>	<u>14,045,837</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to PERS	<u>2,042,148</u>		<u>2,042,148</u>
LIABILITIES			
Accounts payable and accrued liabilities	529,692	44,545	574,237
Payable to state government	125,163		125,163
Advanced revenue	31,167	10,561	41,728
Noncurrent liabilities:			
Due within one year	772,454		772,454
Due beyond one year	16,683,417		16,683,417
Total liabilities	<u>18,141,893</u>	<u>55,106</u>	<u>18,196,999</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	<u>3,739,242</u>		<u>3,739,242</u>
NET POSITION			
Invested in capital assets, net of related debt	1,032,586	18,261	1,050,847
Restricted for:			
Capital projects	1,037,084		1,037,084
Debt Service	6,715		6,715
Other purposes	2,224,990		2,224,990
Unrestricted	(10,244,417)	76,525	(10,167,892)
Total net position	<u>\$ (5,943,042)</u>	<u>\$ 94,786</u>	<u>\$ (5,848,256)</u>

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

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	\$ 7,637,259		\$	402,183	\$ (7,235,076)		\$	(7,235,076)
Special education	\$ 3,242,404				(3,242,404)			(3,242,404)
Other special instruction	\$ 263,789				(263,789)			(263,789)
Other instruction	\$ 32,500				(32,500)			(32,500)
Support services:								
Tuition	\$ 432,414				(432,414)			(432,414)
Student & instruction related services	\$ 2,338,741			126,011	(2,212,730)			(2,212,730)
School administrative services	\$ 820,482				(820,482)			(820,482)
General and business administrative services	\$ 435,432				(435,432)			(435,432)
Central Services	\$ 221,137				(221,137)			(221,137)
Admin. Info. Tech.	\$ 72,000				(72,000)			(72,000)
Plant operations and maintenance	\$ 1,915,146				(1,915,146)			(1,915,146)
Pupil transportation	\$ 1,112,474				(1,112,474)			(1,112,474)
Unallocated Benefits	\$ 10,356,498				(10,356,498)			(10,356,498)
Non-depreciable capital outlay	\$ 2,874			2,074	(800)			(800)
Interest on long-term debt	\$ 318,244			43,792	(274,452)			(274,452)
Unallocated depreciation	\$ 825,745				(825,745)			(825,745)
Total governmental activities	\$ 30,027,139	\$ -	\$ -	\$ 574,060	\$ (29,453,079)	\$ -	\$ -	\$ (29,453,079)
Business-type activities:								
Food Service	\$ 514,129		\$ 433,607	\$ 115,380	\$ 34,858		\$ 34,858	\$ 34,858
Safety Town	\$ 3,200		\$ 5,257		\$ 2,057		\$ 2,057	\$ 2,057
Total business-type activities	\$ 517,329	\$ -	\$ 438,864	\$ 115,380	\$ 36,915		\$ 36,915	\$ 36,915
Total primary government	\$ 30,544,468	\$ 0	\$ 438,864	\$ 689,440	\$ (29,416,164)	\$ 36,915	\$ -	\$ (29,416,164)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 19,271,316			\$ 19,271,316
Property taxes, levied for debt service					\$ 874,228			\$ 874,228
Federal and State aid not restricted					\$ 9,011,275			\$ 9,011,275
Miscellaneous Income					\$ 1,525,444	\$ 1,693		\$ 1,527,137
Total general revenues, special items, extraordinary items and transfers					\$ 30,682,263	\$ 1,693		\$ 30,683,956
Change in Net Position					\$ 1,229,184	\$ 38,608		\$ 1,267,792
Net Position—beginning (Restated)					\$ (7,172,226)	\$ 56,178		\$ (7,116,048)
Net Position—ending					\$ (5,943,042)	\$ 94,786		\$ (5,848,256)

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

FUND FINANCIAL STATEMENTS

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 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>
ASSETS					
Cash and cash equivalents	\$ 1,463,074	\$ 101,130	\$ 238,040	\$ (1,399)	\$ 1,800,845
Due from other funds	231,422			8,114	239,536
Receivables from other governments	261,092	54,893	229,600		545,585
Receivables - Other	53,047	307			53,354
Restricted cash and cash equivalents	1,364,214				1,364,214
Total assets	<u>\$ 3,372,849</u>	<u>\$ 156,330</u>	<u>\$ 467,640</u>	<u>\$ 6,715</u>	<u>\$ 4,003,534</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	4,193				4,193
Due to other funds	5,784		237,314		243,098
Payable to state government		125,163			125,163
Advanced revenue		31,167			31,167
Total liabilities	<u>9,977</u>	<u>156,330</u>	<u>237,314</u>	<u>-</u>	<u>403,621</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	800,000				800,000
Excess surplus - prior year - designated for subsequent year's expenditures	774,305				774,305
Capital reserve	806,758				806,758
Maintenance reserve	150,656				150,656
Emergency reserve	55,311				55,311
Debt service				6,715	6,715
Capital projects			230,326		230,326
Assigned to:					
Other purposes	265,440				265,440
Designated for subsequent year's expenditures	179,278				179,278
Unassigned:					
General fund	331,124				331,124
Total Fund balances	<u>3,362,872</u>	<u>-</u>	<u>230,326</u>	<u>6,715</u>	<u>3,599,913</u>
Total liabilities and fund balances	<u>\$ 3,372,849</u>	<u>\$ 156,330</u>	<u>\$ 467,640</u>	<u>\$ 6,715</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,970,502 and the accumulated depreciation is \$12,834,993.	10,135,509
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(107,899)
Accounts payable for subsequent pension payment is not a payable in the funds.	(417,600)
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	2,042,148
Deferred Inflows of Resources related to PERS pension liability	(3,739,242)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(17,455,871)</u>
Net position of governmental activities	<u>\$ (5,943,042)</u>

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 19,271,316			\$ 874,228	\$ 20,145,544
Miscellaneous	1,520,959	90,951	4,484		1,616,394
Total - Local Sources	20,792,275	90,951	4,484	874,228	21,761,938
State sources	6,444,198	30,650		43,792	6,518,640
Federal sources	2,003	408,667			410,670
Total revenues	27,238,476	530,268	4,484	918,020	28,691,248
EXPENDITURES					
Current:					
Regular instruction	\$ 7,235,076	\$ 402,183			\$ 7,637,259
Special education instruction	3,242,404				3,242,404
Other special instruction	263,789				263,789
Other instruction	32,500				32,500
Support services and undistributed costs:					
Tuition	432,414				432,414
Student & instruction related services	2,212,730	126,011			2,338,741
School administrative services	820,482				820,482
Other administrative services	435,432				435,432
Central Services	221,137				221,137
Admin. Info. Tech.	72,000				72,000
Plant operations and maintenance	1,915,146				1,915,146
Pupil transportation	1,303,238				1,303,238
Unallocated benefits	7,949,238				7,949,238
Debt Service:					
Principal				595,000	595,000
Interest and other charges				324,419	324,419
Capital outlay	205,619	2,074			207,693
Total expenditures	26,341,205	530,268	-	919,419	27,790,892
Excess (Deficiency) of revenues over expenditures	897,271	-	4,484	(1,399)	900,356
OTHER FINANCING SOURCES (USES)					
Transfers in				4,484	4,484
Transfers out			(4,484)		(4,484)
Total other financing sources and uses	-	-	(4,484)	4,484	-
Net change in fund balances	897,271	-	-	3,085	900,356
Fund balance—July 1	2,465,601	-	230,326	3,630	2,699,557
Fund balance—June 30	\$ 3,362,872	\$ -	\$ 230,326	\$ 6,715	\$ 3,599,913

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2) \$ 900,356

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	\$ (825,745)	
	Depreciable capital outlays	<u>204,820</u>	(620,925)

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

Principal payments on bonds payable		595,000	
Capital lease principal		190,764	

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

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

6,175

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			13,042
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District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	422,522	
	Less: Pension Expense	<u>(277,750)</u>	
	Decrease in Pension Expense		144,772

Per GASB No. 68 Non-employer contributing entities are required to record an increase 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		1,392,602	
Increase in On-behalf TPAF Pension Expense		(1,392,602)	

Per GASB No. 75 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf other post-retirement health benefits 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 Other Post-Employment Health Benefits		1,172,472	
Increase in On-behalf Other Post-Employment Health Benefits Expense		(1,172,472)	

Change in net position of governmental activities			<u><u>\$ 1,229,184</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 121,075	\$ 3,560	\$ 124,635
Accounts receivable:			
Interfund	5,784		5,784
Other	458		458
Inventories	2,976		2,976
Total current assets	130,293	3,560	133,853
Noncurrent assets:			
Furniture, machinery & equipment	311,542		311,542
Less accumulated depreciation	(293,281)		(293,281)
Total noncurrent assets	18,261	-	18,261
Total assets	148,554	3,560	152,114
LIABILITIES			
Current liabilities:			
Accounts payable	44,545		44,545
Interfund payables	2,222		2,222
Prepaid Revenue	10,561		10,561
Total current liabilities	57,328	-	57,328
Total liabilities	57,328	-	57,328
NET POSITION			
Net Investment in capital assets	18,261	-	18,261
Unrestricted	72,965	3,560	76,525
Total net position	\$ 91,226	\$ 3,560	\$ 94,786

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service	Safety Town	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 294,426		\$ 294,426
Daily sales - non - reimbursable programs	134,809		134,809
Special functions	4,372		4,372
Miscellaneous		5,257	5,257
Total operating revenues	<u>433,607</u>	<u>5,257</u>	<u>438,864</u>
Operating expenses:			
Cost of food - reimbursable programs	150,477		150,477
Cost of food - non-reimbursable programs	36,643		36,643
Cost of sales - other	50,698		50,698
Salaries	158,354	2,877	161,231
Employee benefits	66,029		66,029
Cleaning, repair and maintenance services	1,710		1,710
Purchased services	32,888		32,888
Miscellaneous Expense	10,704	323	11,027
General supplies	3,404		3,404
Depreciation	3,222		3,222
Total Operating Expenses	<u>514,129</u>	<u>3,200</u>	<u>517,329</u>
Operating income (loss)	<u>(80,522)</u>	<u>2,057</u>	<u>(78,465)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,481		5,481
Federal sources:			
National school lunch program	74,840		74,840
Food distribution program	35,059		35,059
Interest and investment revenue	1,659	34	1,693
Total non-operating revenues (expenses)	<u>117,039</u>	<u>34</u>	<u>117,073</u>
Income (loss) before contributions & transfers	<u>36,517</u>	<u>2,091</u>	<u>38,608</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>36,517</u>	<u>2,091</u>	<u>38,608</u>
Total net position—beginning, as previously reported	64,113	1,469	65,582
Prior period adjustment:			
Adjustment for prior year prepaid revenue	(9,404)		(9,404)
Total net position—beginning, as restated	<u>54,709</u>	<u>1,469</u>	<u>56,178</u>
Total net position—ending	<u>\$ 91,226</u>	<u>\$ 3,560</u>	<u>\$ 94,786</u>

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 434,306	\$ 7,847	\$ 442,153
Payments to employees	(158,354)		(158,354)
Payments for employee benefits	(66,029)		(66,029)
Payments to suppliers	(278,770)	(6,077)	(284,847)
Net cash provided by (used for) operating activities	<u>(68,847)</u>	<u>1,770</u>	<u>(67,077)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,561		5,561
Federal sources	110,780		110,780
Net cash provided by (used for) non-capital financing activities	<u>116,341</u>	<u>-</u>	<u>116,341</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(4,740)		(4,740)
Net cash provided by (used for) capital and related financing activities	<u>(4,740)</u>	<u>-</u>	<u>(4,740)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,659	34	1,693
Net cash provided by (used for) investing activities	<u>1,659</u>	<u>34</u>	<u>1,693</u>
Net increase (decrease) in cash and cash equivalents	44,413	1,804	46,217
Balances—beginning of year	76,662	1,756	78,418
Balances—end of year	<u>\$ 121,075</u>	<u>\$ 3,560</u>	<u>\$ 124,635</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (80,522)	\$ 2,057	\$ (78,465)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	3,222		3,222
(Increase) decrease in inventories	(547)		(547)
(Increase) decrease in accounts receivable	(458)	2,590	2,132
Increase (decrease) in accounts payable	8,301	(2,877)	5,424
Increase (decrease) in prepaid revenue	1,157		1,157
Total adjustments	<u>11,675</u>	<u>(287)</u>	<u>11,388</u>
Net cash provided by (used for) operating activities	<u>\$ (68,847)</u>	<u>\$ 1,770</u>	<u>\$ (67,077)</u>

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 16,680	\$ 31,775
Total assets	<u>16,680</u>	<u>31,775</u>
LIABILITIES		
Accounts payable	5,883	462
Payable to student groups		30,672
Payroll deductions and withholdings		641
Total liabilities	<u>5,883</u>	<u>\$ 31,775</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 10,797</u>	

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 43,475
Other	12,551
Total Contributions	56,026
Total additions	56,026
 DEDUCTIONS	
Quarterly contribution reports	17,753
Unemployment Claims	28,286
Total deductions	46,039
Change in net position	9,987
Net position—beginning of the year	810
Net position—end of the year	\$ 10,797

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Ringwood School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ringwood School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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 and a middle school, located in the Borough of Ringwood. 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.

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.

**Borough of Ringwood 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, (continued)

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

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

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

B. Basis of Presentation, (continued)

GOVERNMENTAL FUNDS, (continued)

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

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

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

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

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

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

PROPRIETARY FUNDS

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

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

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

B. Basis of Presentation, (continued)

PROPRIETARY FUNDS, (continued)

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

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

FIDUCIARY FUNDS

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

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

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

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

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 Ringwood 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 deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 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 Ringwood 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 Ringwood 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 Expenses/Payables:

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

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.

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.

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

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

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

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

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

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.

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

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

N. Advanced Revenue:

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

Advanced revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 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.

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.

**Borough of Ringwood 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)

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

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

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

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 one item that qualifies in this category, deferred amounts related to pension.

**Borough of Ringwood 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:

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

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

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

S. Net Position: (continued)

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.

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. 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. Estimates are used to determine depreciation expense, among other accounts. Accordingly, actual results could differ from those estimates.

**Borough of Ringwood 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:

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:

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.

**Borough of Ringwood 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. 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.

Y. Rounding

Certain balances may be off due to dollar rounding.

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 \$3,696,703 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.

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

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

Credit Risk

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

Concentration of Credit Risk

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

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2019, the District had \$-0- on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES

Receivables at June 30, 2019, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$483,297	\$	\$483,297
Federal Aid	62,288		62,288
Other Receivables	53,354	458	53,812
Interfunds	<u>239,536</u>	<u>5,784</u>	<u>599,397</u>
Gross Receivables	838,475	6,242	599,397
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$838,475</u>	<u>\$6,242</u>	<u>\$599,397</u>

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

NOTE 4. INVENTORIES

Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2019, the District had the following inventory in the enterprise fund:

Food	\$1,915
Supplies	<u>1,061</u>
	<u>\$2,976</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 5. INTERFUND BALANCES AND ACTIVITY

As of June 30, 2019, the District had the following interfund balances:

\$2,222	Due to the General Fund from the Enterprise Fund for reimbursement of expenditures.
229,200	Due to the General Fund from the Capital Projects Fund for repayment of debt service.
8,114	Due to the Debt Service Fund from the Capital Projects Fund for interest earned.
5,784	Due to the Enterprise Fund from the General Fund for Federal and State lunch reimbursements.

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

\$81,282	From the General Fund to the Enterprise Fund for Federal and State Lunch Subsidy.
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**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. CAPITAL ASSETS

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

	Balance 6/30/18	Additions	Deductions	Balance 6/30/19
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$329,940	\$ -0-	\$ -0-	\$329,940
Total Capital Assets, Not Being Depreciated	<u>329,940</u>	<u>-0-</u>	<u>-0-</u>	<u>329,940</u>
Capital Assets Being Depreciated				
Buildings and Improvements	17,690,985		-0-	17,690,985
Furniture, Equipment and Vehicles	4,938,040	204,819	(193,282)	4,949,577
Total Capital Assets, Being Depreciated	<u>22,629,025</u>	<u>204,819</u>	<u>(193,282)</u>	<u>22,640,562</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,125,710)	(605,438)		(8,731,148)
Furniture, Equipment and Vehicles	(4,076,820)	(220,253)	193,228	(4,103,845)
Total Accumulated Depreciation	<u>(12,202,530)</u>	<u>(825,691)</u>	<u>193,228</u>	<u>(12,834,993)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,426,495</u>	<u>(620,872)</u>	<u>(54)</u>	<u>9,805,569</u>
Governmental Activities Capital Assets, Net	<u>\$10,756,435</u>	<u>(\$620,872)</u>	<u>(\$54)</u>	<u>\$10,135,509</u>

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

	Balance 6/30/18	Additions	Deductions	Adjustment (Note 19)	Balance 6/30/19
Business-Type Activity					
Furniture and Equipment	\$306,802	\$4,740	\$ -0-		\$311,542
Totals	<u>306,802</u>	<u>4,740</u>	<u>-0-</u>	<u>0</u>	<u>311,542</u>
Less Accumulated Depreciation					
Furniture and Equipment	290,059	3,222	-0-		293,281
Total Accumulated Depreciation	<u>290,059</u>	<u>3,222</u>	<u>-0-</u>	<u>0</u>	<u>293,281</u>
Business-Type Activity Capital Assets,	<u>\$16,743</u>	<u>\$1,518</u>	<u>\$ -0-</u>	<u>\$0</u>	<u>\$18,261</u>

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

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

NOTE 7. LONG-TERM OBLIGATIONS

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

	<u>Balance</u> <u>June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable	\$9,470,000	\$	\$595,000	\$8,875,000	\$615,000
Capital Leases Payable	418,688		190,765	227,923	157,454
Compensated Absences Payable	261,732	9,893	22,935	248,690	
Net Pension Liability PERS	<u>10,748,373</u>		<u>2,644,115</u>	<u>8,104,258</u>	
	<u>\$20,898,793</u>	<u>\$9,893</u>	<u>\$3,452,815</u>	<u>\$17,455,871</u>	<u>\$772,454</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>Issue Date</u>	<u>Interest Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal Balance</u> <u>June 30, 2019</u>
School Bonds Series 2008	07/15/08	3.80%-4.250%	01/15/23	\$455,000
School Bonds Series 2011	09/13/11	2.50%-4.00%	09/01/31	<u>8,420,000</u>
				<u>\$8,875,000</u>

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$615,000	\$306,256	\$921,256
2021	630,000	286,206	916,206
2022	660,000	265,556	925,556
2023	680,000	244,094	924,094
2024	580,000	221,894	801,894
2025-2029	3,320,000	795,184	4,115,184
2030-2032	<u>2,390,000</u>	<u>146,000</u>	<u>2,536,000</u>
	<u>\$8,875,000</u>	<u>\$2,265,190</u>	<u>\$11,140,190</u>

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

NOTE 7. LONG-TERM OBLIGATIONS, (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the Board had \$-0- of authorized bonds.

C. Capital Leases Payable:

The District is leasing transportation and photocopy and other equipment under capital leases. All capital leases are for terms of three to eight years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$157,454	\$5,452	\$162,906
2021	39,671	2,090	41,761
2022	24,511	803	25,314
2023	<u>6,287</u>	<u>43</u>	<u>6,330</u>
Total Minimum Lease Payments	<u>\$227,923</u>	<u>\$8,388</u>	<u>\$236,311</u>

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.

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

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

NOTE 8. PENSION PLANS, (continued)

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:

Tier	Definition
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

Service retirement benefits of 1/55th 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 1/60th 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.

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

NOTE 8. PENSION PLAN, (continued)

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

Service retirement benefits of 1/55th 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 1/60th 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.

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

NOTE 8. PENSION PLANS, (continued)

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	\$409,412	\$41,074
6/30/18	427,745	42,653
6/30/17	406,536	35,618

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>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>Long-Term Disability Insurance</u>
6/30/19	\$1,839,603	\$851,908	\$38,508	\$1,895
6/30/18	1,298,732	859,180	31,517	2,304
6/30/17	1,017,292	878,348	36,859	2,681

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 \$685,552 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.

**Borough of Ringwood 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

Public Employees Retirement System (PERS)

At June 30, 2019, the District had a liability of \$8,104,258 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 .04116030 percent, which was a decrease of .005012854 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$277,750. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$154,549	\$41,788
Changes of assumptions	1,335,447	2,591,311
Net difference between projected and actual earnings on pension plan investments		76,018
Changes in proportion and differences between District contributions and proportionate share of contributions	134,552	1,030,125
District contributions subsequent to the measurement date	<u>417,600</u>	<u> </u>
Total	<u>\$2,042,148</u>	<u>\$3,739,242</u>

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

NOTE 8. PENSION PLANS, (continued)

The \$417,600 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	\$56,247
2020	(77,876)
2021	(558,432)
2022	(484,058)
2023	(155,002)

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.

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	.0411603000%	.0461731584%

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

NOTE 8. PENSION PLANS, (continued)

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

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).

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

NOTE 8. PENSION PLANS, (continued)

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:

<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 Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

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.

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> Decrease	<u>At Current</u> Discount Rate	<u>1%</u> Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$10,190,171	\$8,104,258	\$6,354,311

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.

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

NOTE 8. PENSION PLANS, (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>56,104,795</u>
	<u>\$56,104,795</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 .0881903318%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$3,270,713 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%

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

NOTE 8. PENSION PLANS, (continued)

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

NOTE 8. PENSION PLANS, (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 Ringwood 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>49,925,595</u>
	<u>\$49,925,595</u>

**Borough of Ringwood 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 Ringwood 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 \$2,024,380 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 Ringwood 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 Ringwood 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:

Valic	Metropolitan
Lincoln	Equitable

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>	Interest Earnings/ District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2018-2019	\$12,551	\$43,475	\$46,039	\$10,797
2017-2018	30,137	42,642	133,759	810
2016-2017	214	45,854	37,802	61,790

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

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

NOTE 11. RISK MANAGEMENT, (continued)

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

Membership in the Group shall be open to all qualified New Jersey School Board as determined by the Group’s Trustees. The Boards may apply for membership by resolution of their respective Boards of Education. A majority of the Trustees shall be members or employees of the Group’s member boards of education. Six (6) Trustees shall be members of the school board of a member district. One (1) Trustee shall be the business official/board secretary of a member district. One (1) Trustee shall be the superintendent of a member district. The President of the New Jersey School Board Association or designee shall serve ex-officio.

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

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Ringwood Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018		\$452,979
Deposits:		
Transfer by Board Resolution, May 13, 2019	\$349,483	
Interest Earned on Capital Reserve Funds	<u>4,296</u>	
		<u>353,779</u>
Ending balance, June 30, 2019		<u>\$806,758</u>

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

NOTE 13. EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$250,000
Withdrawals	<u>194,689</u>
Ending balance, June 30, 2019	<u><u>\$55,311</u></u>

NOTE 14. MAINTENANCE RESERVE ACCOUNT:

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

Beginning balance, July 1, 2018		\$50,656
Deposits:		
Transfer by Board Resolution, May 13, 2019	\$99,028	
Interest Earnings	<u>972</u>	
		<u>100,000</u>
Ending balance, June 30, 2019		<u><u>\$150,656</u></u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$3,362,872 General Fund fund balance at June 30, 2019, \$265,440 is reserved for encumbrances; \$1,574,305 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$774,305 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$806,758 has been reserved in the Capital Reserve Account; \$150,656 has been reserved in the Maintenance Reserve Account; \$55,311 has been reserved in the Emergency Reserve Account; \$179,278 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$331,124 is unreserved and undesignated.

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

NOTE 16. 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 \$1,574,305. Of this amount, \$800,000 is a result of the current year's operations and \$774,305 is the result of prior year operations.

NOTE 17. INVENTORY

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

Food	\$1,915
Supplies	<u>1,061</u>
	<u>\$2,976</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 18. 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 19. PRIOR PERIOD ADJUSTMENT

During the 2018-2019 school year, the District recorded an adjustment to its June 30, 2018 Food Service Enterprise Fund financial statement balances to reflect various student accounts receivable and prepaid balances. The following adjustment was necessary to reflect these items:

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

NOTE 19. PRIOR PERIOD ADJUSTMENT, (continued)

Enterprise Fund - Food Service:

	<u>Prepaid Revenue</u>	<u>Net Position, Unrestricted</u>
July 1, 2018, as Previously Reported	\$ -0-	\$47,370
Restatement	<u>9,404</u>	<u>(9,404)</u>
July 1, 2018, as Restated	<u>\$9,404</u>	<u>\$37,966</u>

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 14, 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

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 19,271,316	\$ -	\$ 19,271,316	\$ 19,271,316	\$ -
Tuition	1,082,378	-	1,082,378	1,131,729	49,351
Transportation Fees	161,970	-	161,970	233,392	71,422
Interest Earned on Emergency Reserve	-	-	-	4,856	4,856
Interest Earned on Maintenance Reserve	-	-	-	973	973
Interest Earned on Capital Reserve Funds	-	-	-	4,296	4,296
Miscellaneous	72,170	-	72,170	145,713	73,543
Total - Local Sources	20,587,834	-	20,587,834	20,792,275	204,441
State Sources:					
Equalization Aid	1,139,507	-	1,139,507	1,139,507	-
Transportation Aid	660,581	(87,448)	573,133	573,133	-
Special Education Categorical Aid	983,693	-	983,693	983,693	-
Security Aid	98,526	-	98,526	98,526	-
Adjustment Aid	124,506	(124,506)	-	-	-
Extraordinary Aid	75,000	-	75,000	205,452	130,452
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	14,006	14,006
On-behalf TPAF Pension (non-budgeted)	-	-	-	1,839,603	1,839,603
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	38,508	38,508
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	851,908	851,908
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,895	1,895
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	685,552	685,552
Total State Sources	3,081,813	(211,954)	2,869,859	6,431,783	3,561,924
Federal Sources:					
Medical Assistance Program	15,371	-	15,371	2,003	(13,368)
Total Federal Sources	15,371	-	15,371	2,003	(13,368)
Total Revenues	23,685,018	(211,954)	23,473,064	27,226,061	3,752,997

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 406,251	16,145	\$ 422,396	\$ 421,815	\$ 581
Grades 1-5 - Salaries of Teachers	3,316,055	(51,501)	3,264,554	3,253,112	11,442
Grades 6-8 - Salaries of Teachers	2,118,605	(53,367)	2,065,238	2,060,951	4,287
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000	5,080	12,080	12,080	-
Purchased Professional-Educational Services	7,000	-	7,000	1,875	5,125
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	780,137	199,597	979,734	978,337	1,397
Unused Vacation Pay to Term./Retired Staff		15,600	15,600	15,600	-
Purchased Professional-Educational Services	114,000	(27,670)	86,330	26,330	60,000
Purchased Technical Services	32,000	-	32,000	27,670	4,330
Other Purchased Services (400-500 series)	186,765	289	187,054	176,158	10,896
General Supplies	275,000	63,126	338,126	261,148	76,978
Textbooks	1,700	-	1,700	1,700	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,244,513	167,299	7,411,812	7,235,076	176,736
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	114,025	47,575	161,600	161,600	-
General Supplies	9,060	4,950	14,010	13,396	614
Total Learning and/or Language Disabilities	123,085	52,525	175,610	174,996	614
Behavioral Disabilities:					
Salaries of Teachers	59,996	(59,996)	-	-	-
Other Salaries for Instruction	32,561	(32,561)	-	-	-
General Supplies	2,950	(2,950)	-	-	-
Total Behavioral Disabilities	95,507	(95,507)	-	-	-
Multiple Disabilities:					
Salaries of Teachers	77,536	22,139	99,675	99,675	-
Other Salaries for Instruction	68,923	(68,902)	21	21	-
General Supplies	2,020	1,733	3,753	3,659	94
Total Multiple Disabilities	148,479	(45,030)	103,449	103,334	115
Resource Room/Resource Center:					
Salaries of Teachers	1,452,373	44,132	1,496,505	1,496,505	-
General Supplies	32,220	(3,734)	28,486	21,683	6,803
Total Resource Room/Resource Center	1,484,593	40,398	1,524,991	1,518,188	6,803

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Autism:					
Salaries of Teachers	313,875	102,263	416,138	415,708	430
Other Salaries for Instruction	926,056	(81,437)	844,619	816,986	27,633
Unused Vacation Pay to Term./Retired Staff		1,225	1,225	1,225	-
Purchased Professional-Educational Services	185,000	(22,050)	162,950	84,863	78,087
Other Purchased Services (400-500 series)	3,000	-	3,000	2,636	364
General Supplies	12,000	-	12,000	10,381	1,619
Other Objects	1,688	-	1,688	1,048	640
Total Autism	1,441,619	1	1,441,620	1,332,847	108,773
Preschool Disabilities - Part-Time:					
Salaries of Teachers	71,599	(1,500)	70,099	70,000	99
Other Salaries for Instruction	39,716	2,642	42,358	42,358	-
General Supplies	1,100	-	1,100	681	419
Total Preschool Disabilities - Part-Time	112,415	1,142	113,557	113,039	518
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,405,698	(46,471)	3,359,227	3,242,404	116,823
Basic Skills/Remedial - Instruction					
Salaries of Teachers	95,588	35,368	130,956	123,560	7,396
General Supplies	11,822	(1)	11,821	8,664	3,157
Total Basic Skills/Remedial - Instruction	107,410	35,367	142,777	132,224	10,553
Bilingual Education - Instruction:					
Salaries of Teachers	37,698	-	37,698	33,900	3,798
General Supplies		137	137	137	-
Total Bilingual Education - Instruction	37,698	137	37,835	34,037	3,798
School-Spon. Curricular Actvs. - Inst.					
Salaries	36,000	(5,300)	30,700	29,580	1,120
Other Objects	7,500	2,920	10,420	2,920	7,500
Total School-Spon. Curricular Actvs. - Inst.	43,500	(2,380)	41,120	32,500	8,620
Summer School - Instruction					
Purchased Professional and Technical Services	98,000	-	98,000	97,528	472
Total Summer School - Instruction	98,000	-	98,000	97,528	472
TOTAL INSTRUCTION	10,936,819	153,952	11,090,771	10,773,769	317,002

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regular Day Schools		22,391	22,391	22,391	-
Tuition to Private Schools for the Disabled - Within State	371,789	17,759	389,548	389,548	-
Tuition to Private Schools for the Disabled - Outside State		20,475	20,475	20,475	-
Total Undistributed Expenditures - Instruction:	371,789	60,625	432,414	432,414	-
Undistributed Expend. - Attend. & Social Work					
Salaries	12,348	282	12,630	12,630	-
Total Undistributed Expend. - Attend. & Social Work	12,348	282	12,630	12,630	-
Undist. Expend. - Health Services					
Salaries	408,341	(111,737)	296,604	296,604	-
Purchased Professional and Technical Services	7,300	7,077	14,377	14,077	300
Supplies and Materials	5,400	-	5,400	3,939	1,461
Other Objects	3,100	70	3,170	263	2,907
Total Undistributed Expenditures - Health Services	424,141	(104,590)	319,551	314,883	4,668
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	368,778	(3,786)	364,992	364,946	46
Purchased Professional - Educational Services	68,800	(9,380)	59,420	50,169	9,251
Supplies and Materials	3,500	-	3,500	2,237	1,263
Total Undist. Expend. - Speech, OT, PT & Related Serv.	441,078	(13,166)	427,912	417,352	10,560
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	314,003	17	314,020	314,020	-
Salaries of Secretarial and Clerical Assistants	49,389	381	49,770	49,634	136
Purchased Professional - Educational Services	3,000	-	3,000	770	2,230
Supplies and Materials	500	333	833	773	60
Other Objects		144	144	142	2
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	366,892	875	367,767	365,339	2,428
Undist. Expend. Child Study Teams					
Salaries of Other Professional Staff	708,073	(106,261)	601,812	592,316	9,496
Salaries of Secretarial and Clerical Assistants	60,881	246	61,127	58,714	2,413
Purchased Professional - Educational Services	213,135	46,125	259,260	169,287	89,973
Other Purchased Services (400-500 series)	7,200	-	7,200	5,456	1,744
Supplies and Materials	11,000	-	11,000	2,844	8,156
Other Objects	12,000	-	12,000	4,649	7,351
Total Undist. Expend. - Other Supp. Serv. Students - Spec.	1,012,289	(59,890)	952,399	833,266	119,133

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. Imp. Of Instructional Services					
Other Salaries	5,000	-	5,000	440	4,560
Purchased Professional - Educational Services	5,000	-	5,000	3,900	1,100
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. Imp. Of Instructional Services	10,000	-	10,000	4,340	5,660
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	221,174	-	221,174	220,670	504
Supplies and Materials	7,695	3,187	10,882	7,507	3,375
Total Undist. Expend. - Edu. Media Serv./Sch. Library	228,869	3,187	232,056	228,177	3,879
Undist. Expend. - Instr. Media Serv./Sch. Library					
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional and Technical Services	10,000	287	10,287	5,460	4,827
Other Purchased Services (400-500 series)	16,000	15,593	31,593	31,283	310
Supplies and Materials	3,000	-	3,000	-	3,000
Total Undist. Expend. - Instructional Staff Training Serv.	29,000	15,880	44,880	36,743	8,137
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	213,345	35,655	249,000	248,677	323
Legal Services	30,875	6,249	37,124	37,124	-
Audit Fees	26,000	(656)	25,344	25,344	-
Architectural/Engineering Services	5,000	(5,000)	-	-	-
Other Purchased Professional Services	20,876	2,154	23,030	23,030	-
Communications/Telephone	30,655	664	31,319	31,313	6
BOE Other Purchased Services	400	(400)	-	-	-
Misc. Purchased Services (400-500 series)	13,834	(1,738)	12,096	12,096	-
General Supplies	2,500	(1,067)	1,433	1,309	124
Judgments Against the School District	40,000	40,000	40,000	40,000	-
Miscellaneous Expenditures	5,000	593	5,593	5,593	-
BOE Membership Dues and Fees	10,950	(4)	10,946	10,946	-
Total Undist. Expend. - Supp. Serv. - General Admin.	359,435	76,450	435,885	435,432	453
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	559,223	(16,008)	543,215	543,215	-
Salaries of Secretarial and Clerical Assistants	234,781	7,908	242,689	242,689	-
Other Salaries	4,890	16,744	21,634	21,634	-
Unused Vacation Pay to Term./Retired Staff	2,850	50	2,900	2,900	-
Other Purchased Services (400-500 series)	150	1,165	1,315	1,315	-
Supplies and Materials	6,285	(3,823)	2,462	2,387	75
Other Objects	10,350	(4,008)	6,342	6,342	-
Total Undist. Expend. - Support Serv. - School Admin.	818,529	2,028	820,557	820,482	75

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	215,267	(24,121)	191,146	184,927	6,219
Purchased Professional Services	10,000	21,900	31,900	30,850	1,050
Purchased Technical Services	4,565	(610)	3,955	3,955	-
Supplies and Materials	5,000	(4,300)	700	700	-
Miscellaneous Expenditures	1,000	(295)	705	705	-
Total Undistributed Expenditures - Central Services	235,832	(7,426)	228,406	221,137	7,269
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	69,994	2,006	72,000	72,000	-
Supplies and Materials	-	-	-	-	-
Total Undistributed Expenditures - Admin. Info. Tech.	69,994	2,006	72,000	72,000	-
Undist. Expend. - Required Maintenance for School Facilities					
Salaries	226,304	-	226,304	225,322	982
Cleaning, Repair, and Maintenance Services	199,125	(11,502)	187,623	160,988	26,635
General Supplies	66,180	3,000	69,180	65,111	4,069
Other Objects	-	305	305	305	-
Total Undist. Expend. - Required Maintenance for School Facilities	491,609	(8,197)	483,412	451,726	31,686
Undist. Expend. - Custodial Services					
Salaries of Non-Instructional Aides	11,500	(1,224)	10,276	6,674	3,602
Purchased Professional and Technical Services	789,880	(55,997)	733,883	698,533	35,350
Cleaning, Repair and Maintenance Services	17,438	3,402	20,840	18,465	2,375
Insurance	177,691	(8,460)	169,231	160,502	8,729
Miscellaneous Purchased Services	11,300	2,145	13,445	10,378	3,067
General Supplies	50,700	602	51,302	51,302	-
Energy (Natural Gas)	135,000	-	135,000	129,855	5,145
Energy (Electricity)	203,000	-	203,000	194,459	8,541
Energy (Oil)	18,000	-	18,000	17,802	198
Energy (Gasoline)	24,000	14,355	38,355	34,009	4,346
Other Objects	500	(220)	280	80	200
Interest - Energy Savings Impr. Prog. Bonds	4,203	-	4,203	4,203	-
Principal - Energy Savings Impr. Prog. Bonds	116,942	-	116,942	116,942	-
Total Undist. Expend. - Custodial Services	1,560,154	(45,397)	1,514,757	1,443,204	71,553
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	12,000	(2,975)	9,025	8,456	569
Total Undist. Expend. - Care & Upkeep of Grounds Security:	12,000	(2,975)	9,025	8,456	569
Total Undist. Expend. - Professional and Technical Services	13,000	-	13,000	11,760	1,240
Total Security	13,000	-	13,000	11,760	1,240
Total Undist. Expend. - Oper. & Maint. Of Plant	2,076,763	(56,569)	2,020,194	1,915,146	105,048

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	67,977	4,173	72,150	64,891	7,259
Sal. For Pup.Trans. (Bet. Home and School) - Regular	606,268	149,471	755,739	746,410	9,329
Sal. For Pup.Trans. (Bet. Home and School) - Special	117,071	(5,000)	112,071	104,013	8,058
Sal. For Pup. Trans. (Other than Bet. Home and School)	3,605	2,519	6,124	6,124	-
Sal. For Pup. Trans. (Bet. Home and School) Non-Public	200,436	(156,095)	44,341	25,445	18,896
Unused Vacation Pay to Term./Retired Staff		14,155	14,155	14,155	-
Cleaning, Repair and Maintenance Services	35,000	-	35,000	29,231	5,769
Lease Purchase Payments - School Buses		53,753	53,753	53,753	-
Contract Services - Aid in Lieu Payments - Non Public	45,000	(5,903)	39,097	34,517	4,580
Contract Services - (Between Home and School) - Vendors	125,000	(33,453)	91,547	91,547	-
Misc. Purchased Serv. - Transportation	15,500	4,675	20,175	15,241	4,934
General Supplies	108,702	-	108,702	67,584	41,118
Transportation Supplies		-	40,000	39,204	796
Fuel Costs Funded by Advertising Revenues	450	-	450	-	450
Other Objects	10,200	1,228	11,428	11,123	305
Total Undist. Expend. - Student Transportation Serv.	1,375,209	29,523	1,404,732	1,303,238	101,494
UNALLOCATED BENEFITS					
Group Insurance	1,828	-	1,828	373,849	1,828
Social Security Contributions	448,880	-	448,880	426,197	75,031
Other Retirement Contributions - PERS	450,000	(23,803)	426,197	-	-
Other Retirement Contributions - Regular	38,000	17,449	55,449	55,449	-
Unemployment Compensation	50,000	(349)	49,651	12,551	37,100
Workmen's Compensation	270,036	(90)	269,946	133,129	136,817
Health Benefits	3,783,373	(125,962)	3,657,411	3,385,537	271,874
Tuition Reimbursement	57,000	-	57,000	45,150	11,850
Other Employee Benefits	77,000	22,910	99,910	99,910	-
TOTAL UNALLOCATED BENEFITS	5,176,117	(109,845)	5,066,272	4,531,772	534,500

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-behalf TPAF Pension (non-budgeted)		-		1,839,603	(1,839,603)
On-behalf TPAF NCGI Premium (non-budgeted)		-		38,508	(38,508)
On-behalf TPAF Post Retirement Medical (non-budgeted)		-		851,908	(851,908)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)		-		1,895	(1,895)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		685,552	(685,552)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	3,417,466	(3,417,466)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,176,117	(109,845)	5,066,272	7,949,238	(2,882,966)
TOTAL UNDISTRIBUTED EXPENDITURES	13,008,285	(160,630)	12,847,655	15,361,817	(2,514,162)
TOTAL GENERAL CURRENT EXPENSE	23,945,104	(6,678)	23,938,426	26,135,586	(2,197,160)
CAPITAL OUTLAY					
Equipment					
Grades 1-5		-			-
Grades 6-8		-			-
Undistributed Expenditures - Instruction		16,835	16,835	15,649	1,186
Undistributed Expenditures - General Administration	5,500	-	5,500		5,500
Undistributed Expenditures - Req. Maintenance for School Fac.		2,400	2,400	2,400	-
Undistributed Expenditures - Care and Upkeep of Grounds		4,348	4,348	4,348	-
Undistributed Expenditures - Security	250,000	-	250,000	4,694	245,306
Undistributed Expenditures - Req. Student Trans.-Non-Inst. Equip.	110,000	161,693	271,693	178,528	93,165
Total Equipment	365,500	185,276	550,776	205,619	345,157
Facilities Acquisition and Construction Services					
Construction Services	110,000	-	110,000		110,000
Capital Outlay - Trans. To Capital Projects		-	-		-
Total Facilities Acquisition and Construction Services	110,000	-	110,000		110,000
TOTAL CAPITAL OUTLAY	475,500	185,276	660,776	205,619	455,157
TOTAL EXPENDITURES	24,420,604	178,598	24,599,202	26,341,205	(1,742,003)

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(735,586)	(390,552)	(1,126,138)	884,856	2,010,994
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)					-
Total Other Financing Sources (Uses):					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(735,586)	(390,552)	(1,126,138)	884,856	2,010,994
Fund Balance, July 1	2,749,825		2,749,825	2,749,825	-
Fund Balance, June 30	<u>\$ 2,014,239</u>	<u>\$ (390,552)</u>	<u>\$ 1,623,687</u>	<u>\$ 3,634,681</u>	<u>\$ 2,010,994</u>
Adjustment for prior year encumbrances		(178,598)	(178,598)	(178,598)	-
Increase in Capital Reserve - Principal				349,483	349,483
Increase in Maintenance Reserve - Principal				99,028	99,028
Increase in Capital Reserve - Interest				4,296	4,296
Increase in Maintenance Reserve - Interest				973	973
Budgeted withdrawal from Capital Reserve	(110,000)		(110,000)	-	110,000
Budgeted withdrawal from Emergency Reserve	(250,000)		(250,000)	(4,694)	245,306
Budgeted Fund Balance	<u>(375,586)</u>	<u>(211,954)</u>	<u>(587,540)</u>	<u>614,368</u>	<u>1,201,908</u>
Total	<u>(735,586)</u>	<u>(390,552)</u>	<u>(1,126,138)</u>	<u>884,856</u>	<u>2,010,994</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				806,758	
Maintenance Reserve				150,656	
Emergency Reserve				55,311	
Excess Surplus - Designated for Subsequent Year's Expenditures				774,305	
Excess Surplus - Current Year				800,000	
Committed Fund Balance:					
Year End Encumbrances				265,440	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				179,278	
Unassigned Fund Balance				<u>602,933</u>	<u>3,634,681</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(271,809)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,362,872</u>	

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 80,785	\$ 80,785	\$ 80,785	\$ -
State Sources	198,175	(42,362)	155,813	30,650	(125,163)
Federal Sources	375,905	108,054	483,959	431,452	(52,507)
Total Revenues	574,080	146,477	720,557	542,887	(177,670)
EXPENDITURES:					
Instruction					
Salaries of Teachers	61,882	14,383	76,265	73,500	2,765
Other Salaries for Instruction	10,200	(10,200)			-
Purchased Professional - Educational Services	2,954	4,196	7,150	24,512	7,150
Other Purchased Professional Services	148,700	(11,078)	137,622	200,000	113,110
Tuition	181,105	18,895	200,000	200,000	-
General Supplies	10,057	98,409	108,466	91,642	16,824
Textbooks	12,100	(9,644)	2,456	2,363	93
Other Objects					
Total Instruction	426,998	104,961	531,959	392,017	139,942
Support Services					
Personal Services - Employee Benefits	14,443	8,342	22,785	22,785	-
Purchased Professional - Educational Services	107,498	38,942	146,440	123,911	22,529
General Supplies	14,241	(3,418)	10,823	2,100	8,723
Other Objects					
Total Support Services	136,182	43,866	180,048	148,796	31,252
Facilities Acquisition and Construction Services:					
Non-instructional Equipment	10,900	(2,350)	8,550	2,074	6,476
Total Facilities Acquisition and Construction Services	10,900	(2,350)	8,550	2,074	6,476
Total Expenditures	574,080	146,477	720,557	542,887	177,670
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2019

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$ 27,226,061	\$ 542,887
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			18,264
Less Current Year Encumbrances			(30,883)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		284,224	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(271,809)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 27,238,476	\$ 530,268
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$ 26,341,205	\$ 542,887
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			18,264
Less Current Year Encumbrances			(30,883)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 26,341,205	\$ 530,268

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Covered Payroll -PERS Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0452943393%	\$ 8,480,339	\$ 3,105,240	273.10%	52.08%
2016	0.0466334964%	10,468,285	3,185,939	328.58%	47.93%
2017	0.0457612040%	13,553,156	3,084,175	439.44%	40.14%
2018	0.0461731584%	10,748,373	2,334,584	460.40%	48.10%
2019	0.0411603000%	8,104,258	2,254,824	359.42%	53.60%

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

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

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 373,400	\$ 373,400	\$ -	\$3,105,240	12.02%
2016	400,923	400,923	-	3,185,939	12.58%
2017	406,536	406,536	-	3,084,175	13.18%
2018	427,745	427,745	-	2,334,584	18.32%
2019	409,412	409,412	-	2,254,824	18.16%

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

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

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payroll -TPAF Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0907566602%	\$ -	\$ 48,506,481	\$ 9,405,646	0.00%	33.64%
2016	0.0879285641%	\$ -	55,574,607	9,138,481	0.00%	28.71%
2017	0.0812059223%	\$ -	63,881,749	9,768,507	0.00%	22.33%
2018	0.0937186787%	\$ -	63,188,513	9,767,456	0.00%	25.41%
2019	0.0881903318%	\$ -	56,104,795	9,547,556	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.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the 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.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

Exhibit M-1

	2019	2018
Total OPEB Liability		
Service Costs	\$ 1,879,448	\$ 2,259,344
Interest on Total OPEB Liability	2,123,636	1,834,334
Changes in Assumptions	(5,729,212)	(7,465,794)
Gross Benefit Payments	(1,334,993)	(1,345,227)
Differences Between Actual and Expected Experience	(5,138,175)	-
Contribution from the Member	46,139	49,535
Net Changes in total Share of OPEB Liability	(8,153,157)	(4,667,808)
Total OPEB Liability - Beginning	58,078,752	62,746,560
Total OPEB Liability - Ending	\$ 49,925,595	\$ 58,078,752
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	49,925,595	58,078,752
Total OPEB Liability - Ending	\$ 49,925,595	\$ 58,078,752
District's Covered Employee Payroll	\$ 11,802,380	\$ 12,102,040
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.

* 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.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2019

Change in benefit terms	None
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

Supplementary Schedules

SPECIAL REVENUE FUND

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Total			Totals
	Brought Forward (Ex. E-1a)	Title I 2018-2019	Title I Carryover	2019
REVENUES				
Local Sources	\$ 80,785			\$ 80,785
State Sources	30,650			\$ 30,650
Federal Sources	293,072	107,330	920	\$ 431,452
Total Revenues	404,507	107,330	920	542,887
EXPENDITURES:				
Instruction:				
Salaries of Teachers	10,500	40,000		73,500
Other Purchased Professional Services	24,512		23,000	24,512
Tuition	200,000			200,000
General Supplies	91,642			91,642
Textbooks	2,363			2,363
Total instruction	329,017	40,000	-	392,017
Support services:				
Personal Services - Employee Benefits	3,255	12,400		22,785
Purchased Professional - Educational Services	70,161	52,830	920	123,911
General Supplies	-	2,100		2,100
Total support services	73,416	67,330	920	148,796
Facilities acquisition and const. serv.:				
Non-instructional Equipment	2,074			2,074
Total facilities acquisition and const. serv.	2,074	-	-	2,074
Total Expenditures	404,507	107,330	920	542,887
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1b)	LD.E.A., Basic 2018-2019	LD.E.A., Basic Carryover	LD.E.A., Preschool 2018-2019	N.J Non-Public Technology Aid	Total Carried Forward
REVENUES						
Local Sources	\$ 80,785					\$ 80,785
State Sources	29,150				1,500	30,650
Federal Sources	-	274,161	5,055	13,856		293,072
Total Revenues	109,935	274,161	5,055	13,856	1,500	404,507
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-			10,500		10,500
Other Purchased Professional Services	24,512					24,512
Tuition	-	200,000				200,000
General Supplies	80,986	4,000	5,055	101	1,500	91,642
Textbooks	2,363					2,363
Total instruction	107,861	204,000	5,055	10,601	1,500	329,017
Support services:						
Personal Services - Employee Benefits	-			3,255		3,255
Purchased Professional - Educational Services	-	70,161				70,161
General Supplies	-					-
Total support services	-	70,161	-	3,255	-	73,416
Facilities acquisition and const. serv.:						
Non-instructional Equipment	2,074					2,074
Total facilities acquisition and const. serv.	2,074	-	-	-	-	2,074
Total Expenditures	109,935	274,161	5,055	13,856	1,500	404,507
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1c)	N.J Non-Public Nursing Aid	N.J. Nonpublic Handicapped Services			Total Carried Forward
			Supplemental Instruction	Chapter 193 Examination & Classification	Corrective Speech	
REVENUES						
Local Sources	\$ 80,785				\$	80,785
State Sources	10,359	201	6,344	10,371	1,875	29,150
Federal Sources	-					-
Total Revenues	91,144	201	6,344	10,371	1,875	109,935
EXPENDITURES						
Instruction:						
Salaries of Teachers	-					-
Other Purchased Professional Services	5,922		6,344	10,371	1,875	24,512
Tuition	-					-
General Supplies	80,785	201				80,986
Textbooks	2,363					2,363
Total instruction	89,070	201	6,344	10,371	1,875	107,861
Support services:						
Personal Services - Employee Benefits	-					-
Purchased Professional - Educational Services	-					-
General Supplies	-					-
Total support services	-	-	-	-	-	-
Facilities acquisition and const. serv.:						
Non-instructional Equipment	2,074					2,074
Total facilities acquisition and const. serv.	2,074	-	-	-	-	2,074
Total Expenditures	91,144	201	6,344	10,371	1,875	109,935
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
 For the Fiscal Year Ended June 30, 2019

	N.J. Nonpublic Aux. Services Chapter 192	Non-Public Security Aid	N.J. Non-Public Textbook Aid	Donations	Total Carried Forward
REVENUES					
Local Sources				\$ 80,785	\$ 80,785
State Sources	5,922	2,074	2,363		10,359
Federal Sources					-
Total Revenues	5,922	2,074	2,363	80,785	91,144
EXPENDITURES					
Instruction:					
Salaries of Teachers					-
Other Purchased Professional Services	5,922				5,922
Tuition					-
General Supplies			2,363	80,785	80,785
Textbooks					2,363
Total instruction	5,922	-	2,363	80,785	89,070
Support services:					
Personal Services - Employee Benefits					-
Purchased Professional - Educational Services					-
General Supplies					-
Total support services	-	-	-	-	-
Facilities acquisition and const. serv.:					
Non-instructional Equipment		2,074			2,074
Total facilities acquisition and const. serv.	-	2,074	-	-	2,074
Total Expenditures	5,922	2,074	2,363	80,785	91,144
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2019

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2019
			Prior Years	Current Year	
Renovations - Eleanor G. Hewitt School	4/27/2011	11,195,000	11,003,935		191,065
Boiler Replacement - M.J. Ryerson Middle School	8/20/2015	498,058	497,429		629
Boiler Replacement - Peter Cooper Elementary School	8/20/2015	382,138	370,177		11,961
Boiler Replacement - Robert Erskine Elementary School	8/20/2015	328,848	322,052		6,796
Window Replacement - M.J. Ryerson Middle School	8/20/2015	216,000	196,125		19,875
Totals		\$ 12,620,044	\$ 12,389,718	\$ -	\$ 230,326

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
Capital Projects Fund
For the Year Ended June 30, 2019

Revenues and Other Financing Sources:

Interest Income	4,484
Total Revenues	4,484

Expenditures and Other Financing Uses:

Transfer to Debt Service Fund	4,484
Total Expenditures	4,484

Excess (Deficiency) of revenues over (under) expenditures	-
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Fund Balance - Beginning	230,326
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Fund Balance - Ending	\$ 230,326
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Recapitulation:

Fund Balance	\$ 230,326
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Reconciliation to Governmental Funds Statements (GAAP):

SDA Grants receivable not recognized on GAAP Basis	-
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Fund Balance per Governmental Funds (GAAP)	\$ 230,326
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BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Eleanor G. Hewitt School Renovations
From Inception and for the Year Ended June 30, 2019

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

Additional Project Information:

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

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - M.J. Ryerson Middle School
From Inception and for the Year Ended June 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 156,000		156,000	\$ 156,000
Bond proceeds and transfers	315,000		315,000	159,000
Transfer from capital reserve	183,058		183,058	183,058
Total Revenues	<u>654,058</u>	<u>-</u>	<u>654,058</u>	<u>498,058</u>
Expenditures and Other Financing Uses:				
Architectural / Engineering services	31,840		31,840	31,840
Purchased professional and technical services	79,589		79,589	79,589
Construction services	386,000		386,000	386,000
Transfer to Debt Service Fund	156,000		156,000	
Total Expenditures	<u>653,429</u>	<u>-</u>	<u>653,429</u>	<u>497,429</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ 629</u>	<u>\$ 629</u>

Additional Project Information:

Project Number	4400-053-14-1001
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$390,000
Additional Authorized Cost	\$108,058
Revised Authorized Cost	\$498,058
Percentage Increase Over	
Original Authorized Cost	28%
Percentage Completion	100%

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - Peter Cooper Elementary School
From Inception and for the Year Ended June 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 124,000		\$ 124,000	\$ 124,000
Bond proceeds and transfers	\$ 235,000		235,000	\$ 111,000
Transfer from capital reserve	147,138		147,138	147,138
Total Revenues	<u>506,138</u>	<u>-</u>	<u>506,138</u>	<u>382,138</u>
Expenditures and Other Financing Uses:				
Architectural / Engineering services	24,973		24,973	24,973
Purchased professional and technical services	73,372		73,372	73,372
Construction services	271,832		271,832	271,832
Transfer to Debt Service Fund	124,000		124,000	
Total Expenditures	<u>494,177</u>	<u>-</u>	<u>494,177</u>	<u>370,177</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 11,961</u>	<u>\$ -</u>	<u>\$ 11,961</u>	<u>\$ 11,961</u>

Additional Project Information:

Project Number	4400-055-14-1002
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$310,000
Additional Authorized Cost	\$72,138
Revised Authorized Cost	\$382,138
Percentage Increase Over	
Original Authorized Cost	23%
Percentage Completion	100%

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - Robert Erskine Elementary School
From Inception and for the Year Ended June 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 124,000		\$ 124,000	\$ 124,000
Bond proceeds and transfers	\$ 235,000		235,000	111,000
Transfer from capital reserve	93,848		93,848	93,848
Total Revenues	<u>452,848</u>	<u>-</u>	<u>452,848</u>	<u>328,848</u>
Expenditures and Other Financing Uses:				
Architectural / Engineering services	24,966		24,966	24,966
Purchased professional and technical services	50,086		50,086	50,086
Construction services	247,000		247,000	247,000
Transfer to Debt Service Fund	124,000		124,000	
Total Expenditures	<u>446,052</u>	<u>-</u>	<u>446,052</u>	<u>322,052</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ 6,796</u>	<u>\$ 6,796</u>

Additional Project Information:

Project Number	4400-060-14-1003
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$310,000
Additional Authorized Cost	\$18,848
Revised Authorized Cost	\$328,848
Percentage Increase Over	
Original Authorized Cost	6%
Percentage Completion	100%

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Window Replacement - Martin J. Ryerson Middle School
From Inception and for the Year Ended June 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 86,400		\$ 86,400	\$ 86,400
Bond proceeds and transfers	\$ 141,000		141,000	\$ 54,600
Transfer from capital reserve	75,000		75,000	75,000
Transfer from capital outlay			-	-
Total Revenues	<u>302,400</u>	<u>-</u>	<u>302,400</u>	<u>216,000</u>
Expenditures and Other Financing Uses:				
Architectural / Engineering services	21,075		21,075	21,075
Purchased professional and technical services				
Construction services	153,907		153,907	153,907
General Supplies				
Equipment				
Other Objects	21,143		21,143	21,143
Transfer to Debt Service Fund	86,400		86,400	
Total Expenditures	<u>282,525</u>	<u>-</u>	<u>282,525</u>	<u>196,125</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 19,875</u>	<u>\$ -</u>	<u>\$ 19,875</u>	<u>\$ 19,875</u>

Additional Project Information:

Project Number	4400-053-14-1004
Grant Date/Letter of Notification	8/20/2015
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$216,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$216,000
Percentage Increase Over	
Original Authorized Cost	N/A
Percentage Completion	100%

PROPRIETARY FUNDS

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2019

	<u>Food Service</u>	<u>Safety Town</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 121,075	\$ 3,560	\$ 124,635
Accounts receivable	458		458
Interfund receivables	5,784		5,784
Inventories	2,976		2,976
Total current assets	<u>130,293</u>	<u>3,560</u>	<u>133,853</u>
Noncurrent assets:			
Furniture, machinery & equipment	311,542		311,542
Less accumulated depreciation	<u>(293,281)</u>		<u>(293,281)</u>
Total noncurrent assets	<u>18,261</u>	<u>-</u>	<u>18,261</u>
Total assets	<u>148,554</u>	<u>3,560</u>	<u>152,114</u>
LIABILITIES			
Current liabilities:			
Accounts payable	44,545		44,545
Interfund payables	2,222		2,222
Prepaid revenue	10,561		10,561
Total current liabilities	<u>57,328</u>	<u>-</u>	<u>57,328</u>
Total liabilities	<u>57,328</u>	<u>-</u>	<u>57,328</u>
NET POSITION			
Net Investment in capital assets	18,261		18,261
Unrestricted	<u>72,965</u>	<u>3,560</u>	<u>76,525</u>
Total net position	<u>\$ 91,226</u>	<u>\$ 3,560</u>	<u>\$ 94,786</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 294,426		\$ 294,426
Daily sales - non-reimbursable programs	134,809		134,809
Special functions	4,372		4,372
Miscellaneous		5,257	5,257
Total operating revenues	<u>433,607</u>	<u>5,257</u>	<u>438,864</u>
Operating expenses:			
Cost of food - reimbursable programs	150,477		150,477
Cost of food - non-reimbursable programs	36,643		36,643
Cost of sales - other	50,698		50,698
Salaries	158,354	2,877	161,231
Employee benefits	66,029		66,029
Cleaning, repair and maintenance services	1,710		1,710
Purchased services	32,888		32,888
Miscellaneous Expense	10,704	323	11,027
General supplies	3,404		3,404
Depreciation	3,222		3,222
Total Operating Expenses	<u>514,129</u>	<u>3,200</u>	<u>517,329</u>
Operating income (loss)	<u>(80,522)</u>	<u>2,057</u>	<u>(78,465)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,481		5,481
Federal sources:			
National school lunch program	74,840		74,840
Food distribution program	35,059		35,059
Interest and investment revenue	1,659	34	1,693
Total non-operating revenues (expenses)	<u>117,039</u>	<u>34</u>	<u>117,073</u>
Income (loss) before contributions & transfers	<u>36,517</u>	<u>2,091</u>	<u>38,608</u>
Capital contributions	-		-
Transfers in (out)			-
Change in net position	<u>36,517</u>	<u>2,091</u>	<u>38,608</u>
Total net position—beginning - as previously reported,	64,113	1,469	65,582
Prior period adjustment:			
Adjustment for prior year prepaid revenue	(9,404)		(9,404)
Total net position—beginning - as restated	<u>54,709</u>	<u>1,469</u>	<u>56,178</u>
Total net position—ending	<u>\$ 91,226</u>	<u>\$ 3,560</u>	<u>\$ 94,786</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 434,306	\$ 7,847	\$ 442,153
Payments to employees	(158,354)		(158,354)
Payments for employee benefits	(66,029)		(66,029)
Payments to suppliers	(278,770)	(6,077)	(284,847)
Net cash provided by (used for) operating activities	<u>(68,847)</u>	<u>1,770</u>	<u>(67,077)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,561		5,561
Federal sources	110,780		110,780
Net cash provided by (used for) non-capital financing activities	<u>116,341</u>	<u>-</u>	<u>116,341</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(4,740)		(4,740)
Net cash provided by (used for) capital and related financing activities	<u>(4,740)</u>	<u>-</u>	<u>(4,740)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,659	34	1,693
Net cash provided by (used for) investing activities	<u>1,659</u>	<u>34</u>	<u>1,693</u>
Net increase (decrease) in cash and cash equivalents	44,413	1,804	46,217
Balances—beginning of year	76,662	1,756	78,418
Balances—end of year	<u>\$ 121,075</u>	<u>\$ 3,560</u>	<u>\$ 124,635</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (80,522)	\$ 2,057	\$ (78,465)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	3,222		3,222
(Increase) decrease in inventories	(547)		(547)
(Increase) decrease in accounts receivable	(458)	2,590	2,132
Increase (decrease) in accounts payable	8,301	(2,877)	5,424
Increase (decrease) in prepaid revenue	1,157		1,157
Total adjustments	<u>11,675</u>	<u>(287)</u>	<u>11,388</u>
Net cash provided by (used for) operating activities	<u>\$ (68,847)</u>	<u>\$ 1,770</u>	<u>\$ (67,077)</u>

FIDUCIARY FUND

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Trust and Agency Funds
June 30, 2019

	Trust		Agency		Total Agency Fund
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	
Assets					
Cash and cash equivalents	\$ 16,680	\$ 16,680	\$ 31,134	\$ 641	\$ 31,775
Total assets	16,680	16,680	31,134	641	31,775
Liabilities					
Accounts payable	5,883	5,883	462		462
Payable to student groups		-	30,672		30,672
Payroll deductions and withholdings		-		641	641
Total liabilities	5,883	5,883	\$ 31,134	\$ 641	\$ 31,775
Net Position					
Reserved	10,797	10,797			
Total net position	\$ 10,797	\$ 10,797			

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
For the Year Ended June 30, 2019

	Unemployment Compensation Trust	Total Trusts
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Plan member	\$ 43,475	\$ 43,475
Other	12,551	12,551
Total Contributions	<u>56,026</u>	<u>56,026</u>
Total additions	<u>56,026</u>	<u>56,026</u>
DEDUCTIONS		
Quarterly contribution reports	17,753	17,753
Unemployment claims	28,286	28,286
Total deductions	<u>46,039</u>	<u>46,039</u>
Change in net position	9,987	9,987
Net position—beginning of the year	810	810
Net position—end of the year	<u>\$ 10,797</u>	<u>\$ 10,797</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Accounts Payable June 30, 2019</u>	<u>Balance June 30, 2019</u>
Elementary Schools	\$ 11,408	15,446	14,715		\$ 12,139
Middle School	20,162	97,134	98,301	462	18,533
Total Elementary Schools	<u>\$ 31,570</u>	<u>\$ 112,580</u>	<u>\$ 113,016</u>	<u>\$ 462</u>	<u>\$ 30,672</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2019

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Net Payroll	\$ -	\$ 9,279,720	\$ 9,279,720	\$ -
Payroll deductions and withholdings	1,000	6,920,266	6,920,625	641
Interfund payable	-	3,272	3,272	-
Totals	<u>\$ 1,000</u>	<u>\$ 16,203,258</u>	<u>\$ 16,203,617</u>	<u>\$ 641</u>

LONG-TERM DEBT

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Long-Term Debt
Schedule of Bonds Payable
Year Ended June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
School District Bonds	July 15, 2008	1,328,000	1/15/2020	110,000	4.250%				
			1/15/2021	110,000	4.250%				
			1/15/2022	115,000	4.250%				
			1/15/2023	120,000	3.800%				
						\$ 560,000	\$ -	\$ 105,000	\$ 455,000
School District Bonds	September 13, 2011	11,195,000	9/1/2019	505,000	3.000%				
			9/1/2020	520,000	3.000%				
			9/1/2021	545,000	3.000%				
			9/1/2022	560,000	3.000%				
			9/1/2023	580,000	3.000%				
			9/1/2024	605,000	3.125%				
			9/1/2025	640,000	3.375%				
			9/1/2026	665,000	3.500%				
			9/1/2027	690,000	3.625%				
			9/1/2028	720,000	4.000%				
			9/1/2029	765,000	4.000%				
			9/1/2030	795,000	4.000%				
			9/1/2031	830,000	4.000%				
						\$ 8,910,000		\$ 490,000	\$ 8,420,000
Grand Total						\$ 9,470,000	\$ -	\$ 595,000	\$ 8,875,000

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2019

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Orig. Issue</u>	<u>Amount Outstanding July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2019</u>
Acquisition of School Buses	1.95%	213,404	36,593		36,593	-
Acquisition of School Bus	1.90%	94,196	47,524		15,544	31,980
Acquisition of Photocopiers		114,296	98,603		21,685	76,918
Boilers/Window Replacements	1.78%		235,967		116,942	119,025
			<u>\$ 418,687</u>	<u>\$ -</u>	<u>\$ 190,764</u>	<u>\$ 227,923</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 874,228		\$ 874,228	\$ 874,228	\$ -
State Sources:					
Debt Service Aid Type II	43,792		43,792	43,792	-
Total - State Sources	43,792	-	43,792	43,792	-
Total Revenues	918,020	-	918,020	918,020	-
EXPENDITURES:					
Regular Debt Service:					
Interest	324,419		324,419	324,419	-
Redemption of Principal	595,000		595,000	595,000	-
Total expenditures	919,419	-	919,419	919,419	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,399)	-	(1,399)	(1,399)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				4,484	4,484
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,399)	-	(1,399)	3,085	4,484
Fund Balance, July 1	3,630	-	3,630	3,630	-
Fund Balance, June 30	<u>\$ 2,231</u>	<u>\$ -</u>	<u>\$ 2,231</u>	<u>\$ 6,715</u>	<u>\$ 4,484</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	570,971	143,031	(9,723,632)	(827,219)	(350,659)	(904,942)	633,495	957,445	867,747	1,032,586
Restricted	936,290	1,090,895	11,661,862	3,833,114	2,670,181	3,156,626	1,751,762	1,200,975	2,528,034	3,268,789
Unrestricted	(224,912)	(174,310)	(415,855)	(222,190)	(254,934)	(9,018,577)	(9,348,256)	(9,971,734)	(10,568,007)	(10,244,417)
Total Governmental Activities Net Position	1,282,349	1,059,616	1,522,375	2,783,705	2,064,588	(6,766,893)	(6,962,999)	(7,813,314)	(7,172,226)	(5,943,042)
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	4,200	7,827	11,352	23,034	28,419	39,482	37,550	34,557	16,743	18,261
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	77,475	80,437	88,993	84,212	75,214	56,384	56,493	58,009	48,839	76,525
Total Business-type Activities Net Position	81,675	88,264	100,345	107,246	103,633	95,866	94,043	92,566	65,582	94,786
District-wide										
Invested in Capital Assets, Net of Related Debt	575,171	150,858	(9,712,280)	(804,185)	(322,240)	(865,460)	671,045	992,002	884,490	1,050,847
Restricted	936,290	1,090,895	11,661,862	3,833,114	2,670,181	3,156,626	1,751,762	1,200,975	2,528,034	3,268,789
Unrestricted	(147,437)	(93,873)	(326,862)	(137,978)	(179,720)	(8,962,193)	(9,291,763)	(9,913,725)	(10,519,168)	(10,167,892)
Total District Net Position	1,364,024	1,147,880	1,622,720	2,890,951	2,168,221	(6,671,027)	(6,868,956)	(7,720,748)	(7,106,644)	(5,848,256)

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Instruction:										
Regular	8,206,764	7,599,176	7,383,642	7,396,607	7,608,013	8,337,825	8,419,710	8,776,228	8,090,656	7,637,259
Special Education	3,168,413	3,042,314	3,059,783	3,182,943	3,364,977	3,616,889	3,589,287	3,854,266	3,479,887	3,242,404
Other Special Instruction	233,106	278,732	341,543	283,203	237,416	261,340	252,965	275,246	330,719	263,789
Other Instruction	29,509	33,088	31,578	24,024	26,896	25,238	33,978	36,138	30,624	32,500
Support Services:										
Tuition	829,591	764,547	737,252	615,023	771,388	431,431	326,046	246,995	298,901	432,414
Student & Instruction Related Services	1,988,295	2,121,111	2,060,512	2,279,982	2,869,204	2,793,211	2,966,620	3,085,748	2,680,666	2,338,741
School Administrative Services	995,970	1,031,395	1,078,452	996,319	843,468	797,930	824,357	816,210	763,045	820,482
General Administrative Services	456,310	445,715	444,839	472,915	433,252	456,353	458,785	469,474	470,612	435,432
Central Services & Admin. Info. Technology	417,761	392,527	431,756	345,563	372,581	402,185	399,326	431,650	363,399	293,137
Plant Operations and Maintenance	1,732,297	1,796,831	1,818,857	1,826,745	2,054,148	2,040,536	1,953,042	2,176,871	1,857,247	1,915,146
Pupil Transportation	1,730,454	1,911,477	1,867,112	1,848,653	1,927,602	1,769,348	1,876,856	1,776,462	1,340,697	1,112,474
Unallocated Benefits	1,690,346	2,198,759	2,575,653	2,883,901	2,677,363	5,091,191	6,282,031	8,666,922	11,680,533	10,356,498
Capital outlay- non-depreciable	-	27,679	1,609	-	-	30,633	158,006	9,548	11,747	2,874
Interest on Long-term Debt	55,724	52,603	334,485	334,323	474,526	381,359	381,966	351,749	334,780	318,244
Unallocated Depreciation	323,491	706,780	243,058	29,701	977,285	809,875	685,192	820,199	846,659	825,745
Total Governmental Activities Expenses	21,858,031	22,402,734	22,410,131	22,519,902	24,638,119	27,245,344	28,608,167	31,793,706	32,580,172	30,027,139
Business-type Activities:										
Food Service	432,803	423,811	441,814	440,760	428,696	437,785	456,914	476,029	487,423	514,129
Safety Town	3,951	3,736	3,670	3,577	3,937	4,250	3,609	3,749	3,196	3,200
Summer Music	-	-	3,137	9,548	12,869	13,721	17,702	10,284	8,045	-
Total Business-type Activities Expenses	436,754	427,547	448,621	453,885	445,502	455,756	478,225	490,062	498,664	517,329
Total District Expenses	22,294,785	22,830,281	22,858,752	22,973,787	25,083,621	27,701,100	29,086,392	32,283,768	33,078,836	30,544,468
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	660,714	1,018,940	698,326	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060
Total Governmental Activities Program Revenues	660,714	1,018,940	698,326	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type Activities:										
Charges for Services:										
Food Service	349,948	329,075	339,900	336,165	316,517	320,988	354,964	372,654	394,711	433,607
Safety Town	4,225	4,894	3,315	3,445	4,385	4,355	3,365	2,800	3,150	5,257
Summer Music			7,800	10,200	12,145	16,540	14,337	10,779	3,450	-
Operating Grants and Contributions	88,587	99,384	109,507	110,976	108,220	106,084	103,610	101,788	100,932	115,380
Total Business-type Activities Program Revenues	442,760	433,353	460,522	460,786	441,267	447,967	476,276	488,021	502,243	554,244
Total District Program Revenues	1,103,474	1,452,293	1,158,848	1,123,321	1,198,166	1,771,114	1,823,604	1,897,296	1,249,228	1,128,304
Net (Expense)/Revenue										
Governmental Activities	(21,197,317)	(21,383,794)	(21,711,805)	(21,857,567)	(23,881,220)	(25,922,197)	(27,260,839)	(30,384,431)	(31,833,187)	(29,453,079)
Business-type Activities	6,006	5,806	11,901	6,901	(4,235)	(7,789)	(1,949)	(2,041)	3,579	36,915
Total District-wide Net Expense	(21,191,311)	(21,377,988)	(21,699,904)	(21,850,466)	(23,885,455)	(25,929,986)	(27,262,788)	(30,386,472)	(31,829,608)	(29,416,164)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	15,282,478	15,629,602	15,934,379	16,774,455	17,497,089	17,884,484	18,254,173	19,212,512	19,765,641	20,145,544
Unrestricted Federal and State Aid	4,778,732	4,050,113	4,696,118	4,892,662	4,661,948	6,424,029	7,557,395	9,083,125	11,295,853	9,011,275
Tuition Received	760,966	992,864	1,074,021	1,204,649	928,731	1,075,453	872,134	877,332	1,194,011	1,131,729
Interest on Investments	22,118	24,459	87,489	11,015	3,319	5,561	6,551	5,991	5,080	10,125
Miscellaneous Income	79,405	75,875	87,489	100,227	65,105	110,039	115,369	98,613	48,387	150,198
Transportation Fees	440,672	388,148	382,557	396,689	337,631	338,919	259,111	256,543	227,844	233,392
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	21,364,371	21,161,061	22,174,564	23,379,697	23,493,823	25,838,485	27,064,733	29,534,116	32,536,816	30,682,263
Business-type Activities:										
Interest on Investments	794	783	-	-	-	-	-	-	806	1,659
Miscellaneous Income	-	-	180	-	622	22	126	221	-	34
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	794	783	180	-	622	22	126	221	806	1,693
Total District-wide	21,365,165	21,161,844	22,174,744	23,379,697	23,494,445	25,838,507	27,064,859	29,534,337	32,537,622	30,683,956
Change in Net Position										
Governmental Activities	167,054	(222,733)	462,759	1,522,330	(387,397)	(83,712)	(196,106)	(850,315)	703,629	1,229,184
Business-type Activities	6,800	6,589	12,081	6,901	(3,613)	(7,767)	(1,823)	(1,820)	4,385	38,608
Total District	173,854	(216,144)	474,840	1,529,231	(391,010)	(91,479)	(197,929)	(852,135)	708,014	1,267,792

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	936,290	1,090,895	1,750,417	2,671,778	2,443,516	1,799,896	1,419,070	969,250	2,294,078	3,031,748
Unreserved	136,723	180,357	146,363	122,213	148,211	160,866	138,834	441,366	171,523	331,124
Total General fund	1,073,013	1,271,252	1,896,780	2,793,991	2,591,727	1,960,762	1,557,904	1,410,616	2,465,601	3,362,872
All Other Governmental Funds										
Reserved	-	-	9,911,445	1,161,336	226,665	1,356,730	332,692	231,725	233,956	-
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	125,982	76,482	23,682	-	-	-	-	-	-	230,326
Debt Service Fund	5,770	6,644	6,644	-	-	-	-	-	-	6,715
Total All Other Governmental Funds	131,752	83,126	9,941,771	1,161,336	226,665	1,356,730	332,692	231,725	233,956	237,041

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	15,282,478	15,629,602	15,934,379	16,774,455	17,497,089	17,884,484	18,254,173	19,212,512	19,765,641	20,145,544
Other Local Revenue	1,303,161	1,483,555	1,550,406	1,728,124	1,380,383	1,529,972	1,253,165	1,191,623	1,553,834	1,616,394
State Sources	4,759,718	4,329,802	4,845,306	5,163,178	4,928,476	5,208,369	5,677,403	6,206,829	6,034,358	6,518,640
Federal Sources	776,953	737,042	542,800	381,876	444,774	404,077	484,156	488,072	458,831	410,670
Total Revenues	22,122,310	22,180,001	22,872,891	24,047,633	24,250,722	25,026,902	25,668,897	27,099,036	27,812,664	28,691,248
Expenditures										
Instruction:										
Regular	6,853,405	7,599,176	7,414,884	7,435,734	7,608,013	8,337,825	8,419,710	8,776,228	8,090,656	7,637,259
Special	2,655,082	3,042,314	3,059,783	3,182,943	3,364,977	3,616,889	3,589,287	3,854,266	3,479,887	3,242,404
Other Special Instruction	186,475	278,732	341,543	283,203	237,416	261,340	252,965	275,246	330,719	263,789
Other Instruction	29,509	33,088	31,578	24,024	26,896	25,238	33,978	36,138	30,624	32,500
Support Services:										
Tuition	829,591	764,547	737,252	615,023	771,388	431,431	326,046	246,995	298,901	432,414
Student & inst. related services	1,708,023	2,121,111	2,060,512	2,279,982	2,869,204	2,793,211	2,966,620	3,085,748	2,680,666	2,338,741
General administration	419,185	462,977	444,839	434,990	433,252	456,353	458,785	469,474	470,612	435,432
School administrative services	826,100	1,031,395	1,078,452	996,319	843,468	797,930	824,357	816,210	763,045	820,482
Central services	316,567	392,527	393,831	345,563	332,888	334,223	330,748	357,345	270,836	221,137
Admin. information technology	36,000		37,925			39,693	68,578	74,305	92,563	72,000
Plant operations and maintenance	1,564,299	1,796,831	1,818,857	1,845,887	2,054,148	2,040,536	1,953,042	2,176,871	1,857,247	1,915,146
Pupil transportation	1,605,747	2,071,994	2,012,073	2,026,773	2,148,439	1,959,030	2,079,154	2,060,072	1,578,090	1,303,238
Employee benefits	4,561,726	2,236,356	2,705,237	2,898,226	2,693,093	2,922,803	3,224,591	3,990,468	5,877,015	7,949,238
Capital Outlay	52,852	349,616	1,494,586	9,280,393	1,253,130	487,543	1,261,282	310,087	133,152	207,693
Debt Service:										
Principal	73,000	75,000	80,000	80,000	525,000	535,000	1,023,311	560,000	575,000	595,000
Interest and Other Charges	56,440	53,338	50,150	568,138	400,056	386,488	388,595	356,519	340,731	324,419
Total Governmental Fund Expenditures	21,774,001	22,309,002	23,761,502	32,333,123	25,601,061	25,453,802	27,201,049	27,445,972	26,869,744	27,790,892
Excess (Deficiency) of Revenues Over (Under) Expenditures	348,309	(129,001)	(888,611)	(8,287,490)	(1,350,339)	(42,690)	(1,532,152)	(346,936)	942,920	900,356
Other Financing Sources (Uses)										
Operating Transfers In	67,426	85,577	99,190	77,011	84,711	817,922	199,414	389	2,231	4,484
Operating Transfers Out	(67,426)	(85,577)	(99,190)	(82,413)	(84,711)	(817,922)	(199,414)	(389)	(2,231)	(4,484)
Proceeds from Borrowing			11,195,000							
Capital Leases (non-budgeted)	52,852	278,614	177,784	409,668	213,404	926,000	105,256	98,681	114,296	
Total Other Financing Sources (Uses)	52,852	278,614	11,372,784	404,266	213,404	926,000	105,256	98,681	114,296	
Net Changes in Fund Balance	401,161	149,613	10,484,173	(7,883,224)	(1,136,935)	499,100	(1,426,896)	(248,255)	1,057,216	900,356
Debt Service as a percentage of noncapital expenditures	0.60%	0.58%	0.58%	2.81%	3.80%	3.69%	5.44%	3.38%	3.43%	3.33%

Source: District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30,2005. Prior to June 30,2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ended June 30,	Interest Income	Transportation Fees	Tuition	Rentals	Miscellaneous	Annual Totals
2010	22,118	440,672	760,966	75,000	4,405	1,303,161
2011	25,334	388,148	992,864	75,000	2,209	1,483,555
2012	13,291	382,557	1,074,021	75,000	5,537	1,550,406
2013	16,417	396,689	1,204,649	95,000	15,369	1,728,124
2014	3,319	337,631	928,731	65,000	105	1,334,786
2015	5,561	338,919	1,075,453	49,000	1,608	1,470,541
2016	6,181	259,111	872,134	4,600	1,288	1,143,314
2017	474	256,543	877,332	5,000	60	1,139,409
2018	5,080	227,844	1,194,011	9,000	37,156	1,473,091
2019	10,125	233,392	1,131,729	9,270	136,443	1,520,959

Source: District records.

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less:		Public Utilities	Net Assessed Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
								Tax Exempt Property	a				
									b				
2009	78,944,500	1,538,576,800	4,820,700	67,758,300	33,800,900	0	1,723,901,200	0	2,638,490	1,726,539,690	1,969,028,284	0.885	
2010	77,893,500	1,534,609,300	5,638,700	65,443,100	33,014,800	0	1,716,599,400	0	2,386,377	1,718,985,777	1,849,100,408	0.909	
2011	76,695,000	1,532,454,400	6,372,600	65,268,000	32,787,200	0	1,713,577,200	0	0	1,713,577,200	1,788,226,664	0.930	
2012	75,741,900	1,532,168,100	6,040,500	64,018,300	32,787,200	0	1,710,756,000	0	0	1,710,756,000	1,732,676,783	0.981	
2013*	72,592,500	1,296,995,400	4,944,700	58,605,700	27,696,500	0	1,460,834,800	0	0	1,460,834,800	1,663,039,694	1.198	
2014	72,228,000	1,299,371,100	4,943,600	57,819,200	26,997,700	0	1,461,359,600	0	0	1,461,359,600	1,631,134,925	1.224	
2015	72,018,900	1,299,987,900	4,942,500	67,867,900	24,401,100	0	1,469,218,300	0	0	1,469,218,300	1,638,586,197	1.242	
2016	71,481,100	1,300,644,000	4,514,000	67,941,200	23,407,800	5,607,700	1,473,595,800	0	0	1,473,595,800	1,644,909,923	1.304	
2017	71,111,600	1,302,382,700	4,331,400	69,497,700	23,313,400	0	1,470,636,800	0	0	1,470,636,800	1,632,305,507	1.344	
2018	65,690,800	1,303,353,800	4,320,500	69,954,400	23,028,900	0	1,466,348,400	0	0	1,466,348,400	1,657,689,641	1.374	

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

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

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

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

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

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

Fiscal Year Ended June 30,	Ringwood School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Lakeland Regional School District	Borough of Ringwood	County of Passaic			
2009	0.885	-	0.885	0.531	0.539	0.574		2.529	
2010	0.909	-	0.909	0.537	0.586	0.578		2.610	
2011	0.930	-	0.930	0.524	0.599	0.601		2.654	
2012	0.981	-	0.981	0.525	0.632	0.643		2.781	
2013	1.161	0.037	1.198	0.566	0.748	0.767		3.279	
2014	1.178	0.046	1.224	0.631	0.753	0.789		3.397	
2015	1.194	0.048	1.242	0.668	0.757	0.849		3.516	
2016	1.256	0.048	1.304	0.707	0.769	0.837		3.617	
2017	1.299	0.045	1.344	0.713	0.779	0.819		3.655	
2018	1.315	0.059	1.374	0.733	0.801	0.832		3.740	

Source: Municipal Tax Collector

Note: NJSIA 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.

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

	2018				2008			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
North Jersey District Water Supply	\$ 54,040,400	1	3.67%		\$ 23,179,000	1	2.67%	
Ringwood Plaza, Ltd. Partnership	9,894,900	3	0.67%		5,237,400	2	0.60%	
Franciscan Sisters of Ringwood					4,530,900	3	0.52%	
Pitts (Daret)					2,189,000	5	0.25%	
Serler, LLC	3,615,700	6	0.25%		2,702,400	4	0.31%	
Ringwood Associates (c/o Berger)	6,562,200	4	0.45%					
BHR Ringwood Real Estate LLC	4,685,400	5	0.32%					
Cheese Works, 16-81 Inc.								
Public Service Electric & Gas Co.	2,967,500	7	0.20%		1,904,900	6	0.22%	
Carey & Company, LLC					1,680,100	7	0.19%	
Ponderosa Group, LLC	2,718,100	10	0.18%		1,592,600	9	0.18%	
Ringwood Commons, LLC	2,852,900	9	0.19%					
Verizon					1,475,900	10	0.17%	
Remy Associates								
Spring Lake Land, LLC	2,944,400	8	0.20%		1,613,000	8	0.19%	
Tennessee Gas Transmission	12,452,400	2	0.85%					
Total	\$ 102,733,900		6.98%		\$ 46,105,200		5.30%	

Source: Municipal Tax Assessor

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	15,282,478	15,282,478	100.00%	-
2011	15,629,602	15,629,602	100.00%	-
2012	15,934,379	15,934,379	100.00%	-
2013	16,774,455	16,774,455	100.00%	-
2014	17,497,089	17,497,089	100.00%	-
2015	17,884,484	17,884,484	100.00%	-
2016	18,254,173	18,254,173	100.00%	-
2017	19,212,512	19,212,512	100.00%	-
2018	19,765,641	19,765,641	100.00%	-
2019	20,145,544	20,145,544	100.00%	-

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

a

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2010	1,255,000	-	275,446	-	-	1,530,446	0.30%	120.39	
2011	1,180,000	-	393,543	-	-	1,573,543	0.29%	128.60	
2012	12,295,000	-	435,319	-	-	12,730,319	2.41%	1,039.55	
2013	12,215,000	-	666,863	-	-	12,881,863	2.33%	1,044.42	
2014	11,690,000	-	659,430	-	-	12,349,430	2.24%	998.90	
2015	11,155,000	-	1,395,748	-	-	12,550,748	2.31%	1,010.53	
2016	10,605,000	-	825,395	-	-	11,430,395	2.10%	918.25	
2017	10,045,000	-	541,785	-	-	10,586,785	1.81%	853.84	
2018	9,470,000	-	418,687	-	-	9,888,687	1.67%	794.02	
2019	8,875,000	-	227,923	-	-	9,102,923	1.55%	744.55	

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	1,255,000	-	1,255,000	0.07%	98.73
2011	1,180,000	-	1,180,000	0.07%	96.44
2012	12,295,000	-	12,295,000	0.72%	1,004.00
2013	12,215,000	-	12,215,000	0.71%	990.35
2014	11,690,000	-	11,690,000	0.80%	945.56
2015	11,155,000	-	11,155,000	0.76%	898.15
2016	10,605,000	-	10,605,000	0.72%	851.94
2017	10,045,000	-	10,045,000	0.68%	810.15
2018	9,470,000	-	9,470,000	0.64%	760.40
2019	8,875,000	-	8,875,000	0.61%	725.91

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

a See Exhibit J-6 for property tax data.

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

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Ringwood	\$ 12,006,707	100.000%	\$ 12,006,707
County of Passaic	340,314,345	4.161%	14,161,956
Other debt	None		-
Subtotal, overlapping debt			26,168,663
Borough of Ringwood School District Direct Debt:			
Authorized but Not Issued			-
Issued and Outstanding			<u>8,875,000</u>
Total direct and overlapping debt			<u><u>\$ 35,043,663</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 57,860,253	\$ 55,994,271	\$ 53,789,473	\$ 51,930,187	\$ 50,323,199	\$ 49,267,423	\$ 48,984,003	\$ 49,035,171	\$ 49,362,780	\$ 50,093,150
Total net debt applicable to limit	<u>1,255,000</u>	<u>12,375,000</u>	<u>12,295,000</u>	<u>12,215,000</u>	<u>11,690,000</u>	<u>11,155,000</u>	<u>10,605,000</u>	<u>10,045,000</u>	<u>9,470,000</u>	<u>8,875,000</u>
Legal debt margin	<u>\$ 56,605,253</u>	<u>\$ 43,619,271</u>	<u>\$ 41,494,473</u>	<u>\$ 39,715,187</u>	<u>\$ 38,633,199</u>	<u>\$ 38,112,423</u>	<u>\$ 38,379,003</u>	<u>\$ 38,990,171</u>	<u>\$ 39,892,780</u>	<u>\$ 41,218,150</u>
Total net debt applicable to the limit as a percentage of debt limit	2.17%	22.10%	22.86%	23.52%	23.23%	22.64%	21.65%	20.49%	19.18%	17.72%

Average equalized valuation of taxable property	\$ 1,669,771,672
Debt limit (3% of average equalization value)	50,093,150
Total Net Debt Applicable to Limit	<u>8,875,000</u>
Legal debt margin	<u>\$ 41,218,150</u>

Equalized valuation basis	
2018	\$ 1,712,423,683
2017	\$ 1,661,924,285
2016	\$ 1,634,967,048
	<u>\$ 5,009,315,016</u>

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

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

Year	Population ^a	Personal Income (Thousands) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	12,602	523,688,712	41,556	4.60%
2009	12,712	513,895,312	40,426	8.80%
2010	12,236	516,701,808	42,228	9.20%
2011	12,246	529,137,414	43,209	9.00%
2012	12,334	553,796,600	44,900	8.90%
2013	12,363	552,477,744	44,688	5.90%
2014	12,420	542,592,540	43,687	4.70%
2015	12,448	543,815,776	43,687	4.70%
2016	12,399	585,096,411	47,189	4.60%
2017	12,454	592,150,338	47,547	4.30%
2018	12,226	588,706,352	48,152	3.70%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development. Estimates as of July 1, 2008-18.

^b Personal Income of the District is based on the population and per capita income.

^c Per capita personal income by county estimated based upon Census Bureau midyear population estimates.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2018		2008		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Rank [Optional]	Percentage of Total Municipal Employment
	-		0.00%		0.00%

Information Not Available

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	80	72	77	70	75	79	77	80	77	77
Special Education	22	24	26	24	25	30	29	29	29	28
Other Special Instruction	4	5	5	4	5	3	4	4	3	3
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	16	9	13	18	17	17	19	19	19	19
School Administrative Services	11	11	11	11	10	11	11	11	11	11
General Administrative Services	3	3	3	3	5	6	6	5	3	3
Central Services & Admin. Info. Technology	-	-	-	-	-	1	1	1	1	1
Plant Operations and Maintenance	15	13	13	13	14	15	14	11	3	3
Pupil Transportation	30	31	29	29	29	26	25	24	22	22
Business and Other Support Services	6	6	6	6	6	5	5	5	6	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	187	174	183	178	186	193	191	189	174	172

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2010	1,320	21,591,709	16,357	1.05%	125.00	13:01	12:01	13:16	1,258	-3.80%	95.59%	
2011	1,287	20,608,892	16,013	-4.55%	122.00	12:01	12:01	12:81	1,221	-2.66%	95.32%	
2012	1,260	22,136,766	17,569	7.41%	121.00	10:01	12:01	12:59	1,226	-1.72%	97.38%	
2013	1,247	22,406,592	17,968	1.22%	119.00	10:01	12:01	12:56	1,199	-0.24%	95.46%	
2014	1,227	23,422,875	19,090	4.54%	109.00	11:01	11:01	12:26	1,170	-2.39%	95.43%	
2015	1,217	24,044,771	19,757	2.66%	113.00	11:01	10:01	12:32	1,179	0.49%	95.70%	
2016	1,199	24,527,861	20,457	2.01%	108.00	11:01	11:01	12:03	1,153	-2.35%	95.84%	
2017	1,216	26,219,366	21,562	6.90%	113.00	11:01	11:01	12:16	1,163	1.08%	95.64%	
2018	1,170	25,820,861	22,069	-1.52%	109.00	11:01	11:01	11:76	1,128	-3.29%	95.92%	
2019	1,156	26,663,780	23,066	3.26%	108.50	11:01	11:01	11:55	1,103	-1.79%	95.50%	

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Elementary</u>										
E.G. Hewitt School (1937)	40,911	40,911	40,911	48,695	48,695	48,695	48,695	48,695	48,695	48,695
Square Feet	270	270	270	420	420	420	420	420	420	420
Capacity (students)	308	290	290	272	284	288	273	253	247	247
Enrollment										
Robert Erskine School (1960)	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700
Square Feet	219	219	219	219	219	219	219	219	219	219
Capacity (students)	267	246	236	234	247	248	249	229	229	229
Enrollment										
Peter Cooper School (1963)	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213
Square Feet	291	291	291	291	291	291	291	291	291	291
Capacity (students)	284	292	290	290	263	260	253	263	260	260
Enrollment										
<u>Middle School</u>										
Martin J. Ryerson (1970)	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306
Square Feet	483	483	483	483	483	483	483	483	483	483
Capacity (students)	501	459	444	451	432	421	424	436	434	434
Enrollment										
<u>Other</u>										
Administration Building	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240
Square Feet	492	492	492	492	492	492	492	492	492	492
Transportation Office and Garage										
Square Feet										
Number of Schools at June 30, 2019										
Elementary = 3										
Middle School = 1										
Other = 2										

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

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

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

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

School Facilities	Project #'s	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Martin J. Ryerson Middle School	N/A	172,550	151,294	205,834	163,118	216,579	185,108	176,945	170,113	169,020	173,100
E.G. Hewitt Intermediate School	N/A	84,171	91,734	114,789	107,193	120,798	102,726	110,051	86,957	74,664	66,597
Robert Erskine Elementary School	N/A	89,375	82,772	74,742	97,872	78,672	103,156	71,659	114,999	139,063	133,820
Peter Cooper Elementary School	N/A	105,630	100,999	95,832	97,872	100,846	130,955	90,900	109,612	107,058	104,624
Total School Facilities		<u>451,726</u>	<u>426,799</u>	<u>491,197</u>	<u>466,055</u>	<u>516,895</u>	<u>521,945</u>	<u>449,555</u>	<u>481,681</u>	<u>489,805</u>	<u>478,141</u>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
UNAUDITED**

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

- (1) New Jersey Schools Insurance Group
- (2) New Jersey Schools Insurance Group
- (3) New Jersey Schools Insurance Group
- (4) Axis Accident & Health Group Insurance Trust
- (5) New Jersey Schools Insurance Group

Source: District Records

SINGLE AUDIT 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
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ringwood School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 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 14, 2019.

Internal Control Over Financial Reporting

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

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



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Ringwood School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 14, 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.

Paul J. Cuva

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

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

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

November 14, 2019

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

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

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

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

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

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Borough of Ringwood School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ringwood Board of Education's major state programs for the year ended June 30, 2019. The Borough of Ringwood Board of Education's major 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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Ringwood Board of Education's major 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 N.J. OMB Circular 15-08. Those standards 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 state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ringwood Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Borough of Ringwood Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Borough of Ringwood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Ringwood Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major 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 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 Ringwood Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Paul J. Cuva

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

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

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

November 14, 2019

**BOROUGH OF RINGWOOD 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	Program or Award Amount	Grant Period From To	Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO Cumulative Total Expenditures				
											(Accounts Receivable)	Deferred Revenue		Due to Grantor			
U.S. Department of Education																	
General Fund:																	
Medical Assistance Program (SEM)	93.778	1905N5MAP	N/A	2,003	7/1/2018 6/30/2019	-	-	(2,003)	-	(2,003)	-	-	2,003				
Total General Fund																	
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund:																	
Title I	84.010	S010A180030	NCLB440018	121,601	7/1/2018 6/30/2019	(3,904)	(3,904)	88,594	(108,250)	(23,560)	-	-	108,250				
Title I, Part A	84.010	S010A170030	NCLB440017	118,985	7/1/2017 6/30/2018	(3,904)	3,904	22,315	(30,130)	(9,430)	-	-	118,985				
Title II, Part A	84.367A	S-367A180029	NCLB440018	37,317	7/1/2018 6/30/2019	(1,615)	(1,615)	287,808	(279,216)	(14,081)	-	-	301,300				
Title II, Part A	84.367A	S-367A170029	NCLB440017	35,835	7/1/2017 6/30/2018	(1,615)	1,615	6,034	(13,856)	(7,822)	-	-	35,835				
IDEA Part B, Basic Regular	84.027	H027A180100	IDEA440018	309,869	7/1/2018 6/30/2019	(22,673)	(22,673)	404,751	(431,452)	(54,893)	-	-	279,216				
IDEA Part B, Basic Regular	84.027	H027A170100	IDEA440017	290,212	7/1/2017 6/30/2018	(22,673)	22,673	6,034	(13,856)	(7,822)	-	-	290,212				
IDEA Part B, Preschool	84.173	H173A180114	IDEA440018	13,856	7/1/2018 6/30/2019	(28,192)	-	404,751	(431,452)	(54,893)	-	-	13,856				
Total Special Revenue Fund																	
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
Enterprise Fund:																	
Food Distribution Program	10.569	N/A	N/A	34,997	7/1/2018 6/30/2019	165	165	34,997	(34,894)	103	-	-	34,894				
Food Distribution Program	10.569	N/A	N/A	25,414	7/1/2017 6/30/2018	165	165	69,449	(165)	(5,391)	-	-	25,414				
National School Lunch Program	10.555	191N304N1099	N/A	74,840	7/1/2018 6/30/2019	(6,271)	(6,271)	6,271	(74,840)	(5,391)	-	-	78,840				
National School Lunch Program	10.555	181N304N1099	N/A	70,071	7/1/2017 6/30/2018	(6,106)	(6,106)	110,717	(109,899)	(5,391)	-	-	70,071				
Total Enterprise Fund																	
Total Federal Financial Awards																	
											\$ (34,298)	\$ -	\$ -515,468	\$ (543,354)	\$ 103	\$ -	\$ 1,087,706

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH FEDERAL OMB UNIFORM GUIDANCE.

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue		
State Department of Education													
General Fund:													
Equalization Aid	19-495-034-5120-078	\$ 1,139,507	7/1/2018	6/30/2019			1,033,234	(1,139,507)				(106,273)	1,139,507
Transportation Aid	19-495-034-5120-014	573,133	7/1/2018	6/30/2019			515,819	(573,133)				(57,314)	573,133
Special Education Categorical Aid	19-495-034-5120-089	983,693	7/1/2018	6/30/2019			885,323	(983,693)				(98,370)	983,693
Security Aid	19-495-034-5120-084	98,526	7/1/2018	6/30/2019			88,674	(98,526)				(9,852)	98,526
Extracurricular Aid	19-495-034-5120-044	205,452	7/1/2018	6/30/2019				(205,452)		(205,452)			205,452
Extraordinary Aid	18-495-034-5120-044	46,496	7/1/2017	6/30/2018				(46,496)					46,496
Non-Public Transportation Aid	19-495-034-5120-014	14,006	7/1/2018	6/30/2019				(14,006)		(14,006)			14,006
One-Behalf/TPAF Pension	18-495-034-5120-014	11,020	7/1/2017	6/30/2018				(11,020)					11,020
One-Behalf/TPAF NCCG Premium	19-495-034-5094-002	1,839,603	7/1/2018	6/30/2019			1,839,603	(1,839,603)					1,839,603
One-Behalf/TPAF Post Retirement Medical	19-495-034-5094-004	38,508	7/1/2018	6/30/2019			38,508	(38,508)					38,508
One-Behalf/TPAF Long-Term Disability	19-495-034-5094-001	851,908	7/1/2018	6/30/2019			851,908	(851,908)					851,908
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	685,552	7/1/2018	6/30/2019			651,706	(685,552)		(33,846)			685,552
Total General Fund							(57,516)	(6,431,783)		(253,304)		(271,809)	6,489,299
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	19-100-034-5120-064	2,456	7/1/2018	6/30/2019				(2,456)					2,363
Textbook Aid	18-100-034-5120-064	10,737	7/1/2017	6/30/2018				(10,737)		(38)			10,699
Auxiliary Services:													
Compensatory Education	19-100-034-5120-067	48,224	7/1/2018	6/30/2019		38							
Compensatory Education	18-100-034-5120-067	54,036	7/1/2017	6/30/2018			48,224	(5,922)			42,302		5,922
English as a Second Language	18-100-034-5120-067	903	7/1/2017	6/30/2018						(903)			43,404
Handicapped Services:													
Supplemental Instruction	19-100-034-5120-066	32,511	7/1/2018	6/30/2019				(6,344)			26,167		6,344
Supplemental Instruction	18-100-034-5120-066	29,340	7/1/2017	6/30/2018					(5,550)				23,790
Examination & Classification	19-100-034-5120-066	33,674	7/1/2018	6/30/2019			33,674	(10,371)			23,303		10,371
Examination & Classification	18-100-034-5120-066	50,046	7/1/2017	6/30/2018					(14,920)				35,126
Corrective Speech	19-100-034-5120-066	23,213	7/1/2018	6/30/2019			23,213	(1,875)			21,338		1,875
Corrective Speech	18-100-034-5120-066	24,106	7/1/2017	6/30/2018					(4,107)				19,999
Nursing Services	19-100-034-5120-070	5,529	7/1/2018	6/30/2019			5,529	(201)			5,328		201
Nursing Services	18-100-034-5120-070	20,467	7/1/2017	6/30/2018					(6,208)				14,259
Technology Initiative	19-100-034-5120-373	1,656	7/1/2018	6/30/2019			1,656	(1,500)			156		1,500
Technology Initiative	18-100-034-5120-373	7,252	7/1/2017	6/30/2018		171			(171)				7,081
Security Aid	19-100-034-5120-509	8,550	7/1/2018	6/30/2019			8,550	(2,074)			6,476		2,074
Security Aid	18-100-034-5120-509	15,825	7/1/2017	6/30/2018					(4,078)				11,747
Total Special Revenue Fund							155,813	(30,650)		(46,607)		-	196,755

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2019		Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue			
Debt Service Fund:														
Debt Service Aid	19-495-034-5120-075	43,792	7/1/2018	6/30/2019			43,792	(43,792)						43,792
Capital Projects Fund:														
Schools Development Authority (SDA)	4400-053-14-1001	156,000												
Schools Development Authority (SDA)	4400-055-14-1002	124,000												156,000
Schools Development Authority (SDA)	4400-060-14-1003	124,000												124,000
Schools Development Authority (SDA)	4400-053-14-1004	86,400												124,000
														86,400
Total Capital Projects Fund					(229,600)					(229,600)				490,400
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	19-100-010-3350-023	5,481	7/1/2018	6/30/2019			5,088	(5,481)		(393)				5,481
State School Lunch Program	18-100-010-3350-023	5,227	7/1/2017	6/30/2018	(473)		473							5,227
Total Enterprise Fund					(473)		5,561	(5,481)		(393)				10,708
TOTAL STATE FINANCIAL ASSISTANCE					\$ (287,589)	\$ 46,607	\$ 6,169,352	\$ (6,511,706)	\$ (46,607)	\$ (483,297)	\$ -	\$ 125,163	\$ (271,809)	\$ 7,230,954
Less: On-Behalf TPAF Pension and Annuity Aid:														
On-Behalf TPAF - Post Retirement Medical							851,908	(851,908)						851,908
On-Behalf TPAF - Pension Contributions							1,839,603	(1,839,603)						1,839,603
On-Behalf TPAF - Long-Term Disability Contributions							1,895	(1,895)						1,895
On-Behalf TPAF - Non-contributory insurance							38,508	(38,508)						38,508
							2,731,914	(2,731,914)						2,731,914
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					\$ (287,589)	\$ 46,607	\$ 3,437,438	\$ (3,779,792)	\$ (46,607)	\$ (483,297)	\$ -	\$ 125,163	\$ (271,809)	\$ 4,499,040

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 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 \$12,415 for the general fund and \$(12,619) 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	\$2,003	\$6,444,198	\$6,446,201
Special Revenue Fund	408,667	30,650	439,317
Debt Service Fund		43,792	43,792
Food Service Fund	<u>109,899</u>	<u>5,481</u>	<u>115,380</u>
Total Financial Awards	<u>\$520,569</u>	<u>\$6,524,121</u>	<u>\$7,044,690</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. 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, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Borough of Ringwood 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 - (APPLICABLE TO SCHOOL DISTRICTS ONLY)

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>	\$108,250
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>30,130</u>
Total	<u><u>\$138,380</u></u>

**BOROUGH OF RINGWOOD 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. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| 2. Significant deficiencies identified? | _____ yes | _____ <u>X</u> none reported |

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

Federal Awards

Not Applicable

**BOROUGH OF RINGWOOD 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? X yes no

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

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>19-495-034-5120-078</u>	(A) <u>Equalization Aid</u>
<u>19-495-034-5120-089</u>	(A) <u>Special Education Aid</u>
<u>19-495-034-5120-084</u>	(A) <u>Security Aid</u>

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

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

Section II - Financial Statement Findings

None

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

None

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

Status of Prior Year Findings

No matters were reported.