

**SCHOOL DISTRICT OF THE
BOROUGH OF RINGWOOD
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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

OUTLINE OF ACFR

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	13

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

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

B. Fund Financial Statements:

Governmental Funds:

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

Proprietary Funds:

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

Fiduciary Funds:

Not Applicable

Notes to the Financial Statements	33
---	----

Required Supplementary Information - Part II

OUTLINE OF ACFR

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund	70
C-1a	Not Applicable	
C-1b	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund	79
Notes to the Required Supplementary Information		
C-3	Budgetary Comparison Schedule.	80

Required Supplementary Information - Part III

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

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

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

M-1	Schedule of Changes in the District's Proportionate Share of the State OPEB Liability.	85
M-2	Notes Required Schedules of Supplementary Information OPEB Liability	86

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	87
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	88
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	89
E-2	Not Applicable	

OUTLINE OF ACFR

F. Capital Projects Fund:

F-1	Summary Schedule of Project Expenditures	90
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary	91
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Eleanor G. Hewitt School Renovation	92
F-2b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Boiler Replacement - M.J. Ryerson Middle School	93
F-2c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Boiler Replacement - Peter Cooper Elementary School	94
F-2d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Boiler Replacement - Robert Erskine Elementary School	95

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Position	96
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	97
G-3	Combining Statement of Cash Flows	98

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

Not Applicable

I. Long-Term Debt:

I-1	Schedule of Bonds Payable	99
I-2	Statement of Obligations Under Financed Purchase Agreements	100
I-3	Budgetary Comparison Schedule - Debt Service Fund	101

OUTLINE OF ACFR

J. Statistical Section (Unaudited):

Financial Trends

Introduction to the Statistical Section

J-1	Net Position by Component	102
J-2	Changes in Net Position..	103
J-3	Fund Balances - Governmental Funds	105
J-4	Changes in Fund Balances - Governmental Funds	106
J-5	General Fund - Other Local Revenue by S o u r c e	107

Revenue Capacity

J-6	Assessed and Estimated Actual Value of Taxable Property	108
J-7	Direct and Overlapping Property Tax Rates	109
J-8	Principal Property Taxpayers.	110
J-9	Property Tax Levies and Collections.	111

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	112
J-11	Ratios of Net General Bonded Debt Outstanding	113
J-12	Direct and Overlapping Governmental Activities Debt.	114
J-13	Legal Debt Margin Information	115

Demographic and Economic Information

J-14	Demographic and Economic Statistics	116
J-15	Principal Employers.	117

Operating Information

J-16	Full-time Equivalent District Employees by F u n c t i o n/ P r o g r a m	118
J-17	Operating Statistics	119
J-18	School Building Information.	120
J-19	Schedule of Required Maintenance for School Facilities	121
J-20	Insurance Schedule	122

OUTLINE OF ACFR

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	123
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	125
K-3	Schedule of Expenditures of Federal Awards - Schedule A	129
K-4	Schedule of State Financial Assistance - Schedule B	130
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	131
K-6	Schedule of Findings and Questioned Costs	134
K-7	Summary Schedule of Prior Audit Findings	137

INTRODUCTORY SECTION

RINGWOOD PUBLIC SCHOOLS

121 CARLETONDALE ROAD
RINGWOOD, NJ 07456



Robert Brown, Interim School Business Administrator/Board Secretary Phone: 973-962-7029
businessoffice@njrjps.org

February 6, 2023

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, 2022 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 2021-22 fiscal year with an average daily enrollment of 1,093 students, which is an increase 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>
2021-2022	1,093	3.70%
2020-2021	1,054	(4.79%)
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%)

2. ECONOMIC CONDITION AND OUTLOOK:

Ringwood is a rural/suburban residential community with its working population primarily employed by local businesses and various businesses in the surrounding area. According to the most recent demographics data available from the Census Bureau released in April 1, 2020, the Borough's population of 11,735 indicates a decrease of 493 from the previous Census completed in 2010. Ringwood's current unemployment rate of 10.3% is below the Passaic County average of 12.6%. Per capita personal income is about 1.6 times the amount in Passaic County.

The district has experienced decreases in state aid since the state funding formula was calculated and funded in 2017, and it will continue to see a \$225,983 decrease over the next two years, which passes the financial burden to the local tax levy.

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 evaluate students and direct the flow of classroom instruction.
- 4) Middle School Science Labs have been in a state of deteriorating for many years. The board is working on refurbishing the entire space in all three classrooms and the preparation area.
- 5) 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 AY2020-2021, 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 in grades 6 & 7. In AY2022-2023 grade 8 has been deployed. The professional development for these programs will continue through AY2024-2025 and any new staff will be sent for the two years of general state-standards base and specialization training.
- 6) Participation in the New Jersey Tiered System of Supports in Early Reading (NJTSS-ER) grant affords a series of new data points that inform our understanding of our K-3 learners reading progress. Analysis from these data may require additional resources and professional development for the staff.
- 7) There have been identified needs for additional counseling services for students, particularly at the K-3 and middle school levels. These needs have created a personnel demand that will need to be met in future budgets.

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.

www.njrps.org

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, 2022.

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, 2022, the Ringwood Board of Education had outstanding qualifying Debt Service, in the amount of \$6,180,000.

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. **RISKMANAGEMENT:** 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. 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 Wielkotz & 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 staffing shortages minimize the district's ability to provide trip transportation for nearby districts.

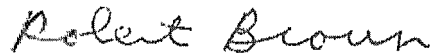
Practice drills are conducted at each school location to ensure preparedness for emergent situations that may require response. Documented evidence of fire drills, lock down drills, and school bus evacuation drills are provided to the County Office. Close communication with the Ringwood Police Department 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 has built a detailed needs assessment of the district's physical plant. Multiple small and large projects will be planned over the next ten years and requires careful budgeting and planning.

Respectfully submitted,

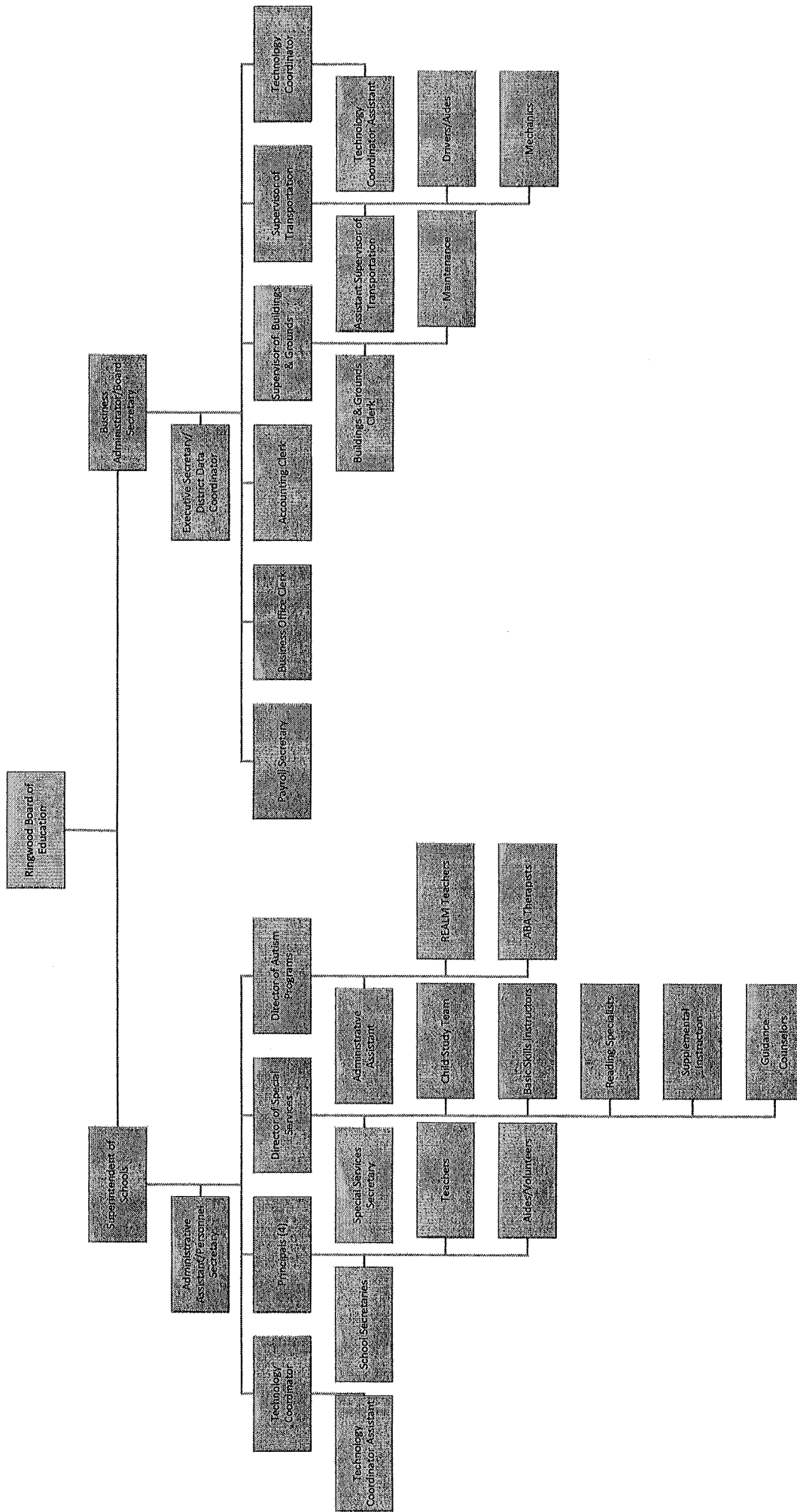


Dr. Nicholas Bernice
Superintendent of Schools



Robert Brown
Interim Business Administrator/Board Secretary

Ringwood Board of Education Organizational Chart



RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

ROSTER OF OFFICIALS June 30, 2022

Members of the Board of Education	Date of Office
Donna Allen, Trustee	1/4/2021–12/31/2023
Cheryl Botsolas, Trustee	1/6/2014 – 12/31/2022
Andrew Burgoyne, Trustee	1/4/2021 – 12/31/2023
Cynthia Carey, Trustee	1/6/2014– 12/31/2022
Patrick Diamond, Trustee	1/4/2021- 12/31/2024
Ross Dominianni, President	7/7/2019- 12/31/2024
Richard Ebersbach, Trustee	1/6/2020– 12/31/2022
Christopher Defilippis, Trustee	1/24/2022-12/31/2024
Paul Rubacky, Trustee	1/22/2018-12/31/2023

Other Officials

Dr. Nicholas Bernice, Superintendent

Robert Brown, Interim School Business Administrator/Board Secretary

RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

CONSULTANTS AND ADVISORS

Audit Firm

Wielkotsz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

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

Cleary Giacobbe,
Alfieri, Jacobs LLC
169 Ramapo Valley Rd
Oakland, NJ 07436

Official Depository

Lakeland Bank
166 Changebridge Road
Montville, NJ 07045

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. McNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Ringwood School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 and each major fund of the Borough of Ringwood Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ringwood Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ringwood Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit 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 Ringwood Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ringwood Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Honorable President and
Members of the Board of Education
Page 4

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 statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 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 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. 766

Wielkotz & Company, LLC

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

February 28, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

RINGWOOD BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022.

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 \$2,659,631, net position of governmental activities increased \$2,537,526 while net position of business-type activity increased by \$122,105.
- General revenues accounted for \$29,878,737 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 \$729,785 or 2 percent of total revenues of \$30,608,522.
- Total assets of governmental activities increased by \$259,663 as cash and cash equivalents increased by \$918,045, receivables increased by \$76,626, and capital assets decreased by \$735,008.
- The School District had \$28,667,830 in expenses; only \$1,448,430 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$29,879,031 were adequate to provide for these programs.

RINGWOOD BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022 (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, 2022
(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, 2022
(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 \$1,263,883 at June 30, 2022. Of this amount \$(6,758,337) 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 2022 and 2021.

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 1

Net Position
June 30, 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	7,496,211	6,501,540	260,477	136,712	7,756,688	6,638,252
Capital Assets	<u>8,220,271</u>	<u>8,955,279</u>	<u>24,092</u>	<u>19,573</u>	<u>8,244,363</u>	<u>8,974,852</u>
Total Assets	<u>15,716,482</u>	<u>15,456,819</u>	<u>284,569</u>	<u>156,285</u>	<u>16,001,051</u>	<u>15,613,104</u>
Deferred Outflows of Resources	<u>547,525</u>	<u>923,214</u>	—	—	<u>547,525</u>	<u>923,214</u>
Total Deferred Outflows of Resources	<u>547,525</u>	<u>923,214</u>	—	—	<u>547,525</u>	<u>923,214</u>
Current Liabilities	519,798	469,703	44,230	38,051	564,028	507,754
Non-Current Liabilities	<u>10,903,670</u>	<u>13,357,742</u>	—	—	<u>10,903,670</u>	<u>13,357,742</u>
Total Liabilities	<u>11,423,468</u>	<u>13,827,445</u>	<u>44,230</u>	<u>38,051</u>	<u>11,467,698</u>	<u>13,865,496</u>
Deferred Inflows of Resources	<u>3,816,995</u>	<u>4,166,570</u>	—	—	<u>3,816,995</u>	<u>4,166,570</u>
Total Deferred Inflows of Resources	<u>3,816,995</u>	<u>4,166,570</u>	—	—	<u>3,816,995</u>	<u>4,166,570</u>
Net Position						
Invested in Capital Assets						
Net of Debt	1,246,759	1,091,172	24,092	19,573	1,270,851	1,110,745
Restricted	6,751,369	5,364,708			6,751,369	5,364,708
Unrestricted	<u>(6,974,584)</u>	<u>(8,069,862)</u>	<u>216,247</u>	<u>98,661</u>	<u>(6,758,337)</u>	<u>(7,971,201)</u>
Total Net Position	<u>1,023,544</u>	<u>(1,613,982)</u>	<u>240,339</u>	<u>118,234</u>	<u>1,263,883</u>	<u>(1,495,748)</u>

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 2 below show the changes in net position for the fiscal year 2022 and 2021.

Table 2

**Changes in Net Position
Year Ended June 30, 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales			47,260	5,640	47,260	5,640
Operating Grants & Contributions	729,785	611,480	671,385	394,611	1,401,170	1,006,091
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	21,549,359	21,114,617			21,549,359	21,114,617
Federal & State Aid Not Restricted	6,823,774	10,351,444			6,823,774	10,351,444
Miscellaneous Income	<u>1,505,604</u>	<u>1,287,325</u>	<u>294</u>	<u>138</u>	<u>1,505,898</u>	<u>1,287,463</u>
Total Revenues	<u>30,608,522</u>	<u>33,364,866</u>	<u>718,939</u>	<u>400,389</u>	<u>31,327,461</u>	<u>33,765,255</u>

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	7,095,631	6,856,881			7,095,631	6,856,881
Special Education	3,967,252	3,657,546			3,967,252	3,657,546
Other Special Instruction	559,384	190,301			559,384	190,301
Other Instruction	158,124	135,664			158,124	135,664
<u>Support Services:</u>						
Tuition, Student and Instruction Related Services	4,329,755	3,829,612			4,329,755	3,829,612
School Administrative Services	579,049	709,919			579,049	709,919
General Administrative Services	561,530	353,147			561,530	353,147
Central Service	291,433	294,852			291,433	294,852
Admin. Info. Tech.	90,283	76,500			90,283	76,500
Plant Operations and Maintenance	1,853,831	1,816,210			1,853,831	1,816,210
Pupil Transportation	1,158,856	964,668			1,158,856	964,668
Unallocated Benefits	6,453,253	10,736,192			6,453,253	10,736,192
Capital Outlay - Non- Depreciable	17,872	54,324			17,872	54,324
Unallocated Depreciation	798,302	811,426			798,302	811,426
Interest on Long-Term Debt	156,441	236,144			156,441	236,144
Enterprise Fund			596,834	359,422	596,834	359,422
Total Expenses and Transfers	<u>28,070,996</u>	<u>30,723,386</u>	<u>596,834</u>	<u>359,422</u>	<u>28,667,830</u>	<u>31,082,808</u>
Increase or (Decrease) in Net Position	<u>2,537,526</u>	<u>2,641,480</u>	<u>122,105</u>	<u>40,967</u>	<u>2,659,631</u>	<u>2,682,447</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$28,667,830.

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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.

- Revenues exceeded expenditures by \$122,105 (gain).
- Charges for services represent \$47,260 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 \$671,385.

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, 2022
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2022</u>	<u>Net Cost of Services 2021</u>
Instruction	11,780,391	10,840,392	11,277,570	10,430,937
Support Services:				
Pupils and Instructional Staff	4,329,755	3,829,612	4,145,287	3,669,972
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,376,126	3,250,628	3,376,126	3,250,628
Pupil Transportation	1,158,856	964,668	1,158,856	964,668
Other	<u>7,425,868</u>	<u>11,838,086</u>	<u>7,383,372</u>	<u>11,795,701</u>
Total Expenses	<u>28,070,996</u>	<u>30,723,386</u>	<u>27,341,211</u>	<u>30,111,906</u>

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

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

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

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 \$552,325, as of the writing of this report, the funds were not yet received. More than likely, the grant will be used to increase the special education tuition budget to offset unanticipated out-of-district placements.
- Reimbursement of Nonpublic School Transportation costs in the amount of \$14,790 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, 2022
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022 the School District had \$23,226,350 invested in sites, buildings, and equipment. Of this amount \$14,981,987 in depreciation has been taken over the years. We currently have a net book value of \$8,244,363. Total additions for the year were \$69,844, 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 2022 balances compared to 2021.

Table 3

**Capital Assets at June 30, 2022
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land, Buildings and Improvements	7,503,721	8,109,725			7,503,721	8,109,725
Furniture, Equipment and Vehicles	<u>716,550</u>	<u>845,554</u>	<u>24,092</u>	<u>19,573</u>	<u>740,642</u>	<u>865,127</u>
Total Net Assets	<u>8,220,271</u>	<u>8,955,279</u>	<u>24,092</u>	<u>19,573</u>	<u>8,244,363</u>	<u>8,974,852</u>

Debt Administration

At June 30, 2022, the District had \$10,903,670 in outstanding debt. Of this amount, \$308,425 is for compensated absences, \$166,239 is for capital lease obligations, \$6,180,000 is serial bonds payable, \$3,509,594 is the District's net pension liability, and \$739,412 is unamortized bond premiums.

Table 4

Outstanding Serial Bonds at June 30, 2022

	<u>2022</u>	<u>2021</u>
School Bonds - Series 2011		545,000
Refunding School Bonds - Series 2021	<u>6,180,000</u>	<u>6,295,000</u>
	<u>6,180,000</u>	<u>6,840,000</u>

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 2022-2023 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:

Mr. Robert Brown
Interim 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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,705,528	\$ 189,906	\$ 4,895,434
Receivables, net	1,024,296	-	1,024,296
Internal balances	(65,563)	65,563	-
Inventory		5,008	5,008
Restricted assets:			
Cash and cash equivalents	1,831,950		1,831,950
Capital assets; net			
Land/Construction in Process	329,940		329,940
Other Capital Assets, Net	7,890,331	24,092	7,914,423
Total Assets	<u>15,716,482</u>	<u>284,569</u>	<u>16,001,051</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding of Debt	112,139		112,139
Deferred Outflows of Resources Related to PERS	435,386		435,386
Total Deferred Outflows of Resources	<u>547,525</u>	<u>-</u>	<u>547,525</u>
LIABILITIES			
Accounts payable and accrued liabilities	436,976	31,206	468,182
Payroll deductions and withholdings	37,278		37,278
Other liability - Unemployment compensation	11,078		11,078
Payable to state government			-
Advanced revenue	34,466	13,024	47,490
Noncurrent liabilities:			
Due within one year	724,605		724,605
Due beyond one year	10,179,065		10,179,065
Total liabilities	<u>11,423,468</u>	<u>44,230</u>	<u>11,467,698</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	<u>3,816,995</u>		<u>3,816,995</u>
NET POSITION			
Invested in capital assets, net of related debt	1,246,759	24,092	1,270,851
Restricted for:			
Capital projects	1,562,449		1,562,449
Debt service	78,888		78,888
Unemployment compensation	25,909		25,909
Student Activities	34,417		34,417
Other purposes	5,049,706		5,049,706
Unrestricted	(6,974,584)	216,247	(6,758,337)
Total net position	<u>\$ 1,023,544</u>	<u>\$ 240,339</u>	<u>\$ 1,263,883</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, 2022

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	\$ 7,095,631			\$ 502,821	\$ (6,592,810)		\$	(6,592,810)
Special education	\$ 3,967,252				(3,967,252)			(3,967,252)
Other special instruction	\$ 559,384				(559,384)			(559,384)
Other instruction	\$ 158,124				(158,124)			(158,124)
Support services:								
Tuition	\$ 726,828				(726,828)			(726,828)
Student & instruction related services	\$ 3,602,927		184,468		(3,418,459)			(3,418,459)
School administrative services	\$ 579,049				(579,049)			(579,049)
General and business administrative services	\$ 561,530				(561,530)			(561,530)
Central Services	\$ 291,433				(291,433)			(291,433)
Admin. Info. Tech.	\$ 90,283				(90,283)			(90,283)
Plant operations and maintenance	\$ 1,853,831				(1,853,831)			(1,853,831)
Pupil transportation	\$ 1,158,856				(1,158,856)			(1,158,856)
Unallocated Benefits	\$ 6,453,253				(6,453,253)			(6,453,253)
Non-depreciable capital outlay	\$ 17,872				(17,872)			(17,872)
Interest on long-term debt	\$ 156,441		42,496		(113,945)			(113,945)
Unallocated depreciation	\$ 798,302				(798,302)			(798,302)
Total governmental activities	\$ 28,070,996		\$ 729,785		\$ (27,341,211)			\$ (27,341,211)
Business-type activities:								
Food Service	\$ 596,834		47,260	671,385		121,811		121,811
Safety Town								
Total business-type activities	\$ 596,834		\$ 47,260	\$ 671,385		\$ 121,811		\$ 121,811
Total primary government	\$ 28,667,830	\$ 0	\$ 47,260	\$ 1,401,170	\$ (27,341,211)	\$ 121,811		\$ (27,219,400)

General revenues:

Taxes:	
Property taxes, levied for general purposes	20,668,708
Property taxes, levied for debt service	880,651
Federal and State aid not restricted	6,823,774
Miscellaneous income	1,505,604
Total general revenues, special items, extraordinary items and transfers	29,878,737
Change in Net Position	2,537,526
Net Position—beginning	(1,613,982)
Prior Period Adjustments	100,000
Net Position—beginning (Restated)	(1,513,982)
Net Position—ending	1,023,544

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,825,763	\$ (218,509)	\$ 29,510	\$ 68,764	\$ 4,705,528
Due from other funds	2,222			10,124	12,346
Receivables from other governments	674,317	252,668			926,985
Receivables - Other	97,004	307			97,311
Restricted cash and cash equivalents	1,797,533	34,417			1,831,950
Total assets	<u>\$ 7,396,839</u>	<u>\$ 68,883</u>	<u>\$ 29,510</u>	<u>\$ 78,888</u>	<u>\$ 7,574,120</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable					-
Due to other funds	67,785		10,124		77,909
Advanced revenue		34,466			34,466
Payable to state government					-
Payroll deductions and withholdings payable	37,278				37,278
Unemployment Compensation claims payable	11,078				11,078
Total liabilities	<u>116,141</u>	<u>34,466</u>	<u>10,124</u>	<u>-</u>	<u>160,731</u>
<i>Fund Balances:</i>					
<i>Restricted for:</i>					
Excess surplus - current year	2,828,555				2,828,555
Excess surplus - prior year - designated for subsequent year's expenditures	1,630,189				1,630,189
Capital reserve	1,543,063				1,543,063
Maintenance reserve	254,470				254,470
Debt service				78,888	78,888
Capital projects			19,386		19,386
Unemployment compensation	25,909				25,909
Student Activities		34,417			34,417
<i>Assigned to:</i>					
Other purposes	79,049				79,049
Designated for subsequent year's expenditures	257,443				257,443
<i>Unassigned:</i>					
General fund	662,020				662,020
Total Fund balances	<u>7,280,698</u>	<u>34,417</u>	<u>19,386</u>	<u>78,888</u>	<u>7,413,389</u>
Total liabilities and fund balances	<u>\$ 7,396,839</u>	<u>\$ 68,883</u>	<u>\$ 29,510</u>	<u>\$ 78,888</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,902,222 and the accumulated depreciation is \$14,681,951.

8,220,271

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.

(83,087)

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

(353,889)

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

435,386

Deferred Inflows of Resources related to PERS pension liability

(3,816,995)

Unamortized portion of loss on refunding

112,139

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.

(10,903,670)

Net position of governmental activities

\$ 1,023,544

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 20,668,708			\$ 880,651	\$ 21,549,359
Miscellaneous	1,505,604	63,887			1,569,491
Total - Local Sources	22,174,312	63,887	-	880,651	23,118,850
State sources	8,250,343			42,496	8,292,839
Federal sources	9,983	632,370			642,353
Total revenues	30,434,638	696,257	-	923,147	32,054,042
EXPENDITURES					
Current:					
Regular instruction	\$ 6,592,810	\$ 502,821			\$ 7,095,631
Special education instruction	3,967,252				3,967,252
Other special instruction	559,384				559,384
Other instruction	158,124				158,124
Support services and undistributed costs:					
Tuition	726,828				726,828
Student & instruction related services	3,418,459	184,468			3,602,927
School administrative services	579,049				579,049
Other administrative services	561,530				561,530
Central Services	291,433				291,433
Admin. Info. Tech.	90,283				90,283
Plant operations and maintenance	1,853,831				1,853,831
Pupil transportation	1,226,724				1,226,724
Personal Services - employee benefits	9,428,536				9,428,536
Debt Service:					
Principal				660,000	660,000
Interest and other charges				186,670	186,670
Capital outlay	81,166				81,166
Total expenditures	29,535,409	687,289	-	846,670	31,069,368
Excess (Deficiency) of revenues over expenditures	899,229	8,968	-	76,477	984,674
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)					-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	899,229	8,968	-	76,477	984,674
Fund balance—July 1	6,381,469	25,449	19,386	2,411	6,428,715
Fund balance—June 30	\$ 7,280,698	\$ 34,417	\$ 19,386	\$ 78,888	\$ 7,413,389

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, 2022

Total net change in fund balances - governmental funds (from B-2) \$ 984,674

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.

	\$ (798,302)	
Depreciation expense		
Depreciable capital outlays	63,294	(735,008)

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	660,000
Capital lease principal	67,868

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. (32,498)

Amortization of Premiums, Discounts, Deferred Losses 62,727

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

Decrease in compensated absences payable	983
--	-----

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	346,950	
Add: Pension Benefit	1,181,830	
Decrease in Pension Expense		1,528,780

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

Decrease in On-behalf State Aid TPAF Pension	(2,859,202)
Decrease in On-behalf TPAF Pension Expense	2,859,202

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

Increase in On-behalf Other Post-Employment Health Benefits	1,413,682
Increase in On-behalf Other Post-Employment Health Benefits Expense	(1,413,682)

Change in net position of governmental activities \$ 2,537,526

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, 2022

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 185,118	\$ 4,788	\$ 189,906
Interfund receivable	67,785		67,785
Inventories	5,008		5,008
Total current assets	257,911	4,788	262,699
Noncurrent assets:			
Furniture, machinery & equipment	324,128		324,128
Less accumulated depreciation	(300,036)		(300,036)
Total noncurrent assets	24,092	-	24,092
Total assets	282,003	4,788	286,791
LIABILITIES			
Current liabilities:			
Accounts payable	31,206		31,206
Interfund payables	2,222		2,222
Prepaid Revenue	8,979	4,045	13,024
Total current liabilities	42,407	4,045	46,452
Total liabilities	42,407	4,045	46,452
NET POSITION			
Net Investment in capital assets	24,092	-	24,092
Unrestricted	215,504	743	216,247
Total net position	\$ 239,596	\$ 743	\$ 240,339

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, 2022

	Business-type Activities - Enterprise Fund		
	Food Service	Safety Town	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ -		\$ -
Daily sales - non - reimbursable programs	46,559		46,559
Miscellaneous	701		701
Total operating revenues	<u>47,260</u>	<u>-</u>	<u>47,260</u>
Operating expenses:			
Cost of food - reimbursable programs	200,518		200,518
Cost of food - non-reimbursable programs	14,928		14,928
Cost of sales - other	33,965		33,965
Salaries	174,887		174,887
Employee benefits	73,612		73,612
Cleaning, repair and maintenance services	15,252		15,252
Purchased services	33,951		33,951
Miscellaneous Expense	20,938		20,938
General supplies	26,752		26,752
Depreciation	2,031		2,031
Total Operating Expenses	<u>596,834</u>	<u>-</u>	<u>596,834</u>
Operating income (loss)	<u>(549,574)</u>	<u>-</u>	<u>(549,574)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	15,295		15,295
Federal sources:			
National school lunch program	620,697		620,697
Food distribution program	34,151		34,151
P-EBT Administrative	1,242		1,242
Interest and investment revenue	289	5	294
Total non-operating revenues (expenses)	<u>671,674</u>	<u>5</u>	<u>671,679</u>
Income (loss) before contributions & transfers	122,100	5	122,105
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>122,100</u>	<u>5</u>	<u>122,105</u>
Total net position—beginning	<u>117,496</u>	<u>738</u>	<u>118,234</u>
Total net position—ending	<u>\$ 239,596</u>	<u>\$ 743</u>	<u>\$ 240,339</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, 2022

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 40,243	\$ 4,045	\$ 44,288
Payments to employees	(174,887)		(174,887)
Payments for employee benefits	(73,612)		(73,612)
Payments to suppliers	(338,184)		(338,184)
Net cash provided by (used for) operating activities	(546,440)	4,045	(542,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	14,868		14,868
Federal sources	617,580		617,580
Net cash provided by (used for) non-capital financing activities	632,448	-	632,448
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(6,550)		(6,550)
Net cash provided by (used for) capital and related financing activities	(6,550)	-	(6,550)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	289	5	294
Net cash provided by (used for) investing activities	289	5	294
Net increase (decrease) in cash and cash equivalents	79,747	4,050	83,797
Balances—beginning of year	105,371	738	106,109
Balances—end of year	\$ 185,118	\$ 4,788	\$ 189,906
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (549,574)	\$ -	\$ (549,574)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	2,031		2,031
(Increase) decrease in inventories	(1,036)		(1,036)
(Increase) decrease in accounts receivable	5		5
Increase (decrease) in accounts payable	9,156		9,156
Increase (decrease) in prepaid revenue	(7,022)	4,045	(2,977)
Total adjustments	3,134	4,045	7,179
Net cash provided by (used for) operating activities	\$ (546,440)	\$ 4,045	\$ (542,395)

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, 2022**

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, 2022**

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

B. Basis of Presentation, (continued)

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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

B. Basis of Presentation, (continued)

PROPRIETARY FUNDS

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

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

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

C. Measurement Focus:

District-wide Financial Statements

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

[THIS AREA INTENTIONALLY LEFT BLANK.]

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022, 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, 2022**

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, 2022**

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, 2022**

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 two items that qualify for reporting in this category, deferred amounts related to pension, and the unamortized portion of a loss on refunding debt.

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, 2022**

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, 2022**

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, 2022**

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

X. New Accounting Standards:

During fiscal year 2022, the District adopted the following GASB Statement:

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 implementation of this statement had no material impact on the financial statements.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act

(GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$-0- of the District's bank balance of \$7,166,908 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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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

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, 2022, the District had \$-0- on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES

Receivables at June 30, 2022, 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 Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$607,673		\$607,673
Federal Aid	319,312		319,312
Other Receivables	97,311		97,311
Interfunds	<u>12,346</u>	<u>67,785</u>	
Gross Receivables	1,036,642	67,785	1,024,296
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,036,642</u>	<u>\$67,785</u>	<u>\$1,024,296</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, 2022, the District had the following inventory in the enterprise fund:

Food	\$2,736
Supplies	<u>2,272</u>
	<u>\$5,008</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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. INTERFUND BALANCES AND ACTIVITY

As of June 30, 2022, 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.
67,785	Due to the Enterprise Fund from the General Fund for Federal and State lunch reimbursements.

Interfund transfer for the year ended June 30, 2022 consisted of the following:

\$569,449	From the General Fund to the Enterprise Fund for Federal and State Lunch Subsidy.
-----------	---

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance <u>6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/22</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$329,940	\$ _____	\$ _____	\$329,940
Total Capital Assets, Not Being Depreciated	<u>329,940</u>	_____	-0-	<u>329,940</u>
Capital Assets Being Depreciated				
Buildings and Improvements	17,722,759			17,722,759
Furniture, Equipment and Vehicles	<u>5,313,560</u>	<u>63,294</u>	<u>(527,331)</u>	<u>4,849,523</u>
Total Capital Assets, Being Depreciated	<u>23,036,319</u>	<u>63,294</u>	<u>(527,331)</u>	<u>22,572,282</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,942,974)	(606,004)		(10,548,978)
Furniture, Equipment and Vehicles	<u>(4,468,006)</u>	<u>(166,760)</u>	<u>501,793</u>	<u>(4,132,973)</u>
Total Accumulated Depreciation	<u>(14,410,980)</u>	<u>(772,764)</u>	<u>501,793</u>	<u>(14,681,951)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,625,339</u>	<u>(709,470)</u>	<u>(25,538)</u>	<u>7,890,331</u>
Governmental Activities Capital Assets, Net	<u>\$8,955,279</u>	<u>(\$709,470)</u>	<u>(\$25,538)</u>	<u>\$8,220,271</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, 2022**

NOTE 6. CAPITAL ASSETS, (continued)

	<u>Balance 6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/22</u>
Business-Type Activity				
Furniture and Equipment	<u>\$317,578</u>	<u>\$6,550</u>	<u>\$</u>	<u>\$324,128</u>
Totals	<u>317,578</u>	<u>6,550</u>	<u>_____</u>	<u>324,128</u>
 Less Accumulated Depreciation				
Furniture and Equipment	<u>298,005</u>	<u>2,031</u>	<u>_____</u>	<u>300,036</u>
Total Accumulated Depreciation	<u>298,005</u>	<u>2,031</u>	<u>_____</u>	<u>300,036</u>
 Business-Type Activity Capital Assets,	<u>\$19,573</u>	<u>\$4,519</u>	<u>\$</u>	<u>\$24,092</u>

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

NOTE 7. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the fiscal year ended June 30, 2022 were as follows:

	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Bonds Payable	\$6,840,000	\$	\$660,000	\$6,180,000	\$600,000
Capital Leases Payable	234,107		67,868	166,239	50,664
Compensated Absences Payable	309,408	6,677	7,660	308,425	
Unamortized Bond Premium	813,353		73,941	739,412	73,941
Net Pension Liability PERS	<u>5,060,874</u>		<u>1,551,280</u>	<u>3,509,594</u>	
	<u>\$13,257,742</u>	<u>\$6,677</u>	<u>\$2,360,749</u>	<u>\$10,903,670</u>	<u>\$724,605</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.

On June 3, 2021, the District issued \$6,295,000 in Refunding School Bonds, Series 2021. The bonds were issued to refund \$6,850,000 of the District’s School Bonds, Series 2011. The Refunding Bonds have an interest rate of 4.000% payable semi-annually on the first day of March and September of each year until maturity. Principal payments are due annually on the first day of September through 2031.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. LONG-TERM OBLIGATIONS, (continued)

A. Bonds Payable: (continued)

Outstanding bonds payable at June 30, 2022 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2021</u>
Refunding School Bonds Series 2021	06/03/21	4.00%	09/01/31	<u>6,180,000</u>
				<u>\$6,180,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$600,000	\$235,200	\$835,200
2024	500,000	213,200	713,200
2025	525,000	192,700	717,700
2026	565,000	170,900	735,900
2027	590,000	147,800	737,800
2028-2032	<u>3,400,000</u>	<u>353,000</u>	<u>3,753,000</u>
	<u>\$6,180,000</u>	<u>\$1,312,800</u>	<u>\$7,492,800</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had \$-0- of authorized but not issued 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, 2022.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	50,665	3,530	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>\$166,239</u>	<u>\$7,621</u>	<u>\$173,860</u>

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLAN, (continued)

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

Defined Contribution Retirement Program

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

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

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:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
Ending		
6/30/22	\$346,950	\$61,581
6/30/21	339,499	52,608
6/30/20	318,231	47,413

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLAN, (continued)

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/22	\$3,802,274	\$900,899	\$53,645	\$1,511
6/30/21	2,561,225	817,920	48,731	1,475
6/30/20	2,026,692	765,342	36,326	1,622

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 \$801,190 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2022, the District had a liability of \$3,509,594 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's proportion was .0296255822 percent, which was a decrease of .0014086639 percent from its proportion measured as of June 30, 2020.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

For the year ended June 30, 2022, the District recognized pension benefit of \$1,181,829. At June 30, 2022, 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	\$55,351	\$25,125
Changes of assumptions	18,278	1,249,438
Net difference between projected and actual earnings on pension plan investments		924,519
Changes in proportion and differences between District contributions and proportionate share of contributions	7,868	1,617,913
District contributions subsequent to the measurement date	<u>353,889</u>	<u> </u>
Total	<u>\$435,386</u>	<u>\$3,816,995</u>

The \$353,889 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, 2022, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2022	\$(828,111)
2023	(591,270)
2024	(403,145)
2025	(303,045)
2026	118

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
District's Proportion	.0296255822%	.0310342461%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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, 2020 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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

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-2021.

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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2021 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, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$4,830,304	\$3,509,594	\$2,457,947

Pension Plan Fiduciary Net Position

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	\$-0-
State's proportionate share associated with the District	<u>42,358,624</u> <u>\$42,358,624</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. 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, 2021, the proportion of the TPAF net pension liability associated with the District was .0881091175%.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$996,717 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2022**

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

State Health Benefit State Retired Employees Plan, (continued)

In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No.75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

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/GASB-notices-OPEB.SHTML>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>59,287,903</u>
	<u>\$59,287,903</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2021 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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

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-2021. 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-2021. 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-2021.

The actuarial assumptions used in the June 30, 2020 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.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2021 was 2.16%. 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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

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

For the year ended June 30, 2022, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,314,581 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.

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:

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 11. RISK MANAGEMENT, (continued)

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$	\$72,595	\$72,595	\$25,909
2020-2021		70,543	70,543	25,909
2019-2020	179	51,964	37,031	25,909

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:

- 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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 12. CAPITAL RESERVE ACCOUNT, (continued)

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 LRF.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$1,542,551
Deposits:	
Interest Earned on Capital Reserve Funds	<u>512</u>
Ending balance, June 30, 2022	<u>\$1,543,063</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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	<u>\$-0-</u>
Ending balance, June 30, 2022	<u>\$-0-</u>

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

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, 2021	\$339,343
Deposits:	
Interest Earnings	<u>134</u>
	339,477
Withdrawals	<u>85,007</u>
Ending balance, June 30, 2022	<u>\$254,470</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$7,280,698 General Fund fund balance at June 30, 2022, \$79,049 is reserved for encumbrances; \$4,458,744 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,630,189 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$1,543,063 has been reserved in the Capital Reserve Account; \$254,470 has been reserved in the Maintenance Reserve Account; \$25,909 has been reserved for unemployment compensation; \$257,443 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; and \$662,020 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, 2022 is \$4,458,744. Of this amount, \$2,828,555 is a result of the current year's operations and \$1,630,189 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, 2022**

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food	\$2,736
Supplies	<u>2,272</u>
	<u>\$5,008</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. RESTATEMENT

Net position of the Governmental Activities in the district-wide financial statements was restated to reflect a correction in the amount of outstanding Series 2021 Bonds issued. This resulted in a restatement of net position as of June 30, 2021 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2021	(\$1,613,982)
Prior Period Adjustment- Correction of Bonds issued	<u>100,000</u>
Net Position at June 30, 2021 - Restated	<u>(\$1,513,982)</u>

NOTE 19. 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 Board's Attorney advises of the following litigation:

The parents of a District student have filed an appeal of an administrative decision finding that the District acted appropriately in a claim of disability discrimination, failure to provide a FAPE, and retaliation for protected acts. The Board plans to contest the appeal and the complaint, answer and counterclaims have been filed. The Board's Attorney believes that there is no evidence to support the claim and that an unfavorable outcome to the District is unlikely.

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 28, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 20,668,708	\$ -	\$ 20,668,708	\$ 20,668,708	\$ -
Tuition	983,980	-	983,980	1,224,741	240,761
Transportation Fees	135,000	-	135,000	174,508	39,508
Interest Earned on Maintenance Reserve	200	-	,000	134	(66)
Interest Earned on Capital Reserve Funds	500	-	500	512	12
Miscellaneous	98,946	-	98,946	105,709	6,763
Total - Local Sources	21,887,334	-	21,887,334	22,174,312	286,978
State Sources:					
Equalization Aid	440,777	-	440,777	440,777	-
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	175,000	-	175,000	532,325	377,325
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	14,790	14,790
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,802,274	3,802,274
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	53,645	53,645
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	900,899	900,899
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,511	1,511
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	801,190	801,190
Total State Sources	2,271,129	-	2,271,129	8,222,763	5,951,634
Federal Sources:					
Medical Assistance Program	18,063	-	18,063	9,983	(8,080)
Total Federal Sources	18,063	-	18,063	9,983	(8,080)
Total Revenues	24,176,526	-	24,176,526	30,407,058	6,230,532

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 457,290	1,190	\$ 458,480	\$ 457,520	\$ 960
Grades 1-5 - Salaries of Teachers	3,503,649	(213,376)	3,290,273	3,288,638	1,635
Grades 6-8 - Salaries of Teachers	2,073,865	101,032	2,174,897	2,174,897	-
Regular Programs - Home Instruction:					
Salaries of Teachers	12,500	-	12,500	6,534	5,966
Purchased Professional-Educational Services	4,000	-	4,000	4,000	0
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	107,072	94,616	201,688	200,580	1,108
Purchased Technical Services	33,305	(521)	32,784	32,489	295
Other Purchased Services (400-500 series)	184,505	(65,021)	119,484	105,325	14,159
General Supplies	300,113	36,815	336,928	271,651	65,277
Textbooks	81,100	(10,656)	70,444	55,149	15,295
Other Objects		36	36	27	9
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,757,399	(55,885)	6,701,514	6,592,810	108,704
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	167,225	82,604	249,829	249,829	-
General Supplies	5,000	(1,652)	3,348	607	2,741
Total Learning and/or Language Disabilities	172,225	80,952	253,177	250,436	2,741
Multiple Disabilities:					
Salaries of Teachers	106,500	5,480	111,980	111,980	-
General Supplies	3,000	(2,668)	332	332	-
Total Multiple Disabilities	109,500	2,812	112,312	112,312	-
Resource Room/Resource Center:					
Salaries of Teachers	1,828,568	(4,168)	1,824,400	1,796,260	28,140
General Supplies	12,300	(3,969)	8,331	3,228	5,103
Total Resource Room/Resource Center	1,840,868	(8,137)	1,832,731	1,799,488	33,243

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Favorable (Unfavorable)
Autism:					
Salaries of Teachers	663,484	(17,779)	645,705	641,060	4,645
Other Salaries for Instruction	842,246	192,945	1,035,191	1,003,703	31,488
Purchased Professional-Educational Services	94,246	-	94,246	67,885	26,361
Travel - All Other	6,880	-	6,880	-	6,880
General Supplies	13,838	-	13,838	10,356	3,482
Other Objects	1,800	-	1,800	920	880
Total Autism	1,622,494	175,166	1,797,660	1,723,924	73,736
Preschool Disabilities - Part-Time:					
Salaries of Teachers	80,630	260	80,890	80,745	145
General Supplies	750	-	750	347	403
Total Preschool Disabilities - Part-Time	81,380	260	81,640	81,092	548
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,826,467	251,053	4,077,520	3,967,252	110,268
Basic Skills/Remedial - Instruction					
Salaries of Teachers	398,101	37,807	435,908	370,619	65,289
General Supplies	6,250	(3,595)	2,655	1,742	913
Total Basic Skills/Remedial - Instruction	404,351	34,212	438,563	372,361	66,202
Bilingual Education - Instruction:					
Salaries of Teachers	42,051	-	42,051	42,050	1
General Supplies	300	147	447	419	28
Total Bilingual Education - Instruction	42,351	147	42,498	42,469	29
School-Spon. Co-curricular Actvs. - Inst.					
Salaries	139,306	19,709	159,015	158,124	891
Other Objects	6,000	-	6,000	-	6,000
Total School-Spon. Co-curricular Actvs. - Inst.	145,306	19,709	165,015	158,124	6,891
Summer School - Instruction					
Purchased Professional and Technical Services	106,600	37,954	144,554	144,554	-
Total Summer School - Instruction	106,600	37,954	144,554	144,554	-
TOTAL INSTRUCTION	11,282,474	287,190	11,569,664	11,277,570	292,094

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual (Unfavorable)
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		24,027	24,027	24,027	-
Tuition to Other LEAs Within the State - Special		81,354	81,354	81,354	-
Tuition to CSSD & Regional Day Schools	137,400	(56,540)	80,860	80,860	-
Tuition to Private Schools for the Disabled - Within State	514,572	514	515,086	515,086	-
Tuition to Private Schools for the Disabled - Outside State	25,502	-	25,502	25,501	1
Total Undistributed Expenditures - Instruction:	671,474	49,355	726,829	726,828	1
Undistributed Expend. - Attend. & Social Work					
Salaries	15,475	526	16,001	15,909	92
Total Undistributed Expend. - Attend. & Social Work	15,475	526	16,001	15,909	92
Undist. Expend. - Health Services					
Salaries	339,535	3,628	343,163	343,163	-
Purchased Professional and Technical Services	16,596	(5,373)	11,223	11,223	-
Supplies and Materials	3,950	(285)	3,665	3,665	-
Other Objects	2,600	1,005	3,605	3,579	76
Total Undistributed Expenditures - Health Services	362,681	(1,025)	361,656	361,580	76
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	384,100	18,600	402,700	402,700	-
Purchased Professional - Educational Services	83,200	(11,755)	71,445	71,445	-
Supplies and Materials	5,786	-	5,786	3,822	1,964
Total Undist. Expend. - Speech, OT, PT & Related Serv.	473,086	6,845	479,931	477,967	1,964
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Salaries	822,127	(2,093)	820,034	762,231	57,803
Total Undist. Expend. - Other Support Serv. Students - Extr. Serv.	822,127	(2,093)	820,034	762,231	57,803
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	348,375	(4,939)	343,436	335,154	8,282
Salaries of Secretarial and Clerical Assistants	207,366	1,993	209,59	209,220	139
Purchased Professional - Educational Services	1,500	-	1,500	320	1,180
Supplies and Materials	1,900	99	1,999	501	1,498
Other Objects	2,585	(2,316)	269	269	-
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	561,726	(5,163)	556,563	545,195	11,368
Undist. Expend. Child Study Teams					
Salaries of Other Professional Staff	677,950	64,667	742,617	723,580	19,037
Salaries of Secretarial and Clerical Assistants	64,716	-	64,716	64,422	294
Purchased Professional - Educational Services	144,500	(28,309)	116,191	114,495	1,696
Other Purchased Services (400-500 series)	750	(1,548)	5,952	340	5,612
Supplies and Materials	6,600	3,901	10,501	10,191	310
Other Objects	8,500	(187)	8,313	7,612	701
Total Undist. Expend. - Other Supp. Serv. Students - Spec.	909,766	38,524	948,290	920,640	27,650

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. Imp. Of Instructional Services					
Salaries of Supervisors of Instruction	109,204	(2,370)	106,834	106,704	130
Other Salaries	5,000	-	5,000	5,000	-
Purchased Professional - Educational Services	4,056	-	4,056	3,900	156
Total Undist. Expend. Imp. Of Instructional Services	118,260	(2,370)	115,890	115,604	286
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	178,920	(53,400)	125,520	125,520	-
Supplies and Materials	9,326	8,225	17,551	17,171	380
Total Undist. Expend. - Edu. Media Serv./Sch. Library	188,246	(45,175)	143,071	142,691	380
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	10,500	-	10,500	2,699	7,801
Other Purchased Services (400-500 series)	102,000	(117)	101,883	73,943	27,940
Total Undist. Expend. - Instructional Staff Training Serv.	112,500	(117)	112,383	76,642	35,741
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	274,482	(1,523)	272,959	268,113	4,846
Legal Services	31,200	140,534	171,734	171,734	-
Audit Fees	28,600	(5,879)	22,721	25,526	(2,805)
Architectural/Engineering Services	5,000	4,875	9,875	9,875	-
Other Purchased Professional Services	24,935	(4,272)	20,663	19,232	1,431
Communications/Telephone	32,968	(9,495)	23,473	20,517	2,956
Travel - All Other		4,496	4,496	2,598	1,898
BOE Other Purchased Services	6,800	(6,376)	424	424	-
Misc. Purchased Services (400-500 series)	8,320	19,267	27,587	25,327	2,260
General Supplies	1,820	(279)	1,541	1,035	506
Judgments Against the School District	10,000	(10,000)			
Miscellaneous Expenditures	5,620	1,220	6,840	6,627	213
BOE Membership Dues and Fees	11,388	(66)	11,322	10,946	376
Total Undist. Expend. - Supp. Serv. - General Admin.	441,133	132,502	573,635	561,530	12,105
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	494,629	(26,425)	468,204	468,204	-
Salaries of Secretarial and Clerical Assistants	94,659	9,113	103,772	103,740	32
Travel - All Other	7,803	(7,300)	503	503	-
Supplies and Materials	11,490	(5,232)	6,258	2,229	4,029
Other Objects	10,540	438	10,978	4,876	6,102
Total Undist. Expend. - Support Serv. - School Admin.	619,121	(29,406)	589,715	579,049	10,666

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	253,014	28,920	281,934	281,934	-
Purchased Professional Services	10,000	(5,250)	4,750	4,750	-
Purchased Technical Services	525	(305)	220	220	-
Supplies and Materials	2,500	(115)	2,385	2,385	-
Miscellaneous Expenditures	2,500	(356)	2,144	2,144	-
Total Undistributed Expenditures - Central Services	268,539	22,894	291,433	291,433	-
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	104,100	(7,740)	96,360	90,283	6,077
	104,100	(7,740)	96,360	90,283	6,077
Total Undistributed Expenditures - Admin. Info. Tech.					
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	224,380	4,238	228,618	228,618	-
Cleaning, Repair, and Maintenance Services	193,650	(21,184)	172,466	143,399	29,067
Lead Testing of Drinking Water	48,000	(30,843)	17,157	13,397	3,760
General Supplies	58,850	8,187	67,037	44,958	22,079
Other Objects	300	-	300	102	198
Total Undist. Expend. - Required Maintenance for School Facilities	525,180	(39,602)	485,578	430,474	55,104
Undist. Expend. - Custodial Services					
Salaries	9,021	489	9,510	9,412	98
Purchased Professional and Technical Services	792,280	527	792,807	718,717	74,090
Cleaning, Repair and Maintenance Services	24,920	(903)	24,017	14,575	9,442
Insurance	184,790	12,778	197,568	197,568	-
Travel - All Other		1,000	1,000	795	205
Miscellaneous Purchased Services	11,650	(621)	11,029	10,370	659
General Supplies	66,000	(15,147)	50,853	40,602	10,251
Energy (Natural Gas)	141,960	27,538	169,498	148,654	20,844
Energy (Electricity)	209,120	4,661	213,781	201,998	11,783
Energy (Oil)	18,720	694	19,414	18,694	720
Energy (Gasoline)	43,300	11,338	54,638	54,638	-
Other Objects	1,000	-	1,000	310	690
Total Undist. Expend. - Custodial Services	1,502,761	42,354	1,545,115	1,416,333	128,782
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	6,600	-	6,600	720	5,880
	6,600	-	6,600	720	5,880
Security:					
Purchased Professional and Technical Services	13,000	(2,772)	10,228	6,304	3,924
Total Security	13,000	(2,772)	10,228	6,304	3,924
Total Undist. Expend. - Oper. & Maint. Of Plant	2,047,541	(20)	2,047,521	1,853,831	193,690

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	47,167	9,479	56,646	53,829	2,817
Sal. For Pup. Trans. (Bet. Home and School) - Regular	745,634	9,862	755,496	732,986	22,510
Sal. For Pup. Trans. (Bet. Home and School) - Special	101,853	(3,280)	98,573	75,349	23,224
Sal. For Pup. Trans. (Other than Bet. Home and School)	7,500	-	7,500	6,392	1,108
Cleaning, Repair and Maintenance Services	41,217	-	41,217	18,221	22,996
Lease Purchase Payments - School Buses	81,000	-	81,000	47,866	33,134
Contract Services - Aid in Lieu Payments - Non Public	54,000	-	54,000	52,305	1,695
Contract Services - (Between Home and School) - Vendors	251,133	(23,444)	227,689	99,905	127,784
Misc. Purchased Serv. - Transportation	31,430	(2,780)	28,650	12,637	16,013
General Supplies	133,207	8,656	141,863	93,903	47,960
Transportation Supplies	40,000	-	40,000	27,826	12,174
Other Objects	11,323	(1,385)	9,938	5,505	4,433
Total Undist. Expend. - Student Transportation Serv.	1,545,464	(2,892)	1,542,572	1,226,724	315,848
UNALLOCATED BENEFITS					
Social Security Contributions	478,584	26,609	505,193	386,548	118,645
Other Retirement Contributions - PERS	469,200	(121,709)	347,491	347,491	-
Other Retirement Contributions - Regular	58,750	23,300	82,050	61,581	20,469
Unemployment Compensation	50,000	-	50,000	50,000	0
Workmen's Compensation	170,700	-	170,700	161,075	9,625
Health Benefits	3,274,282	(362,016)	2,912,266	2,734,437	177,829
Tuition Reimbursement	64,000	7,350	71,350	70,350	1,000
Other Employee Benefits	150,000	(30,650)	119,350	107,535	11,815
TOTAL UNALLOCATED BENEFITS	4,715,516	(457,116)	4,258,400	3,869,017	389,383

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,802,274	(3,802,274)
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	53,645	(53,645)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	900,899	(900,899)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,511	(1,511)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	801,190	(801,190)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	5,559,519	(5,559,519)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,715,516	(457,116)	4,258,400	9,428,536	(5,170,136)
TOTAL UNDISTRIBUTED EXPENDITURES	13,982,755	(302,471)	13,680,284	18,176,673	(4,496,389)
TOTAL GENERAL CURRENT EXPENSE	25,265,229	(15,281)	25,249,948	29,454,243	(4,204,295)
CAPITAL OUTLAY					
Equipment		6,170	6,170		6,170
Undistributed Expenditures - Instruction		85,007	85,007	20,625	64,382
Undistributed Expenditures - Req. Maintenance for School Fac.		60,541	60,541		-
Undistributed Expenditures - Care and Upkeep of Grounds		151,718	151,718	81,166	70,552
Total Equipment	-	151,718	151,718		
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services	638,637	(638,637)	-		-
Land and Improvements	189,363	638,637	828,000		-
Capital Outlay - Trans. To Capital Projects	828,000	-	828,000		828,000
Total Facilities Acquisition and Construction Services	1,655,999	-	1,655,999		
Interest Deposit to Capital Reserve					
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Student Transportation					
Assets Acquired Under Capital Leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	828,000	151,718	979,718	81,166	898,552
TOTAL EXPENDITURES	26,093,229	136,437	26,229,666	29,535,409	(3,305,743)

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,916,703)	(136,437)	(2,053,140)	871,649	2,924,789
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)	-	-	-	-	-
Total Other Financing Sources (Uses):					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,916,703)	(136,437)	(2,053,140)	871,649	2,924,789
Fund Balance, July 1	6,618,662		6,618,662	6,618,662	-
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	6,618,662		6,618,662	6,618,662	-
Fund Balance, June 30	\$ 4,701,959	\$ (136,437)	\$ 4,565,522	\$ 7,490,311	\$ 2,924,789
Adjustment for prior year encumbrances		(51,430)	(51,430)	(51,430)	-
Increase in Capital Reserve - Interest	500		500	512	12
Increase in Maintenance Reserve - Interest	200		200	134	(66)
Budgeted withdrawal from Capital Reserve	(189,363)		(189,363)		189,363
Budgeted withdrawal from Maintenance Reserve		(85,007)	(85,007)	(85,007)	-
Budgeted Fund Balance	(1,728,040)		(1,728,040)	1,007,440	2,735,480
Total	(1,916,703)	(136,437)	(2,053,140)	871,649	2,924,789
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				821,063	
Capital Reserve - Designated for Subsequent Year's Expenditures				722,000	
Maintenance Reserve				254,470	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,630,189	
Excess Surplus - Current Year				2,828,555	
Unemployment Compensation				25,909	
Committed Fund Balance:				79,049	
Year End Encumbrances				257,443	
Assigned Fund Balance:				871,633	
Designated for Subsequent Year's Expenditures				7,490,311	
Unassigned Fund Balance					
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(209,613)	
Fund Balance per Governmental Funds (GAAP)				\$ 7,280,698	

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 54,931	\$ 54,931	\$ 63,899	\$ 8,968
Federal Sources	865,208	142,164	1,007,372	632,370	(375,002)
Total Revenues	865,208	197,095	1,062,303	696,269	(366,034)
EXPENDITURES:					
Instruction					
Salaries of Teachers	200,769	(95,649)	105,120	89,121	15,999
Purchased Professional and Technical Services	91,474	-	91,474	91,473	1
Tuition	222,838	49,014	271,852	213,269	58,583
General Supplies	102,500	115,999	218,499	108,970	109,529
Total Instruction	617,581	69,364	686,945	502,833	184,112
Support Services					
Other Salaries	19,084		19,084	19,084	
Personal Services - Employee Benefits	85,908	(30,970)	54,938	16,415	38,523
Purchased Professional and Technical Services	45,000	-	45,000	4,095	40,905
Purchased Professional - Educational Services	25,310	86,853	112,163	82,372	29,791
Other Purchased Services	91,409	19,560	19,560	17,850	1,710
General Supplies		1,509	92,718	31,841	60,877
Student Activities		31,895	31,895	31,895	-
Total Support Services	247,627	127,731	375,358	184,468	190,890
Facilities Acquisition and Construction Services:					
Non-instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	865,208	197,095	1,062,303	687,301	375,002
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 8,968	\$ 8,968
Fund Balance, July 1				25,449	
Fund Balance, June 30				34,417	
Recapitulation:					
Restricted:					
Student Activities				34,417	
Total Fund Balance				34,417	

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, 2021

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$30,407,058	\$ 696,269
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			
Less Current Year Encumbrances			(12)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		237,193	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(209,613)	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	 [B-2]	 \$30,434,638	 \$ 696,257
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule			
Differences - budget to GAAP	[C-1]&[C-2]	\$29,535,409	\$ 687,301
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			(12)
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 \$29,535,409	 \$ 687,289

**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*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0452943393%	\$ 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%
2021	0.0310342461%	5,060,874	2,093,986	241.69%	58.32%
2022	0.0296255822%	3,509,594	2,107,866	166.50%	70.33%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 373,400	\$ 373,400	\$ -	\$3,105,240	12.02%
2016	400,923	400,923	-	3,185,939	12.58%
2017	406,536	406,536	-	3,084,175	13.18%
2018	427,745	427,745	-	2,334,584	18.32%
2019	409,412	409,412	-	2,254,824	18.16%
2020	318,231	318,231	-	2,180,918	14.59%
2021	339,499	339,499	-	2,093,986	16.21%
2022	346,950	346,950	-	2,107,866	16.46%

* 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**

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0907566602%	\$ -	\$ 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%
2021	0.0924002529%	\$ -	60,844,455	10,721,670	0.00%	24.60%
2022	0.0881091175%	\$ -	42,358,624	11,172,061	0.00%	35.52%

* 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, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the pension liability are presented in Note 8 to the financial statements.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the pension liability are presented in Note 8 to the financial statements.

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Costs	\$ 2,761,390	\$ 1,577,387	\$ 1,601,683	\$ 1,879,448	\$ 2,259,344
Interest on Total OPEB Liability	1,537,991	1,585,987	1,968,801	2,123,636	1,834,334
Changes in Assumptions	58,492	12,821,365	660,873	(5,729,212)	(7,466,794)
Gross Benefit Payments	(1,211,506)	(1,221,956)	(1,360,611)	(1,334,993)	(1,345,227)
Differences Between Actual and Expected Experience	(14,025,029)	11,066,635	(8,612,777)	(5,138,175)	-
Changes in Benefit Terms	(63,105)				
Contribution from the Member	39,319	37,037	40,332	46,139	49,535
Net Changes in total Share of OPEB Liability	<u>(10,902,448)</u>	<u>25,866,455</u>	<u>(5,601,699)</u>	<u>(8,153,157)</u>	<u>(4,667,808)</u>
Total OPEB Liability - Beginning	<u>70,190,351</u>	<u>44,323,896</u>	<u>49,925,595</u>	<u>58,078,752</u>	<u>62,746,560</u>
Total OPEB Liability - Ending	<u>\$ 59,287,903</u>	<u>\$ 70,190,351</u>	<u>\$ 44,323,896</u>	<u>\$ 49,925,595</u>	<u>\$ 58,078,752</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	59,287,903	70,190,351	44,323,896	49,925,595	58,078,752
Total OPEB Liability - Ending	<u>\$ 59,287,903</u>	<u>\$ 70,190,351</u>	<u>\$ 44,323,896</u>	<u>\$ 49,925,595</u>	<u>\$ 58,078,752</u>
District's Covered Employee Payroll	<u>\$ 13,279,927</u>	<u>\$ 12,815,658</u>	<u>\$ 12,291,220</u>	<u>\$ 11,802,380</u>	<u>\$ 12,102,040</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	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, 2022

Change in benefit terms

The implementation of Chapter 44 Plan and contribution strategy affecting pre-Medicare future and current retirees and dependents who enroll in the New Jersey Educator Health Plan option upon retirement and were not grandfathered under Chapter 78 (fewer than 20 years of service as of July 1, 2011) is reflected for the Fiscal Year Ending June 30, 2022 as a plan change.

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 9.

Other Supplementary Information

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, 2022

	Total Brought Forward (Ex. E-1a)	Title I	Title II, Part A	L.D.E.A. Basic	L.D.E.A. Preschool	Totals 2022
REVENUES						
Local Sources	\$ 63,899	\$ -	\$ -	\$ -	\$ -	\$ 63,899
Federal Sources	284,765	91,960	28,800	213,269	13,576	632,370
Total Revenues	348,664	91,960	28,800	213,269	13,576	696,269
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	79,531	-	-	9,590	89,121
Purchased Professional - Technical	91,473	-	-	213,269	-	91,473
Tuition	-	-	-	-	-	213,269
General Supplies	108,970	-	-	-	-	108,970
Total instruction	200,443	79,531	-	213,269	9,590	502,833
Support services:						
Personal Services - Employee Benefits	-	12,429	-	-	3,986	16,415
Purchased Professional and Technical Services	4,095	-	-	-	-	4,095
Purchased Professional - Educational Services	53,572	-	28,800	-	-	82,372
Other Purchased Professional Services	17,850	-	-	-	-	17,850
General Supplies	31,841	-	-	-	-	31,841
Student Activities	31,895	-	-	-	-	31,895
Total support services	139,253	12,429	28,800	-	3,986	184,468
Total Expenditures	339,696	91,960	28,800	213,269	13,576	687,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,968	-	-	-	-	8,968
Fund Balance, July 1	25,449	-	-	-	-	25,449
Fund Balance, June 30	\$ 34,417	\$ -	\$ -	\$ -	\$ -	\$ 34,417

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, 2022

	Total Brought Forward (Ex. E-1b)	ARP - IDEA Basic	ARP - IDEA Preschool	Donations	Student Activity Funds	Total Carried Forward
REVENUES						
Local Sources	\$ -	\$ -	\$ -	\$ 23,036	\$ 40,863	\$ 63,899
Federal Sources	261,917	21,198	1,650			284,765
Total Revenues	261,917	21,198	1,650	23,036	40,863	348,664
EXPENDITURES:						
Instruction:						
Salaries of Teachers	91,473					91,473
Purchased Professional - Technical Services						
Tuition						
General Supplies	82,586	3,348		23,036		108,970
Total instruction	174,059	3,348	-	23,036	-	200,443
Support services:						
Personal Services - Employee Benefits	4,095					4,095
Purchased Professional and Technical Services	51,922		1,650			53,572
Purchased Professional - Educational Services		17,850				17,850
Other Purchased Professional Services						
General Supplies	31,841					31,841
Student Activities					31,895	31,895
Total support services	87,858	17,850	1,650	-	31,895	139,253
Total Expenditures	261,917	21,198	1,650	23,036	31,895	339,696
Excess (Deficiency) of Revenues Over (Under) Expenditures					8,968	8,968
Fund Balance, July 1					25,449	25,449
Fund Balance, June 30					34,417	34,417

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
 For the Fiscal Year Ended June 30, 2022

	CRRSA Consolidated		ARP Consolidated		Total Carried Forward
	ESSER II	Learning Acceleration	Mental Health	ARP-ESSER	
REVENUES					
Local Sources	\$ 156,831	-	-	-	\$ 156,831
Federal Sources		25,000	4,095	75,991	261,917
Total Revenues	156,831	25,000	4,095	75,991	261,917
EXPENDITURES					
Instruction:					
Salaries of Teachers					-
Purchased Professional - Technical Services	66,473	25,000			91,473
Tuition					-
General Supplies	6,595			75,991	82,586
Total instruction	73,068	25,000	-	75,991	174,059
Support services:					
Personal Services - Employee Benefits					-
Purchased Professional - Technical Services			4,095		4,095
Purchased Professional - Educational Services	51,922				51,922
Other Purchased Professional Services					-
General Supplies	31,841				31,841
Student Activities					-
Total support services	83,763	-	4,095	-	87,858
Total Expenditures	156,831	25,000	4,095	75,991	261,917
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2022

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2022
			Prior Years	Current Year	
Renovations - Eleanor G. Hewitt School	4/27/2011	11,195,000	11,195,000	-	-
Boiler Replacement - M.J. Ryerson Middle School	8/20/2015	498,058	497,429	629	629
Boiler Replacement - Peter Cooper Elementary School	8/20/2015	382,138	370,177	11,961	11,961
Boiler Replacement - Robert Erskine Elementary School	8/20/2015	328,848	322,052	6,796	6,796
Totals		\$ 12,404,044	\$ 12,384,658	\$ -	\$ 19,386

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, 2022

Expenditures and Other Financing Uses:

Transfer to Debt Service Fund	-
Total Expenditures and Other Financing Uses	-
Excess (Deficiency) of revenues over (under) expenditures	-
Fund Balance - Beginning	19,386
Fund Balance - Ending	\$ 19,386

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, 2022

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$11,195,000		\$11,195,000	\$11,195,000
Total Revenues	<u>11,195,000</u>	<u>-</u>	<u>11,195,000</u>	<u>11,195,000</u>
Expenditures and Other Financing Uses:				
Architectural/Engineering services	937,370		937,370	937,370
Purchased professional and technical services	614,975		614,975	614,975
Construction services	9,219,054		9,219,054	9,219,054
General Supplies	42,998		42,998	42,998
Equipment	146,130		146,130	146,130
Other Objects	43,408		43,408	43,408
Transfer to Debt Service Fund	191,065		191,065	191,065
Total Expenditures	<u>11,195,000</u>	<u>-</u>	<u>11,195,000</u>	<u>11,195,000</u>
Excess (Deficiency) of revenues over (under) expenses and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	4400-050-11-1000			
Grant Date/Letter of Notification	N/A			
Bond Authorization/Referendum Date	4/27/2011			
Bonds Authorized	\$11,195,000			
Bonds Issued	\$11,195,000			
Original Project Authorized Cost	\$11,195,000			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$11,195,000			
Percentage Increase Over Original Authorized Cost	N/A			
Percentage Completion	100%			

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - M.J. Ryerson Middle School
From Inception and for the Year Ended June 30, 2022

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

Additional Project Information:

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

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - Peter Cooper Elementary School
From Inception and for the Year Ended June 30, 2022

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

Additional Project Information:

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

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Boiler Replacement - Robert Erskine Elementary School
From Inception and for the Year Ended June 30, 2022

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

Additional Project Information:

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

PROPRIETARY FUNDS

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2022

	<u>Food Service</u>	<u>Safety Town</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 185,118	\$ 4,788	\$ 189,906
Interfund receivables	67,785		67,785
Inventories	5,008		5,008
Total current assets	<u>257,911</u>	<u>4,788</u>	<u>262,699</u>
Noncurrent assets:			
Furniture, machinery & equipment	324,128		324,128
Less accumulated depreciation	(300,036)		(300,036)
Total noncurrent assets	<u>24,092</u>	<u>-</u>	<u>24,092</u>
Total assets	<u>282,003</u>	<u>4,788</u>	<u>286,791</u>
LIABILITIES			
Current liabilities:			
Accounts payable	31,206		31,206
Interfund payables	2,222		2,222
Prepaid revenue	8,979	4,045	13,024
Total current liabilities	<u>42,407</u>	<u>4,045</u>	<u>46,452</u>
Total liabilities	<u>42,407</u>	<u>4,045</u>	<u>46,452</u>
NET POSITION			
Net Investment in capital assets	24,092		24,092
Unrestricted	215,504	743	216,247
Total net position	<u>\$ 239,596</u>	<u>\$ 743</u>	<u>\$ 240,339</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, 2021

	Food Service	Safety Town	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ -	\$ -	\$ -
Daily sales - non-reimbursable programs	46,559		46,559
Miscellaneous	701		701
Total operating revenues	<u>47,260</u>	<u>-</u>	<u>47,260</u>
Operating expenses:			
Cost of food - reimbursable programs	200,518		200,518
Cost of food - non-reimbursable programs	14,928		14,928
Cost of sales - other	33,965		33,965
Salaries	174,887		174,887
Employee benefits	73,612		73,612
Cleaning, repair and maintenance services	15,252		15,252
Purchased services	33,951		33,951
Miscellaneous Expense	20,938		20,938
General supplies	26,752		26,752
Depreciation	2,031		2,031
Total Operating Expenses	<u>596,834</u>	<u>-</u>	<u>596,834</u>
Operating income (loss)	<u>(549,574)</u>	<u>-</u>	<u>(549,574)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	15,295		15,295
Federal sources:			
National school lunch program	620,697		620,697
Food distribution program	34,151		34,151
P-EBT Administrative Costs	1,242		1,242
Interest and investment revenue	289	5	294
Total non-operating revenues (expenses)	<u>671,674</u>	<u>5</u>	<u>671,679</u>
Income (loss) before contributions & transfers	<u>122,100</u>	<u>5</u>	<u>122,105</u>
Capital contributions	-		-
Transfers in (out)			
Change in net position	<u>122,100</u>	<u>5</u>	<u>122,105</u>
Total net position—beginning	<u>117,496</u>	<u>738</u>	<u>118,234</u>
Total net position—ending	<u>\$ 239,596</u>	<u>\$ 743</u>	<u>\$ 240,339</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2021

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 40,243	\$ 4,045	\$ 44,288
Payments to employees	(174,887)		(174,887)
Payments for employee benefits	(73,612)		(73,612)
Payments to suppliers	(338,184)		(338,184)
Net cash provided by (used for) operating activities	<u>(546,440)</u>	<u>4,045</u>	<u>(542,395)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	14,868		14,868
Federal sources	617,580		617,580
Net cash provided by (used for) non-capital financing activities	<u>632,448</u>	<u>-</u>	<u>632,448</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(6,550)		(6,550)
Net cash provided by (used for) capital and related financing activities	<u>(6,550)</u>	<u>-</u>	<u>(6,550)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	289	5	294
Net cash provided by (used for) investing activities	<u>289</u>	<u>5</u>	<u>294</u>
Net increase (decrease) in cash and cash equivalents	79,747	4,050	83,797
Balances—beginning of year	105,371	738	106,109
Balances—end of year	<u>\$ 185,118</u>	<u>\$ 4,788</u>	<u>\$ 189,906</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (549,574)	\$ -	\$ (549,574)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	2,031		2,031
(Increase) decrease in inventories	(1,036)		(1,036)
(Increase) decrease in accounts receivable	5		5
Increase (decrease) in accounts payable	9,156		9,156
Increase (decrease) in prepaid revenue	(7,022)	4,045	(2,977)
Total adjustments	<u>3,134</u>	<u>4,045</u>	<u>7,179</u>
Net cash provided by (used for) operating activities	<u>\$ (546,440)</u>	<u>\$ 4,045</u>	<u>\$ (542,395)</u>

LONG-TERM DEBT

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Long-Term Debt
Schedule of Bonds Payable
Year Ended June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
School District Bonds	September 13, 2011	\$ 11,195,000				\$ 545,000		\$ 545,000	\$ -
Refunding School Bonds	June 3, 2021	\$ 6,295,000	9/1/2022	600,000	4.000%				
			9/1/2023	500,000	4.000%				
			9/1/2024	525,000	4.000%				
			9/1/2025	565,000	4.000%				
			9/1/2026	590,000	4.000%				
			9/1/2027	615,000	4.000%				
			9/1/2028	645,000	4.000%				
			9/1/2029	685,000	4.000%				
			9/1/2030	710,000	4.000%				
			9/1/2031	745,000	4.000%				
						\$ 6,295,000		\$ 115,000	\$ 6,180,000
Grand Total						\$ 6,840,000	\$ -	\$ 660,000	\$ 6,180,000

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Financed Purchase Agreements
For the Fiscal Year Ended June 30, 2022

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Orig. Issue</u>	<u>Amount Outstanding July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2022</u>
Acquisition of Photocopiers		114,296	30,797		24,511	6,286
Acquisition of School Buses	2.34%	266,482	203,310		43,357	159,953
			<u>\$ 234,107</u>	<u>\$ -</u>	<u>\$ 67,868</u>	<u>\$ 166,239</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 880,651		\$ 880,651	\$ 880,651	\$ -
State Sources:					
Debt Service Aid Type II	42,496		42,496	42,496	-
Total - State Sources	42,496	-	42,496	42,496	-
Total Revenues	923,147	-	923,147	923,147	-
EXPENDITURES:					
Regular Debt Service:					
Interest	265,558		265,558	186,670	(78,888)
Redemption of Principal	660,000		660,000	660,000	-
Total expenditures	925,558	-	925,558	846,670	(78,888)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,411)	-	(2,411)	76,477	78,888
Other Financing Sources:					
Operating Transfers In:					
Transfer from Other Funds					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2,411)	-	(2,411)	76,477	78,888
Fund Balance, July 1	-	-	-	2,411	2,411
Fund Balance, June 30	\$ (2,411)	\$ -	\$ (2,411)	\$ 78,888	\$ 81,299

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

JSERIES

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	(827,219)	(550,659)	(904,942)	633,495	957,445	867,747	1,032,586	1,181,479	1,091,172	1,246,759
Restricted	3,833,114	2,670,181	3,156,626	1,751,762	1,200,975	2,528,034	3,268,789	4,148,719	5,364,708	6,751,369
Unrestricted	(222,190)	(254,934)	(9,018,577)	(9,348,256)	(9,971,734)	(10,568,007)	(10,244,417)	(9,637,108)	(8,069,862)	(6,974,584)
Total Governmental Activities Net Position	2,783,705	2,064,588	(6,766,893)	(6,962,999)	(7,813,314)	(7,172,226)	(5,943,042)	(4,306,910)	(1,613,982)	1,023,544
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	23,034	28,419	39,482	37,550	34,557	16,743	18,261	21,454	19,573	24,092
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	84,212	75,214	56,384	56,493	58,009	48,839	76,525	55,813	98,661	216,247
Total Business-type Activities Net Position	107,246	103,633	95,866	94,043	92,566	65,582	94,786	77,267	118,234	240,339
District-wide										
Invested in Capital Assets, Net of Related Debt	(804,185)	(322,240)	(865,460)	671,045	992,002	884,490	1,050,847	1,202,933	1,110,745	1,270,851
Restricted	3,833,114	2,670,181	3,156,626	1,751,762	1,200,975	2,528,034	3,268,789	4,148,719	5,364,708	6,751,369
Unrestricted	(137,978)	(179,720)	(8,962,193)	(9,291,763)	(9,913,725)	(10,519,168)	(10,167,892)	(9,581,295)	(7,971,201)	(6,758,337)
Total District Net Position	2,890,951	2,168,221	(6,671,027)	(6,868,956)	(7,720,748)	(7,106,644)	(5,848,256)	(4,229,643)	(1,495,748)	1,263,883

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
Instruction:										
Regular	7,396,607	7,608,013	8,337,825	8,419,710	8,776,228	8,090,656	7,637,259	7,657,024	6,856,881	7,095,631
Special Education	3,182,943	3,364,977	3,616,889	3,589,287	3,854,266	3,479,887	3,242,404	3,389,418	3,657,546	3,967,252
Other Special Instruction	283,203	237,416	261,340	252,965	275,246	330,719	263,789	281,274	190,301	559,384
Other Instruction	24,024	26,896	25,238	33,978	36,138	30,624	32,500	25,265	135,664	158,124
Support Services:										
Tuition	615,023	771,388	431,431	326,046	246,995	298,901	432,414	524,493	424,890	726,828
Student & Instruction Related Services	2,279,982	2,869,204	2,793,211	2,966,620	3,085,748	2,680,666	2,338,741	2,440,569	3,404,722	3,602,927
School Administrative Services	996,319	843,468	797,930	824,357	816,210	763,045	820,482	813,526	709,919	579,049
General Administrative Services	472,915	433,252	456,353	458,785	469,474	470,612	435,432	459,964	353,147	561,530
Central Services & Admin. Info. Technology	345,563	372,581	402,185	399,326	431,650	363,399	293,137	373,991	371,352	381,716
Plant Operations and Maintenance	1,826,745	2,054,148	2,040,536	1,953,042	2,176,871	1,857,247	1,915,146	1,834,860	1,816,210	1,853,831
Pupil Transportation	1,848,653	1,927,602	1,769,348	1,876,856	1,776,462	1,340,697	1,112,474	1,037,944	964,668	1,158,856
Unallocated Benefits	2,883,901	2,677,363	5,091,191	6,282,031	8,666,922	11,680,533	10,356,498	8,468,402	10,736,192	6,433,253
Capital outlay- non-depreciable	-	-	30,633	158,006	9,548	11,747	2,874	19,875	54,324	17,872
Interest on Long-term Debt	334,323	474,526	381,359	381,966	351,749	334,780	318,244	299,009	236,144	156,441
Unallocated Depreciation	29,701	977,285	809,875	685,192	820,199	846,659	825,745	866,142	811,426	798,302
Total Governmental Activities Expenses	22,519,902	24,638,119	27,245,344	28,608,167	31,793,706	32,580,172	30,027,139	28,491,756	30,723,386	28,070,996
Business-type Activities:										
Food Service	440,760	428,696	437,785	456,914	476,029	487,423	514,129	387,682	359,422	596,834
Safety Town	3,577	3,937	4,250	3,609	3,749	3,196	3,200	3,335	-	-
Summer Music	9,548	12,869	13,721	17,702	10,284	8,045	-	-	-	-
Total Business-type Activities Expenses	453,885	445,502	455,756	478,225	490,062	498,664	517,329	391,017	359,422	596,834
Total District Expenses	22,973,787	25,083,621	27,701,100	29,086,392	32,283,768	33,078,836	30,544,468	28,882,773	31,082,808	28,667,830
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	573,262	611,480	729,785
Total Governmental Activities Program Revenues	662,535	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	573,262	611,480	729,785

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Business-type Activities:										
Charges for Services:										
Food Service	336,165	316,517	320,988	354,964	372,654	394,711	433,607	287,920	5,640	47,260
Safety Town	3,445	4,385	4,355	3,365	2,800	3,150	5,257	490	-	-
Summer Music	10,200	12,145	16,540	14,337	10,779	3,450	-	-	-	-
Operating Grants and Contributions	110,976	108,220	106,084	103,610	101,788	100,932	115,380	83,578	394,611	671,385
Total Business-type Activities Program Revenues	460,786	441,267	447,967	476,276	488,021	502,243	554,244	371,988	400,251	718,645
Total District Program Revenues	1,123,321	1,198,166	1,771,114	1,823,604	1,897,296	1,249,228	1,128,304	947,250	1,011,731	1,448,430
Net (Expense)/Revenue										
Governmental Activities	(21,857,367)	(23,881,220)	(25,922,197)	(27,260,839)	(30,384,431)	(31,833,187)	(29,453,079)	(27,916,494)	(30,111,906)	(27,341,211)
Business-type Activities	6,901	(4,235)	(7,789)	(1,949)	(2,041)	3,579	36,915	(19,029)	40,829	121,811
Total District-wide Net Expense	(21,850,466)	(23,885,455)	(25,929,986)	(27,262,788)	(30,386,472)	(31,829,608)	(29,416,164)	(27,935,523)	(30,071,077)	(27,219,400)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	16,774,455	17,497,089	17,884,484	18,254,173	19,212,512	19,765,641	20,145,544	20,531,793	21,114,617	21,549,359
Unrestricted Federal and State Aid	4,892,662	4,661,948	6,424,029	7,557,395	9,083,125	11,295,853	9,011,275	7,695,251	10,351,444	6,823,774
Tuition Received	1,204,649	928,731	1,075,453	872,134	877,332	1,194,011	1,131,729	950,652	1,095,213	1,224,741
Interest on Investments	11,015	3,319	5,561	6,551	5,991	5,080	10,125	6,012	544	646
Miscellaneous Income	100,227	65,105	110,039	115,369	98,613	48,387	150,198	118,618	78,803	105,709
Transportation Fees	396,689	337,631	338,919	259,111	256,543	227,844	233,392	250,300	112,765	174,508
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	23,379,697	23,493,823	25,838,485	27,064,733	29,534,116	32,536,816	30,682,263	29,552,626	32,753,386	29,878,737
Business-type Activities:										
Interest on Investments	-	-	22	126	221	806	1,659	1,510	138	294
Miscellaneous Income	-	622	-	-	-	-	34	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	-	622	22	126	221	806	1,693	1,510	138	294
Total District-wide	23,379,697	23,494,445	25,838,507	27,064,859	29,534,337	32,537,622	30,683,956	29,554,136	32,753,524	29,879,031
Change in Net Position										
Governmental Activities	1,522,330	(387,397)	(83,712)	(196,106)	(850,315)	703,629	1,229,184	1,636,132	2,641,480	2,537,526
Business-type Activities	6,901	(3,613)	(7,767)	(1,823)	(1,820)	4,385	38,608	(17,519)	40,967	122,105
Total District	1,529,231	(391,010)	(91,479)	(197,929)	(852,135)	708,014	1,267,792	1,618,613	2,682,447	2,659,631

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Reserved	2,671,778	2,443,516	1,799,896	1,419,070	969,250	2,294,078	3,031,748	3,931,373	5,317,462	6,618,678
Unreserved	122,213	148,211	160,866	138,834	441,366	171,523	331,124	337,921	1,064,007	662,020
Total General fund	2,793,991	2,591,727	1,960,762	1,557,904	1,410,616	2,465,601	3,362,872	4,269,294	6,381,469	7,280,698
All Other Governmental Funds										
Reserved	1,161,336	226,665	1,356,730	332,692	231,725	233,956	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	25,449	34,417
Capital Projects Fund	-	-	-	-	-	-	230,326	210,451	19,386	19,386
Debt Service Fund	-	-	-	-	-	-	6,715	6,895	2,411	78,888
Total All Other Governmental Funds	1,161,336	226,665	1,356,730	332,692	231,725	233,956	237,041	217,346	47,246	132,691

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	16,774,455	17,497,089	17,884,484	18,254,173	19,212,512	19,765,641	20,145,544	20,531,793	21,114,617	21,549,359
Other Local Revenue	1,728,124	1,380,383	1,529,972	1,253,165	1,191,623	1,553,834	1,616,394	1,370,534	1,332,777	1,569,491
State Sources	5,163,178	4,928,476	5,208,369	5,677,403	6,206,829	6,034,358	6,518,640	6,490,374	7,176,636	8,292,839
Federal Sources	381,876	444,774	404,077	484,156	488,072	458,831	410,670	486,335	530,427	642,353
Total Revenues	24,047,633	24,250,722	25,026,902	25,668,897	27,099,036	27,812,664	28,691,248	28,879,036	30,154,457	32,054,042
Expenditures										
Instruction:										
Regular	7,435,734	7,608,013	8,337,825	8,419,710	8,776,228	8,090,656	7,637,259	7,657,024	6,856,881	7,095,631
Special	3,182,943	3,364,977	3,616,889	3,589,287	3,854,266	3,479,887	3,242,404	3,389,418	3,657,546	3,967,252
Other Special Instruction	283,203	237,416	261,340	252,965	275,246	330,719	263,789	281,274	190,301	559,384
Other Instruction	24,024	26,896	25,238	33,978	36,138	30,624	32,500	25,265	135,664	158,124
Support Services:										
Tuition	615,023	771,388	431,431	326,046	246,995	298,901	432,414	524,493	424,890	726,828
Student & inst. related services	2,279,982	2,869,204	2,793,211	2,966,620	3,085,748	2,680,666	2,338,741	2,440,569	3,404,722	3,602,927
General administration	434,990	433,252	456,353	438,785	469,474	470,612	435,432	459,964	353,147	561,530
School administrative services	996,319	843,468	797,950	824,357	816,210	763,045	820,482	813,526	709,919	579,049
Central services	345,563	332,888	334,223	330,748	357,345	270,836	221,137	301,991	294,852	291,433
Admin. information technology	37,925	39,693	67,962	68,578	74,305	92,563	72,000	76,500	90,283	90,283
Plant operations and maintenance	1,845,887	2,054,148	2,040,536	1,953,042	2,176,871	1,857,247	1,915,146	1,834,860	1,816,210	1,853,831
Pupil transportation	2,026,773	2,148,439	1,959,030	2,079,154	2,060,072	1,578,090	1,303,238	1,216,211	1,046,699	1,226,724
Employee benefits	2,898,226	2,693,093	2,922,803	3,224,591	3,990,468	5,877,015	7,949,238	7,812,815	8,316,880	9,428,536
Capital Outlay	9,280,393	1,253,130	487,543	1,261,282	310,087	133,152	207,693	508,124	63,412	81,166
Debt Service:										
Principal	80,000	525,000	535,000	1,023,311	560,000	575,000	595,000	615,000	630,000	660,000
Interest and Other Charges	568,138	400,056	386,488	388,595	356,519	340,731	324,419	306,257	286,207	186,670
Total Governmental Fund Expenditures	32,335,123	25,601,061	25,453,802	27,201,049	27,445,972	26,869,744	27,790,892	28,258,791	28,263,830	31,069,368
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,287,490)	(1,350,339)	(426,900)	(1,532,152)	(346,936)	942,920	900,356	620,245	1,890,627	984,674
Other Financing Sources (Uses)										
Operating Transfers In	77,011	84,711	817,922	199,414	389	2,231	4,484	2,411	191,065	
Operating Transfers Out	(82,413)	(84,711)	(817,922)	(199,414)	(389)	(2,231)	(4,484)	(2,411)	(191,065)	
Proceeds from Borrowing										
Capital Leases (non-budgeted)	409,668	213,404	926,000	105,256	98,681	114,296		266,482		
Total Other Financing Sources (Uses)	404,266	213,404	926,000	105,256	98,681	114,296		266,482		
Net Changes in Fund Balance	(7,883,224)	(1,136,935)	499,100	(1,426,896)	(248,255)	1,057,216	900,356	886,727	1,890,627	984,674
Debt Service as a percentage of noncapital expenditures	2.81%	3.80%	3.69%	5.44%	3.38%	3.43%	3.33%	3.32%	3.25%	2.73%

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.

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest		Transportation		Tuition	Rentals	Miscellaneous	Annual Totals
	Income	Income	Fees	Fees				
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		
2021	544	112,765	1,095,213	78,803	105,709	1,287,325		
2022	646	174,508	1,224,741			1,505,604		

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
2012	75,741,900	1,552,168,100	6,040,500	64,018,300	32,787,200	0	1,710,756,000	0	0	1,710,756,000	1,752,676,783	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	1,651,134,925	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	1,698,586,197	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	1,470,656,800	0	0	1,470,656,800	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
2020	54,543,400	1,306,855,100	3,988,700	69,423,800	20,492,300	0	1,455,303,300	0	0	1,455,303,300	1,755,069,103	1.451
2021	53,609,000	1,303,972,100	3,822,100	69,915,300	23,042,300	0	1,454,360,800	0	0	1,454,360,800	1,750,554,646	1.482

Source: Passaic County, Abstract of Rates 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 KINGWOOD SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

Fiscal Year Ended June 30,	Ringwood School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate		Lakeland Regional School District	Borough of Kingwood	County of Passaic		
			Direct School	Overlapping					
2012	0.981	-	0.981	0.525	0.632	0.643	0.643	2.781	
2013	1.161	0.037	1.198	0.566	0.748	0.767	0.767	3.279	
2014	1.178	0.046	1.224	0.631	0.753	0.789	0.789	3.397	
2015	1.194	0.048	1.242	0.668	0.757	0.849	0.849	3.516	
2016	1.256	0.048	1.304	0.707	0.769	0.837	0.837	3.617	
2017	1.299	0.045	1.344	0.713	0.779	0.819	0.819	3.655	
2018	1.315	0.059	1.374	0.733	0.801	0.832	0.832	3.740	
2019	1.345	0.060	1.405	0.763	0.818	0.820	0.820	3.806	
2020	1.404	0.047	1.451	0.772	0.829	0.816	0.816	3.868	
2021	1.444	0.038	1.482	0.786	0.849	0.795	0.795	3.912	

Source: Municipal Tax Collector

Note: NISA 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

	2021			2010		
	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	\$ 43,951,500	1	3.02%	\$ 59,146,200	1	3.44%
Ringwood Plaza, Ltd. Partnership	9,894,900	3	0.68%	12,456,000	2	0.73%
Serler, LLC	3,615,700	6	0.25%	5,375,100	5	0.32%
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%	3,535,900	6	0.21%
Ringwood Commons, LLC	2,852,900	9	0.20%	3,208,200	9	0.19%
Remy Associates				2,749,900	10	0.16%
Spring Lake Land, LLC	2,944,400	8	0.20%	3,045,100	9	0.18%
Tennessee Gas Transmission	12,452,400	2	0.86%			
Total	\$ 92,595,000		6.37%	\$ 104,433,200		6.10%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2021	21,114,617	21,114,617	100.00%	-
2022	21,549,359	21,549,359	100.00%	-

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

^a

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
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
2021	6,84 000	-	234,107	-	-	7,074,107	1.12%	581.90
2022	6,180,000	-	166,239	-	-	6,346,239	0.98%	548.60

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2021	6,840,000	-	6,840,000	0.47%	562.64
2022	6,180,000	-	6,180,000	0.42%	534.23

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, 2022
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Ringwood	\$ 7,246,396	100.000%	\$ 7,246,396
County of Passaic	304,916,104	3.922%	11,958,908
Other debt			-
Subtotal, overlapping debt			19,205,304
Borough of Ringwood School District Direct Debt:			
Authorized but Not Issued			-
Issued and Outstanding			6,180,000
Total direct and overlapping debt			\$ 25,385,304

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 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 51,930,187	\$ 50,323,199	\$ 49,267,423	\$ 48,984,003	\$ 49,035,171	\$ 49,362,780	\$ 50,093,150	\$ 51,371,231	\$ 49,305,021	\$ 50,414,996
Total net debt applicable to limit	<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>	<u>6,840,000</u>	<u>6,180,000</u>
Legal debt margin	<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>	<u>\$ 42,465,021</u>	<u>\$ 44,234,996</u>
Total net debt applicable to the limit as a percentage of debt limit	23.52%	23.23%	22.64%	21.65%	20.49%	19.18%	17.72%	16.08%	13.87%	12.26%

Average equalized valuation of taxable property	\$ 1,680,499,883
Debt limit (3 % of average equalization value)	50,414,996
Total Net Debt Applicable to Limit	<u>6,180,000</u>
Legal debt margin	<u>\$ 44,234,996</u>

Equalized valuation basis	2021	\$ 1,823,421,264
	2020	\$ 1,455,303,300
	2019	\$ 1,762,775,084
		<u>\$ 5,041,499,648</u>

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

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

Year	Population ^a	Personal Income (Thousands) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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%
2020	12,157	633,732,253	52,129	8.70%
2021	11,568	645,205,200	55,775	5.90%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development. Estimates as of July 1, 2011-20.

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

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

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

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

Employer	2021		2011		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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction:										
Regular	70	75	79	77	80	77	77	77	77	77
Special Education	24	25	30	29	29	29	28	30	31	32
Other Special Instruction	4	5	3	4	4	3	3	3	3	3
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	18	17	17	19	19	19	19	19	20	21
School Administrative Services	11	10	11	11	11	13	11	11	11	12
General Administrative Services	3	5	6	6	5	1	3	3	3	3
Central Services & Admin. Info. Technology	-	-	1	1	1	1	1	1	1	3
Plant Operations and Maintenance	13	14	15	14	11	3	3	3	3	3
Pupil Transportation	29	29	26	25	24	22	22	25	19	17
Business and Other Support Services	6	6	5	5	5	6	5	5	5	4
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	178	186	193	191	189	174	172	177	173	175

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2013	1,247	22,406,592	17,968	1.22%	119.00	10:01	12:01	1,199	1,199	-0.24%	95.46%
2014	1,227	23,422,875	19,090	4.54%	109.00	11:01	11:01	1,170	1,170	-2.39%	95.43%
2015	1,217	24,044,771	19,757	2.66%	113.00	11:01	10:01	1,179	1,179	0.49%	95.70%
2016	1,199	24,527,861	20,457	2.01%	108.00	11:01	11:01	1,153	1,153	-2.35%	95.84%
2017	1,216	26,219,366	21,562	6.90%	113.00	11:01	11:01	1,163	1,163	1.08%	95.64%
2018	1,170	25,820,861	22,069	-1.52%	109.00	11:01	11:01	1,128	1,128	-3.29%	95.92%
2019	1,156	26,663,780	23,066	3.26%	108.50	11:01	11:01	1,103	1,103	-1.79%	95.50%
2020	1,096	26,829,410	24,479	0.62%	110.50	10:01	11:01	1,073	1,073	-4.16%	96.93%
2021	1,048	27,284,211	26,035	1.70%	111.00	10:01	10:01	1,020	1,020	-4.79%	96.77%
2022	1,070	30,141,532	28,170	10.47%	112.00	10:01	10:01	1,038	1,038	3.70%	94.97%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
E.G. Hewitt School (1937)										
Square Feet	48,695	48,695	48,695	48,695	48,695	48,695	48,695	48,695	48,695	48,695
Capacity (students)	420	420	420	420	420	420	420	420	420	420
Enrollment	272	284	288	273	253	247	247	268	268	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	234	247	248	249	229	229	229	220	220	220
Peter Cooper School (1963)										
Square Feet	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,645	40,645
Capacity (students)	291	291	291	291	291	291	291	291	291	291
Enrollment	290	263	260	253	263	260	260	254	254	254
<u>Middle School</u>										
Martin J. Ryerson (1970)										
Square Feet	78,306	78,306	78,306	78,306	78,306	78,306	78,306	78,306	87,300	87,300
Capacity (students)	483	483	483	483	483	483	483	483	483	483
Enrollment	451	432	421	424	436	434	434	414	414	414
<u>Other</u>										
Administration Building										
Square Feet	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,420	26,420	26,420
Transportation Office and Garage										
Square Feet	492	492	492	492	492	492	492	492	492	492
Number of Schools at June 30, 2022										
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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Martin J. Ryerson Middle School	N/A	164,965	165,720	165,214	172,550	151,294	205,834	163,118	216,579	185,108	176,945
E.G. Hewitt Intermediate School	N/A	76,561	76,742	83,368	44,171	91,734	114,789	107,193	120,798	102,726	10,051
Robert Erskine Elementary School	N/A	89,311	0,002	120,772	89,375	82,772	74,742	97,872	78,672	103,156	11,659
Peter Cooper Elementary School	N/A	99,637	100,596	92,602	105,630	100,999	95,832	97,872	100,846	130,955	90,900
Total School Facilities		430,474	433,060	461,956	451,726	426,799	491,197	466,055	516,895	521,945	449,555

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy (1)		
Property	\$ 65,311,895	\$ 5,000
Crime Coverage		
Faithful Performance	\$ 500,000	\$ 1,000
Money & Securities	\$ 50,000	\$ 1,000
Money Orders/Counterfeit Forgery & Alteration	\$ 50,000	\$ 1,000
Comprehensive General Liability	\$ 16,000,000	N/A
School Leaders Errors & Omissions	\$ 16,000,000	\$ 5,000
Business Auto Coverage	\$ 16,000,000	\$ -
Environmental Impairment (2)	\$ 1,000,000	\$ 50,000
Boiler and Machinery (1)	\$ 100,000,000	\$ 25,000
Restart (Demolition & Rebuild)	\$ 5,000,000	N/A
Crisis Management	\$ 1,000,000	Various
Excess Liability (3)	\$ 30,000,000	
Workers' Compensation (1)	Statutory	
Cyber Liability Insurance (4)	\$ 2,000,000	\$ 5,000
Surety Bonds		
Treasurer of School Monies (1)	\$ 250,000	N/A
Board Secretary (1)	\$ 50,000	N/A
Student Accident Insurance (5)	Various	
Catastrophic Aggregate Limit	\$ 75,000,000	Full Excess
Flood Policies: (6)		
Office Building	\$ 91,000	
Contents	\$ 45,400	
Garage and Storage Building	\$ 205,400	
Contents	\$ 123,200	

- (1) New Jersey Schools Insurance Group
(2) Ironshore Specialty Group
(3) NJUEP
(4) Great American Insurance Company
(5) US Fire Insurance Company
(6) American Bankers

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2023.

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 Cuva, C.P.A.
Licensed Public School Accountant
No. 766

Wielkutz & Company, LLC

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

February 28, 2023



WIELKOTZ & COMPANY^{CPA}
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PALL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-7900
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

K-2
Page 1 of 4

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and 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 *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ringwood School District’s major federal and state programs for the year ended June 30, 2022. The Borough of Ringwood Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of Ringwood Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of Ringwood Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of Ringwood Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Ringwood Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Ringwood Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Ringwood Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Borough of Ringwood Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Ringwood Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Honorable President and
Members of the Board of Education

K-2
Page 4 of 4

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

Paul J. Cuva

Paul Cuva, C.P.A.
Licensed Public School Accountant
No. 766

Wielkutz & Company, LLC

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

February 28, 2023

BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grant/Pass-Through Grant/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, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	MEMO: Cumulative Expenditures
U.S. Department of Health & Human Services														
General Fund:														
Medical Assistance Program (SEMD)	93.778	2005N5MAP	N/A	9,983	7/1/2021 6/30/2022	(1,019)		8,964	(9,983)		(1,019)			9,983
Medical Assistance Program (SEMD)	93.778	2005N5MAP	N/A	6,874	7/1/2020 6/30/2021	(1,019)		1,019						6,874
Total General Fund						(1,019)		9,983	(9,983)		(1,019)			16,857
U.S. Department of Education														
Pass-Through State Department of Education														
Special Revenue Fund:														
Title I	84.010	S010A210030	NCLB440021	123,528	7/1/2021 9/30/2022	(43,500)	(43,500)	126,091	(91,960)		(9,369)			91,960
Title I, Part A	84.010	S010A200030	NCLB440020	120,051	7/1/2020 9/30/2021	(43,500)	43,500							188,101
Title II, Part A	84.367A	S367A210029	NCLB440021	30,783	7/1/2021 9/30/2022	(14,400)	(14,400)	32,400	(28,800)		(10,800)			3,600
Title II, Part A	84.367A	S367A200029	NCLB440020	31,637	7/1/2020 9/30/2021	(14,400)	14,400							18
IDEA Part B, Basic Regular	84.027A	H027A210100	IDEA440021	271,852	7/1/2021 9/30/2022	(195,138)	(195,138)	384,995	(213,269)		(23,432)			2,912,69
IDEA Part B, Basic Regular	84.027A	H027A201000	IDEA440020	296,411	7/1/2020 9/30/2021	(195,138)	195,138							2,641,1
IDEA - American Rescue Plan	84.027X	H027X210100	N/A	46,041	7/1/2021 9/30/2022	(6,474)	(6,474)	16,802	(21,198)		(3,448)			13,576
IDEA Part B, Preschool	84.173A	HI73A200114	IDEA440021	14,526	7/1/2020 9/30/2021	(6,474)	6,474							3,150
IDEA Part B, Preschool	84.173A	HI73A200114	IDEA440020	13,597	7/1/2020 9/30/2021	(6,474)	6,474							3,150
IDEA Preschool - American Rescue Plan	84.173X	HI73X210114	N/A	3,528	7/1/2021 9/30/2022				(1,650)		(1,650)			3,991
ARP - ESSER	84.423U	S425U210027	N/A	1,037,260	3/13/2020 9/30/2024			104,391	(75,991)		(75,991)			75,926
CRBSA - ESSER II	84.425D	S425D210027	N/A	436,704	3/13/2020 9/30/2023			16,285	(185,926)		(81,335)			18,1885
CARES Emergency Relief Act	84.425D	S425D200027	N/A	94,046	3/13/2020 9/30/2022	(16,285)								7
Total Special Revenue Fund						(275,817)		680,964	(632,370)		(227,223)			1,164,079
U.S. Department of Agriculture														
Pass-Through State Department of Education														
Enterprise Fund:														
Food Distribution Program	10.569	N/A	N/A	33,905	7/1/2021 6/30/2022			33,905	(33,557)			348		33,557
Food Distribution Program	10.569	N/A	N/A	30,772	7/1/2020 6/30/2021	594			(594)					30,772
School Breakfast Program	10.553	211N304N1099	N/A	109,554	7/1/2020 6/30/2021	(3,472)		3,472						109,554
National School Lunch Program	10.555	211N304N1099	N/A	620,697	7/1/2021 6/30/2022	(23,642)		580,997	(620,697)		(40,100)			608,791
National School Lunch Program	10.555	211N304N1099	N/A	245,180	7/1/2020 6/30/2021	(23,642)		23,642						245,180
P-EBT Administrative	10.649	2022225900941	N/A	1,242	7/1/2021 6/30/2022			1,242	(1,242)					1,242
Total Enterprise Fund						(26,520)		642,838	(656,090)		(40,100)	348		1,025,096
Total Federal Financial Awards						(303,356)		1,333,805	(1,298,443)		(268,342)	348		2,210,032

See accompanying Notes to the Schedules of Awards and Financial Assistance.

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2022

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021		Caryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO Cumulative Total Expenditures
				Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	
State Department of Education												
General Fund:												
Equitation Aid	22-495-034-5120-078	\$ 440,777	7/1/2021				396,699	(440,777)	*			(44,078)
Transportation Aid	22-495-034-5120-014	573,133	7/1/2021	6/30/2022			515,819	(573,133)	*			(57,314)
Special Education Categorical Aid	22-495-034-5120-089	983,693	7/1/2021	6/30/2022			888,334	(983,693)	*			(98,369)
Security Aid	22-495-034-5120-084	98,326	7/1/2021	6/30/2022			88,674	(98,326)	*			(9,652)
Extraordinary Aid	22-495-034-5120-044	552,325	7/1/2021	6/30/2022				(552,325)	*			
Extraordinary Aid	21-495-034-5120-044	474,929	7/1/2020	6/30/2021			474,929	(14,790)	*			474,929
Non-Public Transportation Aid	22-495-034-5120-014	14,790	7/1/2021	6/30/2022				(14,790)	*			14,790
Non-Public Transportation Aid	21-495-034-5120-014	12,760	7/1/2020	6/30/2021			12,760		*			12,760
School Security Grant	22-388-034-5120-001	62,155	7/1/2020	6/30/2022			62,155		*			62,155
On-Behalf TPAF Pension	22-495-034-5094-002	3,802,274	7/1/2021	6/30/2022			3,802,274	(3,802,274)	*			3,802,274
On-Behalf TPAF NCGI Premium	22-495-034-5094-002	53,645	7/1/2021	6/30/2022			53,645	(53,645)	*			53,645
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	900,899	7/1/2021	6/30/2022			900,899	(900,899)	*			900,899
On-Behalf TPAF Long-Term Disability	22-495-034-5094-004	1,511	7/1/2021	6/30/2022			1,511	(1,511)	*			1,511
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	801,190	7/1/2021	6/30/2022			761,554	(801,190)	*			801,190
Total General Fund							7,956,243	(8,222,763)		(606,751)		(209,613)
Debt Service Fund:												
Debt Service Aid	22-495-034-5120-075	42,496	7/1/2021	6/30/2022			42,496	(42,496)	*			42,496
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	22-100-010-5350-023	15,295	7/1/2021	6/30/2022			14,372	(15,295)	*	(923)		15,295
State School Lunch Program	21-100-010-5350-023	9,403	7/1/2020	6/30/2021			495		*			9,403
Total Enterprise Fund							14,867	(15,295)		(923)		24,698
TOTAL STATE FINANCIAL ASSISTANCE							\$ 8,013,606	(8,280,554)		(607,674)		\$ (209,613)
Less: On-Behalf TPAF Pension and Annuity Aid:												
On-Behalf TPAF - Post Retirement Medical							900,899	(900,899)	*			765,342
On-Behalf TPAF - Pension Contributions							3,802,274	(3,802,274)	*			2,026,692
On-Behalf TPAF - Long-Term Disability Contributions							1,511	(1,511)	*			1,622
On-Behalf TPAF - Non-contributory insurance							53,645	(53,645)	*			36,326
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION							\$ 3,255,277	(3,322,225)		(607,674)		\$ (209,613)

See accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance.

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 \$27,580 for the general fund and \$(12) 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	\$9,983	\$8,250,343	\$8,260,326
Special Revenue Fund	632,370		632,370
Debt Service Fund		42,496	42,496
Food Service Fund	<u>656,090</u>	<u>15,295</u>	<u>671,385</u>
Total Financial Awards	<u>\$1,298,443</u>	<u>\$8,308,134</u>	<u>\$9,606,577</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, 2022. 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, 2022.

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>	\$91,960
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>28,800</u>
Total	<u>\$120,760</u>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

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

Federal Awards

Internal Control over major programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553/10.555</u>	(B) <u>211NJ304N1099</u>	<u>Child Nutrition Cluster</u>

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

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

Auditee qualified as low-risk auditee? _____ yes X no

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078/083/089/084/085/068/094/097/098/096/510/101/102/114 (A)

State Aid - Public

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

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings

NONE

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

NONE

FEDERAL AWARDS

None

STATE AWARDS

None

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Status of Prior Year Findings

No matters were reported.