

**SCHOOL DISTRICT OF THE
BOROUGH OF RINGWOOD
COUNTY OF PASSAIC, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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

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Not Applicable

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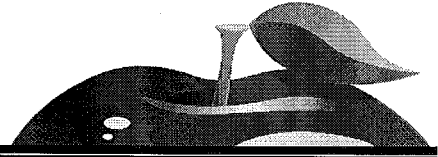
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INTRODUCTORY SECTION

RINGWOOD PUBLIC SCHOOLS

121 CARLETONDALE ROAD

RINGWOOD, NJ 07456



Eulalia Gillis, Interim School Business Administrator/Board Secretary
businessoffice@njrps.org

Phone: 973-962-7500

January 3, 2024

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

Dear Board Member:

The annual comprehensive financial report of the Ringwood Public Schools for the fiscal year ended June 30, 2023 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 annual comprehensive 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 1,050 students, which is a decrease under 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>
2022-2023	1,050	(4.9%)
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%)

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 2022 unemployment rate of 3.3% is below the Passaic County average of 4.6%. 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 classroom sets until a 1:1 is achieved for teachers and students district-wide. These devices are used to enhance instruction and applications and services require subscriptions and maintenance.
- 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 software and its use will continue in the future.
- 3) The district will plan on enhancing its data management regarding making our MTSS process more efficient. Our grades K-3 student growth stories will be replaced by Linkit! software and be expanded to include grades 4-8. Additionally, we will replace our current digital benchmarking with the Linkit! benchmarking solution in ELA, Math, and Science.
- 4) Balanced literacy has been given a careful look in grades K-3. From Phonics to Reading will be employed to "rebalance" K-3 reading instruction. This effort will be evaluated using the New Jersey Tiered System of Supports in Early Reading (NJTSS-ER) grant and the DIBLES assessment.
- 6) In October of 2019, the Math Task Force was announced. There are 15 members of the Math Task Force, each dedicated to the exploration of possible replacement of the math series over the next four years. Grade K-8 Math teachers will be provided professional development on standards based teaching at Conquer Math 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, Connected Math was deployed at the middle school in grades 6 & 7. In AY2022-2023 grade 8 Connected Math and Algebra was deployed. The specialized professional development for these programs will continue through AY2024-2025.

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

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

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the

annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reserves of fund balance at June 30, 2023.

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, 2023**, the Ringwood Board of Education had outstanding qualifying Debt Service, in the amount of **\$5,580,000**.

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

9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard, pollution, flood, and fire insurance on property and contents, and fidelity bonds. The district continues to closely monitor insurance premiums and works collaboratively with carriers to reduce exposure in workers' compensation claims. 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 require careful budgeting and planning.

Respectfully submitted,

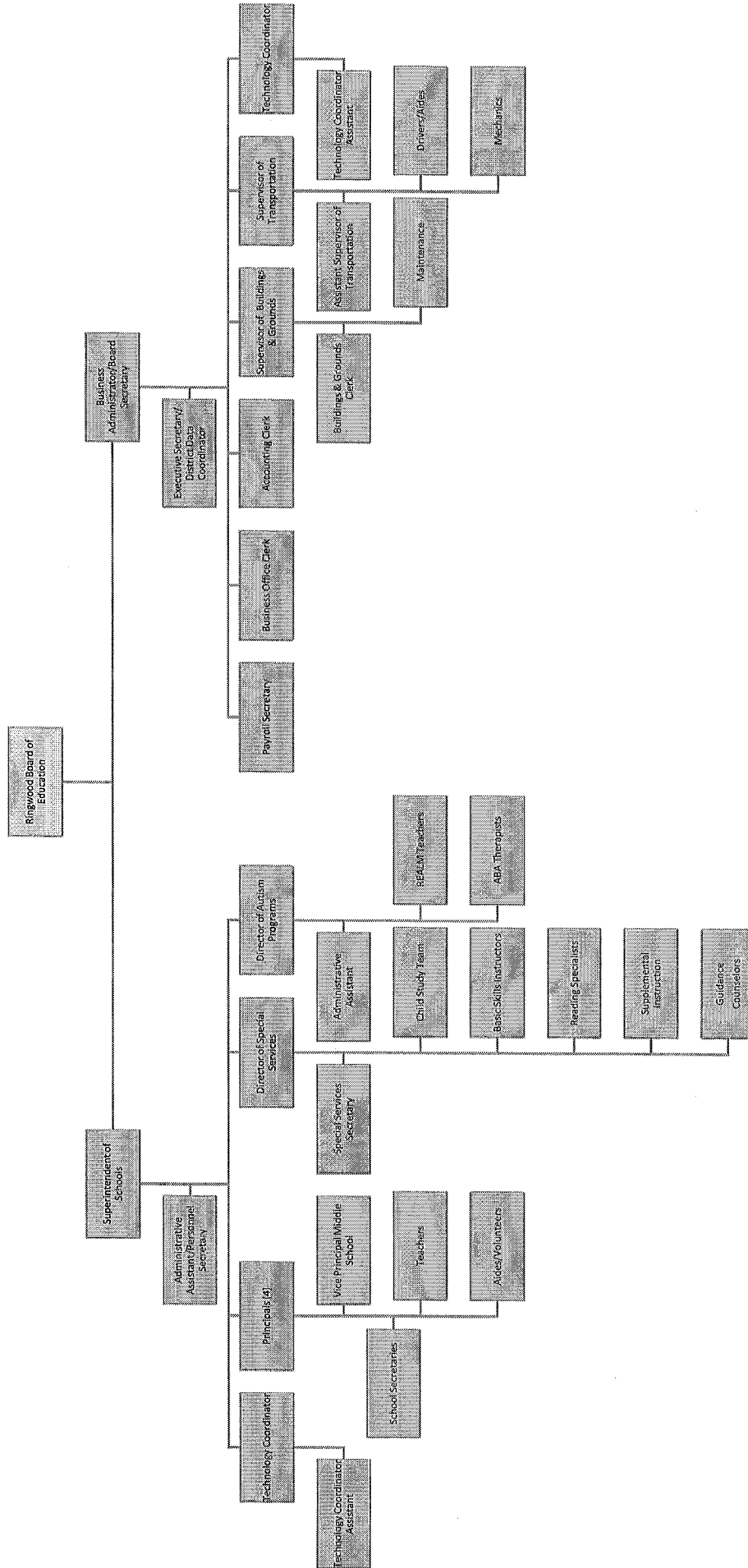


Dr. Nicholas Bernice
Superintendent of Schools



Eulalia Gillis
Interim Business Administrator

Ringwood Board of Education Organizational Chart



RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

ROSTER OF OFFICIALS

June 30, 2023

Members of the Board of Education	Date of Office
Donna Allen, Trustee	1/4/2021 – 12/31/2023
Melissa Zepponi-Kearney, Trustee	1/3/2023 – 12/31/2025
Andrew Burgoyne, Trustee	1/4/2021 – 12/31/2023
Dawn Savastano, Trustee	1/23/2023 – 12/31/2025
Patrick Diamond, Trustee	1/4/2021- 12/31/2024
Ross Dominianni, President	7/7/2019- 12/31/2024
Theresa Struck, Trustee	1/3/2023 – 12/31/2025
Christopher Defilippis, Trustee	1/24/2022-12/31/2024
Paul Rubacky, Trustee	1/22/2018-12/31/2023

Other Officials

Dr. Nicholas Bernice, Superintendent

Ana Pfalzgraf, Interim School Business Administrator/Board Secretary

RINGWOOD BOARD OF EDUCATION

121 Carletondale Road
Ringwood, New Jersey 07456

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

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
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
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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, 2023, 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, 2023, 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.



Honorable President and
Members of the Board of Education
Page 3.

- 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
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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 January 3, 2024 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

Wielkottz & Company, LLC

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

January 3, 2024



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

RINGWOOD BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023.

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 \$2,469,345, net position of governmental activities increased \$2,341,796 while net position of business-type activity increased by \$127,549.
- General revenues accounted for \$29,590,335 in revenue or 96 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,108,001 or 4 percent of total revenues of \$30,698,336.
- Total assets of governmental activities increased by \$1,045,817 as cash and cash equivalents increased by \$355,973, receivables increased by \$614,160, and capital assets decreased by \$75,684.
- The School District had \$28,895,623 in expenses; only \$1,769,619 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$29,595,349 were adequate to provide for these programs.

RINGWOOD BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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, 2023
(CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (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, 2023
(CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (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 \$3,733,228 at June 30, 2023. Of this amount \$(5,241,446) 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 2023 and 2022.

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 1

Net Position
June 30, 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	8,466,344	7,496,211	264,381	260,477	8,730,725	7,756,688
Capital Assets	<u>8,295,955</u>	<u>8,220,271</u>	<u>156,813</u>	<u>24,092</u>	<u>8,452,768</u>	<u>8,244,363</u>
Total Assets	<u>16,762,299</u>	<u>15,716,482</u>	<u>421,194</u>	<u>284,569</u>	<u>17,183,493</u>	<u>16,001,051</u>
Deferred Outflows of Resources	<u>682,761</u>	<u>547,525</u>	_____	_____	<u>682,761</u>	<u>547,525</u>
Total Deferred Outflows of Resources	<u>682,761</u>	<u>547,525</u>	_____	_____	<u>682,761</u>	<u>547,525</u>
Current Liabilities	964,354	519,798	53,306	44,230	1,017,660	564,028
Non-Current Liabilities	<u>11,330,613</u>	<u>10,903,670</u>	_____	_____	<u>11,330,613</u>	<u>10,903,670</u>
Total Liabilities	<u>12,294,967</u>	<u>11,423,468</u>	<u>53,306</u>	<u>44,230</u>	<u>12,348,273</u>	<u>11,467,698</u>
Deferred Inflows of Resources	<u>1,784,753</u>	<u>3,816,995</u>	_____	_____	<u>1,784,753</u>	<u>3,816,995</u>
Total Deferred Inflows of Resources	<u>1,784,753</u>	<u>3,816,995</u>	_____	_____	<u>1,784,753</u>	<u>3,816,995</u>
Net Position						
Invested in Capital Assets						
Net of Debt	1,627,243	1,246,759	156,813	24,092	1,784,056	1,270,851
Restricted	7,190,618	6,751,369			7,190,618	6,751,369
Unrestricted	<u>(5,452,521)</u>	<u>(6,974,584)</u>	<u>211,075</u>	<u>216,247</u>	<u>(5,241,446)</u>	<u>(6,758,337)</u>
Total Net Position	<u>3,365,340</u>	<u>1,023,544</u>	<u>367,888</u>	<u>240,339</u>	<u>3,733,228</u>	<u>1,263,883</u>

RINGWOOD BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 2 below show the changes in net position for the fiscal year 2023 and 2022.

Table 2

Changes in Net Position
Year Ended June 30, 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales			470,641	47,260	470,641	47,260
Operating Grants & Contributions	1,108,001	729,785	190,977	671,385	1,298,978	1,401,170
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	22,176,516	21,549,359			22,176,516	21,549,359
Federal & State Aid Not Restricted	5,548,570	6,823,774			5,548,570	6,823,774
Miscellaneous Income	<u>1,865,249</u>	<u>1,505,604</u>	<u>5,014</u>	<u>294</u>	<u>1,870,263</u>	<u>1,505,898</u>
Total Revenues	<u>30,698,336</u>	<u>30,608,522</u>	<u>666,632</u>	<u>718,939</u>	<u>31,364,968</u>	<u>31,327,461</u>

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	7,794,911	7,095,631			7,794,911	7,095,631
Special Education	3,947,749	3,967,252			3,947,749	3,967,252
Other Special Instruction	358,126	559,384			358,126	559,384
Other Instruction	137,569	158,124			137,569	158,124
Support Services:						
Tuition, Student and Instruction Related Services	4,078,515	4,329,755			4,078,515	4,329,755
School Administrative Services	689,799	579,049			689,799	579,049
General Administrative Services	527,649	561,530			527,649	561,530
Central Service	247,578	291,433			247,578	291,433
Admin. Info. Tech.	87,150	90,283			87,150	90,283
Plant Operations and Maintenance	2,097,827	1,853,831			2,097,827	1,853,831
Pupil Transportation	1,451,647	1,158,856			1,451,647	1,158,856
Unallocated Benefits	5,524,854	6,453,253			5,524,854	6,453,253
Capital Outlay - Non- Depreciable		17,872			0	17,872
Unallocated Depreciation	1,248,759	798,302			1,248,759	798,302
Interest on Long-Term Debt	164,407	156,441			164,407	156,441
Enterprise Fund			<u>539,083</u>	<u>596,834</u>	<u>539,083</u>	<u>596,834</u>
Total Expenses and Transfers	<u>28,356,540</u>	<u>28,070,996</u>	<u>539,083</u>	<u>596,834</u>	<u>28,895,623</u>	<u>28,667,830</u>
Increase or (Decrease) in Net Position	<u>2,341,796</u>	<u>2,537,526</u>	<u>127,549</u>	<u>122,105</u>	<u>2,469,345</u>	<u>2,659,631</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$28,895,623.

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 \$127,549 (gain).
- Charges for services represent \$470,641 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 \$190,977.

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, 2023
(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 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2023</u>	<u>Net Cost of Services 2022</u>
Instruction	12,238,355	11,780,391	11,443,964	11,277,570
Support Services:				
Pupils and Instructional Staff	4,078,515	4,329,755	3,804,722	4,145,287
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,650,003	3,376,126	3,650,003	3,376,126
Pupil Transportation	1,451,647	1,158,856	1,451,647	1,158,856
Other	<u>6,938,020</u>	<u>7,425,868</u>	<u>6,898,203</u>	<u>7,383,372</u>
Total Expenses	<u>28,356,540</u>	<u>28,070,996</u>	<u>27,248,539</u>	<u>27,341,211</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, 2023
(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 \$495,464, 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 \$19,344 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, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$24,285,495 invested in sites, buildings, and equipment. Of this amount \$15,832,727 in depreciation has been taken over the years. We currently have a net book value of \$8,452,768. Total additions for the year were \$1,472,768, 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 2023 balances compared to 2022.

Table 3

**Capital Assets at June 30, 2023
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land, Buildings and Improvements	7,512,267	7,503,721			7,512,267	7,503,721
Furniture, Equipment and Vehicles	<u>783,688</u>	<u>716,550</u>	<u>156,813</u>	<u>24,092</u>	<u>940,501</u>	<u>740,642</u>
Total Net Assets	<u>8,295,955</u>	<u>8,220,271</u>	<u>156,813</u>	<u>24,092</u>	<u>8,452,768</u>	<u>8,244,363</u>

Debt Administration

At June 30, 2023, the District had \$11,330,613 in outstanding debt. Of this amount, \$289,238 is for compensated absences, \$524,166 is for financed purchase obligations, \$5,580,000 is serial bonds payable, \$4,271,738 is the District's net pension liability, and \$665,471 is unamortized bond premiums.

Table 4

Outstanding Serial Bonds at June 30, 2023

	<u>2023</u>	<u>2022</u>
Refunding School Bonds - Series 2021	<u>5,580,000</u>	<u>6,180,000</u>
	<u>5,580,000</u>	<u>6,180,000</u>

RINGWOOD BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 2023-2024 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:

Ms. Eulalia Gillis
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, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 5,776,429	\$ 253,006	\$ 6,029,435
Receivables, net	1,571,909	7,437	1,579,346
Internal balances	984	(984)	-
Inventory		4,922	4,922
Restricted assets:			
Cash and cash equivalents	1,117,022		1,117,022
Capital assets; net			
Land/Construction in Process	329,940		329,940
Other Capital Assets, Net	7,966,015	156,813	8,122,828
Total Assets	<u>16,762,299</u>	<u>421,194</u>	<u>17,183,493</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding of Debt	100,925		100,925
Deferred Outflows of Resources Related to PERS	581,836		581,836
Total Deferred Outflows of Resources	<u>682,761</u>	<u>-</u>	<u>682,761</u>
LIABILITIES			
Accounts payable and accrued liabilities	435,987	40,586	476,573
Payroll deductions and withholdings	38,367		38,367
Other liability - Unemployment compensation			-
Payable to state government			-
Advanced revenue	490,000	12,720	502,720
Noncurrent liabilities:			
Due within one year	703,725		703,725
Due beyond one year	10,626,888		10,626,888
Total liabilities	<u>12,294,967</u>	<u>53,306</u>	<u>12,348,273</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	<u>1,784,753</u>		<u>1,784,753</u>
NET POSITION			
Invested in capital assets, net of related debt	1,627,243	156,813	1,784,056
Restricted for:			
Capital projects	843,635		843,635
Debt service	78,888		78,888
Student Activities	37,229		37,229
Other purposes	6,230,866		6,230,866
Unrestricted	(5,452,521)	211,075	(5,241,446)
Total net position	<u>\$ 3,365,340</u>	<u>\$ 367,888</u>	<u>\$ 3,733,228</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, 2023

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	\$ 7,794,911		\$ 794,391		\$ (7,000,520)		\$ (7,000,520)
Special education	\$ 3,947,749				(3,947,749)		(3,947,749)
Other special instruction	\$ 358,126				(358,126)		(358,126)
Other instruction	\$ 137,569				(137,569)		(137,569)
Support services:							
Tuition	\$ 542,170				(542,170)		(542,170)
Student & instruction related services	\$ 3,536,345		273,793		(3,262,552)		(3,262,552)
School administrative services	\$ 689,799				(689,799)		(689,799)
General and business administrative services	\$ 527,649				(527,649)		(527,649)
Central Services	\$ 247,578				(247,578)		(247,578)
Admin. Info. Tech.	\$ 87,150				(87,150)		(87,150)
Plant operations and maintenance	\$ 2,097,827				(2,097,827)		(2,097,827)
Pupil transportation	\$ 1,451,647				(1,451,647)		(1,451,647)
Unallocated Benefits	\$ 5,524,854				(5,524,854)		(5,524,854)
Interest on long-term debt	\$ 164,407		39,817		(124,590)		(124,590)
Unallocated depreciation	\$ 1,248,759				(1,248,759)		(1,248,759)
Total governmental activities	28,356,540	-	1,108,001	-	(27,248,539)		(27,248,539)
Business-type activities:							
Food Service	\$ 535,404			190,977	121,586		121,586
Safety Town	\$ 3,679			4,628	949		949
Total business-type activities	539,083			190,977	122,535		122,535
Total primary government	\$28,895,623	\$0	\$ 470,641	\$ 1,298,978	\$ (27,248,539)	\$ 122,535	\$ (27,126,004)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					21,381,133		21,381,133
Property taxes, levied for debt service					795,383		795,383
Federal and State aid not restricted					5,548,570		5,548,570
Miscellaneous Income					1,865,249	5,014	1,870,263
Total general revenues, special items, extraordinary items and transfers					29,590,335	5,014	29,595,349
Change in Net Position					2,341,796	127,549	2,469,345
Net Position—beginning					1,023,544	240,339	1,263,883
Net Position—ending					\$ 3,365,340	\$ 367,888	\$ 3,733,228

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,087,006	\$ (408,851)	\$ 29,510	\$ 68,764	\$ 5,776,429
Due from other funds	2,222			10,124	12,346
Receivables from other governments	554,991	898,544			1,453,535
Receivables - Other	118,067	307			118,374
Restricted cash and cash equivalents	1,079,793	37,229			1,117,022
Total assets	<u>\$ 7,842,079</u>	<u>\$ 527,229</u>	<u>\$ 29,510</u>	<u>\$ 78,888</u>	<u>\$ 8,477,706</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable					-
Due to other funds	1,238		10,124		11,362
Advanced revenue		490,000			490,000
Payable to state government					-
Payroll deductions and withholdings payable	38,367				38,367
Unemployment Compensation claims payable					-
Total liabilities	<u>39,605</u>	<u>490,000</u>	<u>10,124</u>	<u>-</u>	<u>539,729</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	2,171,475				2,171,475
Excess surplus - prior year - designated for subsequent year's expenditures	2,828,555				2,828,555
Capital reserve	824,249				824,249
Maintenance reserve	255,544				255,544
Debt service				78,888	78,888
Capital projects			19,386		19,386
Student Activities		37,229			37,229
Assigned to:					
Other purposes	975,292				975,292
Designated for subsequent year's expenditures					-
Unassigned:					
General fund	747,359				747,359
Total Fund balances	<u>7,802,474</u>	<u>37,229</u>	<u>19,386</u>	<u>78,888</u>	<u>7,937,977</u>
Total liabilities and fund balances	<u>\$ 7,842,079</u>	<u>\$ 527,229</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 \$23,842,973 and the accumulated depreciation is \$15,547,018.	8,295,955
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.	(75,020)
Accounts payable for subsequent pension payment is not a payable in the funds.	(360,967)
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	581,836
Deferred Inflows of Resources related to PERS pension liability	(1,784,753)
Unamortized portion of loss on refunding	100,925
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(11,330,613)</u>
Net position of governmental activities	<u>\$ 3,365,340</u>

See accompanying Notes to the Financial Statements.

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 21,381,133			\$ 795,383	\$ 22,176,516
Miscellaneous	1,865,249	55,737			1,920,986
Total - Local Sources	23,246,382	55,737	-	795,383	24,097,502
State sources	8,244,314			39,817	8,284,131
Federal sources	19,717	1,225,797			1,245,514
Total revenues	31,510,413	1,281,534	-	835,200	33,627,147
EXPENDITURES					
Current:					
Regular instruction	\$ 7,000,520	\$ 794,391			\$ 7,794,911
Special education instruction	3,947,749				3,947,749
Other special instruction	358,126				358,126
Other instruction	137,569				137,569
Support services and undistributed costs:					
Tuition	542,170				542,170
Student & instruction related services	3,262,552	273,793			3,536,345
School administrative services	689,799				689,799
Other administrative services	527,649				527,649
Central Services	247,578				247,578
Admin. Info. Tech.	87,150				87,150
Plant operations and maintenance	2,097,827				2,097,827
Pupil transportation	1,518,331				1,518,331
Personal Services - employee benefits	9,882,323				9,882,323
Debt Service:					
Principal				600,000	600,000
Interest and other charges				235,200	235,200
Capital outlay	1,113,905	210,538			1,324,443
Total expenditures	31,413,248	1,278,722	-	835,200	33,527,170
Excess (Deficiency) of revenues over expenditures	97,165	2,812	-	-	99,977
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	424,611				424,611
Total other financing sources and uses	424,611	-	-	-	424,611
Net change in fund balances	521,776	2,812	-	-	524,588
Fund balance—July 1	7,280,698	34,417	19,386	78,888	7,413,389
Fund balance—June 30	\$ 7,802,474	\$ 37,229	\$ 19,386	\$ 78,888	\$ 7,937,977

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, 2023

Total net change in fund balances - governmental funds (from B-2)		\$	524,588
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
	Depreciation expense	\$ (1,248,759)	
	Depreciable capital outlays	<u>1,324,443</u>	75,684
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		600,000
	Capital lease principal		66,684
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
	Capital lease proceeds		(424,611)
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.			
			8,066
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		19,187
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	356,950	
	Add: Pension Benefit	<u>1,052,521</u>	
	Decrease in Pension Expense		1,409,471
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		(2,635,133)
	Decrease in On-behalf TPAF Pension Expense		2,635,133
Per GASB No. 75 Non-employer contributing entities are required to record a decrease in revenue and expense for On-behalf other post-retirement health benefits paid by the State of New Jersey on the Statement of Activities that are less than those amounts reported in the fund financial statements			
	Decrease in On-behalf Other Post-Employment Health Benefits		(293,678)
	Decrease in On-behalf Other Post-Employment Health Benefits Expense		293,678
Change in net position of governmental activities		\$	<u>2,341,796</u>

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, 2023

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 248,645	\$ 4,361	\$ 253,006
Accounts receivable:			
State	216		216
Federal	4,684		4,684
Other	2,537		2,537
Interfund receivable	1,238		1,238
Inventories	4,922		4,922
Total current assets	262,242	4,361	266,603
Noncurrent assets:			
Furniture, machinery & equipment	442,522		442,522
Less accumulated depreciation	(285,709)		(285,709)
Total noncurrent assets	156,813	-	156,813
Total assets	419,055	4,361	423,416
LIABILITIES			
Current liabilities:			
Accounts payable	40,586		40,586
Interfund payables	2,222		2,222
Prepaid Revenue	10,095	2,625	12,720
Total current liabilities	52,903	2,625	55,528
Total liabilities	52,903	2,625	55,528
NET POSITION			
Net Investment in capital assets	156,813	-	156,813
Unrestricted	209,339	1,736	211,075
Total net position	\$ 366,152	\$ 1,736	\$ 367,888

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, 2023

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Safety Town	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 135,669		\$ 135,669
Daily sales - non - reimbursable programs	278,019		278,019
Miscellaneous	52,325	4,628	56,953
Total operating revenues	<u>466,013</u>	<u>4,628</u>	<u>470,641</u>
Operating expenses:			
Cost of food - reimbursable programs	133,406		133,406
Cost of food - non-reimbursable programs	57,492		57,492
Cost of sales - other	39,055		39,055
Salaries	147,618	2,877	150,495
Employee benefits	80,378		80,378
Cleaning, repair and maintenance services	10,413		10,413
Purchased services	29,867		29,867
Miscellaneous Expense	3,031		3,031
General supplies	18,540	802	19,342
Depreciation	6,896		6,896
Total Operating Expenses	<u>526,696</u>	<u>3,679</u>	<u>530,375</u>
Operating income (loss)	<u>(60,683)</u>	<u>949</u>	<u>(59,734)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,751		5,751
Federal sources:			
National school lunch program	145,604		145,604
Food distribution program	38,969		38,969
P-EBT Administrative	653		653
Interest and investment revenue	4,970	44	5,014
Loss on disposal of equipment	(8,708)		(8,708)
Total non-operating revenues (expenses)	<u>187,239</u>	<u>44</u>	<u>187,283</u>
Income (loss) before contributions & transfers	126,556	993	127,549
Capital contributions	-	-	-
Transfers in (out)			
Change in net position	<u>126,556</u>	<u>993</u>	<u>127,549</u>
Total net position—beginning	<u>239,596</u>	<u>743</u>	<u>240,339</u>
Total net position—ending	<u>\$ 366,152</u>	<u>\$ 1,736</u>	<u>\$ 367,888</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, 2023

	Business-type Activities - Enterprise Funds		
	Food Service	Safety Town	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 464,592	\$ 3,208	\$ 467,800
Payments to employees	(147,618)	(2,877)	(150,495)
Payments for employee benefits	(80,378)		(80,378)
Payments to suppliers	(282,339)	(802)	(283,141)
Net cash provided by (used for) operating activities	<u>(45,743)</u>	<u>(471)</u>	<u>(46,214)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,805		5,805
Federal sources	246,820		246,820
Net cash provided by (used for) non-capital financing activities	<u>252,625</u>	<u>-</u>	<u>252,625</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(148,325)		(148,325)
Net cash provided by (used for) capital and related financing activities	<u>(148,325)</u>	<u>-</u>	<u>(148,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	4,970	44	5,014
Net cash provided by (used for) investing activities	<u>4,970</u>	<u>44</u>	<u>5,014</u>
Net increase (decrease) in cash and cash equivalents	63,527	(427)	63,100
Balances—beginning of year	185,118	4,788	189,906
Balances—end of year	<u>\$ 248,645</u>	<u>\$ 4,361</u>	<u>\$ 253,006</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (60,683)	\$ 949	\$ (59,734)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	6,896		6,896
(Increase) decrease in inventories	85		85
(Increase) decrease in accounts receivable	(2,537)		(2,537)
Increase (decrease) in accounts payable	9,380		9,380
Increase (decrease) in prepaid revenue	1,116	(1,420)	(304)
Total adjustments	<u>14,940</u>	<u>(1,420)</u>	<u>13,520</u>
Net cash provided by (used for) operating activities	<u>\$ (45,743)</u>	<u>\$ (471)</u>	<u>\$ (46,214)</u>

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, 2023**

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. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

B. Basis of Presentation:

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements:

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

GOVERNMENTAL FUNDS, (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

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, 2023**

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.

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, 2023**

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

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.

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.

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, 2023**

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

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.

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.

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.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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.

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.

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. 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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

Unearned Revenue

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

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

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.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Accounting and Financial Reporting for Pensions

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

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

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

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Accounting and Financial Reporting for Pensions, (continued)

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

Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualifies for reporting in this category, deferred amounts related to pension and loss on refunding of debt.

In addition to liabilities, the statement of net 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.

Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

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.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Fund Balances (continued)

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position 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. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

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.

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.

Allocation of Indirect Expenses

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Allocation of Indirect Expenses (continued)

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.

Use of Estimates

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

New Accounting Standards

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2023, \$-0- of the District's bank balance of \$7,888,350 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Concentration of Credit Risk, (continued)

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, 2023, the District had \$-0- on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES

Receivables at June 30, 2023, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$553,972	\$216	\$554,188
Federal Aid	899,563	4,684	904,247
Other Receivables	118,374	2,537	120,911
Interfunds	<u>12,346</u>	<u>1,238</u>	<u>12,346</u>
Gross Receivables	1,584,255	8,675	1,579,346
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,584,255</u>	<u>\$8,675</u>	<u>\$1,579,346</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, 2023, the District had the following inventory in the enterprise fund:

Food	\$2,833
Supplies	<u>2,089</u>
	<u>\$4,922</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, 2023**

NOTE 5. INTERFUND BALANCES AND ACTIVITY

As of June 30, 2023, the District had the following interfund balances:

2,222	Due to the General Fund from the Enterprise Fund for reimbursement of expenditures.
10,124	Due to the Debt Service Fund from the Capital Projects Fund for interest earned.
1,238	Due to the Enterprise Fund from the General Fund for Federal and State lunch reimbursements.

Interfund transfer for the year ended June 30, 2023 consisted of the following:

\$110,121	From the General Fund to the Enterprise Fund for Federal and State Lunch Subsidy.
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NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	<u>\$329,940</u>	<u>\$</u>	<u>\$</u>	<u>\$329,940</u>
Total Capital Assets, Not Being Depreciated	<u>329,940</u>	<u></u>	<u></u>	<u>329,940</u>
Capital Assets Being Depreciated				
Buildings and Improvements	17,722,759	621,319		18,344,078
Furniture, Equipment and Vehicles	<u>4,849,523</u>	<u>703,124</u>	<u>(383,692)</u>	<u>5,168,955</u>
Total Capital Assets, Being Depreciated	<u>22,572,282</u>	<u>1,324,443</u>	<u>(383,692)</u>	<u>23,513,033</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(10,548,978)	(612,773)		(11,161,751)
Furniture, Equipment and Vehicles	<u>(4,132,973)</u>	<u>(514,023)</u>	<u>261,729</u>	<u>(4,385,267)</u>
Total Accumulated Depreciation	<u>(14,681,951)</u>	<u>(1,126,796)</u>	<u>261,729</u>	<u>(15,547,018)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,890,331</u>	<u>197,647</u>	<u>(121,963)</u>	<u>7,966,015</u>
Governmental Activities Capital Assets, Net	<u>\$8,220,271</u>	<u>\$197,647</u>	<u>(\$121,963)</u>	<u>\$8,295,955</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, 2023**

NOTE 6. CAPITAL ASSETS, (continued)

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
Business-Type Activity				
Furniture and Equipment	\$324,128	\$148,325	(\$29,931)	\$442,522
Totals	<u>324,128</u>	<u>148,325</u>	<u>(29,931)</u>	<u>442,522</u>
Less Accumulated Depreciation				
Furniture and Equipment	300,036	6,896	(21,223)	285,709
Total Accumulated Depreciation	<u>300,036</u>	<u>6,896</u>	<u>(21,223)</u>	<u>285,709</u>
Business-Type Activity Capital Assets,	<u>\$24,092</u>	<u>\$141,429</u>	<u>(\$8,708)</u>	<u>\$156,813</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, 2023 were as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable	\$6,180,000	\$	\$600,000	\$5,580,000	\$500,000
Capital Leases Payable	166,239	424,611	66,684	524,166	129,784
Compensated Absences Payable	308,425	7,120	26,307	289,238	
Unamortized Bond Premium	739,412		73,941	665,471	73,941
Net Pension Liability PERS	3,509,594	762,144		4,271,738	
	<u>\$10,903,670</u>	<u>\$1,193,875</u>	<u>\$766,932</u>	<u>\$11,330,613</u>	<u>\$703,725</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, 2023**

NOTE 7. LONG-TERM OBLIGATIONS, (continued)

A. Bonds Payable: (continued)

Outstanding bonds payable at June 30, 2023 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, 2022</u>
Refunding School Bonds Series 2021	06/03/21	4.00%	09/01/31	5,580,000
				<u>\$5,580,000</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>
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	615,000	123,700	738,700
2029-2032	<u>2,785,000</u>	<u>229,300</u>	<u>3,014,300</u>
	<u>\$5,580,000</u>	<u>\$1,077,600</u>	<u>\$6,657,600</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, 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, 2023.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	129,784	20,890	150,674
2025	134,714	15,960	150,674
2026	115,916	10,825	126,741
2027	70,213	6,812	77,025
2028	<u>73,539</u>	<u>3,486</u>	<u>77,025</u>
Total Minimum Lease Payments	<u>\$524,166</u>	<u>\$57,973</u>	<u>\$582,139</u>

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2023**

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, 2023**

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>
<u>Ending</u>		
6/30/23	\$356,950	\$61,636
6/30/22	346,950	61,581
6/30/21	339,499	52,608

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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>
6/30/23	\$3,864,033	\$1,029,155	\$53,609	\$1,616
6/30/22	3,802,274	900,899	53,645	1,511
6/30/21	2,561,225	817,920	48,731	1,475

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 \$780,783 during the year ended June 30, 2023 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, 2023, the District had a liability of \$4,271,738 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was .0283058213 percent, which was a decrease of .0013197609 percent from its proportion measured as of June 30, 2021.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS, (continued)

For the year ended June 30, 2023, the District recognized pension benefit of \$1,052,521. At June 30, 2023, 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	\$30,831	\$27,189
Changes of assumptions	13,235	639,648
Net difference between projected and actual earnings on pension plan investments	176,803	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,117,916
District contributions subsequent to the measurement date	<u>360,967</u>	<u> </u>
Total	<u>\$581,836</u>	<u>\$1,784,753</u>

The \$360,967 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$(366,426)
2024	(186,682)
2025	(91,041)
2026	198,617
2027	(436)

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 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
District's Proportion	.0283058213%	.0296255822%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	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	\$5,534,409	\$4,271,738	\$3,264,120

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, 2023**

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, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>47,654,234</u> <u>\$47,654,234</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. 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, 2022, the proportion of the TPAF net pension liability associated with the District was .0923631626%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,282,509 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	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, 2023**

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

State Health Benefit State Retired Employees Plan, (continued)

pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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 GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

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**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>51,851,178</u>
	<u>\$51,851,178</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 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, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP). "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$735,477 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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 Annual Comprehensive Financial Report.

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$307	\$58,789	\$85,005	\$-0-
2021-2022		72,595	72,595	25,909
2020-2021		70,543	70,543	25,909

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. RISK MANAGEMENT, (continued)

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, 2023**

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 LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,543,063
Deposits:	
Interest Earned on Capital Reserve Funds	<u>3,186</u>
Withdrawals	<u>722,000</u>
Ending balance, June 30, 2023	<u><u>\$824,249</u></u>

NOTE 13. 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, 2022	\$254,470
Deposits:	
Interest Earnings	<u>1,074</u>
Ending balance, June 30, 2023	<u><u>\$255,544</u></u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$7,802,474 General Fund fund balance at June 30, 2023, \$975,292 is reserved for encumbrances; \$5,000,030 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,828,555 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$824,249 has been reserved in the Capital Reserve Account; \$255,544 has been reserved in the Maintenance Reserve Account; and \$747,359 is unreserved and undesignated.

**Borough of Ringwood School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 15. 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, 2023 is \$5,000,030. Of this amount, \$2,171,475 is a result of the current year's operations and \$2,828,555 is the result of prior year operations.

NOTE 16. CONTINGENT LIABILITIES

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

Litigation - The 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 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 3, 2024, 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, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 21,381,133	\$ -	\$ 21,381,133	\$ 21,381,133	\$ -
Tuition	885,582	-	885,582	1,370,589	485,007
Transportation Fees	135,000	-	135,000	171,287	36,287
Interest Earned on Maintenance Reserve	200	-	200	1,074	874
Interest Earned on Capital Reserve Funds	500	-	500	3,186	2,686
Miscellaneous	91,860	-	91,860	319,113	227,253
Total - Local Sources	22,494,275	-	22,494,275	23,246,382	752,107
State Sources:					
Equalization Aid	225,983	-	225,983	225,983	-
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	-
Stabilization Aid	-	-	-	97,495	97,495
Extraordinary Aid	182,000	-	182,000	495,464	313,464
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	19,344	19,344
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,864,033	3,864,033
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	53,609	53,609
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	1,029,155	1,029,155
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,616	1,616
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	780,783	780,783
Total State Sources	2,063,335	-	2,063,335	8,222,834	6,159,499
Federal Sources:					
Medical Assistance Program	26,737	-	26,737	19,717	(7,020)
Total Federal Sources	26,737	-	26,737	19,717	(7,020)
Total Revenues	24,584,347	-	24,584,347	31,488,933	6,904,586

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 473,960	1,150	\$ 475,110	\$ 475,110	\$ -
Grades 1-5 - Salaries of Teachers	3,252,870	231,102	3,483,972	3,478,256	5,716
Grades 6-8 - Salaries of Teachers	2,094,380	259,202	2,353,582	2,342,932	10,650
Regular Programs - Home Instruction:					
Salaries of Teachers	13,000	(6,257)	6,743	6,743	-
Purchased Professional-Educational Services	2,000	9,731	11,731	11,731	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	130,699	146,730	277,429	269,314	8,115
Purchased Technical Services	106,948	(53,324)	51,624	51,624	-
Other Purchased Services (400-500 series)	171,900	(63,996)	107,904	102,905	4,999
General Supplies	294,936	(10,080)	284,856	258,331	26,525
Textbooks	12,512	(6,312)	6,200	3,574	2,626
Other Objects					
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,553,205	505,946	7,059,151	7,000,520	58,631
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	170,425	107,782	278,207	268,594	9,613
General Supplies	2,000	1,800	3,800	687	3,113
Total Learning and/or Language Disabilities	172,425	109,582	282,007	269,281	12,726
Multiple Disabilities:					
Salaries of Teachers	56,300	5,000	61,300	61,300	-
General Supplies	1,800	600	2,400	1,199	1,201
Total Multiple Disabilities	58,100	5,600	63,700	62,499	1,201
Resource Room/Resource Center:					
Salaries of Teachers	1,897,320	(135,911)	1,761,409	1,746,912	14,497
General Supplies	12,300	-	12,300	6,780	5,520
Total Resource Room/Resource Center	1,909,620	(135,911)	1,773,709	1,753,692	20,017

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Autism:					
Salaries of Teachers	616,572	127,317	743,889	669,763	74,126
Other Salaries for Instruction	899,408	172,957	1,072,365	998,137	74,228
Purchased Professional-Educational Services	77,981	72,482	150,463	103,040	47,423
Travel - All Other	5,651	-	5,651	2,925	2,726
General Supplies	13,325	(800)	12,525	7,709	4,816
Other Objects	1,600	1,720	3,320	1,345	1,975
Total Autism	1,614,537	373,676	1,988,213	1,782,919	205,294
Preschool Disabilities - Part-Time:					
Salaries of Teachers	81,894	-	81,894	78,432	3,462
General Supplies	450	-	450	346	104
Total Preschool Disabilities - Part-Time	82,344	-	82,344	78,778	3,566
Preschool Disabilities - Full-Time:					
Salaries of Teachers	163,059	(163,059)	-	-	-
Other Salaries for Instruction	319,769	(319,769)	-	-	-
Purchased Professional-Educational Services	19,469	(16,969)	2,500	580	1,920
Other Purchased Services (400-500 series)	1,229	(1,229)	-	-	-
General Supplies	2,372	(2,372)	-	-	-
Other Objects	400	(400)	-	-	-
Total Preschool Disabilities - Full-Time	506,298	(503,798)	2,500	580	1,920
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,343,324	(150,851)	4,192,473	3,947,749	244,724
Basic Skills/Remedial - Instruction					
Salaries of Teachers	419,936	(50,099)	369,837	303,171	66,666
General Supplies	1,887	1,684	3,571	2,470	1,101
Total Basic Skills/Remedial - Instruction	421,823	(48,415)	373,408	305,641	67,767
Bilingual Education - Instruction:					
Salaries of Teachers	44,210	1	44,211	44,210	1
General Supplies	450	(1)	449	216	233
Total Bilingual Education - Instruction	44,660	-	44,660	44,426	234
School-Spon. Curricular Actvts. - Inst.					
Salaries	138,110	16,750	154,860	126,469	28,391
Other Objects	30,000	(7,550)	22,450	11,100	11,350
Total School-Spon. Curricular Actvts. - Inst.	168,110	9,200	177,310	137,569	39,741
Summer School - Instruction					
Purchased Professional and Technical Services	150,000	7,550	157,550	8,059	149,491
Total Summer School - Instruction	150,000	7,550	157,550	8,059	149,491
TOTAL INSTRUCTION	11,681,122	323,430	12,004,552	11,443,964	560,588

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	28,480	5,415	33,895	33,895	-
Tuition to Other LEAs Within the State - Special	86,329	(30,636)	55,693	325	55,368
Tuition to CSSD & Regional Day Schools	137,400	100,000	237,400	197,354	40,046
Tuition to Private Schools for the Disabled - Within State	385,244	(44,651)	340,593	310,596	29,997
Tuition to Private Schools for the Disabled - Outside State					
Total Undistributed Expenditures - Instruction:	637,453	30,128	667,581	542,170	125,411
Undistributed Expend. - Attend. & Social Work					
Salaries	16,428	221	16,649	16,649	-
Total Undistributed Expend. - Attend. & Social Work	16,428	221	16,649	16,649	-
Undist. Expend. - Health Services					
Salaries	354,112	(999)	353,113	348,561	4,552
Purchased Professional and Technical Services	16,724	(2,300)	14,424	7,045	7,379
Supplies and Materials	4,550	1,000	5,550	4,671	879
Other Objects	2,600	(424)	2,176	936	1,240
Total Undistributed Expenditures - Health Services	377,986	(2,723)	375,263	361,213	14,050
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	396,932	6,793	403,725	398,045	5,680
Purchased Professional - Educational Services	86,526	77,591	163,917	96,124	67,793
Supplies and Materials	6,010	-	6,010	4,642	1,368
Total Undist. Expend. - Speech, OT, PT & Related Serv.	489,468	84,184	573,652	498,811	74,841
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Salaries	1,007,997	(49,257)	958,740	724,716	234,024
Total Undist. Expend. - Other Support Serv. Students - Extr. Serv.	1,007,997	(49,257)	958,740	724,716	234,024
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	368,928	(16,103)	352,825	342,318	10,507
Salaries of Secretarial and Clerical Assistants	214,316	1,657	215,973	215,973	-
Purchased Professional - Educational Services	21,200	-	21,200	1,760	19,440
Supplies and Materials	600	51	651	351	300
Other Objects	265	-	265	265	-
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	605,309	(14,395)	590,914	560,402	30,512
Undist. Expend. Child Study Teams					
Salaries of Other Professional Staff	664,058	21,446	685,504	645,757	39,747
Salaries of Secretarial and Clerical Assistants	66,316	22,354	88,670	79,872	8,798
Purchased Professional - Educational Services	110,100	(4,563)	105,537	65,221	40,316
Other Purchased Services (400-500 series)	6,750	(748)	6,002	412	5,590
Supplies and Materials	6,600	16	6,616	6,039	577
Other Objects	8,500	935	9,435	8,040	1,395
Total Undist. Expend. - Other Supp. Serv. Students - Spec.	862,324	39,440	901,764	805,341	96,423

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	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	108,342	-	108,342	108,342	-
Other Salaries	5,000	-	5,000	5,000	-
Purchased Professional - Educational Services	4,100	-	4,100	4,095	5
Total Undist. Expend. Imp. Of Instructional Services	117,442	-	117,442	117,437	5
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	130,395	260	130,655	130,655	-
Supplies and Materials	11,226	16,625	27,851	26,009	1,842
Total Undist. Expend. - Edu. Media Serv./Sch. Library	141,621	16,885	158,506	156,664	1,842
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	10,600	-	10,600	3,445	7,155
Other Purchased Services (400-500 series)	105,360	(86,162)	19,198	17,874	1,324
Total Undist. Expend. - Instructional Staff Training Serv.	115,960	(86,162)	29,798	21,319	8,479
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	270,482	49,613	320,095	320,075	20
Legal Services	35,000	47,382	82,382	72,940	9,442
Audit Fees	29,750	(2,224)	27,526	27,526	-
Architectural/Engineering Services	5,800	(985)	4,815	4,815	-
Other Purchased Professional Services	11,960	24,500	36,460	30,296	6,164
Communications/Telephone	34,290	(128)	34,162	21,974	12,188
Travel - All Other		5,263	5,263	5,263	-
BOE Other Purchased Services	6,800	(6,300)	500	461	39
Misc. Purchased Services (400-500 series)	30,285	(840)	29,445	26,682	2,763
General Supplies	1,500	2,033	3,533	3,091	442
Judgments Against the School District	10,000	(10,000)			
Miscellaneous Expenditures	6,500	2,000	8,500	8,345	155
BOE Membership Dues and Fees	11,400	(146)	11,254	10,996	258
Total Undist. Expend. - Supp. Serv. - General Admin.	453,767	110,168	563,935	527,649	36,286
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	541,170	40,993	582,163	582,161	2
Salaries of Secretarial and Clerical Assistants	97,620	(2,359)	95,261	95,217	44
Travel - All Other	5,600	(1,885)	3,715	3,715	-
Supplies and Materials	9,590	(2,991)	6,599	5,756	843
Other Objects	10,340	(2,765)	7,575	6,665	910
Total Undist. Expend. - Support Serv. - School Admin.	664,320	30,993	695,313	689,799	5,514

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	246,860	(18,077)	228,783	228,783	-
Purchased Professional Services	10,000	4,224	14,224	14,224	-
Purchased Technical Services	500	(265)	235	235	-
Supplies and Materials	2,500	(84)	2,416	2,416	-
Miscellaneous Expenditures	2,200	(280)	1,920	1,920	-
Total Undistributed Expenditures - Central Services	262,060	(14,482)	247,578	247,578	-
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	86,850	500	87,350	87,150	200
Total Undistributed Expenditures - Admin. Info. Tech.	86,850	500	87,350	87,150	200
Undist. Expend. - Required Maintenance for School Facilities					
Salaries	234,850	4,203	239,053	234,485	4,568
Cleaning, Repair, and Maintenance Services	193,870	139,646	333,516	160,263	173,253
Lead Testing of Drinking Water	48,000	(31,843)	16,157	15,769	388
General Supplies	59,850	(678)	59,172	49,703	9,469
Other Objects	300	-	300	236	64
Total Undist. Expend. - Required Maintenance for School Facilities	536,870	111,328	648,198	460,456	187,742
Undist. Expend. - Custodial Services					
Salaries	9,632	86	9,718	9,718	-
Purchased Professional and Technical Services	830,595	28,298	858,893	857,302	1,591
Cleaning, Repair and Maintenance Services	25,160	(5,831)	19,329	10,832	8,497
Rental of Land and Buildings	18,000	(18,000)	-	-	-
Insurance	203,270	14,128	217,398	217,398	-
Miscellaneous Purchased Services	10,650	-	10,650	9,544	1,106
General Supplies	66,000	(1,618)	64,382	59,691	4,691
Energy (Natural Gas)	143,600	35,735	179,335	176,064	3,271
Energy (Electricity)	211,700	(13,796)	197,904	194,970	2,934
Energy (Oil)	19,000	-	19,000	6,908	12,092
Energy (Gasoline)	44,000	17,787	61,787	61,787	-
Other Objects	1,000	1,000	2,000	1,015	985
Total Undist. Expend. - Custodial Services	1,582,607	57,789	1,640,396	1,605,229	35,167
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	13,200	(13,200)	-	-	-
Total Undist. Expend. - Care & Upkeep of Grounds	13,200	(13,200)	-	-	-
Security:					
Purchased Professional and Technical Services	13,000	20,000	33,000	32,142	858
Total Security	13,000	20,000	33,000	32,142	858
Total Undist. Expend. - Oper. & Maint. Of Plant	2,145,677	175,917	2,321,594	2,097,827	223,767

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	55,303	(13,565)	41,738	41,738	-
Sal. For Pup. Trans. (Bet. Home and School) - Regular	768,180	(38,718)	729,462	729,462	-
Sal. For Pup. Trans. (Bet. Home and School) - Special	85,700	(7,403)	78,297	78,297	-
Sal. For Pup. Trans. (Other than Bet. Home and School)	7,800	1,989	9,789	9,789	-
Cleaning, Repair and Maintenance Services	41,200	(4,002)	37,198	37,198	-
Lease Purchase Payments - School Buses	96,000	(48,134)	47,866	47,866	-
Contract Services - Aid in Lieu Payments - Non Public	55,000	7,912	62,912	62,912	-
Contract Services - (Between Home and School) - Vendors	386,100	(20,244)	365,856	365,856	-
Misc. Purchased Serv. - Transportation	51,390	(19,177)	32,213	32,213	-
General Supplies	86,938	(18,937)	68,001	64,620	3,381
Transportation Supplies	42,000	742	42,742	42,742	-
Other Objects	8,128	(2,490)	5,638	5,638	-
Total Undist. Expend. - Student Transportation Serv.	1,683,739	(162,027)	1,521,712	1,518,331	3,381
UNALLOCATED BENEFITS					
Social Security Contributions	350,000	85,173	435,173	435,173	-
Other Retirement Contributions - PERS	401,737	-	401,737	379,316	22,421
Other Retirement Contributions - Regular	64,000	(2,364)	61,636	61,636	-
Unemployment Compensation	50,000	(35,258)	14,742	13,467	1,275
Workmen's Compensation	187,770	(28,760)	159,010	156,789	2,221
Health Benefits	3,253,878	(309,151)	2,944,727	2,944,727	-
Tuition Reimbursement	63,000	(6,000)	57,000	47,198	9,802
Other Employee Benefits	125,000	(10,179)	114,821	114,821	-
Unused Sick Payment to Terminated/Retired Staff	47,093	(17,000)	30,093	30,093	-
TOTAL UNALLOCATED BENEFITS	4,542,478	(323,539)	4,218,939	4,153,127	65,812

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-behalf TPAF Pension (non-budgeted)	-	-	-	3,864,033	(3,864,033)
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	53,609	(53,609)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	1,029,155	(1,029,155)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	1,616	(1,616)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	780,783	(780,783)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	5,729,196	(5,729,196)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,542,478	(323,539)	4,218,939	9,882,323	(5,663,384)
TOTAL UNDISTRIBUTED EXPENDITURES	14,210,879	(164,149)	14,046,730	18,855,379	(4,808,649)
TOTAL GENERAL CURRENT EXPENSE	25,892,001	159,281	26,051,282	30,299,343	(4,248,061)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Instruction	6,170	6,170	6,170	6,170	-
Undistributed Expenditures - Administrative Information Technology	201,617	201,617	201,617	193,124	8,493
Undistributed Expenditures - Req. Maintenance for School Fac.	64,382	64,382	64,382	64,382	-
Undistributed Expenditures - Care and Upkeep of Grounds	20,000	20,000	20,000	19,698	302
Total Equipment	292,169	292,169	292,169	283,374	8,795
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	111,278	45,503	156,781	156,624	157
Construction Services	1,190,000	(40,579)	1,149,421	249,296	900,125
Total Facilities Acquisition and Construction Services	1,301,278	4,924	1,306,202	405,920	900,282
Interest Deposit to Capital Reserve	-	-	-	-	-
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Undistributed Expenditures:					
General Administration	-	-	-	88,683	(88,683)
Student Transportation	-	-	-	335,928	(335,928)
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	424,611	(424,611)
TOTAL CAPITAL OUTLAY	1,301,278	297,093	1,598,371	1,113,905	484,466
TOTAL EXPENDITURES	27,193,279	456,374	27,649,653	31,413,248	(3,763,595)

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,608,932)	(456,374)	(3,065,306)	75,685	3,140,991
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)	-	-	-	424,611	424,611
Total Other Financing Sources (Uses):	-	-	-	424,611	424,611
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,608,932)	(456,374)	(3,065,306)	500,296	3,565,602
Fund Balance, July 1	7,490,311		7,490,311	7,490,311	-
Fund Balance, June 30	\$ 4,881,379	\$ (456,374)	\$ 4,425,005	\$ 7,990,607	\$ 3,565,602
Adjustment for prior year encumbrances		(79,049)	(79,049)	(79,049)	-
Increase in Capital Reserve - Interest	500		500	3,186	2,686
Increase in Maintenance Reserve - Interest	200		200	1,074	874
Budgeted withdrawal from Capital Reserve	(722,000)		(722,000)	(722,000)	-
Budgeted withdrawal from Unemployment Reserve	(1,887,652)	(25,909)	(25,909)	(25,909)	-
Budgeted Fund Balance	(2,608,932)	(351,416)	(2,239,048)	1,322,994	3,562,042
Total	(2,608,932)	(456,374)	(3,065,306)	500,296	3,565,602
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				524,249	
Capital Reserve - Designated for Subsequent Year's Expenditures				300,000	
Maintenance Reserve				255,544	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,828,555	
Excess Surplus - Current Year				2,171,475	
Committed Fund Balance:				975,292	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				935,492	
Unassigned Fund Balance				7,990,607	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(188,133)	
Fund Balance per Governmental Funds (GAAP)				\$ 7,802,474	

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 58,308	\$ -	\$ 58,308	\$ 61,120	\$ 2,812
Federal Sources	122,580	122,580	1,816,727	1,675,931	(140,796)
Total Revenues	1,694,147	180,888	1,875,035	1,737,051	(137,984)
EXPENDITURES:					
Instruction					
Salaries of Teachers	86,117	(11,964)	74,153	74,153	-
Purchased Professional and Technical Services	128,116	164,831	292,947	266,747	26,200
Purchased Professional Educational Services	338,458	66,850	66,850	26,850	40,000
Tuition	195,848	-	338,458	338,458	-
General Supplies	-	(95,289)	100,559	93,566	6,993
Other Objects	-	-	-	-	-
Total Instruction	748,539	124,428	872,967	799,774	73,193
Support Services					
Other Salaries	45,000	-	45,000	31,924	13,076
Personal Services - Employee Benefits	60,978	(5,384)	55,594	25,505	30,089
Purchased Professional and Technical Services	40,905	-	40,905	40,905	-
Purchased Professional - Educational Services	79,813	(480)	79,333	79,333	-
Other Purchased Services	1,710	16,140	17,850	58,589	17,850
General Supplies	57,889	7,288	65,177	38,896	6,588
Student Activities	286,295	38,896	342,755	275,152	67,603
Total Support Services	1,137,680	56,460	1,242,600	1,134,304	108,296
Facilities Acquisition and Construction Services:					
Buildings	659,313	-	659,313	659,313	-
Total Facilities Acquisition and Construction Services	659,313	-	659,313	659,313	-
Total Expenditures	1,694,147	180,888	1,875,035	1,734,239	140,796
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 2,812	\$ 2,812
Fund Balance, July 1				34,417	
Fund Balance, June 30				37,229	
Recapitalization:					
Restricted:					
Student Activities				37,229	
Total Fund Balance				37,229	

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, 2023

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]	\$31,488,933	\$ 1,737,051
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			12
Less Current Year Encumbrances			(455,529)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		209,613	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(188,133)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$31,510,413	\$ 1,281,534
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$31,413,248	\$ 1,734,239
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			12
Less Current Year Encumbrances			(455,529)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2]	\$31,413,248	\$ 1,278,722

**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%
2023	0.0283058213%	4,271,738	2,135,043	200.08%	62.91%

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

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

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 373,400	\$ 373,400	\$ -	\$3,105,240	12.02%
2016	400,923	400,923	-	3,185,939	12.58%
2017	406,536	406,536	-	3,084,175	13.18%
2018	427,745	427,745	-	2,334,584	18.32%
2019	409,412	409,412	-	2,254,824	18.16%
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%
2023	356,950	356,950	-	2,135,043	16.72%

* 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%
2023	0.0923631626%	\$ -	47,654,234	10,902,821	0.00%	34.91%

* 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, 2023

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*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 2,327,055	\$ 2,761,390	\$ 1,577,387	\$ 1,601,683	\$ 1,879,448	\$ 2,259,344
Interest on Total OPEB Liability	1,374,113	1,537,991	1,585,987	1,968,801	2,123,636	1,834,334
Changes in Assumptions	(13,909,544)	58,492	12,821,365	660,873	(5,729,212)	(7,465,794)
Gross Benefit Payments	(1,361,100)	(1,211,506)	(1,221,956)	(1,360,611)	(1,334,993)	(1,345,227)
Differences Between Actual and Expected Experience	4,089,086	(14,025,029)	11,066,635	(8,512,777)	(5,138,175)	-
Changes in Benefit Terms		(63,105)				
Contribution from the Member	43,665	39,319	37,037	40,332	46,139	49,535
Net Changes in total Share of OPEB Liability	(7,436,725)	(10,902,448)	25,866,455	(5,601,699)	(8,153,157)	(4,667,808)
Total OPEB Liability - Beginning	59,287,903	70,190,351	44,323,896	49,925,595	58,078,752	62,746,560
Total OPEB Liability - Ending	\$ 51,851,178	\$ 59,287,903	\$ 70,190,351	\$ 44,323,896	\$ 49,925,595	\$ 58,078,752
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	51,851,178	59,287,903	70,190,351	44,323,896	49,925,595	58,078,752
Total OPEB Liability - Ending	\$ 51,851,178	\$ 59,287,903	\$ 70,190,351	\$ 44,323,896	\$ 49,925,595	\$ 58,078,752
District's Covered Employee Payroll	\$ 13,037,864	\$ 13,279,927	\$ 12,815,656	\$ 12,291,220	\$ 11,802,380	\$ 12,102,040
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2023

Change in benefit terms

None

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, 2023

	Total Brought Forward (Ex. E-1a)	Title I	Title II, Part A	I.D.E.A Basic	I.D.E.A Preschool	Totals 2023
REVENUES						
Local Sources	\$ 61,120	\$ -	\$ -	\$ -	\$ -	\$ 61,120
Federal Sources	1,211,040	85,468	25,287	338,458	15,678	1,675,931
Total Revenues	1,272,160	85,468	25,287	338,458	15,678	1,737,051
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	59,000	-	-	15,153	74,153
Purchased Professional - Technical	266,747	-	-	-	-	266,747
Purchased Professional - Educational Services	26,850	-	-	-	-	26,850
Tuition	-	-	-	338,458	-	338,458
General Supplies	92,778	788	-	-	-	93,566
Other Objects	-	-	-	-	-	-
Total Instruction	386,375	59,788	-	338,458	15,153	799,774
Support services:						
Salaries of Other Professional Staff	31,924	-	-	-	-	31,924
Personal Services - Employee Benefits	-	24,980	-	-	525	25,505
Purchased Professional and Technical Services	40,905	-	-	-	-	40,905
Purchased Professional - Educational Services	54,046	-	25,287	-	-	79,333
General Supplies	57,889	700	-	-	-	58,589
Student Activities	38,896	-	-	-	-	38,896
Total support services	223,660	25,680	25,287	-	525	275,152
Facilities acquisition and const. serv.:						
Buildings	659,313	-	-	-	-	659,313
Total facilities acquisition and const. serv.	659,313	-	-	-	-	659,313
Total Expenditures	1,269,348	85,468	25,287	338,458	15,678	1,734,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,812	-	-	-	-	2,812
Fund Balance, July 1	34,417	-	-	-	-	34,417
Fund Balance, June 30	\$ 37,229	\$ -	\$ -	\$ -	\$ -	\$ 37,229

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, 2023

	Total Brought Forward (Ex. E-1b)	ARP - IDEA Preschool	Donations	Student Activity Funds	Total Carried Forward
REVENUES					
Local Sources	\$ -	\$ -	\$ 19,412	\$ 41,708	\$ 61,120
Federal Sources	1,208,762	2,278	-	-	1,211,040
Total Revenues	1,208,762	2,278	19,412	41,708	1,272,160
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Purchased Professional - Technical Services	266,747	-	-	-	266,747
Purchased Professional - Educational Services	26,850	-	-	-	26,850
Tuition	-	-	-	-	-
General Supplies	72,458	908	19,412	-	92,778
Other Objects	-	-	-	-	-
Total instruction	366,055	908	19,412	-	386,375
Support services:					
Salaries of Other Professional Staff	31,924	-	-	-	31,924
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional and Technical Services	40,905	-	-	-	40,905
Purchased Professional - Educational Services	52,676	1,370	-	-	54,046
General Supplies	57,889	-	-	-	57,889
Student Activities	-	-	-	38,896	38,896
Total support services	183,394	1,370	-	38,896	223,660
Facilities acquisition and const. serv.:					
Buildings	659,313	-	-	-	659,313
Total facilities acquisition and const. serv.	659,313	-	-	-	659,313
Total Expenditures	1,208,762	2,278	19,412	38,896	1,269,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	2,812	2,812
Fund Balance, July 1	-	-	-	34,417	34,417
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 37,229	\$ 37,229

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, 2023

	CRRSA Consolidated		ARP Consolidated			Total Carried Forward
	ESSER II	Mental Health	ESSER III	Accelerated Learning	Summer Enrichment	
REVENUES						
Local Sources	\$ 209,873	40,905	824,143	88,117	13,800	1,208,762
Federal Sources	-	-	-	-	-	-
Total Revenues	209,873	40,905	824,143	88,117	13,800	1,208,762
EXPENDITURES						
Instruction:						
Salaries of Teachers						
Purchased Professional - Technical Services	26,850		164,830	88,117	13,800	266,747
Purchased Professional - Educational Services						26,850
Tuition						-
General Supplies	72,458					72,458
Other Objects						-
Total instruction	99,308	-	164,830	88,117	13,800	366,055
Support services:						
Salaries of Other Professional Staff						31,924
Personal Services - Employee Benefits						-
Purchased Professional - Technical Services	52,676	40,905				40,905
Purchased Professional - Educational Services	57,889					52,676
General Supplies						57,889
Student Activities						-
Total support services	110,565	40,905	-	-	-	183,394
Facilities acquisition and const. serv.:						
Buildings			659,313			659,313
Total facilities acquisition and const. serv.	-	-	659,313	-	-	659,313
Total Expenditures	209,873	40,905	824,143	88,117	13,800	1,208,762
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, 2023

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations June 30, 2023
			Prior Years	Expenditures to Date Current Year	
Boiler Replacement - M.J. Ryerson Middle School	8/20/2015	498,058	497,429		629
Boiler Replacement - Peter Cooper Elementary School	8/20/2015	382,138	370,177		11,961
Boiler Replacement - Robert Erskine Elementary School	8/20/2015	328,848	322,052		6,796
Totals		\$ 1,209,044	\$ 1,189,658	\$ -	\$ 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, 2023

Fund Balance - Beginning	<u>\$ 19,386</u>
Fund Balance - Ending	<u>\$ 19,386</u>

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, 2023

	<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, 2023

	<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, 2023

	<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, 2023

	<u>Food Service</u>	<u>Safety Town</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 248,645	\$ 4,361	\$ 253,006
Accounts receivable:			
State	216		216
Federal	4,684		4,684
Other	2,537		2,537
Interfund receivables	1,238		1,238
Inventories	4,922		4,922
Total current assets	<u>262,242</u>	<u>4,361</u>	<u>266,603</u>
Noncurrent assets:			
Furniture, machinery & equipment	442,522		442,522
Less accumulated depreciation	<u>(285,709)</u>		<u>(285,709)</u>
Total noncurrent assets	<u>156,813</u>	-	<u>156,813</u>
Total assets	<u>419,055</u>	<u>4,361</u>	<u>423,416</u>
LIABILITIES			
Current liabilities:			
Accounts payable	40,586		40,586
Interfund payables	2,222		2,222
Prepaid revenue	<u>10,095</u>	<u>2,625</u>	<u>12,720</u>
Total current liabilities	<u>52,903</u>	<u>2,625</u>	<u>55,528</u>
Total liabilities	<u>52,903</u>	<u>2,625</u>	<u>55,528</u>
NET POSITION			
Net Investment in capital assets	156,813		156,813
Unrestricted	<u>209,339</u>	<u>1,736</u>	<u>211,075</u>
Total net position	<u>\$ 366,152</u>	<u>\$ 1,736</u>	<u>\$ 367,888</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, 2023

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 135,669	\$ -	\$ 135,669
Daily sales - non-reimbursable programs	278,019		278,019
Miscellaneous	52,325	4,628	56,953
Total operating revenues	<u>466,013</u>	<u>4,628</u>	<u>470,641</u>
Operating expenses:			
Cost of food - reimbursable programs	133,406		133,406
Cost of food - non-reimbursable programs	57,492		57,492
Cost of sales - other	39,055		39,055
Salaries	147,618	2,877	150,495
Employee benefits	80,378		80,378
Cleaning, repair and maintenance services	10,413		10,413
Purchased services	29,867		29,867
Miscellaneous Expense	3,031		3,031
General supplies	18,540	802	19,342
Depreciation	6,896		6,896
Total Operating Expenses	<u>526,696</u>	<u>3,679</u>	<u>530,375</u>
Operating income (loss)	<u>(60,683)</u>	<u>949</u>	<u>(59,734)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,751		5,751
Federal sources:			
National school lunch program	145,604		145,604
Food distribution program	38,969		38,969
P-EBT Administrative Costs	653		653
Interest and investment revenue	4,970	44	5,014
Loss on disposal of equipment	(8,708)		(8,708)
Total non-operating revenues (expenses)	<u>187,239</u>	<u>44</u>	<u>187,283</u>
Income (loss) before contributions & transfers	126,556	993	127,549
Capital contributions	-		-
Transfers in (out)	-		-
Change in net position	<u>126,556</u>	<u>993</u>	<u>127,549</u>
Total net position—beginning	<u>239,596</u>	<u>743</u>	<u>240,339</u>
Total net position—ending	<u>\$ 366,152</u>	<u>\$ 1,736</u>	<u>\$ 367,888</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	<u>Food Service</u>	<u>Safety Town</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 464,592	\$ 3,208	\$ 467,800
Payments to employees	(147,618)	(2,877)	(150,495)
Payments for employee benefits	(80,378)		(80,378)
Payments to suppliers	(282,339)	(802)	(283,141)
Net cash provided by (used for) operating activities	<u>(45,743)</u>	<u>(471)</u>	<u>(46,214)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,805		5,805
Federal sources	246,820		246,820
Net cash provided by (used for) non-capital financing activities	<u>252,625</u>	<u>-</u>	<u>252,625</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(148,325)		(148,325)
Net cash provided by (used for) capital and related financing activities	<u>(148,325)</u>	<u>-</u>	<u>(148,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	4,970	44	5,014
Net cash provided by (used for) investing activities	<u>4,970</u>	<u>44</u>	<u>5,014</u>
Net increase (decrease) in cash and cash equivalents	63,527	(427)	63,100
Balances—beginning of year	185,118	4,788	189,906
Balances—end of year	<u>\$ 248,645</u>	<u>\$ 4,361</u>	<u>\$ 253,006</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (60,683)	\$ 949	\$ (59,734)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation and net amortization	6,896		6,896
(Increase) decrease in inventories	85		85
(Increase) decrease in accounts receivable	(2,537)		(2,537)
Increase (decrease) in accounts payable	9,380		9,380
Increase (decrease) in prepaid revenue	1,116	(1,420)	(304)
Total adjustments	<u>14,940</u>	<u>(1,420)</u>	<u>13,520</u>
Net cash provided by (used for) operating activities	<u>\$ (45,743)</u>	<u>\$ (471)</u>	<u>\$ (46,214)</u>

LONG-TERM DEBT

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Long-Term Debt
Schedule of Bonds Payable
Year Ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Refunding School Bonds	June 3, 2021	\$ 6,295,000							
			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%				
						\$ 6,180,000		\$ 600,000	\$ 5,580,000
Grand Total						\$ 6,180,000	\$ -	\$ 600,000	\$ 5,580,000

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, 2023

<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	6,286		6,286	-
		88,683		88,683	16,019	72,664
Acquisition of School Buses	2.34%	266,482	159,953		44,379	115,574
	3.96%	121,651		121,651		121,651
	5.18%	214,277		214,277		214,277
			<u>\$ 166,239</u>	<u>\$ 424,611</u>	<u>\$ 66,684</u>	<u>\$ 524,166</u>

BOROUGH OF RINGWOOD, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 795,383		\$ 795,383	\$ 795,383	\$ -
State Sources:					
Debt Service Aid Type II	39,817		39,817	39,817	-
Total - State Sources	39,817	-	39,817	39,817	-
Total Revenues	835,200	-	835,200	835,200	-
EXPENDITURES:					
Regular Debt Service:					
Interest	235,200		235,200	235,200	-
Redemption of Principal	600,000		600,000	600,000	-
Total expenditures	835,200	-	835,200	835,200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Other Funds					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	78,888	78,888
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 78,888	\$ 78,888

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
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- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
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- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

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 annual comprehensive financial reports (ACFR) for the relevant year.

BOROUGH OF RINGWOOD SCHOOL DISTRICT

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	(350,659)	(904,942)	633,495	957,445	867,747	1,032,586	1,181,479	1,091,172	1,246,759	1,627,243
Restricted	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	7,190,618
Unrestricted	(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)	(5,452,521)
Total Governmental Activities Net Position	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	3,365,340
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	28,419	39,482	37,550	34,557	16,743	18,261	21,454	19,573	24,092	156,813
Restricted	75,214	56,384	56,493	58,009	48,839	76,525	55,813	98,661	216,247	211,075
Unrestricted	103,633	95,866	94,043	92,566	65,582	94,786	77,267	118,234	240,339	367,888
Total Business-type Activities Net Position	207,266	191,728	188,086	185,132	131,165	189,572	154,534	216,468	470,678	735,776
District-wide										
Invested in Capital Assets, Net of Related Debt	(322,240)	(865,460)	671,045	992,002	884,490	1,050,847	1,202,933	1,110,745	1,270,851	1,784,056
Restricted	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	7,190,618
Unrestricted	(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)	(5,241,446)
Total District Net Position	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	3,733,228

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	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	7,794,911
Special Education	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	3,947,749
Other Special Instruction	237,416	261,340	252,965	275,246	330,719	263,789	281,274	190,301	559,384	358,126
Other Instruction	26,896	25,238	33,978	36,138	30,624	32,500	25,265	135,664	158,124	137,569
Support Services:										
Tuition	771,388	431,431	326,046	246,995	298,901	432,414	524,493	424,890	726,828	542,170
Student & Instruction Related Services	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	3,536,345
School Administrative Services	843,468	797,930	824,357	816,210	763,045	820,482	813,526	709,919	579,049	689,799
General Administrative Services	433,252	456,353	458,785	469,474	470,612	435,432	459,964	353,147	561,530	527,649
Central Services & Admin. Info. Technology	372,581	402,185	399,326	431,650	363,399	293,137	373,991	371,352	381,716	334,728
Plant Operations & Maintenance	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	2,097,827
Pupil Transportation	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	1,451,647
Unallocated Benefits	2,677,363	5,091,191	6,282,031	8,666,922	11,680,533	10,356,498	8,468,402	10,736,192	6,453,253	5,524,854
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	474,526	381,359	381,966	351,749	334,780	318,244	299,009	236,144	156,441	164,407
Unallocated Depreciation	977,285	809,875	685,192	820,199	846,659	825,745	866,142	811,426	798,302	1,248,759
Total Governmental Activities Expenses	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	28,356,540
Business-type Activities:										
Food Service	428,696	437,785	456,914	476,029	487,423	514,129	387,682	359,422	596,834	535,404
Safety Town	3,937	4,250	3,609	3,749	3,196	3,200	3,335	-	-	3,679
Summer Music	12,869	13,721	17,702	10,284	8,045	-	-	-	-	-
Total Business-type Activities Expenses	445,502	455,756	478,225	490,062	498,664	517,329	391,017	359,422	596,834	539,083
Total District Expenses	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	28,895,623
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	575,262	611,480	729,785	1,108,001
Total Governmental Activities Program Revenues	756,899	1,323,147	1,347,328	1,409,275	746,985	574,060	575,262	611,480	729,785	1,108,001

BOROUGH OF RINGWOOD SCHOOL DISTRICT

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type Activities:										
Charges for Services:										
Food Service	316,517	320,988	354,964	372,654	394,711	433,607	287,920	5,640	47,260	466,013
Safety Town	4,385	4,355	3,365	2,800	3,150	5,257	490	-	-	4,628
Summer Music	12,145	16,540	14,337	10,779	3,450	-	-	-	-	-
Operating Grants and Contributions	108,220	106,084	103,610	101,788	100,932	115,380	83,578	394,611	671,385	190,977
Total Business-type Activities Program Revenues	441,267	447,967	476,276	488,021	502,243	554,244	371,988	400,251	718,645	661,618
Total District Program Revenues	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	1,769,619
Net (Expense)/Revenue	(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)	(27,248,539)
Governmental Activities	(4,235)	(7,789)	(1,949)	(2,041)	3,379	36,915	(19,029)	40,829	121,811	122,535
Business-type Activities	(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)	(27,126,004)
Total District-wide Net Expense										

General Revenues and Other Changes in Net Position

Governmental Activities:										
Property Taxes Levied for General Purposes	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	22,176,516
Unrestricted Federal and State Aid	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	5,548,570
Tuition Received	928,731	1,075,453	872,134	877,332	1,194,011	1,131,729	950,652	1,095,213	1,224,741	1,370,589
Interest on Investments	3,319	5,561	6,551	5,991	5,080	10,125	6,012	544	646	184,431
Miscellaneous Income	65,105	110,039	115,369	98,613	48,387	150,198	118,618	78,803	105,709	138,942
Transportation Fees	337,651	338,919	259,111	256,543	227,844	233,392	250,300	112,765	174,508	171,287
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	29,590,335
Business-type Activities:										
Interest on Investments	-	-	-	-	806	1,659	1,510	138	294	5,014
Miscellaneous Income	622	22	126	221	-	34	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	622	22	126	221	806	1,693	1,510	138	294	5,014
Total District-wide	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	29,595,349
Change in Net Position	(387,397)	(83,712)	(196,106)	(850,315)	703,629	1,229,184	1,636,132	2,641,480	2,537,526	2,341,796
Governmental Activities	(3,613)	(7,767)	(1,823)	(1,820)	4,385	38,608	(17,519)	40,967	122,105	127,549
Business-type Activities	(391,010)	(91,479)	(197,929)	(852,135)	708,014	1,267,792	1,618,613	2,682,447	2,659,631	2,469,345
Total District										

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	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	7,055,115
Unreserved	148,211	160,866	138,834	441,366	171,523	331,124	337,921	1,064,007	662,020	747,359
Total General fund	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	7,802,474
All Other Governmental Funds										
Reserved	226,665	1,356,730	332,692	231,725	233,956	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	25,449	34,417	37,229
Capital Projects Fund	-	-	-	-	-	230,326	210,451	19,386	19,386	19,386
Debt Service Fund	-	-	-	-	-	6,715	6,895	2,411	78,888	78,888
Total All Other Governmental Funds	226,665	1,356,730	332,692	231,725	233,956	237,041	217,346	47,246	132,691	135,503

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	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	22,176,516
Other Local Revenue	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	1,920,986
State Sources	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	8,284,131
Federal Sources	444,774	404,077	484,156	488,072	458,831	410,670	486,335	530,427	642,553	1,245,514
Total Revenues	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	33,627,147
Expenditures										
Instruction:										
Regular	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	7,794,911
Special	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	3,947,749
Other Special Instruction	237,416	261,340	252,965	275,246	330,719	263,789	281,274	190,301	559,384	358,126
Other Instruction	26,896	25,238	33,978	36,138	30,624	32,500	25,265	135,664	158,124	137,569
Support Services:										
Tuition	771,388	431,431	326,046	246,995	298,901	432,414	524,493	424,890	726,828	542,170
Student & inst. related services	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	3,536,345
General administration	433,252	456,353	458,785	469,474	470,612	435,432	459,964	353,147	561,530	527,649
School administrative services	843,468	797,930	824,357	816,210	763,045	820,482	813,526	709,919	579,049	689,799
Central services	332,888	334,223	330,748	357,345	270,836	221,137	301,991	294,852	291,433	247,578
Admin. information technology	39,693	67,962	68,578	74,305	92,563	72,000	72,000	76,500	90,283	87,150
Plant operations and maintenance	2,054,148	2,040,536	1,953,042	2,176,871	1,857,247	1,915,146	1,834,860	1,816,210	1,853,851	2,087,827
Pupil transportation	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	1,518,331
Employee benefits	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	9,882,323
Capital Outlay	1,253,130	487,543	1,261,282	310,087	133,152	207,693	508,124	63,412	81,166	1,324,443
Debt Service:										
Principal	525,000	535,000	1,023,311	560,000	575,000	595,000	615,000	630,000	660,000	600,000
Interest and Other Charges	400,056	386,488	388,595	356,519	340,731	324,419	306,257	286,207	186,670	235,200
Total Governmental Fund Expenditures	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	33,527,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,350,339)	(426,900)	(1,532,152)	(346,936)	942,920	900,356	620,245	1,890,627	984,674	99,977
Other Financing Sources (Uses)										
Operating Transfers In	84,711	817,922	199,414	389	2,231	4,484	2,411	191,065		
Operating Transfers Out	(84,711)	(817,922)	(199,414)	(389)	(2,231)	(4,484)	(2,411)	(191,065)		
Proceeds from Borrowing										
Capital Leases (non-budgeted)	213,404	926,000	105,256	98,681	114,296		266,482			424,611
Total Other Financing Sources (Uses)	213,404	926,000	105,256	98,681	114,296		266,482			424,611
Net Changes in Fund Balance	(1,136,935)	499,100	(1,426,896)	(248,255)	1,057,216	900,356	886,727	1,890,627	984,674	524,588
Debt Service as a percentage of noncapital expenditures	3.80%	3.69%	5.44%	3.38%	3.43%	3.33%	3.32%	3.25%	2.73%	2.59%

Source: District records.

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest</u>	<u>Transportation</u>		<u>Tuition</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
	<u>Income</u>	<u>Fees</u>					
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	1,287,325
2022	646	174,508		1,224,741		105,709	1,505,604
2023	184,431	171,287		1,370,589	6,360	132,582	1,865,249

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
2013*	72,592,500	1,296,995,400	4,944,700	58,605,700	27,696,500	0	1,460,834,800	0	0	1,460,834,800	1,663,039,694	1.198
2014	72,228,000	1,299,371,100	4,943,600	57,819,200	26,997,700	0	1,461,359,600	0	0	1,461,359,600	1,631,134,925	1.224
2015	72,018,900	1,299,987,900	4,942,500	67,867,900	24,401,100	0	1,469,218,300	0	0	1,469,218,300	1,638,586,197	1.242
2016	71,481,100	1,300,644,000	4,514,000	67,941,200	23,407,800	5,607,700	1,473,595,800	0	0	1,473,595,800	1,644,909,923	1.304
2017	71,111,600	1,302,382,700	4,331,400	69,497,700	23,313,400	0	1,470,636,800	0	0	1,470,636,800	1,632,505,507	1.344
2018	65,690,800	1,303,353,800	4,370,500	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	20,492,500	0	1,453,303,300	0	0	1,453,303,300	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
2022	53,599,900	1,302,579,200	3,822,100	72,740,900	23,042,300	0	1,455,784,400	0	0	1,455,784,400	1,825,206,118	1.524

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

Fiscal Year Ended June 30,	Ringwood School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b		Lakeland Regional School District	Borough of Ringwood	County of Passaic	
		Direct School Tax Rate	Total Direct School Tax Rate				
2013	1.161	0.037	1.198	0.566	0.748	0.767	3.279
2014	1.178	0.046	1.224	0.631	0.753	0.789	3.397
2015	1.194	0.048	1.242	0.668	0.757	0.849	3.516
2016	1.256	0.048	1.304	0.707	0.769	0.837	3.617
2017	1.299	0.045	1.344	0.713	0.779	0.819	3.655
2018	1.315	0.059	1.374	0.733	0.801	0.832	3.740
2019	1.345	0.060	1.405	0.763	0.818	0.820	3.806
2020	1.404	0.047	1.451	0.772	0.829	0.816	3.868
2021	1.444	0.038	1.482	0.786	0.849	0.795	3.912
2022	1.470	0.054	1.524	0.785	0.867	0.789	3.965

Source: Municipal Tax Collector

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

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

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

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

	2022				2013				
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	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%	\$ 59,043,000	1	4.04%			
Ringwood Plaza, Ltd. Partnership	9,894,900	3	0.68%	11,536,700	2	0.79%			
Serler, LLC	3,615,700	6	0.25%	4,291,000	5	0.29%			
Ringwood Associates (c/o Berger)	6,562,200	4	0.45%	7,125,800	3	0.49%			
BHR Ringwood Real Estate LLC	4,635,400	5	0.32%						
Cheese Works, 16-81 Inc.				5,318,500	4	0.36%			
Public Service Electric & Gas Co.	2,967,500	8	0.20%	2,967,500	8	0.20%			
Maniba, LLC	3,150,000	7	0.22%	3,061,700	7	0.21%			
Ringwood Commons, LLC	2,852,900	10	0.20%	3,075,700	6	0.21%			
Remy Associates									
Spring Lake Land, LLC	2,944,400	9	0.20%	2,700,300	9	0.18%			
Tennessee Gas Transmission	12,452,400	2	0.86%	2,407,600	10	0.16%			
Total	\$ 93,026,900		6.39%	\$ 101,527,800		6.93%			

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	
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%	-
2023	22,176,516	22,176,516	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	Activities			
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	6,840,000	-	234,107	-	-	7,074,107	1.12%	581.90	
2022	6,180,000	-	166,239	-	-	6,346,239	0.98%	548.60	
2023	5,580,000	-	524,166	-	-	6,104,166	0.89%	531.31	

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		
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
2023	5,580,000	-	5,580,000	0.38%	485.68

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, 2023
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	\$ 9,594,669	100.000%	\$ 9,594,669
County of Passaic	287,453,895	3.920%	11,268,854
Other debt			<u>-</u>
Subtotal, overlapping debt			20,863,523
Borough of Ringwood School District Direct Debt:			
Authorized but Not Issued			<u>-</u>
Issued and Outstanding			<u>5,580,000</u>
Total direct and overlapping debt			<u><u>\$ 26,443,523</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Equalized valuation basis	\$ 2,014,926,505	\$ 1,823,421,264	\$ 1,455,303,300								
	<u>\$ 5,293,651,069</u>										
Average equalized valuation of taxable property	\$ 1,764,550,356										
Debt limit (3 % of average equalization value)	52,936,511										
Total Net Debt Applicable to Limit	<u>5,580,000</u>										
Legal debt margin	<u>\$ 47,356,511</u>										
Debt limit	\$ 50,323,199	\$ 49,267,423	\$ 48,984,003	\$ 49,035,171	\$ 49,362,780	\$ 51,371,231	\$ 50,093,150	\$ 49,305,021	\$ 50,414,996	\$ 52,936,511	
Total net debt applicable to limit	<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>8,260,000</u>	<u>8,875,000</u>	<u>6,840,000</u>	<u>6,180,000</u>	<u>5,580,000</u>	
Legal debt margin	<u>\$ 38,633,199</u>	<u>\$ 38,112,423</u>	<u>\$ 38,379,003</u>	<u>\$ 39,892,780</u>	<u>\$ 39,892,780</u>	<u>\$ 43,111,231</u>	<u>\$ 41,218,150</u>	<u>\$ 42,465,021</u>	<u>\$ 44,234,996</u>	<u>\$ 47,356,511</u>	
Total net debt applicable to the limit as a percentage of debt limit	23.23%	22.64%	21.65%	20.49%	19.18%	16.08%	17.72%	13.87%	12.26%	10.54%	

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		Unemployment	
			Income ^c	Rate ^d	Rate ^d	Rate ^d
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%	
2022	11,489	684,273,351	59,559		3.30%	

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development. Estimates as of July 1, 2013-22.

^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

	2022		2013			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0.00%	-		0.00%

Information Not Available

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	75	79	77	80	77	77	77	77	77	78
Special Education	25	30	29	29	29	28	30	31	32	32
Other Special Instruction	5	3	4	4	3	3	3	3	3	4
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	17	17	19	19	19	19	19	20	21	21
School Administrative Services	10	11	11	11	11	11	11	11	12	12
General Administrative Services	5	6	6	5	3	3	3	3	3	3
Central Services & Admin. Info. Technology	-	1	1	1	1	1	1	1	3	3
Plant Operations and Maintenance	14	15	14	11	3	3	3	3	3	3
Pupil Transportation	29	26	25	24	22	22	25	19	17	16
Business and Other Support Services	6	5	5	5	6	5	5	5	4	4
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	186	193	191	189	174	172	177	173	175	176

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				
2014	1,227	23,422,875	19,090	#DIV/0!	109.00	11:01	1226	1,170	-2.39%	95.43%	
2015	1,217	24,044,771	19,757	2.66%	113.00	10:01	1232	1,179	0.49%	95.70%	
2016	1,199	24,527,861	20,457	2.01%	108.00	11:01	1203	1,153	-2.35%	95.84%	
2017	1,216	26,219,366	21,562	6.90%	113.00	11:01	1216	1,163	1.08%	95.64%	
2018	1,170	25,820,861	22,069	-1.52%	109.00	11:01	1176	1,128	-3.29%	95.92%	
2019	1,156	26,663,780	23,066	3.26%	108.50	11:01	1155	1,103	-1.79%	95.50%	
2020	1,096	26,829,410	24,479	0.62%	110.30	10:01	1107	1,073	-4.16%	96.93%	
2021	1,048	27,284,211	26,035	1.70%	111.00	10:01	1054	1,020	-4.79%	96.77%	
2022	1,070	30,141,532	28,170	10.47%	112.00	10:01	1093	1,038	3.70%	94.97%	
2023	1,050	31,367,527	29,874	4.07%	114.00	10:01	1050	983	-3.93%	93.62%	

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

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
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	284	288	273	253	247	247	268	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	247	248	249	229	229	229	220	220	220	220
Peter Cooper School (1963)										
Square Feet	40,213	40,213	40,213	40,213	40,213	40,213	40,213	40,645	40,645	40,645
Capacity (students)	291	291	291	291	291	291	291	291	291	291
Enrollment	263	260	253	263	260	260	254	254	254	254
Middle School										
Martin J. Ryerson (1970)										
Square Feet	78,306	78,306	78,306	78,306	78,306	78,306	78,306	87,300	87,300	87,300
Capacity (students)	483	483	483	483	483	483	483	483	483	483
Enrollment	432	421	424	436	434	434	414	414	414	414
Other										
Administration Building										
Square Feet	26,240	26,240	26,240	26,240	26,240	26,240	26,420	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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Martin J. Ryerson Middle School	N/A	187,206	164,965	165,720	165,214	172,550	151,294	205,834	163,118	216,579	185,108
E.C. Hewitt Intermediate School	N/A	82,822	76,561	76,742	83,368	84,171	91,734	114,789	107,193	120,798	102,726
Robert Erskine Elementary School	N/A	98,337	89,311	90,002	120,772	89,375	82,772	74,742	97,872	78,672	103,156
Peter Cooper Elementary School	N/A	92,091	99,637	100,596	92,602	105,630	100,999	95,832	97,872	100,846	130,955
Total School Facilities		460,456	430,474	433,060	461,956	451,726	426,799	491,197	466,055	516,895	521,945

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy (1)		
Property	\$ 67,436,303	\$ 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)	\$ 400,000	N/A
Board Secretary (1)	\$ 300,000	N/A
Student Accident Insurance (5)	Various	
Catastrophic Aggregate Limit	\$ 75,000,000	Full Excess
Flood Policies: (6)		
Office Building	\$ 91,000	
Contents	\$ 46,000	
Garage and Storage Building	\$ 206,000	
Contents	\$ 124,000	

- (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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ringwood School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2024.

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

Wielkotz & Company, LLC

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

January 3, 2024





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

Honorable President and
Members of the Board of Education
Borough of 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, 2023. 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, 2023.

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

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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

Wielkocz & Company, LLC

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

January 3, 2024



BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover/ (Wallover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO Cumulative Total Expenditures	
					From	To						(Accounts Receivable)	Deferred Revenue		
U.S. Department of Health & Human Services															
General Fund:															
Medical Assistance Program (SEMI)	93.778	2005N53MAP	N/A	19,049	7/1/2022	6/30/2023	(1,019)	-	18,030	(19,049)	(1,019)	-	19,049		
Medical Assistance Program (SEMI)	93.778	2005N53MAP	N/A	9,983	7/1/2021	6/30/2022	(1,019)	-	1,019	(668)	-	-	9,983		
FFCRA/SEMI	93.778	2005N53MAP	N/A	668	1/1/2021	12/31/2021	-	-	668	(668)	-	-	668		
Total General Fund															
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I	84.010	S010A220030	NCLB-440022	122,146	7/1/2022	9/30/2023	(9,369)	(9,369)	117,014	(85,468)	-	22,177	85,468		
Title I	84.010	S010A210030	NCLB-440021	91,960	7/1/2021	9/30/2022	(9,369)	9,369	-	-	-	-	91,960		
Title II, Part A	84.367A	S567A220029	NCLB-440022	27,270	7/1/2022	9/30/2023	(10,800)	(10,800)	28,106	(25,287)	(7,981)	-	25,287		
Title II, Part A	84.367A	S567A210029	NCLB-440021	28,800	7/1/2021	9/30/2022	(10,800)	10,800	-	-	-	-	28,800		
IDEA Part B, Basic Regular	84.027A	H027A220100	IDEA-440022	338,458	7/1/2022	9/30/2023	(23,432)	(23,432)	322,856	(338,458)	(39,034)	-	338,458		
IDEA Part B, Basic Regular	84.027A	H027A210100	IDEA-440021	213,269	7/1/2021	9/30/2022	(23,432)	23,432	-	-	-	-	213,269		
IDEA - American Rescue Plan	84.027X	H027X210100	N/A	46,041	7/1/2021	9/30/2022	(21,198)	(21,198)	17,715	(15,678)	(1,411)	-	15,678		
IDEA Part B, Preschool	84.173A	H173A220114	IDEA-440022	16,113	7/1/2022	9/30/2023	(3,448)	(3,448)	-	-	-	-	16,113		
IDEA Part B, Preschool	84.173A	H173A210114	IDEA-440021	13,576	7/1/2021	9/30/2022	(1,650)	3,448	-	-	-	-	13,576		
IDEA Preschool - American Rescue Plan	84.173X	H173X210114	N/A	3,928	7/1/2021	9/30/2022	(81,335)	-	317,291	(250,778)	(3,928)	-	3,928		
CRRSA - ESSER II	84.425D	S425D210027	N/A	456,704	3/13/2020	9/30/2023	(75,991)	-	227,073	(957,984)	(806,902)	-	250,778		
ARP - ESSER II	84.425U	S425U210027	N/A	1,037,260	3/13/2020	9/30/2024	-	-	-	-	-	-	75,991		
Total Special Revenue Fund															
Total U.S. Department of Education															
U.S. Department of Agriculture															
Enterprise Fund:															
Food Distribution Program	10.569	N/A	N/A	38,932	7/1/2022	6/30/2023	-	-	38,932	(38,621)	-	311	38,621		
Food Distribution Program	10.569	N/A	N/A	33,905	7/1/2021	6/30/2022	348	-	-	(348)	-	-	33,905		
National School Lunch Program	10.555	231N304N1099	N/A	108,616	7/1/2022	6/30/2023	(40,100)	-	104,385	(108,616)	(4,031)	-	145,604		
National School Lunch Program	10.555	231N304N1099	N/A	620,697	7/1/2021	6/30/2022	(40,100)	-	40,100	-	-	-	620,697		
Supply Chain Assistance Funding	10.555	221N344N8903	N/A	36,988	7/1/2022	6/30/2023	-	-	36,988	(36,988)	-	-	36,988		
P-EBT Administrative	10.549	2022Z2590941	N/A	653	7/1/2021	6/30/2022	-	-	-	(653)	-	-	653		
Total Enterprise Fund															
Total U.S. Department of Agriculture															
Total Federal Financial Awards															
								\$ (267,994)	\$ 1,270,377	\$ (1,880,874)	\$ -	\$ (900,979)	\$ 22,488	\$ -	\$ 2,033,571

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

BOROUGH OF RINGWOOD SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Due to Grantor	Carpover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO		
			From	To	Deferred Revenue (Accts. Receivable)	(Accounts Receivable)						Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Equalization Aid	23-495-034-5120-078	\$ 225,983	7/1/2022	6/30/2023					203,385	(225,983)				(22,598)	225,983	
Transportation Aid	23-495-034-5120-014	573,133	7/1/2022	6/30/2023				515,819	(573,133)					(57,314)	573,133	
Special Education Categorical Aid	23-495-034-5120-089	983,693	7/1/2022	6/30/2023				885,325	(983,693)					(98,368)	983,693	
Security Aid	23-495-034-5120-084	98,526	7/1/2022	6/30/2023				88,673	(98,526)					(9,853)	98,526	
Supplemental Stabilization Aid	22-495-034-5120-128	97,495	7/1/2022	6/30/2023				97,495	(97,495)					-	97,495	
Extraordinary Aid	23-495-034-5120-044	495,464	7/1/2022	6/30/2023					(495,464)					-	495,464	
Extraordinary Aid	22-495-034-5120-044	552,325	7/1/2021	6/30/2022			(552,325)								552,325	
Non-Public Transportation Aid	23-495-034-5120-014	19,344	7/1/2021	6/30/2022			(19,344)								19,344	
Non-Public Transportation Aid	22-495-034-5120-014	14,790	7/1/2021	6/30/2022			(14,790)								14,790	
One-Behalf TPAF Pension	23-495-034-5094-002	3,864,033	7/1/2022	6/30/2023				3,864,033	(3,864,033)						3,864,033	
One-Behalf TPAF NCEI Premium	23-495-034-5094-002	53,609	7/1/2022	6/30/2023				53,609	(53,609)						53,609	
One-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	1,029,155	7/1/2022	6/30/2023				1,029,155	(1,029,155)						1,029,155	
One-Behalf TPAF Long-Term Disability	23-495-034-5094-004	1,616	7/1/2022	6/30/2023				1,616	(1,616)						1,616	
Reimbursed TPAF Social Security Contrib.	23-495-034-5094-003	780,783	7/1/2022	6/30/2023			(39,636)	741,619	(780,783)						780,783	
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	801,190	7/1/2021	6/30/2022				39,636	(780,783)						801,190	
Total General Fund							(606,751)	8,087,480	(8,222,834)					(188,133)	9,591,175	
Debt Service Fund:																
Debt Service Aid	23-495-034-5120-075	39,817	7/1/2022	6/30/2023				39,817	(39,817)						39,817	
State Department of Agriculture																
Enterprise Fund:																
State School Lunch Program	23-100-010-3350-023	5,751	7/1/2022	6/30/2023				5,535	(5,751)						5,751	
State School Lunch Program	22-100-010-3350-023	15,295	7/1/2021	6/30/2022			(923)	923		(216)					15,295	
Total Enterprise Fund							(923)	6,458	(5,751)						21,046	
TOTAL STATE FINANCIAL ASSISTANCE							\$ (607,674)	\$ 8,133,755	\$ (8,268,402)	\$ -	\$ -	\$ (554,188)	\$ -	\$ (188,133)	\$ 9,652,038	
Less: On-Behalf TPAF Pension and Annuity Aid:																
On-Behalf TPAF - Post Retirement Medical								1,029,155	(1,029,155)						765,342	
On-Behalf TPAF - Pension Contributions								3,864,033	(3,864,033)						2,026,692	
On-Behalf TPAF - Long-Term Disability Contributions								1,616	(1,616)						1,622	
On-Behalf TPAF - Non-contributory Insurance								53,609	(53,609)						36,326	
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION							\$ (607,674)	\$ 3,185,342	\$ (3,319,989)	\$ -	\$ -	\$ (554,188)	\$ -	\$ (188,133)	\$ 6,822,056	

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 \$21,480 for the general fund and \$(455,517) 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	\$19,717	\$8,244,314	\$8,264,031
Special Revenue Fund	1,225,797		1,225,797
Debt Service Fund		39,817	39,817
Food Service Fund	<u>185,226</u>	<u>5,751</u>	<u>190,977</u>
Total Financial Awards	<u>\$1,430,740</u>	<u>\$8,289,882</u>	<u>\$9,720,622</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, 2023. 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, 2023.

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>	\$85,468
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	<u>25,287</u>
Total	<u>\$110,755</u>

**BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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>
84.425D/ <u>84.425U</u>	S425D210027/ <u>S425U210027</u>	CRRSA/ American Rescue Plan - Elementary on Secondary School Emergency Relief
	(A)	

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

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

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

BOROUGH OF RINGWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078/083/089/084/085/068/</u> <u>094/097/098/096/510/101/102/114</u> (A)	<u>State Aid - Public Cluster</u>

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, 2023**

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, 2023**

Status of Prior Year Findings

No matters were reported.