

**SCHOOL DISTRICT OF THE  
BOROUGH OF RINGWOOD  
COUNTY OF PASSAIC, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

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

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

Letter of Transmittal .....	1
Table of Organization .....	5
Roster of Officials .....	6
Consultants and Advisors .....	7

## FINANCIAL SECTION

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

### BASIC FINANCIAL STATEMENTS

#### A. District-wide Financial Statements:

A-1 Statement of Net Position .....	24
A-2 Statement of Activities .....	25

#### B. Fund Financial Statements:

##### Governmental Funds:

B-1 Balance Sheet .....	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances .....	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28

##### Proprietary Funds:

B-4 Statement of Net Position .....	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position .....	30
B-6 Statement of Cash Flows .....	31

##### Fiduciary Funds:

B-7 Statement of Fiduciary Net Position .....	32
B-8 Statement of Changes in Fiduciary Net Position .....	33

Notes to the Financial Statements .....	34
---	----

#### Required Supplementary Information - Part II

## OUTLINE OF CAFR

### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund .....	73
C-1a	Not Applicable	
C-1b	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund .....	82

#### Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule .....	83
-----	-------------------------------------	----

#### Required Supplementary Information - Part III

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

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS .....	84
L-2	Schedule of District Contributions – PERS .....	85
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF .....	86
L-4	Notes to Requires Schedules of Supplementary Information - Part III .....	87

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

M-1	Schedule of Districts Proportionate Share of the State OPEB Liability .....	88
M-2	Notes Required Schedules of Supplementary Information OPEB Liability .....	89

#### Other Supplementary Information

### D. School Level Schedules:

Not Applicable

### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	90
E-2	Not Applicable	
E-3	Not Applicable	
E-4	Not Applicable	
E-5	Not Applicable	

## OUTLINE OF CAFR

### F. Capital Projects Fund:

F-1	Summary Schedule of Project Expenditures .....	91
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary .....	92
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Eleanor G. Hewitt School Renovation .....	93
F-2b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Boiler Replacement - M.J. Ryerson Middle School .....	94
F-2c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Boiler Replacement - Peter Cooper Elementary School .....	95
F-2d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis -Boiler- Robert Erskine Elementary School School .....	96
F-2e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Window Replacement - M.J. Ryerson Middle School .....	97

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Position .....	98
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position ...	99
G-3	Combining Statement of Cash Flows .....	100

#### Internal Service Fund:

Not Applicable

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position .....	101
H-2	Combining Statement of Changes in Fiduciary Net Position .....	102
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements .....	103
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements .....	104

### I. Long-Term Debt:

I-1	Schedule of Bonds Payable .....	105
I-2	Statement of Obligations under Capital Leases .....	106
I-3	Debt Service Fund Budgetary Comparison Schedule .....	107

## OUTLINE OF CAFR

### J. Statistical Section (Unaudited):

#### Financial Trends

##### Introduction to the Statistical Section

J-1	Net Position by Component .....	108
J-2	Changes in Net Position .....	109
J-3	Fund Balances - Governmental Funds .....	111
J-4	Changes in Fund Balances - Governmental Funds .....	112
J-5	General Fund Other Local Revenue by Source .....	113

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	114
J-7	Direct and Overlapping Property Tax Rates .....	115
J-8	Principal Property Taxpayers .....	116
J-9	Property Tax Levies and Collections .....	117

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	118
J-11	Ratios of Net General Bonded Debt Outstanding .....	119
J-12	Direct and Overlapping Governmental Activities Debt .....	120
J-13	Legal Debt Margin Information .....	121

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	122
J-15	Principal Employers .....	123

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	124
J-17	Operating Statistics .....	125
J-18	School Building Information .....	126
J-19	Schedule of Required Maintenance for School Facilities .....	127
J-20	Insurance Schedule .....	128

## OUTLINE OF CAFR

### K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards . . . . .	129
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular 15-08 . . . . .	131
K-3	Schedule of Expenditures of Federal Awards - Schedule A . . . . .	134
K-4	Schedule of State Financial Assistance - Schedule B . . . . .	135
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance . . . . .	137
K-6	Schedule of Findings and Questioned Costs . . . . .	140
K-7	Schedule of Financial, Federal and State Findings . . . . .	142
K-8	Summary Schedule of Prior Audit Findings . . . . .	143





## **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

December 22, 2020

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, 2020 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 2019-20 fiscal year with an average daily enrollment of 1,107 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>
2019-2020	1,107	(4.16%)
2018-2019	1,155	(3.29%)
2017-2018	1,176	(3.29%)
2016-2017	1,216	1.08%
2015-2016	1,203	(2.35%)
2014-2015	1,232	.49%
2013-2014	1,226	(2.39%)
2012-2013	1,256	(.24%)
2011-2012	1,259	(1.72%)
2010-2011	1,281	(2.66%)

## 2. ECONOMIC CONDITION AND OUTLOOK:

From the August 2020 Moody's Investors Service Annual Comment Document:

*The credit position for Ringwood Borough SD is solid. However, its A1 rating is slightly beneath the US school districts median of Aa3. The key credit factors include a small debt burden, a manageable pension liability and a very strong wealth and income profile. It also reflects a sizable tax base and a modest financial position.*

*Debt and Pensions: The district has light debt and pension burdens overall, which are a credit strength relative to the assigned rating of A1. Ringwood Borough SD'S net direct debt to full value (0.5%) is materially lower than the US median, and decreased modestly between 2015 and 2019. Moreover, the Moody's-adjusted net pension liability to operating revenues (0.47x) favorably is materially below the US median.*

*Economy and Tax Base: The economy and tax base of the district are strong and are credit strengths with respect to the A1 rating assigned. The median family income equals a robust 179.3% of the US level. Additionally, the full value per capita (\$140,064) is above the US median, and increased between 2015 and 2019. Lastly, Ringwood Borough SD'S total full value (\$1.7 billion) is consistent with other Moody's-rated school districts nationwide. The coronavirus pandemic is driving an unprecedented economic slowdown. We currently forecast real US GDP to decline significantly during 2020 with a gradual recovery commencing toward the end of the year. Local governments with the highest exposure to the tourism, health care, retail, oil and gas, and international trade sectors could suffer particularly severe impacts.*

*Finances: The financial position of the district is sound and consistent with the A1 rating. However, the cash balance as a percent of operating revenues (10%) is significantly below the US median, after remaining stable from 2015 to 2019. Moreover, the fund balance as a percent of operating revenues (9.1%) is materially lower than the US median. The majority of New Jersey school districts have restricted fund balances set aside for the subsequent years 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) STAR Assessment software continues to be utilized as formative assessments to assess students and direct the flow of classroom instruction.
- 4) 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.
- 5) 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.
- 6) 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. In AY2020-2021, the Investigations series was purchased for grades K-5. In AY2021-2022, a new program will be deployed at the middle school. The specialized professional development for these programs will continue through AY2024-2025.

- 7) 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, 2020.

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, 2020** the Ringwood Board of Education had outstanding qualifying Debt Service, in the amount of **\$8,260,000**.

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 Wielkottz & Company LLC 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 are conducted 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. The NJ Attorney General's Handle with Care program will be employed in the district by the Ringwood Police Department and the Ringwood School District.

13. **MAJOR OPERATIONS OR FINANCIAL CONCERNS:** The district Facilities Committee will design a facilities plan to address the needs of the district's physical plant. The plan will outline expected projects that will need consideration in the next ten years of budgeting and planning.

Respectfully submitted,



Dr. Nicholas Bernice  
Superintendent of Schools



Jessica Rapp  
Business Administrator/Board Secretary



# **RINGWOOD BOARD OF EDUCATION**

121 Carletondale Road  
Ringwood, New Jersey 07456

## **ROSTER OF OFFICIALS**

June 30, 2020

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Cheryl Botsolas, President	2022
Carla Buono, Trustee	2020
Cynthia Carey, Trustee	2022
Ross Dominianni, Trustee	2021
Richard Ebersbach, Trustee	2022
Mary Kunert, Trustee	2020
David Raider, Vice President	2020
Tracy Ralph, Trustee	2020
Paul Rubacky, Trustee	2020

### **Other Officials**

Dr. Nicholas Bernice, Superintendent

Jessica Rapp, School Business Administrator/Board Secretary

**RINGWOOD BOARD OF EDUCATION**

121 Carletondale Road  
Ringwood, New Jersey 07456

**CONSULTANTS AND ADVISORS**

*Audit Firm*

Wielkocz & Company, LLC  
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**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA  
Matthew B. Wielkocz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Thomas M. Ferry, CPA, RMA, PSA

Headquarters  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
(973)-835-7900

Rockaway Office  
100 Enterprise Drive  
Suite 301  
Rockaway, New Jersey 07866

**INDEPENDENT AUDITOR'S REPORT**

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

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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



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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ringwood Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of 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  
Page 4.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 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

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 22, 2020

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

## **RINGWOOD BOARD OF EDUCATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020.

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 \$1,618,613, net position of governmental activities increased \$1,636,132 while net position of business-type activity decreased by \$17,519.
- General revenues accounted for \$29,552,626 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 \$575,262 or 2 percent of total revenues of \$30,127,888.
- Total assets of governmental activities increased by \$410,465 as cash and cash equivalents increased by \$1,032,400, receivables decreased by \$244,043, and capital assets decreased by \$377,892.
- The School District had \$28,882,773 in expenses; only \$947,250 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$29,554,136 were adequate to provide for these programs.

## **RINGWOOD BOARD OF EDUCATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020 (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 and Safety Town enterprise funds are reported as business activities.



**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(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, 2020**  
**(CONTINUED)**

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

**Enterprise Funds**

The Ringwood Board of Education maintains two 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 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 \$(4,229,643) at June 30, 2020. Of this amount \$(9,581,295) 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 2020 and 2019.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Table 1**

**Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	4,548,793	3,760,436	84,274	131,631	4,633,067	3,892,067
Capital Assets	<u>9,757,617</u>	<u>10,135,509</u>	<u>21,454</u>	<u>18,261</u>	<u>9,779,071</u>	<u>10,153,770</u>
Total Assets	<u>14,306,410</u>	<u>13,895,945</u>	<u>105,728</u>	<u>149,892</u>	<u>14,412,138</u>	<u>14,045,837</u>
Deferred Outflows of Resources	<u>1,092,129</u>	<u>2,042,148</u>	_____	_____	<u>1,092,129</u>	<u>2,042,148</u>
Total Deferred Outflows of Resources	<u>1,092,129</u>	<u>2,042,148</u>	_____	_____	<u>1,092,129</u>	<u>2,042,148</u>
Current Liabilities	487,401	686,022	28,461	55,106	515,862	741,128
Bonds Payable	8,260,000	8,875,000			8,260,000	8,875,000
Obligations Under Capital Leases	316,138	227,923			316,138	227,923
Net Pension Liability PERS	5,894,940	8,104,258			5,894,940	8,104,258
Compensated Absences Payable	<u>252,105</u>	<u>248,690</u>	_____	_____	<u>252,105</u>	<u>248,690</u>
Total Liabilities	<u>15,210,584</u>	<u>18,141,893</u>	<u>28,461</u>	<u>55,106</u>	<u>15,239,045</u>	<u>18,196,999</u>
Deferred Inflows of Resources	<u>4,494,865</u>	<u>3,739,242</u>	_____	_____	<u>4,494,865</u>	<u>3,739,242</u>
Total Deferred Inflows of Resources	<u>4,494,865</u>	<u>3,739,212</u>	_____	_____	<u>4,494,865</u>	<u>3,739,212</u>
Net Position						
Invested in Capital Assets						
Net of Debt	1,181,479	1,032,586	21,454	18,261	1,202,933	1,050,847
Restricted	4,148,719	3,268,789			4,148,719	3,268,789
Unrestricted	<u>(9,637,108)</u>	<u>(10,244,417)</u>	<u>55,813</u>	<u>76,525</u>	<u>(9,581,295)</u>	<u>(10,167,892)</u>
Total Net Position	<u>(4,306,910)</u>	<u>(5,943,042)</u>	<u>77,267</u>	<u>94,786</u>	<u>(4,229,643)</u>	<u>(5,848,256)</u>

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Table 2 below show the changes in net position for the fiscal year 2020 and 2019.

**Table 2**

**Changes in Net Position**  
**Year Ended June 30, 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
<u>Program Revenues:</u>						
Charges for Services & Sales			288,410	438,864	288,410	438,864
Operating Grants & Contributions	575,262	574,060	83,578	115,380	658,840	689,440
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	20,531,793	20,145,544			20,531,793	20,145,544
Federal & State Aid Not Restricted	7,695,251	9,011,275			7,695,251	9,011,275
Miscellaneous Income	<u>1,325,582</u>	<u>1,525,444</u>	<u>1,510</u>	<u>1,693</u>	<u>1,327,092</u>	<u>1,527,137</u>
Total Revenues	<u>30,127,888</u>	<u>31,256,323</u>	<u>373,498</u>	<u>555,937</u>	<u>30,501,386</u>	<u>31,812,260</u>

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Functions/Program Expenses</b>						
<u>Instruction:</u>						
Regular	7,657,024	7,637,259			7,657,024	7,637,259
Special Education	3,389,418	3,242,404			3,389,418	3,242,404
Other Special Instruction	281,274	263,789			281,274	263,789
Other Instruction	25,265	32,500			25,265	32,500
<u>Support Services:</u>						
Tuition, Student and Instruction Related Services	2,965,062	2,771,155			2,965,062	2,771,155
School Administrative Services	813,526	820,482			813,526	820,482
General Administrative Services	459,964	435,432			459,964	435,432
Central Service	301,991	221,137			301,991	221,137
Admin. Info. Tech.	72,000	72,000			72,000	72,000
Plant Operations and Maintenance	1,834,860	1,915,146			1,834,860	1,915,146
Pupil Transportation	1,037,944	1,112,474			1,037,944	1,112,474
Unallocated Benefits	8,468,402	10,356,498			8,468,402	10,356,498
Capital Outlay - Non- Depreciable	19,875	2,874			19,875	2,874
Unallocated Depreciation	866,142	825,745			866,142	825,745
Interest on Long-Term Debt	299,009	318,244			299,009	318,244
Enterprise Fund	<u>                    </u>	<u>                    </u>	<u>391,017</u>	<u>517,329</u>	<u>391,017</u>	<u>517,329</u>
Total Expenses and Transfers	<u>28,491,756</u>	<u>30,027,139</u>	<u>391,017</u>	<u>517,329</u>	<u>28,882,773</u>	<u>30,544,468</u>
Increase or (Decrease) in Net Position	<u>1,636,132</u>	<u>1,229,184</u>	<u>(17,519)</u>	<u>38,608</u>	<u>1,618,613</u>	<u>1,267,792</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$28,882,773.

**RINGWOOD BOARD OF EDUCATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
**(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Business-Type Activities**

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

- Expenditures exceeded revenues by \$17,519 (loss).
- Charges for services represent \$288,410 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 \$83,578.

**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, 2020**  
**(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**

	<b><u>Total Cost of Services 2020</u></b>	<b><u>Total Cost of Services 2019</u></b>	<b><u>Net Cost of Services 2020</u></b>	<b><u>Net Cost of Services 2019</u></b>
Instruction	11,352,981	11,175,952	10,978,584	10,773,769
Support Services:				
Pupils and Instructional Staff	2,965,062	2,771,155	2,808,172	2,645,144
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,482,341	3,464,197	3,482,341	3,464,197
Pupil Transportation	1,037,944	1,112,474	1,037,944	1,112,474
Other	<u>9,653,428</u>	<u>11,503,361</u>	<u>9,609,453</u>	<u>11,457,495</u>
<b>Total Expenses</b>	<b><u>28,491,756</u></b>	<b><u>30,027,139</u></b>	<b><u>27,916,494</u></b>	<b><u>29,453,079</u></b>

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, 2020  
(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 \$220,855, 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 \$6,277 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, 2020  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2020 the School District had \$23,674,749 invested in sites, buildings, and equipment. Of this amount \$13,895,678 in depreciation has been taken over the years. We currently have a net book value of \$9,779,071. Total additions for the year were \$494,287, 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 2020 balances compared to 2019.

**Table 3**

**Capital Assets at June 30, 2020  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land, Buildings and Improvements	8,715,769	9,289,777			8,715,769	9,289,777
Furniture, Equipment and Vehicles	<u>1,041,848</u>	<u>845,732</u>	<u>21,454</u>	<u>18,261</u>	<u>1,063,302</u>	<u>863,993</u>
Total Net Assets	<u>9,757,617</u>	<u>10,135,509</u>	<u>21,454</u>	<u>18,261</u>	<u>9,779,071</u>	<u>10,153,770</u>

**Debt Administration**

At June 30, 2020, the District had \$14,723,183 in outstanding debt. Of this amount, \$252,105 is for compensated absences, \$316,138 is for capital lease obligations, \$8,260,000 is serial bonds payable, and \$5,894,940 is the District's net pension liability.

**Table 4**

**Outstanding Serial Bonds at June 30, 2020**

	<u>2020</u>	<u>2019</u>
School Bonds - Series 2008	345,000	455,000
School Bonds - Series 2011	<u>7,915,000</u>	<u>8,420,000</u>
	<u>8,260,000</u>	<u>8,875,000</u>

**RINGWOOD BOARD OF EDUCATION**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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 2021-2022 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, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,860,602	\$ 78,270	\$ 2,938,872
Receivables, net	350,155	308	350,463
Internal balances	1,179	(1,179)	-
Inventory		6,875	6,875
Restricted assets:			
Cash and cash equivalents	1,336,857		1,336,857
Capital assets; net			
Land/Construction in Process	329,940		329,940
Other Capital Assets, Net	9,427,677	21,454	9,449,131
Total Assets	<u>14,306,410</u>	<u>105,728</u>	<u>14,412,138</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to PERS	<u>1,092,129</u>		<u>1,092,129</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	445,164	8,547	453,711
Payable to state government	34,228		34,228
Advanced revenue	8,009	19,914	27,923
Noncurrent liabilities:			
Due within one year	712,031		712,031
Due beyond one year	14,011,152		14,011,152
Total liabilities	<u>15,210,584</u>	<u>28,461</u>	<u>15,239,045</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to PERS	<u>4,494,865</u>		<u>4,494,865</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,181,479	21,454	1,202,933
Restricted for:			
Capital projects	1,308,059		1,308,059
Debt Service	6,895		6,895
Other purposes	2,833,765		2,833,765
Unrestricted	(9,637,108)	55,813	(9,581,295)
Total net position	<u>\$ (4,306,910)</u>	<u>\$ 77,267</u>	<u>\$ (4,229,643)</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, 2020**

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	\$ 7,657,024		\$	374,397	\$ (7,282,627)		\$ (7,282,627)
Special education	\$ 3,389,418				(3,389,418)		(3,389,418)
Other special instruction	\$ 281,274				(281,274)		(281,274)
Other instruction	\$ 25,265				(25,265)		(25,265)
Support services:							
Tuition	\$ 524,493				(524,493)		(524,493)
Student & instruction related services	\$ 2,440,569			156,890	(2,283,679)		(2,283,679)
School administrative services	\$ 813,526				(813,526)		(813,526)
General and business administrative services	\$ 459,964				(459,964)		(459,964)
Central Services	\$ 301,991				(301,991)		(301,991)
Admin. Info. Tech.	\$ 72,000				(72,000)		(72,000)
Plant operations and maintenance	\$ 1,834,860				(1,834,860)		(1,834,860)
Pupil transportation	\$ 1,037,944				(1,037,944)		(1,037,944)
Unallocated Benefits	\$ 8,468,402				(8,468,402)		(8,468,402)
Non-depreciable capital outlay	\$ 19,875				(19,875)		(19,875)
Interest on long-term debt	\$ 299,009				(255,034)		(255,034)
Unallocated depreciation	\$ 866,142				(866,142)		(866,142)
Total governmental activities	\$ 28,491,756	\$ -	\$ -	575,262	\$ (27,916,494)	\$ -	\$ (27,916,494)
Business-type activities:							
Food Service	\$ 387,682		\$ 287,920	\$ 83,578	(16,184)		(16,184)
Safety Town	\$ 3,335		490		(2,845)		(2,845)
Total business-type activities	\$ 391,017	\$ -	\$ 288,410	\$ 83,578	(19,029)		(19,029)
Total primary government	\$ 28,882,773	\$ 0	\$ 288,410	\$ 658,840	\$ (27,916,494)	\$ (19,029)	\$ (27,935,523)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					19,656,742		19,656,742
Property taxes, levied for debt service					875,051		875,051
Federal and State aid not restricted					7,695,251		7,695,251
Miscellaneous Income					1,325,582	1,510	1,327,092
Total general revenues, special items, extraordinary items and transfers					29,552,626	1,510	29,554,136
Change in Net Position					1,636,132	(17,519)	1,618,613
Net Position—beginning					(5,943,042)	94,786	(5,848,256)
Net Position—ending					(4,306,910)	77,267	(4,229,643)

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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,647,869	\$ (4,613)	\$ 220,575	\$ (3,229)	\$ 2,860,602
Due from other funds	2,222			10,124	12,346
Receivables from other governments	229,194	46,543			275,737
Receivables - Other	74,111	307			74,418
Restricted cash and cash equivalents	1,336,857				1,336,857
Total assets	<u>\$ 4,290,253</u>	<u>\$ 42,237</u>	<u>\$ 220,575</u>	<u>\$ 6,895</u>	<u>\$ 4,559,960</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	19,916				19,916
Due to other funds	1,043		10,124		11,167
Payable to state government		34,228			34,228
Advanced revenue		8,009			8,009
Total liabilities	<u>20,959</u>	<u>42,237</u>	<u>10,124</u>	<u>-</u>	<u>73,320</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	1,646,852				1,646,852
Excess surplus - prior year - designated for subsequent year's expenditures	800,000				800,000
Capital reserve	1,097,608				1,097,608
Maintenance reserve	239,249				239,249
Emergency reserve					-
Debt service				6,895	6,895
Capital projects			210,451		210,451
Assigned to:					
Other purposes	38,358				38,358
Designated for subsequent year's expenditures	109,306				109,306
Unassigned:					
General fund	337,921				337,921
Total Fund balances	<u>4,269,294</u>	<u>-</u>	<u>210,451</u>	<u>6,895</u>	<u>4,486,640</u>
Total liabilities and fund balances	<u>\$ 4,290,253</u>	<u>\$ 42,237</u>	<u>\$ 220,575</u>	<u>\$ 6,895</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 \$23,357,171 and the accumulated depreciation is \$13,599,554.

9,757,617

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.

(100,652)

Accounts payable for subsequent pension payment is not a payable in the funds.

(324,596)

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

1,092,129

Deferred Inflows of Resources related to PERS pension liability

(4,494,865)

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.

(14,723,183)

Net position of governmental activities

\$ (4,306,910)

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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 19,656,742			\$ 875,051	\$ 20,531,793
Miscellaneous	1,323,171	44,952	2,411		1,370,534
Total - Local Sources	<u>20,979,913</u>	<u>44,952</u>	<u>2,411</u>	<u>875,051</u>	<u>21,902,327</u>
State sources	6,446,399			43,975	6,490,374
Federal sources		486,335			486,335
Total revenues	<u>27,426,312</u>	<u>531,287</u>	<u>2,411</u>	<u>919,026</u>	<u>28,879,036</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 7,282,627	\$ 374,397			\$ 7,657,024
Special education instruction	3,389,418				3,389,418
Other special instruction	281,274				281,274
Other instruction	25,265				25,265
Support services and undistributed costs:					
Tuition	524,493				524,493
Student & instruction related services	2,283,679	156,890			2,440,569
School administrative services	813,526				813,526
Other administrative services	459,964				459,964
Central Services	301,991				301,991
Admin. Info. Tech.	72,000				72,000
Plant operations and maintenance	1,834,860				1,834,860
Pupil transportation	1,216,211				1,216,211
Unallocated benefits	7,812,815				7,812,815
Debt Service:					
Principal				615,000	615,000
Interest and other charges				306,257	306,257
Capital outlay	488,249		19,875		508,124
Total expenditures	<u>26,786,372</u>	<u>531,287</u>	<u>19,875</u>	<u>921,257</u>	<u>28,258,791</u>
Excess (Deficiency) of revenues over expenditures	<u>639,940</u>	<u>-</u>	<u>(17,464)</u>	<u>(2,231)</u>	<u>620,245</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)	266,482				266,482
Transfers in				2,411	2,411
Transfers out			(2,411)		(2,411)
Total other financing sources and uses	<u>266,482</u>	<u>-</u>	<u>(2,411)</u>	<u>2,411</u>	<u>266,482</u>
Net change in fund balances	906,422	-	(19,875)	180	886,727
Fund balance—July 1	3,362,872	-	230,326	6,715	3,599,913
Fund balance—June 30	<u>\$ 4,269,294</u>	<u>\$ -</u>	<u>\$ 210,451</u>	<u>\$ 6,895</u>	<u>\$ 4,486,640</u>

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, 2020**

**Total net change in fund balances - governmental funds (from B-2)** \$ 886,727

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	\$ (866,142)	
Depreciable capital outlays	<u>488,249</u>	(377,893)

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	615,000
Capital lease principal	178,267

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	(266,482)
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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.

7,248

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(3,415)
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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	318,363	
Add: Pension Benefit	<u>278,317</u>	
Decrease in Pension Expense		596,680

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	1,322,777
Increase in On-behalf TPAF Pension Expense	(1,322,777)

Per GASB No. 75 Non-employer contributing entities are required to record a decrease 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 less than those amounts reported in the fund financial statements

Decrease in On-behalf Other Post-Employment Health Benefits	(73,925)
Decrease in On-behalf Other Post-Employment Health Benefits Expense	73,925

**Change in net position of governmental activities** \$ 1,636,132

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, 2020**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Safety Town</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 77,534	\$ 736	\$ 78,270
Accounts receivable:			
Interfund	1,043		1,043
Other	308		308
Inventories	6,875		6,875
Total current assets	85,760	736	86,496
Noncurrent assets:			
Furniture, machinery & equipment	317,578		317,578
Less accumulated depreciation	(296,124)		(296,124)
Total noncurrent assets	21,454	-	21,454
Total assets	107,214	736	107,950
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,547		8,547
Interfund payables	2,222		2,222
Prepaid Revenue	19,914		19,914
Total current liabilities	30,683	-	30,683
Total liabilities	30,683	-	30,683
<b>NET POSITION</b>			
Net Investment in capital assets	21,454	-	21,454
Unrestricted	55,077	736	55,813
Total net position	\$ 76,531	\$ 736	\$ 77,267

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, 2020**

	<b>Business-type Activities -</b>		
	<b>Enterprise Fund</b>		
	<b>Food Service</b>	<b>Safety Town</b>	<b>Total Enterprise</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 190,117		\$ 190,117
Daily sales - non - reimbursable programs	93,753		93,753
Special functions	4,050		4,050
Miscellaneous		490	490
Total operating revenues	<u>287,920</u>	<u>490</u>	<u>288,410</u>
Operating expenses:			
Cost of food - reimbursable programs	96,392		96,392
Cost of food - non-reimbursable programs	22,237		22,237
Cost of sales - other	33,260		33,260
Salaries	122,424	2,877	125,301
Employee benefits	60,673		60,673
Cleaning, repair and maintenance services	3,298		3,298
Purchased services	30,461		30,461
Miscellaneous Expense	3,365	300	3,665
General supplies	12,729	158	12,887
Depreciation	2,843		2,843
Total Operating Expenses	<u>387,682</u>	<u>3,335</u>	<u>391,017</u>
Operating income (loss)	<u>(99,762)</u>	<u>(2,845)</u>	<u>(102,607)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	3,555		3,555
Federal sources:			
National school lunch program	56,966		56,966
Food distribution program	23,057		23,057
Interest and investment revenue	1,489	21	1,510
Total non-operating revenues (expenses)	<u>85,067</u>	<u>21</u>	<u>85,088</u>
Income (loss) before contributions & transfers	<u>(14,695)</u>	<u>(2,824)</u>	<u>(17,519)</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>(14,695)</u>	<u>(2,824)</u>	<u>(17,519)</u>
Total net position—beginning	<u>91,226</u>	<u>3,560</u>	<u>94,786</u>
Total net position—ending	<u>\$ 76,531</u>	<u>\$ 736</u>	<u>\$ 77,267</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, 2020**

	<b>Business-type Activities -</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Safety Town</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 297,423	\$ 490	\$ 297,913
Payments to employees	(122,424)	(2,877)	(125,301)
Payments for employee benefits	(60,673)		(60,673)
Payments to suppliers	(241,639)	(458)	(242,097)
Net cash provided by (used for) operating activities	<u>(127,313)</u>	<u>(2,845)</u>	<u>(130,158)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	3,932		3,932
Federal sources	84,387		84,387
Net cash provided by (used for) non-capital financing activities	<u>88,319</u>	<u>-</u>	<u>88,319</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(6,036)		(6,036)
Net cash provided by (used for) capital and related financing activities	<u>(6,036)</u>	<u>-</u>	<u>(6,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,489	21	1,510
Net cash provided by (used for) investing activities	<u>1,489</u>	<u>21</u>	<u>1,510</u>
Net increase (decrease) in cash and cash equivalents	(43,541)	(2,824)	(46,365)
Balances—beginning of year	121,075	3,560	124,635
Balances—end of year	<u>\$ 77,534</u>	<u>\$ 736</u>	<u>\$ 78,270</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (99,762)	\$ (2,845)	\$ (102,607)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	2,843		2,843
(Increase) decrease in inventories	(3,899)		(3,899)
(Increase) decrease in accounts receivable	150		150
Increase (decrease) in accounts payable	(35,998)		(35,998)
Increase (decrease) in prepaid revenue	9,353		9,353
Total adjustments	<u>(27,551)</u>	<u>-</u>	<u>(27,551)</u>
Net cash provided by (used for) operating activities	<u>\$ (127,313)</u>	<u>\$ (2,845)</u>	<u>\$ (130,158)</u>

See accompanying Notes to the Financial Statements.

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 36,077	\$ 26,185
Total assets	36,077	26,185
<b>LIABILITIES</b>		
Accounts payable	10,168	
Payable to student groups		25,539
Payroll deductions and withholdings		646
Total liabilities	10,168	\$ 26,185
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	\$ 25,909	

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, 2020**

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 51,963
Total Contributions	51,963
Total additions	51,963
 <b>DEDUCTIONS</b>	
Quarterly contribution reports	26,101
Unemployment Claims	10,750
Total deductions	36,851
Change in net position	15,112
Net position—beginning of the year	10,797
Net position—end of the year	\$ 25,909

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, 2020**

**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, 2020**

**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 - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020, 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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

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

**X. New Accounting Standards:**

During fiscal year 2020, the District did not adopt any new GASB Statements.

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. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**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

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

(GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$-0- of the District's bank balance of \$4,465,435 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of 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, 2020, the District had \$-0- on deposit with the New Jersey Cash Management Fund.



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2020, 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	\$227,148	\$	\$227,148
Federal Aid	48,589		48,589
Other Receivables	74,418	308	74,726
Interfunds	<u>12,346</u>	<u>1,043</u>	<u>13,389</u>
Gross Receivables	362,501	1,351	350,463
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$362,501</u>	<u>\$1,351</u>	<u>\$350,463</u>

**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, 2020, the District had the following inventory in the enterprise fund:

Food	\$5,993
Supplies	<u>882</u>
	<u>\$6,875</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, 2020, the District had the following interfund balances:

\$2,222	Due to the General Fund from the Enterprise Fund for reimbursement of expenditures.
10,124	Due to the Debt Service Fund from the Capital Projects Fund for interest earned.
1,043	Due to the Enterprise Fund from the General Fund for Federal and State lunch reimbursements.

Interfund transfer for the year ended June 30, 2020 consisted of the following:

\$65,262	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, 2020**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance <u>6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/20</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	<u>\$329,940</u>	\$ _____	\$ _____	<u>\$329,940</u>
Total Capital Assets, Not Being Depreciated	<u>329,940</u>	_____	<u>-0-</u>	<u>329,940</u>
Capital Assets Being Depreciated				
Buildings and Improvements	17,690,985	31,774	-0-	17,722,759
Furniture, Equipment and Vehicles	<u>4,949,577</u>	<u>456,477</u>	<u>(101,582)</u>	<u>5,304,472</u>
Total Capital Assets, Being Depreciated	<u>22,640,562</u>	<u>488,251</u>	<u>(101,582)</u>	<u>23,027,231</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,731,148)	(605,782)		(9,336,930)
Furniture, Equipment and Vehicles	<u>(4,103,845)</u>	<u>(230,960)</u>	<u>72,181</u>	<u>(4,262,624)</u>
Total Accumulated Depreciation	<u>(12,834,993)</u>	<u>(836,742)</u>	<u>72,181</u>	<u>(13,599,554)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,805,569</u>	<u>(348,491)</u>	<u>(29,401)</u>	<u>9,427,677</u>
Governmental Activities Capital Assets, Net	<u>\$10,135,509</u>	<u>(\$348,491)</u>	<u>(\$29,401)</u>	<u>\$9,757,617</u>

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

	Balance <u>6/30/19</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/20</u>
<b>Business-Type Activity</b>				
Furniture and Equipment	<u>\$311,542</u>	<u>\$6,036</u>	\$ _____	<u>\$317,578</u>
Totals	<u>311,542</u>	<u>6,036</u>	<u>-0-</u>	<u>317,578</u>
Less Accumulated Depreciation				
Furniture and Equipment	<u>293,281</u>	<u>2,843</u>	<u>-0-</u>	<u>296,124</u>
Total Accumulated Depreciation	<u>293,281</u>	<u>2,843</u>	<u>-0-</u>	<u>296,124</u>
Business-Type Activity Capital Assets,	<u>\$18,261</u>	<u>\$3,193</u>	<u>\$ -0-</u>	<u>\$21,454</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, 2020**

**NOTE 7. LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the fiscal year ended June 30, 2020 were as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable	\$8,875,000	\$	\$615,000	\$8,260,000	\$630,000
Capital Leases Payable	227,923	266,482	178,267	316,138	82,031
Compensated Absences Payable	248,690	13,695	10,280	252,105	
Net Pension Liability PERS	8,104,258		2,209,318	5,894,940	
	<u>\$17,455,871</u>	<u>\$280,177</u>	<u>\$3,012,865</u>	<u>\$14,723,183</u>	<u>\$712,031</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, 2020 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, 2020</u>
School Bonds Series 2008	07/15/08	3.80%-4.250%	01/15/23	\$345,000
School Bonds Series 2011	09/13/11	2.50%-4.00%	09/01/31	<u>7,915,000</u>
				<u>\$8,260,000</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>
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	605,000	203,741	808,741
2026-2030	3,480,000	671,743	4,151,743
2031-2032	<u>1,625,000</u>	<u>65,700</u>	<u>1,690,700</u>
	<u>\$8,260,000</u>	<u>\$1,958,934</u>	<u>\$10,218,934</u>

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**NOTE 7. LONG-TERM OBLIGATIONS, (continued)**

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

As of June 30, 2020, 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, 2020.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$82,031	\$7,597	\$89,628
2022	67,869	5,312	73,181
2023	50,664	3,531	54,195
2024	45,424	2,442	47,866
2025	46,494	1,372	47,866
2026	<u>23,656</u>	<u>277</u>	<u>23,933</u>
Total Minimum Lease Payments	<u>\$316,138</u>	<u>\$20,531</u>	<u>\$336,669</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](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, 2020**

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

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

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

Defined Contribution Retirement Program

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**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>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/20	\$318,231	\$47,413
6/30/19	409,412	41,074
6/30/18	427,745	42,653

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

Year	Pension	Post-Retirement Medical	NCGI	Long-Term Disability
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>	<u>Insurance</u>
6/30/20	\$2,026,692	\$765,342	\$36,326	\$1,622
6/30/19	1,839,603	851,908	38,508	1,895
6/30/18	1,298,732	859,180	31,517	2,304

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 \$729,629 during the year ended June 30, 2020 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, 2020**

**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, 2020, the District had a liability of \$5,894,940 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was .0327160709 percent, which was a decrease of .008444291 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension benefit of \$278,317. At June 30, 2020, 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	\$105,806	\$26,041
Changes of assumptions	588,631	2,046,115
Net difference between projected and actual earnings on pension plan investments		93,054
Changes in proportion and differences between District contributions and proportionate share of contributions	73,096	2,329,655
District contributions subsequent to the measurement date	<u>324,596</u>	<u>                    </u>
Total	<u>\$1,092,129</u>	<u>\$4,494,865</u>



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

The \$324,596 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, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	\$(170,219)
2021	(552,187)
2022	(493,071)
2023	(231,523)
2024	(23,773)

**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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's Proportion	.0327160709%	.0411603000%

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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 Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
District's proportionate share of the pension liability	\$7,498,068	\$5,894,940	\$4,619,642

**Pension Plan Fiduciary Net Position**

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

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**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, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>57,403,212</u>
	<u>\$57,403,212</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was .0935348368%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$3,385,795 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 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 2019, the State contributed \$1.908 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 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, 2020**

**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. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>44,323,896</u>
	<u>\$44,323,896</u>



**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

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

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2019 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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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, 2020**

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

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

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**(b) *Discount Rate***

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***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, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$691,417 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, 2020**

**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>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$179	\$51,964	\$37,031	\$25,909
2018-2019	12,551	43,475	46,039	10,797
2017-2018	30,137	42,642	133,759	810

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, 2020**

**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.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**NOTE 12. CAPITAL RESERVE ACCOUNT, (continued)**

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019		\$806,758
Deposits:		
Transfer by Board Resolution, June 1, 2020	\$300,000	
Interest Earned on Capital Reserve Funds	<u>2,850</u>	
		<u>302,850</u>
		1,109,608
Withdrawals:		
Local Share of Capital Projects		<u>(12,000)</u>
Ending balance, June 30, 2020		<u>\$1,097,608</u>

**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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$55,311
Withdrawals	<u>(55,311)</u>
Ending balance, June 30, 2020	<u>\$0</u>

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**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, 2019		\$150,656
Deposits:		
Transfer by Board Resolution, June 1, 2020	\$100,000	
Interest Earnings	<u>593</u>	
		<u>100,593</u>
		251,249
Withdrawals		<u>(12,000)</u>
Ending balance, June 30, 2020		<u>\$239,249</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$4,269,294 General Fund fund balance at June 30, 2020, \$38,358 is reserved for encumbrances; \$2,446,852 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$800,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$1,097,608 has been reserved in the Capital Reserve Account; \$239,249 has been reserved in the Maintenance Reserve Account; \$-0- has been reserved in the Emergency Reserve Account; \$109,306 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and \$337,921 is unreserved and undesignated.

**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, 2020 is \$2,446,852. Of this amount, \$1,646,852 is a result of the current year's operations and \$800,000 is the result of prior year operations.

**Borough of Ringwood School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2020**

**NOTE 17. INVENTORY**

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$5,993
Supplies	<u>882</u>
	<u>\$6,875</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 20. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 22, 2020, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Ringwood. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**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, 2020**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 19,656,742	\$ -	\$ 19,656,742	\$ 19,656,742	\$ -
Tuition	1,080,000	-	1,080,000	950,652	(129,348)
Transportation Fees	162,000	-	162,000	250,300	88,300
Interest Earned on Emergency Reserve	-	-	-	158	158
Interest Earned on Maintenance Reserve	-	-	-	593	593
Interest Earned on Capital Reserve Funds	-	-	-	2,850	2,850
Miscellaneous	71,900	-	71,900	118,618	46,718
<b>Total - Local Sources</b>	<b>20,970,642</b>	<b>-</b>	<b>20,970,642</b>	<b>20,979,913</b>	<b>9,271</b>
<b>State Sources:</b>					
Equalization Aid	990,912	-	990,912	990,912	-
Transportation Aid	573,133	-	573,133	573,133	-
Special Education Categorical Aid	983,693	-	983,693	983,693	-
Security Aid	98,526	-	98,526	98,526	-
Extraordinary Aid	90,000	-	90,000	220,855	130,855
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	6,277	6,277
On-behalf TPAF Pension (non-budgeted)	-	-	-	2,026,692	2,026,692
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	36,326	36,326
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	765,342	765,342
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,622	1,622
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	729,629	729,629
<b>Total State Sources</b>	<b>2,736,264</b>	<b>-</b>	<b>2,736,264</b>	<b>6,433,007</b>	<b>3,696,743</b>
<b>Federal Sources:</b>					
Medical Assistance Program	20,292	-	20,292	-	(20,292)
<b>Total Federal Sources</b>	<b>20,292</b>	<b>-</b>	<b>20,292</b>	<b>-</b>	<b>(20,292)</b>
<b>Total Revenues</b>	<b>23,727,198</b>	<b>-</b>	<b>23,727,198</b>	<b>27,412,920</b>	<b>3,685,722</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	\$ 424,062	9,152	\$ 433,214	\$ 426,214	\$ 7,000
Grades 1-5 - Salaries of Teachers	3,365,495	(134,634)	3,230,861	3,207,071	23,790
Grades 6-8 - Salaries of Teachers	2,154,058	(146,791)	2,007,267	1,997,157	10,110
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	7,000	-	7,000	4,740	2,260
Purchased Professional-Educational Services		4,350	4,350	3,209	1,141
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	927,612	48,481	976,093	963,122	12,971
Unused Vacation Pay to Term./Retired Staff		6,000	6,000	6,000	-
Purchased Professional-Educational Services	123,980	(45,527)	78,453	43,114	35,339
Purchased Technical Services	33,000	-	33,000	24,402	8,598
Other Purchased Services (400-500 series)	185,000	19,500	204,500	197,592	6,908
General Supplies	301,100	136,872	437,972	407,245	30,727
Textbooks	1,700	1,263	2,963	2,761	202
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>7,523,007</b>	<b>(101,334)</b>	<b>7,421,673</b>	<b>7,282,627</b>	<b>139,046</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	212,654	12,162	224,816	173,241	51,575
General Supplies	15,600	(4,390)	11,210	6,166	5,044
<b>Total Learning and/or Language Disabilities</b>	<b>228,254</b>	<b>7,772</b>	<b>236,026</b>	<b>179,407</b>	<b>56,619</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	97,103	5,397	102,500	102,500	-
Other Salaries for Instruction	72,158	-	72,158	3,968	72,158
General Supplies	6,550	-	6,550	3,968	2,582
<b>Total Multiple Disabilities</b>	<b>175,811</b>	<b>5,397</b>	<b>181,208</b>	<b>106,468</b>	<b>74,740</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,481,499	173,104	1,654,603	1,654,603	-
General Supplies	42,500	(9,154)	33,346	29,128	4,218
<b>Total Resource Room/Resource Center</b>	<b>1,523,999</b>	<b>163,950</b>	<b>1,687,949</b>	<b>1,683,731</b>	<b>4,218</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Autism:</b>					
Salaries of Teachers	397,750	14,835	412,585	412,585	-
Other Salaries for Instruction	922,990	(51,078)	871,912	804,104	67,808
Unused Vacation Pay to Term./Retired Staff		653	653		653
Purchased Professional-Educational Services	164,350	(172)	164,178	98,649	65,529
Other Purchased Services (400-500 series)	4,550	247	4,797	3,217	1,580
General Supplies	6,200	176	6,376	5,899	477
Other Objects	1,600	-	1,600	294	1,306
<b>Total Autism</b>	<b>1,497,440</b>	<b>(35,339)</b>	<b>1,462,101</b>	<b>1,324,748</b>	<b>137,353</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	73,610	-	73,610	72,385	1,225
Other Salaries for Instruction	43,184	-	43,184	21,840	21,344
General Supplies	1,100	(29)	1,071	839	232
<b>Total Preschool Disabilities - Part-Time</b>	<b>117,894</b>	<b>(29)</b>	<b>117,865</b>	<b>95,064</b>	<b>22,801</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>3,543,398</b>	<b>141,751</b>	<b>3,685,149</b>	<b>3,389,418</b>	<b>295,731</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	96,605	39,395	136,000	136,000	-
General Supplies	14,100	219	14,319	14,314	5
<b>Total Basic Skills/Remedial - Instruction</b>	<b>110,705</b>	<b>39,614</b>	<b>150,319</b>	<b>150,314</b>	<b>5</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	39,243	2,139	41,382	38,100	3,282
General Supplies	250	63	313	313	-
<b>Total Bilingual Education - Instruction</b>	<b>39,493</b>	<b>2,202</b>	<b>41,695</b>	<b>38,413</b>	<b>3,282</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	36,000	(1,600)	34,400	22,645	11,755
Other Objects	7,500	1,600	9,100	2,620	6,480
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>43,500</b>	<b>-</b>	<b>43,500</b>	<b>25,265</b>	<b>18,235</b>
<b>Summer School - Instruction</b>					
Purchased Professional and Technical Services	99,500	(1,696)	97,804	92,547	5,257
<b>Total Summer School - Instruction</b>	<b>99,500</b>	<b>(1,696)</b>	<b>97,804</b>	<b>92,547</b>	<b>5,257</b>
<b>TOTAL INSTRUCTION</b>	<b>11,359,603</b>	<b>80,537</b>	<b>11,440,140</b>	<b>10,978,584</b>	<b>461,556</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	83,325	(83,325)	-	-	-
Tuition to CSSD & Regular Day Schools		140,346	140,346	140,346	-
Tuition to Private Schools for the Disabled - Within State	258,473	141,229	399,702	369,154	30,548
Tuition to Private Schools for the Disabled - Outside State		14,993	14,993	14,993	-
<b>Total Undistributed Expenditures - Instruction:</b>	<b>341,798</b>	<b>213,243</b>	<b>555,041</b>	<b>524,493</b>	<b>30,548</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	12,611	1,023	13,634	12,913	721
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>12,611</b>	<b>1,023</b>	<b>13,634</b>	<b>12,913</b>	<b>721</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	312,219	11,216	323,435	316,135	7,300
Purchased Professional and Technical Services	11,600	1,217	12,817	10,661	2,156
Supplies and Materials	5,400	898	6,298	4,108	2,190
Other Objects	3,200	(848)	2,352	2,193	159
<b>Total Undistributed Expenditures - Health Services</b>	<b>332,419</b>	<b>12,483</b>	<b>344,902</b>	<b>333,097</b>	<b>11,805</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>					
Salaries	377,281	4,614	381,895	381,791	104
Purchased Professional - Educational Services	59,450	98	59,548	57,972	1,576
Supplies and Materials	5,500	-	5,500	1,905	3,595
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<b>442,231</b>	<b>4,712</b>	<b>446,943</b>	<b>441,668</b>	<b>5,275</b>
<b>Undist. Expend. - Guidance Services</b>					
Salaries of Other Professional Staff	323,280	4,395	327,675	327,675	-
Salaries of Secretarial and Clerical Assistants	50,447	4,364	54,811	54,233	578
Purchased Professional - Educational Services	3,000	1,500	4,500	600	3,900
Supplies and Materials	850	203	1,053	613	440
Other Objects		-			-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Reg.</b>	<b>377,577</b>	<b>10,462</b>	<b>388,039</b>	<b>383,121</b>	<b>4,918</b>
<b>Undist. Expend. Child Study Teams</b>					
Salaries of Other Professional Staff	684,795	(44,158)	640,637	609,184	31,453
Salaries of Secretarial and Clerical Assistants	62,276	174	62,450	60,082	2,368
Purchased Professional - Educational Services	269,998	(53,915)	216,083	146,583	69,500
Other Purchased Services (400-500 series)	7,500	-	7,500	5,092	2,408
Supplies and Materials	5,000	4,971	9,971	9,795	176
Other Objects	6,000	2,282	8,282	7,999	283
<b>Total Undist. Expend. - Other Supp. Serv. Students - Spec.</b>	<b>1,035,569</b>	<b>(90,646)</b>	<b>944,923</b>	<b>838,735</b>	<b>106,188</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>Undist. Expend. Imp. Of Instructional Services</b>					
Other Salaries	5,000	-	5,000	5,000	5,000
Purchased Professional - Educational Services	5,000	-	5,000	3,900	1,100
Supplies and Materials	-	-	-	-	-
<b>Total Undist. Expend. Imp. Of Instructional Services</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>3,900</b>	<b>6,100</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	227,624	-	227,624	225,455	2,169
Supplies and Materials	10,000	(352)	9,648	7,050	2,598
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>237,624</b>	<b>(352)</b>	<b>237,272</b>	<b>232,505</b>	<b>4,767</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	10,500	(875)	9,625	9,226	399
Supplies and Materials	31,400	11,275	42,675	28,514	14,161
Purchased Professional - Educational Services	2,500	(2,500)	-	-	-
Other Purchased Services (400-500 series)	44,400	7,900	52,300	37,740	14,560
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>					
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	220,612	87,751	308,363	308,264	99
Legal Services	28,000	10,807	38,807	38,807	-
Audit Fees	26,000	(502)	25,498	24,794	704
Architectural/Engineering Services	5,000	(5,000)	-	-	-
Other Purchased Professional Services	23,600	-	23,600	23,290	310
Communications/Telephone	31,520	(3,408)	28,112	27,152	960
BOE Other Purchased Services	500	(70)	430	430	-
Misc. Purchased Services (400-500 series)	13,400	682	14,082	13,562	520
General Supplies	2,500	(431)	2,069	1,246	823
Judgments Against the School District	40,000	(17,643)	22,357	5,765	16,592
Miscellaneous Expenditures	5,000	1,138	6,138	6,138	-
BOE Membership Dues and Fees	10,950	-	10,950	10,946	4
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>407,082</b>	<b>73,324</b>	<b>480,406</b>	<b>459,964</b>	<b>20,442</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	526,336	52,061	578,397	558,722	19,675
Salaries of Secretarial and Clerical Assistants	223,327	21,167	244,494	242,878	1,616
Other Salaries	2,760	286	3,046	3,046	-
Unused Vacation Pay to Term./Retired Staff	1,840	93	1,933	1,875	58
Other Purchased Services (400-500 series)	400	244	644	644	-
Supplies and Materials	4,990	-	4,990	1,781	3,209
Other Objects	10,540	(4,594)	5,946	4,580	1,366
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>770,193</b>	<b>69,257</b>	<b>839,450</b>	<b>813,526</b>	<b>25,924</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Central Services</b>					
Salaries	264,157	14,907	279,064	277,580	1,484
Purchased Professional Services	20,000	(950)	19,050	19,050	-
Purchased Technical Services	4,565	(4,295)	270	270	-
Supplies and Materials	5,000	(423)	4,577	3,378	1,199
Miscellaneous Expenditures	1,000	713	1,713	1,713	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>294,722</b>	<b>9,952</b>	<b>304,674</b>	<b>301,991</b>	<b>2,683</b>
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	72,000	-	72,000	72,000	-
Supplies and Materials	72,000	-	72,000	72,000	-
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>72,000</b>	<b>-</b>	<b>72,000</b>	<b>72,000</b>	<b>-</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Salaries	229,798	11,308	241,106	231,666	9,440
Cleaning, Repair, and Maintenance Services	204,000	41,011	245,011	182,315	62,696
General Supplies	63,100	13,406	76,506	47,873	28,633
Other Objects	300	-	300	102	198
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>497,198</b>	<b>65,725</b>	<b>562,923</b>	<b>461,956</b>	<b>100,967</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries of Non-Instructional Aides	8,336	62	8,398	8,367	31
Purchased Professional and Technical Services	744,654	(65)	744,589	674,248	70,341
Cleaning, Repair and Maintenance Services	22,500	2,546	25,046	13,549	11,497
Insurance	175,000	(178)	174,822	169,598	5,224
Miscellaneous Purchased Services	11,300	3,000	14,300	12,661	1,639
General Supplies	53,780	(637)	53,143	52,980	163
Energy (Natural Gas)	138,000	-	138,000	98,881	39,119
Energy (Electricity)	205,000	-	205,000	162,905	42,095
Energy (Oil)	18,000	-	18,000	14,190	3,810
Energy (Gasoline)	26,344	-	26,344	24,398	1,946
Other Objects	500	-	500	321	179
Interest - Energy Savings Impr. Prog. Bonds	4,400	(2,080)	2,320	2,120	200
Principal - Energy Savings Impr. Prog. Bonds	116,945	2,080	119,025	119,025	-
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,524,759</b>	<b>4,728</b>	<b>1,529,487</b>	<b>1,353,243</b>	<b>176,244</b>
<b>Undist. Expend. - Care and Upkeep of Grounds:</b>					
Salaries	12,000	-	12,000	7,822	4,178
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<b>12,000</b>	<b>-</b>	<b>12,000</b>	<b>7,822</b>	<b>4,178</b>
<b>Security:</b>					
Purchased Professional and Technical Services	13,000	(1,161)	11,839	11,839	-
<b>Total Security</b>	<b>13,000</b>	<b>(1,161)</b>	<b>11,839</b>	<b>11,839</b>	<b>-</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>2,046,957</b>	<b>69,292</b>	<b>2,116,249</b>	<b>1,834,860</b>	<b>281,389</b>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-Instructional Aides	68,730	3,007	71,737	71,652	85
Sal. For Pup.Trans. (Bet. Home and School) - Regular	780,915	10,406	791,321	733,700	57,621
Sal. For Pup.Trans. (Bet. Home and School) - Special	117,495	(17,391)	100,104	85,864	14,240
Sal. For Pup. Trans. (Other than Bet. Home and School)	3,605	-	3,605	2,945	660
Sal. For Pup. Trans. (Bet. Home and School) Non-Public	73,535	(47,639)	25,896	25,896	-
Unused Vacation Pay to Term./Retired Staff	5,000	-	5,000	-	5,000
Cleaning, Repair and Maintenance Services	35,000	10,000	45,000	41,200	3,800
Lease Purchase Payments - School Buses	17,000	23,332	40,332	40,332	-
Contract Services - Aid in Lieu Payments - Non Public	55,000	(11,392)	43,608	35,891	7,717
Contract Services - (Between Home and School) - Vendors	80,000	53,142	133,142	105,737	27,405
Misc. Purchased Serv. - Transportation	15,000	4,802	19,802	15,492	4,310
General Supplies	90,000	(10,000)	80,000	29,862	50,138
Transportation Supplies	50,000	(1,000)	49,000	18,867	30,133
Fuel Costs Funded by Advertising Revenues	450	-	450	-	450
Other Objects	10,200	-	10,200	8,773	1,427
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>1,401,930</b>	<b>17,267</b>	<b>1,419,197</b>	<b>1,216,211</b>	<b>202,986</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	460,000	3,051	463,051	346,818	116,233
Other Retirement Contributions - PERS	455,000	(6,844)	448,156	319,380	128,776
Other Retirement Contributions - Regular	45,000	6,844	51,844	51,738	106
Unemployment Compensation	50,000	-	50,000	-	50,000
Workmen's Compensation	195,000	(26,967)	168,033	133,777	34,256
Health Benefits	3,971,065	(342,261)	3,628,804	3,224,463	404,341
Tuition Reimbursement	58,000	1,068	59,068	56,132	2,936
Other Employee Benefits	80,000	40,896	120,896	120,896	-
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>5,314,065</b>	<b>(324,213)</b>	<b>4,989,852</b>	<b>4,253,204</b>	<b>736,648</b>



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
On-behalf TPAF Pension (non-budgeted)		-		2,026,692	(2,026,692)
On-behalf TPAF NCGI Premium (non-budgeted)		-		36,326	(36,326)
On-behalf TPAF Post Retirement Medical (non-budgeted)		-		765,342	(765,342)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)		-		1,622	(1,622)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		729,629	(729,629)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	-	-	-	3,559,611	(3,559,611)
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	5,314,065	(324,213)	4,989,852	7,812,815	(2,822,963)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	13,141,178	73,704	13,214,882	15,319,539	(2,104,657)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	24,500,781	154,241	24,655,022	26,298,123	(1,643,101)
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Undistributed Expenditures - Req. Maintenance for School Fac.		12,000	12,000	10,270	1,730
Undistributed Expenditures - Security		439,995	439,995	211,497	228,498
Undistributed Expenditures - Req. Student Trans.-Non-Inst. Equip.	180,000	(66,796)	113,204	113,204	-
<b>Total Equipment</b>	180,000	385,199	565,199	221,767	343,432
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	250,000	(250,000)	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	250,000	(250,000)	-	-	-
<b>Interest Deposit to Capital Reserve</b>					
Assets Acquired Under Capital Leases (non-budgeted)		-			
<b>Undistributed Expenditures:</b>					
Student Transportation		-		266,482	(266,482)
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	266,482	(266,482)
<b>TOTAL CAPITAL OUTLAY</b>	430,000	135,199	565,199	488,249	76,950
<b>TOTAL EXPENDITURES</b>	24,930,781	289,440	25,220,221	26,786,372	(1,566,151)

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,203,583)	(289,440)	(1,493,023)	626,548	2,119,571
<b>Other Financing Sources (Uses):</b>					
<b>Capital Leases (non-budgeted)</b>			-	266,482	266,482
<b>Total Other Financing Sources (Uses):</b>	-	-	-	266,482	266,482
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(1,203,583)	(289,440)	(1,493,023)	893,030	2,386,053
<b>Fund Balance, July 1</b>	3,634,681		3,634,681	3,634,681	-
<b>Fund Balance, June 30</b>	<u>\$ 2,431,098</u>	<u>\$ (289,440)</u>	<u>\$ 2,141,658</u>	<u>\$ 4,527,711</u>	<u>\$ 2,386,053</u>
Adjustment for prior year encumbrances		(265,440)	(265,440)	(265,440)	-
Increase in Capital Reserve - Principal					-
Increase in Maintenance Reserve - Principal					-
Increase in Capital Reserve - Interest				2,850	2,850
Increase in Maintenance Reserve - Interest				593	593
Budgeted withdrawal from Capital Reserve	(250,000)	(12,000)	(262,000)	(12,000)	250,000
Budgeted withdrawal from Maintenance Reserve		(12,000)	(12,000)	(12,000)	-
Budgeted withdrawal from Emergency Reserve	(953,583)		(953,583)	(55,311)	(55,311)
Budgeted Fund Balance	<u>(1,203,583)</u>	<u>(289,440)</u>	<u>(1,493,023)</u>	<u>1,234,338</u>	<u>2,187,921</u>
<b>Total</b>		<u>(289,440)</u>	<u>(1,493,023)</u>	<u>893,030</u>	<u>2,386,053</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>				1,097,608	
Capital Reserve				239,249	
Maintenance Reserve				-	
Emergency Reserve				800,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,646,852	
Excess Surplus - Current Year					
<b>Committed Fund Balance:</b>				38,358	
Year End Encumbrances					
<b>Assigned Fund Balance:</b>				109,306	
Designated for Subsequent Year's Expenditures				596,338	
<b>Unassigned Fund Balance</b>				<u>4,527,711</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>				<u>(258,417)</u>	
<b>Last State Aid Payment not recognized on GAAP basis</b>				<u>\$ 4,269,294</u>	
<b>Fund Balance per Governmental Funds (GAAP)</b>					

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 36,854	\$ 36,854	\$ 36,854	\$ -
State Sources	150,540	-	150,540	-	(150,540)
Federal Sources	438,427	51,191	489,618	463,550	(26,068)
<b>Total Revenues</b>	<b>588,967</b>	<b>88,045</b>	<b>677,012</b>	<b>500,404</b>	<b>(176,608)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	93,582	9,890	103,472	95,102	8,370
Other Salaries for Instruction	34,090	(34,090)	-	-	-
Other Purchased Professional Services	121,810	-	121,810	234,343	121,810
Tuition	221,554	12,789	234,343	234,343	-
General Supplies	4,780	36,854	41,634	36,854	4,780
Textbooks	7,680	-	7,680	-	7,680
Other Objects	-	-	-	-	-
<b>Total Instruction</b>	<b>483,496</b>	<b>25,443</b>	<b>508,939</b>	<b>366,299</b>	<b>142,640</b>
<b>Support Services</b>					
Personal Services - Employee Benefits	29,824	3,461	33,285	33,285	-
Purchased Professional - Educational Services	58,043	59,141	117,184	99,320	17,864
General Supplies	9,704	-	9,704	1,500	8,204
Other Objects	-	-	-	-	-
<b>Total Support Services</b>	<b>97,571</b>	<b>62,602</b>	<b>160,173</b>	<b>134,105</b>	<b>26,068</b>
<b>Facilities Acquisition and Construction Services:</b>					
Non-instructional Equipment	7,900	-	7,900	-	7,900
<b>Total Facilities Acquisition and Construction Services</b>	<b>7,900</b>	<b>-</b>	<b>7,900</b>	<b>-</b>	<b>7,900</b>
<b>Total Expenditures</b>	<b>588,967</b>	<b>88,045</b>	<b>677,012</b>	<b>500,404</b>	<b>176,608</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2020**

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

		<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$ 27,412,920	\$ 500,404
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			30,883
Less Current Year Encumbrances			-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		271,809	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(258,417)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 27,426,312</u>	<u>\$ 531,287</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$ 26,786,372	\$ 500,404
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			30,883
Less Current Year Encumbrances			-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 26,786,372</u>	<u>\$ 531,287</u>

**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%
2020	0.0327160709%	5,894,940	2,180,918	270.30%	56.27%

\* 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\**

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
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%
2020	318,231	318,231	-	2,180,918	14.59%

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

**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%
2020	0.0935348368%	\$ -	57,403,212	10,110,302	0.00%	26.95%

\* 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, 2020**

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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. 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

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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. 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\**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Costs	\$ 1,601,683	\$ 1,879,448	\$ 2,259,344
Interest on Total OPEB Liability	1,968,801	2,123,636	1,834,334
Changes in Assumptions	660,873	(5,729,212)	(7,465,794)
Gross Benefit Payments	(1,360,611)	(1,334,993)	(1,345,227)
Differences Between Actual and Expected Experience	(8,512,777)	(5,138,175)	-
Contribution from the Member	40,332	46,139	49,535
<b>Net Changes in total Share of OPEB Liability</b>	<u>(5,601,699)</u>	<u>(8,153,157)</u>	<u>(4,667,808)</u>
<b>Total OPEB Liability - Beginning</b>	<u>49,925,595</u>	<u>58,078,752</u>	<u>62,746,560</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$ 44,323,896</u></u>	<u><u>\$ 49,925,595</u></u>	<u><u>\$ 58,078,752</u></u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>44,323,896</u>	<u>49,925,595</u>	<u>58,078,752</u>
Total OPEB Liability - Ending	<u><u>\$ 44,323,896</u></u>	<u><u>\$ 49,925,595</u></u>	<u><u>\$ 58,078,752</u></u>
District's Covered Employee Payroll	<u><u>\$ 12,291,220</u></u>	<u><u>\$ 11,802,380</u></u>	<u><u>\$ 12,102,040</u></u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2020**

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, 2020**

	<b>Title I</b>	<b>Title II, Part A</b>	<b>I.D.E.A Basic</b>	<b>I.D.E.A Preschool</b>	<b>Donations</b>	<b>Totals 2020</b>
<b>REVENUES</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 36,854	\$ 36,854
Federal Sources	116,101	41,277	292,386	13,786		\$ 463,550
<b>Total Revenues</b>	<b>116,101</b>	<b>41,277</b>	<b>292,386</b>	<b>13,786</b>	<b>36,854</b>	<b>500,404</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	84,890			10,212		95,102
Tuition			234,343			234,343
General Supplies					36,854	36,854
Textbooks						-
<b>Total instruction</b>	<b>84,890</b>	<b>-</b>	<b>234,343</b>	<b>10,212</b>	<b>36,854</b>	<b>366,299</b>
<b>Support services:</b>						
Personal Services - Employee Benefits	29,711			3,574		33,285
Purchased Professional - Educational Services		41,277	58,043			99,320
General Supplies	1,500					1,500
<b>Total support services</b>	<b>31,211</b>	<b>41,277</b>	<b>58,043</b>	<b>3,574</b>	<b>-</b>	<b>134,105</b>
<b>Facilities acquisition and const. serv.:</b>						
Non-instructional Equipment	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>116,101</b>	<b>41,277</b>	<b>292,386</b>	<b>13,786</b>	<b>36,854</b>	<b>500,404</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures and Other Financing Sources (Uses)</b>						

**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, 2020**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations June 30, 2020
			Prior Years	Expenditures to Date 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	\$ 19,875	\$ 210,451



**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, 2020**

**Revenues and Other Financing Sources:**

Interest Income	2,411
Total Revenues	2,411

**Expenditures and Other Financing Uses:**

Other Objects	19,875
Transfer to Debt Service Fund	2,411
Total Expenditures	22,286

Excess (Deficiency) of revenues over (under) expenditures	(19,875)
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Fund Balance - Beginning	230,326
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Fund Balance - Ending	\$ 210,451
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Recapitulation:

Fund Balance	\$ 210,451
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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)	\$ 210,451
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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, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
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>
<b>Expenditures and Other Financing Uses:</b>				
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>
<b>Additional Project Information:</b>				
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, 2020**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
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>
<b>Expenditures and Other Financing Uses:</b>				
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, 2020**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Period</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources:</b>				
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>
<b>Expenditures and Other Financing Uses:</b>				
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, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
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>
<b>Expenditures and Other Financing Uses:</b>				
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, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
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
Total Revenues	<u>302,400</u>	<u>-</u>	<u>302,400</u>	<u>216,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Architectural / Engineering services	21,075		21,075	21,075
Construction services	153,907		153,907	153,907
Other Objects	21,143	19,875	41,018	41,018
Transfer to Debt Service Fund	86,400		86,400	
Total Expenditures	<u>282,525</u>	<u>19,875</u>	<u>302,400</u>	<u>216,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 19,875</u>	<u>\$ (19,875)</u>	<u>\$ -</u>	<u>\$ -</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, 2020**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 77,534	\$ 736	\$ 78,270
Accounts receivable	308		308
Interfund receivables	1,043		1,043
Inventories	6,875		6,875
Total current assets	<u>85,760</u>	<u>736</u>	<u>86,496</u>
Noncurrent assets:			
Furniture, machinery & equipment	317,578		317,578
Less accumulated depreciation	<u>(296,124)</u>		<u>(296,124)</u>
Total noncurrent assets	<u>21,454</u>	<u>-</u>	<u>21,454</u>
Total assets	<u><u>107,214</u></u>	<u><u>736</u></u>	<u><u>107,950</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,547		8,547
Interfund payables	2,222		2,222
Prepaid revenue	19,914		19,914
Total current liabilities	<u>30,683</u>	<u>-</u>	<u>30,683</u>
Total liabilities	<u>30,683</u>	<u>-</u>	<u>30,683</u>
<b>NET POSITION</b>			
Net Investment in capital assets	21,454		21,454
Unrestricted	55,077	736	55,813
Total net position	<u>\$ 76,531</u>	<u>\$ 736</u>	<u>\$ 77,267</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, 2020**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 190,117		\$ 190,117
Daily sales - non-reimbursable programs	93,753		93,753
Special functions	4,050		4,050
Miscellaneous		490	490
Total operating revenues	<u>287,920</u>	<u>490</u>	<u>288,410</u>
Operating expenses:			
Cost of food - reimbursable programs	96,392		96,392
Cost of food - non-reimbursable programs	22,237		22,237
Cost of sales - other	33,260		33,260
Salaries	122,424	2,877	125,301
Employee benefits	60,673		60,673
Cleaning, repair and maintenance services	3,298		3,298
Purchased services	30,461		30,461
Miscellaneous Expense	3,365	300	3,665
General supplies	12,729	158	12,887
Depreciation	2,843		2,843
Total Operating Expenses	<u>387,682</u>	<u>3,335</u>	<u>391,017</u>
Operating income (loss)	<u>(99,762)</u>	<u>(2,845)</u>	<u>(102,607)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	3,555		3,555
Federal sources:			
National school lunch program	56,966		56,966
Food distribution program	23,057		23,057
Interest and investment revenue	1,489	21	1,510
Total non-operating revenues (expenses)	<u>85,067</u>	<u>21</u>	<u>85,088</u>
Income (loss) before contributions & transfers	<u>(14,695)</u>	<u>(2,824)</u>	<u>(17,519)</u>
Capital contributions	-		-
Transfers in (out)			
Change in net position	<u>(14,695)</u>	<u>(2,824)</u>	<u>(17,519)</u>
Total net position—beginning	<u>91,226</u>	<u>3,560</u>	<u>94,786</u>
Total net position—ending	<u>\$ 76,531</u>	<u>\$ 736</u>	<u>\$ 77,267</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2020**

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 297,423	\$ 490	\$ 297,913
Payments to employees	(122,424)	(2,877)	(125,301)
Payments for employee benefits	(60,673)		(60,673)
Payments to suppliers	(241,639)	(458)	(242,097)
Net cash provided by (used for) operating activities	<u>(127,313)</u>	<u>(2,845)</u>	<u>(130,158)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	3,932		3,932
Federal sources	84,387		84,387
Net cash provided by (used for) non-capital financing activities	<u>88,319</u>	<u>-</u>	<u>88,319</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(6,036)		(6,036)
Net cash provided by (used for) capital and related financing activities	<u>(6,036)</u>	<u>-</u>	<u>(6,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,489	21	1,510
Net cash provided by (used for) investing activities	<u>1,489</u>	<u>21</u>	<u>1,510</u>
Net increase (decrease) in cash and cash equivalents	(43,541)	(2,824)	(46,365)
Balances—beginning of year	121,075	3,560	124,635
Balances—end of year	<u>\$ 77,534</u>	<u>\$ 736</u>	<u>\$ 78,270</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (99,762)	\$ (2,845)	\$ (102,607)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	2,843		2,843
(Increase) decrease in inventories	(3,899)		(3,899)
(Increase) decrease in accounts receivable	150		150
Increase (decrease) in accounts payable	(35,998)		(35,998)
Increase (decrease) in prepaid revenue	9,353		9,353
Total adjustments	<u>(27,551)</u>	<u>-</u>	<u>(27,551)</u>
Net cash provided by (used for) operating activities	<u>\$ (127,313)</u>	<u>\$ (2,845)</u>	<u>\$ (130,158)</u>

**FIDUCIARY FUND**

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Fiduciary Net Position**  
**Trust and Agency Funds**  
**June 30, 2020**

	Trust		Agency		Total Agency Fund
	Unemployment Compensation	Total Trust Fund	Student Activity	Payroll	
<b>Assets</b>					
Cash and cash equivalents	\$ 36,077	\$ 36,077	\$ 25,539	\$ 646	\$ 26,185
Total assets	36,077	36,077	25,539	646	26,185
<b>Liabilities</b>					
Accounts payable	10,168	10,168			-
Payable to student groups		-	25,539		25,539
Payroll deductions and withholdings		-		646	646
Total liabilities	10,168	10,168	\$ 25,539	\$ 646	\$ 26,185
<b>Net Position</b>					
Reserved	25,909	25,909			
Total net position	\$ 25,909	\$ 25,909			

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Year Ended June 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Total Trusts</u>
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 51,963	\$ 51,963
Total Contributions	<u>51,963</u>	<u>51,963</u>
Total additions	<u>51,963</u>	<u>51,963</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	26,101	26,101
Unemployment claims	<u>10,750</u>	<u>10,750</u>
Total deductions	<u>36,851</u>	<u>36,851</u>
Change in net position	15,112	15,112
Net position—beginning of the year	<u>10,797</u>	<u>10,797</u>
Net position—end of the year	<u>\$ 25,909</u>	<u>\$ 25,909</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2020</u>
Elementary Schools	\$ 12,139	6,171	5,803	\$ 12,507
Middle School	18,533	74,838	80,339	13,032
<b>Total</b>	<u>\$ 30,672</u>	<u>\$ 81,009</u>	<u>\$ 86,142</u>	<u>\$ 25,539</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Net Payroll	\$ -	\$ 9,409,192	\$ 9,409,192	\$ -
Payroll deductions and withholdings	641	7,951,591	7,951,586	646
Interfund payable	-	1,713	1,713	-
Totals	<u>\$ 641</u>	<u>\$ 17,362,496</u>	<u>\$ 17,362,491</u>	<u>\$ 646</u>

**LONG-TERM DEBT**



**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Bonds Payable**  
**Year Ended June 30, 2020**

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
School District Bonds	July 15, 2008	1,328,000	1/15/2021	110,000	4.250%				
			1/15/2022	115,000	4.250%				
			1/15/2023	120,000	3.800%				
						\$ 455,000	\$ -	\$ 110,000	\$ 345,000
School District Bonds	September 13, 2011	11,195,000	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%				
						\$ 8,420,000		\$ 505,000	\$ 7,915,000
<b>Grand Total</b>						<b>\$ 8,875,000</b>	<b>\$ -</b>	<b>\$ 615,000</b>	<b>\$ 8,260,000</b>

**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, 2020**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Orig. Issue</u>	<u>Amount Outstanding July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2020</u>
Acquisition of School Bus	1.90%	94,196	31,980		15,840	16,140
Acquisition of Photocopiers		114,296	76,918		22,590	54,328
Boilers/Window Replacements	1.78%		119,025		119,025	-
Acquisition of School Buses	2.34%	266,482		266,482	20,812	245,670
			<u>\$ 227,923</u>	<u>\$ 266,482</u>	<u>\$ 178,267</u>	<u>\$ 316,138</u>

**BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 875,051		\$ 875,051	\$ 875,051	\$ -
State Sources:					
Debt Service Aid Type II	43,975		43,975	43,975	-
Total - State Sources	43,975	-	43,975	43,975	-
Total Revenues	919,026	-	919,026	919,026	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	306,257		306,257	306,257	-
Redemption of Principal	615,000		615,000	615,000	-
Total expenditures	921,257	-	921,257	921,257	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,231)	-	(2,231)	(2,231)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				2,411	2,411
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2,231)	-	(2,231)	180	2,411
Fund Balance, July 1	2,231	-	2,231	6,715	4,484
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 6,895	\$ 6,895

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	143,031	(9,723,632)	(827,219)	(350,659)	(904,942)	633,495	957,445	867,747	1,032,586	1,181,479
Restricted	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	4,148,719
Unrestricted	(174,310)	(415,855)	(222,190)	(254,934)	(9,018,577)	(9,348,256)	(9,971,734)	(10,568,007)	(10,244,417)	(9,637,108)
<b>Total Governmental Activities Net Position</b>	<b>1,059,616</b>	<b>1,522,375</b>	<b>2,783,705</b>	<b>2,064,588</b>	<b>(6,766,893)</b>	<b>(6,962,999)</b>	<b>(7,813,314)</b>	<b>(7,172,226)</b>	<b>(5,943,042)</b>	<b>(4,306,910)</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	7,827	11,352	23,034	28,419	39,482	37,550	34,557	16,743	18,261	21,454
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	80,437	88,993	84,212	75,214	56,384	56,493	58,009	48,839	76,525	55,813
<b>Total Business-type Activities Net Position</b>	<b>88,264</b>	<b>100,345</b>	<b>107,246</b>	<b>103,633</b>	<b>95,866</b>	<b>94,043</b>	<b>92,566</b>	<b>65,582</b>	<b>94,786</b>	<b>77,267</b>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	150,858	(9,712,280)	(804,185)	(322,240)	(865,460)	671,045	992,002	884,490	1,050,847	1,202,933
Restricted	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	4,148,719
Unrestricted	(93,873)	(326,862)	(137,978)	(179,720)	(8,962,193)	(9,291,763)	(9,913,725)	(10,519,168)	(10,167,892)	(9,581,295)
<b>Total District Net Position</b>	<b>1,147,880</b>	<b>1,622,720</b>	<b>2,890,951</b>	<b>2,168,221</b>	<b>(6,671,027)</b>	<b>(6,868,956)</b>	<b>(7,720,748)</b>	<b>(7,106,644)</b>	<b>(5,848,256)</b>	<b>(4,229,643)</b>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	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	7,657,024
Special Education	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	3,389,418
Other Special Instruction	278,732	341,543	283,203	237,416	261,340	252,965	275,246	330,719	263,789	281,274
Other Instruction	33,088	31,578	24,024	26,896	25,238	33,978	36,138	30,624	32,500	25,265
Support Services:										
Tuition	764,547	737,252	615,023	771,388	431,431	326,046	246,995	298,901	432,414	524,493
Student & Instruction Related Services	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	2,440,569
School Administrative Services	1,031,395	1,078,452	996,319	843,468	797,930	824,357	816,210	763,045	820,482	813,526
General Administrative Services	445,715	444,839	472,915	433,252	456,353	458,785	469,474	470,612	435,432	459,964
Central Services & Admin. Info. Technology	392,527	431,756	345,563	372,581	402,185	399,326	431,650	363,399	293,137	373,991
Plant Operations and Maintenance	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	1,834,860
Pupil Transportation	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	1,037,944
Unallocated Benefits	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	8,468,402
Capital outlay- non-depreciable	27,679	1,609	-	-	30,633	158,006	9,548	11,747	2,874	19,875
Interest on Long-term Debt	52,603	334,485	334,323	474,526	381,359	381,966	351,749	334,780	318,244	299,009
Unallocated Depreciation	706,780	243,058	29,701	977,285	809,875	685,192	820,199	846,659	825,745	866,142
Total Governmental Activities Expenses	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	28,491,756
Business-type Activities:										
Food Service	423,811	441,814	440,760	428,696	437,785	456,914	476,029	487,423	514,129	387,682
Safety Town	3,736	3,670	3,577	3,937	4,250	3,609	3,749	3,196	3,200	3,335
Summer Music		3,137	9,548	12,869	13,721	17,702	10,284	8,045	-	-
Total Business-type Activities Expenses	427,547	448,621	453,885	445,502	455,756	478,225	490,062	498,664	517,329	391,017
Total District Expenses	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	28,882,773
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	1,018,940	698,326	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	575,262
Total Governmental Activities Program Revenues	1,018,940	698,326	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	575,262



**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type Activities:										
Charges for Services:										
Food Service	329,075	339,900	336,165	316,517	320,988	354,964	372,654	394,711	433,607	287,920
Safety Town	4,894	3,315	3,445	4,385	4,355	3,365	2,800	3,150	5,257	490
Summer Music		7,800	10,200	12,145	16,540	14,337	10,779	3,450	-	-
Operating Grants and Contributions	99,384	109,507	110,976	108,220	106,084	103,610	101,788	100,932	115,380	83,578
Total Business-type Activities Program Revenues	433,353	460,522	460,786	441,267	447,967	476,276	488,021	502,243	554,244	371,988
Total District Program Revenues	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	947,250
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(21,383,794)	(21,711,805)	(21,857,367)	(23,881,220)	(25,922,197)	(27,260,839)	(30,384,431)	(31,833,187)	(29,453,079)	(27,916,494)
Business-type Activities	5,806	11,901	6,901	(4,235)	(7,789)	(1,949)	(2,041)	3,579	36,915	(19,029)
Total District-wide Net Expense	(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)	(27,935,523)

**General Revenues and Other Changes in Net Position**

Governmental Activities:										
Property Taxes Levied for General Purposes	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	20,531,793
Unrestricted Federal and State Aid	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	7,695,251
Tuition Received	992,864	1,074,021	1,204,649	928,731	1,075,453	872,134	877,332	1,194,011	1,131,729	950,652
Interest on Investments	24,459		11,015	3,319	5,561	6,551	5,991	5,080	10,125	6,012
Miscellaneous Income	75,875	87,489	100,227	65,105	110,039	115,369	98,613	48,387	150,198	118,618
Transportation Fees	388,148	382,557	396,689	337,631	338,919	259,111	256,543	227,844	233,392	250,300
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	29,552,626
Business-type Activities:										
Interest on Investments	783	-	-	-	-	-	-	806	1,659	1,510
Miscellaneous Income		180	-	622	22	126	221	-	34	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	783	180	-	622	22	126	221	806	1,693	1,510
Total District-wide	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	29,554,136
<b>Change in Net Position</b>										
Governmental Activities	(222,733)	462,759	1,522,330	(387,397)	(83,712)	(196,106)	(850,315)	703,629	1,229,184	1,636,132
Business-type Activities	6,589	12,081	6,901	(3,613)	(7,767)	(1,823)	(1,820)	4,385	38,608	(17,519)
Total District	(216,144)	474,840	1,529,231	(391,010)	(91,479)	(197,929)	(852,135)	708,014	1,267,792	1,618,613

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Reserved	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	3,931,373
Unreserved	180,357	146,363	122,213	148,211	160,866	138,834	441,366	171,523	331,124	337,921
<b>Total General fund</b>	<b>1,271,252</b>	<b>1,896,780</b>	<b>2,793,991</b>	<b>2,591,727</b>	<b>1,960,762</b>	<b>1,557,904</b>	<b>1,410,616</b>	<b>2,465,601</b>	<b>3,362,872</b>	<b>4,269,294</b>
<b>All Other Governmental Funds</b>										
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	76,482	23,682	-	-	-	-	-	-	230,326	210,451
Debt Service Fund	6,644	6,644	-	-	-	-	-	-	6,715	6,895
<b>Total All Other Governmental Funds</b>	<b>83,126</b>	<b>9,941,771</b>	<b>1,161,336</b>	<b>226,665</b>	<b>1,356,730</b>	<b>332,692</b>	<b>231,725</b>	<b>233,956</b>	<b>237,041</b>	<b>217,346</b>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	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	20,531,793
Other Local Revenue	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	1,370,534
State Sources	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	6,490,374
Federal Sources	737,042	542,800	381,876	444,774	404,077	484,156	488,072	458,831	410,670	486,335
<b>Total Revenues</b>	<b>22,180,001</b>	<b>22,872,891</b>	<b>24,047,633</b>	<b>24,250,722</b>	<b>25,026,902</b>	<b>25,668,897</b>	<b>27,099,036</b>	<b>27,812,664</b>	<b>28,691,248</b>	<b>28,879,036</b>
<b>Expenditures</b>										
Instruction:										
Regular	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	7,657,024
Special	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	3,389,418
Other Special Instruction	278,732	341,543	283,203	237,416	261,340	252,965	275,246	330,719	263,789	281,274
Other Instruction	33,088	31,578	24,024	26,896	25,238	33,978	36,138	30,624	32,500	25,265
Support Services:										
Tuition	764,547	737,252	615,023	771,388	431,431	326,046	246,995	298,901	432,414	524,493
Student & inst. related services	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	2,440,569
General administration	462,977	444,839	434,990	433,252	456,353	458,785	469,474	470,612	435,432	459,964
School administrative services	1,031,395	1,078,452	996,319	843,468	797,930	824,357	816,210	763,045	820,482	813,526
Central services	392,527	393,831	345,563	332,888	334,223	330,748	357,345	270,836	221,137	301,991
Admin. information technology		37,925	37,925	39,693	67,962	68,578	74,305	92,563	72,000	72,000
Plant operations and maintenance	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	1,834,860
Pupil transportation	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	1,216,211
Employee benefits	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	7,812,815
Capital Outlay	349,616	1,494,586	9,280,393	1,253,130	487,543	1,261,282	310,087	133,152	207,693	508,124
Debt Service:										
Principal	75,000	80,000	80,000	525,000	535,000	1,023,311	560,000	575,000	595,000	615,000
Interest and Other Charges	53,338	50,150	568,138	400,056	386,488	388,595	356,519	340,731	324,419	306,257
<b>Total Governmental Fund Expenditures</b>	<b>22,309,002</b>	<b>23,761,502</b>	<b>32,335,123</b>	<b>25,601,061</b>	<b>25,453,802</b>	<b>27,201,049</b>	<b>27,445,972</b>	<b>26,869,744</b>	<b>27,790,892</b>	<b>28,258,791</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(129,001)	(888,611)	(8,287,490)	(1,350,339)	(426,900)	(1,532,152)	(346,936)	942,920	900,356	620,245
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In	85,577	99,190	77,011	84,711	817,922	199,414	389	2,231	4,484	2,411
Operating Transfers Out	(85,577)	(99,190)	(82,413)	(84,711)	(817,922)	(199,414)	(389)	(2,231)	(4,484)	(2,411)
Proceeds from Borrowing		11,195,000								
Capital Leases (non-budgeted)	278,614	177,784	409,668	213,404	926,000	105,256	98,681	114,296		266,482
<b>Total Other Financing Sources (Uses)</b>	<b>278,614</b>	<b>11,372,784</b>	<b>404,266</b>	<b>213,404</b>	<b>926,000</b>	<b>105,256</b>	<b>98,681</b>	<b>114,296</b>		<b>266,482</b>
<b>Net Changes in Fund Balance</b>	<b>149,613</b>	<b>10,484,173</b>	<b>(7,883,224)</b>	<b>(1,136,935)</b>	<b>499,100</b>	<b>(1,426,896)</b>	<b>(248,255)</b>	<b>1,057,216</b>	<b>900,356</b>	<b>886,727</b>
Debt Service as a percentage of noncapital expenditures	0.58%	0.58%	2.81%	3.80%	3.69%	5.44%	3.38%	3.43%	3.33%	3.32%

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**

<b>Fiscal Year Ended June 30,</b>	<b>Interest Income</b>	<b>Transportation Fees</b>	<b>Tuition</b>	<b>Rentals</b>	<b>Miscellaneous</b>	<b>Annual Totals</b>
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
2020	3,601	250,300	950,652	4,630	113,988	1,323,171

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: Tax Exempt Property	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate 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
2019	59,856,500	1,305,174,500	3,988,700	69,837,800	22,835,600	0	1,461,693,100	0	0	1,461,693,100	1,706,987,154	1.405

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Total Direct School Tax Rate	Lakeland Regional School District	Borough of Ringwood	County of Passaic		
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	0.037	1.198	0.566	0.748	0.767	3.279	
2014	1.178	0.046	0.046	1.224	0.631	0.753	0.789	3.397	
2015	1.194	0.048	0.048	1.242	0.668	0.757	0.849	3.516	
2016	1.256	0.048	0.048	1.304	0.707	0.769	0.837	3.617	
2017	1.299	0.045	0.045	1.344	0.713	0.779	0.819	3.655	
2018	1.315	0.059	0.059	1.374	0.733	0.801	0.832	3.740	
2019	1.345	0.060	0.060	1.405	0.763	0.818	0.820	3.806	

**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**

	2019				2009			
	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	\$ 49,045,900	1	3.36%		\$ 59,146,200	1	3.43%	
Ringwood Plaza, Ltd. Partnership	9,894,900	3	0.68%		12,456,000	2	0.72%	
Serlet, LLC	3,615,700	6	0.25%		5,375,100	5	0.31%	
Ringwood Associates (c/o Berger)	6,562,200	4	0.45%		5,802,000	3	0.34%	
BHR Ringwood Real Estate LLC	4,635,400	5	0.32%					
Cheese Works, 16-81 Inc.					5,686,700	4	0.33%	
Public Service Electric & Gas Co.	2,967,500	7	0.20%		3,428,100	7	0.20%	
Ponderosa Group, LLC	2,718,100	10	0.19%		3,850,900	6	0.22%	
Ringwood Commons, LLC	2,852,900	9	0.20%		3,208,200	9	0.19%	
Verizon					3,331,890	8	0.19%	
Spring Lake Land, LLC	2,944,400	8	0.20%					
Tennessee Gas Transmission	12,452,400	2	0.85%		3,051,700	10	0.18%	
<b>Total</b>	<b>\$ 97,689,400</b>		<b>6.68%</b>		<b>\$ 105,336,790</b>		<b>6.10%</b>	

**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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2020	20,531,793	20,531,793	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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	
2020	8,260,000	-	316,138	-	-	8,576,138	1.39%	703.08	

**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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property		Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions		Property	Property	
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	
2020	8,260,000	-	8,260,000	0.57%	677.16	

**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, 2020**  
**Unaudited**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Ringwood	\$ 8,167,117	100.000%	\$ 8,167,117
County of Passaic	326,206,257	4.100%	13,372,854
Other debt	None		-
Subtotal, overlapping debt			21,539,971
<b>Borough of Ringwood School District Direct Debt:</b>			
Authorized but Not Issued			-
Issued and Outstanding			8,260,000
<b>Total direct and overlapping debt</b>			<b>\$ 29,799,971</b>

**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 2019**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 51,371,231
Total net debt applicable to limit	<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>	<u>8,260,000</u>
Legal debt margin	<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>	<u>\$ 43,111,231</u>
Total net debt applicable to the limit as a percentage of debt limit	22.10%	22.86%	23.52%	23.23%	22.64%	21.65%	20.49%	19.18%	17.72%	16.08%

  

	Equalized valuation basis
	2019 \$ 1,762,775,084
	2018 \$ 1,712,423,683
	2017 \$ 1,661,924,285
	<u>\$ 5,137,123,052</u>
	Average equalized valuation of taxable property
	\$ 1,712,374,351
	Debt limit (3 % of average equalization value)
	51,371,231
	Total Net Debt Applicable to Limit
	<u>8,260,000</u>
	Legal debt margin
	<u>\$ 43,111,231</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 <sup>a</sup>	Personal Income (Thousands) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
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%
2019	12,198	616,852,860	50,570	3.10%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development. Estimates as of July 1, 2010-19.

<sup>b</sup> Personal Income of the District is based on the population and per capita income.

<sup>c</sup> Per capita personal income by county estimated based upon Census Bureau midyear population estimates.

<sup>d</sup> 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	2019		2009		Percentage of Total Municipal Employment
	Employees	Rank [Optional]	Employees	Rank [Optional]	
	-		-		0.00%

Information Not Available

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	72	77	70	75	79	77	80	77	77	77
Special Education	24	26	24	25	30	29	29	29	28	30
Other Special Instruction	5	5	4	5	3	4	4	3	3	3
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	9	13	18	17	17	19	19	19	19	19
School Administrative Services	11	11	11	10	11	11	11	11	11	11
General Administrative Services	3	3	3	5	6	6	5	3	3	3
Central Services & Admin. Info. Technology	-	-	-	-	1	1	1	1	1	1
Plant Operations and Maintenance	13	13	13	14	15	14	11	3	3	3
Pupil Transportation	31	29	29	29	26	25	24	22	22	25
Business and Other Support Services	6	6	6	6	5	5	5	6	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>174</b>	<b>183</b>	<b>178</b>	<b>186</b>	<b>193</b>	<b>191</b>	<b>189</b>	<b>174</b>	<b>172</b>	<b>177</b>

**Source:** District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2011	1,287	20,608,892	16,013	-4.55%	122.00	12:01	12:01	1281	1,221	-2.66%	95.32%	
2012	1,260	22,136,766	17,569	7.41%	121.00	10:01	12:01	1259	1,226	-1.72%	97.38%	
2013	1,247	22,406,592	17,968	1.22%	119.00	10:01	12:01	1256	1,199	-0.24%	95.46%	
2014	1,227	23,422,875	19,090	4.54%	109.00	11:01	11:01	1226	1,170	-2.39%	95.43%	
2015	1,217	24,044,771	19,757	2.66%	113.00	11:01	10:01	1232	1,179	0.49%	95.70%	
2016	1,199	24,527,861	20,457	2.01%	108.00	11:01	11:01	1203	1,153	-2.35%	95.84%	
2017	1,216	26,219,366	21,562	6.90%	113.00	11:01	11:01	1216	1,163	1.08%	95.64%	
2018	1,170	25,820,861	22,069	-1.52%	109.00	11:01	11:01	1176	1,128	-3.29%	95.92%	
2019	1,156	26,663,780	23,066	3.26%	108.50	11:01	11:01	1155	1,103	-1.79%	95.50%	
2020	1,096	26,829,410	24,479	0.62%	110.30	10:01	11:01	1107	1,073	-4.16%	96.93%	

**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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
E.G. Hewitt School (1937)										
Square Feet	40,911	40,911	48,695	48,695	48,695	48,695	48,695	48,695	48,695	48,695
Capacity (students)	270	270	420	420	420	420	420	420	420	420
Enrollment	290	290	272	284	288	273	253	247	247	268
Robert Erskine School (1960)										
Square Feet	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700	31,700
Capacity (students)	219	219	219	219	219	219	219	219	219	219
Enrollment	246	236	234	247	248	249	229	229	229	220
Peter Cooper School (1963)										
Square Feet	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213
Capacity (students)	291	291	291	291	291	291	291	291	291	291
Enrollment	292	290	290	263	260	253	263	260	260	254
<b><u>Middle School</u></b>										
Martin J. Ryerson (1970)										
Square Feet	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306
Capacity (students)	483	483	483	483	483	483	483	483	483	483
Enrollment	459	444	451	432	421	424	436	434	434	414
<b><u>Other</u></b>										
Administration Building										
Square Feet	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,420
Transportation Office and Garage										
Square Feet	492	492	492	492	492	492	492	492	492	492
Number of Schools at June 30, 2020										
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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Martin J. Ryerson Middle School	N/A	165,214	172,550	151,294	205,834	163,118	216,579	185,108	176,945	170,113	169,020
E.G. Hewitt Intermediate School	N/A	83,368	84,171	91,734	114,789	107,193	120,798	102,726	110,051	86,957	74,664
Robert Erskine Elementary School	N/A	120,772	89,375	82,772	74,742	97,872	78,672	103,156	71,659	114,999	139,063
Peter Cooper Elementary School	N/A	92,602	105,630	100,999	95,832	97,872	100,846	130,955	90,900	109,612	107,058
<b>Total School Facilities</b>		<u>461,956</u>	<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>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED**

	Coverage	Deductible
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**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkottz, CPA, RMA, PSA  
Matthew B. Wielkottz, CPA, PSA  
Paul J. Cuva, CPA, RMA, PSA  
James J. Cerullo, CPA, RMA, PSA  
Thomas M. Ferry, CPA, RMA, PSA

Headquarters  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
(973)-835-7900

Rockaway Office  
100 Enterprise Drive  
Suite 301  
Rockaway, New Jersey 07866

K-1  
Page 1 of 2

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

Honorable President and  
Members of the Board of Education  
Borough of 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2020.

***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.

### ***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

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 22, 2020





**WIELKOTZ & COMPANY** LLC  
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Steven D. Wielkocz, CPA, RMA, PSA  
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James J. Cerullo, CPA, RMA, PSA  
Thomas M. Ferry, CPA, RMA, PSA

Headquarters  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
(973)-835-7900

Rockaway Office  
100 Enterprise Drive  
Suite 301  
Rockaway, New Jersey 07866

K-2  
Page 1 of 3

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY 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, 2020. 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, 2020.

### **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 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

*Wielkotz + Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 22, 2020

BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2019	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO Cumulative Total Expenditures
											(Accounts Receivable)	Deferred Revenue	
<b>U.S. Department of Education</b>													
General Fund:													
Medical Assistance Program (SEMI)	93.778	1905N15MAP	N/A	2,003	7/1/2018 6/30/2019	(2,003)		984			(1,019)		2,003
Total General Fund						(2,003)		984			(1,019)		2,003
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education</b>													
Special Revenue Fund:													
Title I	84.010	S010A190030	NCLB440019	124,305	7/1/2019 9/30/2020	(23,560)	(23,560)	99,025	(116,101)		(40,636)		116,101
Title I	84.010	S010A180030	NCLB440018	121,601	7/1/2018 9/30/2019	(23,560)	23,560						108,250
Title II, Part A	84.367A	S367A190029	NCLB440019	41,277	7/1/2019 9/30/2020	(9,430)	(9,430)	50,707	(41,277)		-		41,277
Title II, Part A	84.367A	S367A180029	NCLB440018	37,317	7/1/2018 9/30/2019	(9,430)	9,430						30,130
IDEA Part B, Basic Regular	84.027	H027A190100	IDEA440019	310,250	7/1/2019 6/30/2020	(14,081)	(14,081)	306,467	(292,386)		-		292,386
IDEA Part B, Basic Regular	84.027	H027A180100	IDEA440018	309,869	7/1/2018 6/30/2019	(14,081)	14,081						279,216
IDEA Part B, Preschool	84.173	H173A190114	IDEA440019	13,786	7/1/2019 6/30/2020	(7,822)	(7,822)	15,701	(13,786)		(5,907)		13,786
IDEA Part B, Preschool	84.173	H173A180114	IDEA440018	13,856	7/1/2018 6/30/2019	(7,822)	7,822						13,856
Total Special Revenue Fund						(54,893)		471,900	(463,550)		(46,543)		895,002
<b>U.S. Department of Agriculture</b>													
<b>Passed-through State Department of Education</b>													
Enterprise Fund:													
Food Distribution Program	10.569	N/A	N/A	23,251	7/1/2019 6/30/2020			23,251	(22,954)			297	
Food Distribution Program	10.569	N/A	N/A	34,997	7/1/2018 6/30/2019	103			(103)				34,894
National School Lunch Program	10.555	201N1304N1099	N/A	56,966	7/1/2019 6/30/2020			55,939	(56,966)		(1,027)		56,966
National School Lunch Program	10.555	191N1304N1099	N/A	74,840	7/1/2018 6/30/2019	(5,391)		5,391					78,840
Total Enterprise Fund						(5,288)		84,581	(80,023)		(1,027)	297	170,700
Total Federal Financial Awards						\$ (62,184)	\$ -	\$ 557,465	\$ (543,573)	\$ -	\$ (48,589)	\$ 297	\$ 1,067,705

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, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	20-495-034-5120-078	\$ 990,912	7/1/2019	6/30/2020			898,031	(990,912)				(92,881)	990,912
Transportation Aid	20-495-034-5120-014	573,133	7/1/2019	6/30/2020			515,819	(573,133)				(57,314)	573,133
Special Education Categorical Aid	20-495-034-5120-089	983,693	7/1/2019	6/30/2020			885,323	(983,693)				(98,370)	983,693
Security Aid	20-495-034-5120-084	98,526	7/1/2019	6/30/2020			88,674	(98,526)				(9,852)	98,526
Extraordinary Aid	20-495-034-5120-044	220,855	7/1/2019	6/30/2020				(220,855)			(220,855)		220,855
Extraordinary Aid	19-495-034-5120-044	205,452	7/1/2018	6/30/2019									205,452
Non-Public Transportation Aid	20-495-034-5120-014	6,277	7/1/2019	6/30/2020				(6,277)			(6,277)		6,277
Non-Public Transportation Aid	19-495-034-5120-014	14,006	7/1/2018	6/30/2019									14,006
On-Behalf TPAF Pension	20-495-034-5094-002	2,026,692	7/1/2019	6/30/2020			2,026,692	(2,026,692)					2,026,692
On-Behalf TPAF NCGI Premium	20-495-034-5094-004	36,326	7/1/2019	6/30/2020			36,326	(36,326)					36,326
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	765,342	7/1/2019	6/30/2020			765,342	(765,342)					765,342
On-Behalf TPAF Long-Term Disability	20-495-034-5094-003	1,622	7/1/2019	6/30/2020			1,622	(1,622)					1,622
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	729,629	7/1/2019	6/30/2020			729,629	(729,629)					729,629
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	685,552	7/1/2018	6/30/2019			33,846						685,552
Total General Fund							6,200,762	(6,433,007)		(227,132)		(258,417)	7,338,017
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	19-100-034-5120-064	2,456	7/1/2018	6/30/2019		93			(93)				2,363
Auxiliary Services:													
Handicapped Education	19-100-034-5120-067	48,224	7/1/2018	6/30/2019		42,302			(42,302)				5,922
Supplemental Instruction	19-100-034-5120-066	32,511	7/1/2018	6/30/2019		26,167			(26,167)				6,344
Examination & Classification	19-100-034-5120-066	33,674	7/1/2018	6/30/2019		23,303			(23,303)				10,371
Corrective Speech	19-100-034-5120-066	23,213	7/1/2018	6/30/2019		21,338			(21,338)				1,875
Nursing Services	19-100-034-5120-070	5,529	7/1/2018	6/30/2019		5,328			(5,328)				201
Technology Initiative	19-100-034-5120-373	1,656	7/1/2018	6/30/2019		156			(156)				1,500
Security Aid	19-100-034-5120-509	8,550	7/1/2018	6/30/2019		6,476			(6,476)				2,074
Total Special Revenue Fund						125,163			(125,163)				30,650

**BOROUGH OF RINGWOOD SCHOOL DISTRICT**  
**Schedule of State Financial Assistance**  
**for the Fiscal Year Ended June 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019				Balance at June 30, 2020				MEMO			
			From	To	Deferred Revenue (Accis. Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
Debt Service Fund:																
Debt Service Aid	20-495-034-5120-075	43,975	7/1/2019	6/30/2020					43,975	(43,975)						43,975
Capital Projects Fund:																
Schools Development Authority (SDA)	4400-053-14-1001	156,000			(93,600)				93,600							156,000
Schools Development Authority (SDA)	4400-055-14-1002	124,000			(24,800)				24,800							124,000
Schools Development Authority (SDA)	4400-060-14-1003	124,000			(24,800)				24,800							124,000
Schools Development Authority (SDA)	4400-053-14-1004	86,400			(86,400)				86,400							86,400
Total Capital Projects Fund					(229,600)				229,600							490,400
<b>State Department of Agriculture</b>																
Enterprise Fund:																
State School Lunch Program	20-100-010-3350-023	3,555	7/1/2019	6/30/2020					3,539	(3,555)						3,555
State School Lunch Program	19-100-010-3350-023	5,481	7/1/2018	6/30/2019	(393)				393		(16)					5,481
Total Enterprise Fund					(393)				3,932	(3,555)	(16)					9,036
TOTAL STATE FINANCIAL ASSISTANCE					\$ (483,297)	\$ 125,163	\$ -	\$ 6,478,269	\$ (6,480,537)	\$ (125,163)	\$ (227,148)	\$ -	\$ -	\$ (258,417)	\$ 7,912,078	
<b>Less: On-Behalf TPAF Pension and Annuity Aid:</b>																
On-Behalf TPAF - Post Retirement Medical									765,342	(765,342)						765,342
On-Behalf TPAF - Pension Contributions									2,026,692	(2,026,692)						2,026,692
On-Behalf TPAF - Long-Term Disability Contributions									1,622	(1,622)						1,622
On-Behalf TPAF - Non-contributory insurance									36,326	(36,326)						36,326
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					\$ (483,297)	\$ 125,163	\$ -	\$ 3,648,287	\$ (3,650,555)	\$ (125,163)	\$ (227,148)	\$ -	\$ -	\$ (258,417)	\$ 5,082,096	

**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 \$13,392 for the general fund and \$30,883 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	\$	\$6,446,399	\$6,446,399
Special Revenue Fund	486,335		486,335
Debt Service Fund		43,975	43,975
Food Service Fund	<u>80,023</u>	<u>3,555</u>	<u>83,578</u>
Total Financial Awards	<u>\$566,358</u>	<u>\$6,493,929</u>	<u>\$7,060,287</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, 2020. 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, 2020.

**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>	\$116,101
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>41,277</u>
Total	<u>\$157,378</u>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*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, 2020  
(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>20-495-034-5120-078</u>	(A) <u>Equalization Aid</u>
<u>20-495-034-5120-089</u>	(A) <u>Special Education Aid</u>
<u>20-495-034-5120-084</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, 2020  
(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, 2020**

**Status of Prior Year Findings**

No matters were reported.