

**RIDGEWOOD BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Ridgewood Board of Education**  
**Ridgewood, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Ridgewood Board of Education**

**Village of Ridgewood, New Jersey**

**For The Fiscal Year Ended June 30, 2019**

**Prepared by**

**Ridgewood Board of Education  
Business Office**

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**INTRODUCTORY SECTION**

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis	4-18
Basic Financial Statements	
A.    District-wide Financial Statements:	
A-1    Statement of Net Position	19
A-2    Statement of Activities	20
B.    Fund Financial Statements:	
Governmental Funds:	
B-1    Balance Sheet	21-22
B-2    Statement of Revenues, Expenditures, and Changes in Fund Balances	23
B-3    Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement	24
Proprietary Funds:	
B-4    Statement of Net Position	25
B-5    Statement of Revenues, Expenses, and Changes in Fund Net Position	26
B-6    Statement of Cash Flows	27
Fiduciary Funds:	
B-7    Statement of Fiduciary Net Position	28
B-8    Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30-73

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>		
C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule – General Fund	74-82
C-2	Budgetary Comparison Schedule – Special Revenue Fund	83
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>		
C-3	Budgetary Comparison Schedule – Notes to the Required Supplementary Information	84
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>		
L.	Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	85
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	86
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	87
L-4	Notes to Required Supplementary Information – Net Pension Liability	88
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	89
L-6	Notes to Required Supplementary Information – OPEB Liability	90
Other Supplementary Information		
D.	School Level Schedules – Not Applicable	
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	91-92
E-2	Schedule of Preschool Education Aid – Budgetary Basis – Not Applicable	93
F.	Capital Projects Fund:	
F-1	Summary Statement of Project Expenditures – Budgetary Basis	94
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	95
F-2a- F-2g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status	96-99

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
G.	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Statement of Net Position - Not Applicable	100
	G-2 Statement of Revenues, Expenses and Changes in Fund Net Position - Not Applicable	100
	G-3 Statement of Cash Flows -Not Applicable	100
H.	Fiduciary Funds:	
	H-1 Combining Statement of Agency Net Position – Fiduciary Funds	101
	H-2 Combing Statement of Changes in Fiduciary Net Position - Not Applicable	102
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	102
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	103
I.	Long-Term Debt:	
	I-1 Schedule of Serial Bonds Payable	104-105
	I-2 Schedule of Capital Leases and Lease Purchase Agreements	106
	I-3 Debt Service Fund Budgetary Comparison Schedule	107

**STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	108
J-2	Changes in Net Position	109-110
J-3	Fund Balances – Governmental Funds	111
J-4	Changes in Fund Balances - Governmental Funds	112
J-5	General Fund Other Local Revenue by Source	113
J-6	Assessed Value and Actual Value of Taxable Property	114
J-7	Direct and Overlapping Property Tax Rates	115
J-8	Principal Property Taxpayers	116
J-9	Property Tax Levies and Collections	117
J-10	Ratios of Outstanding Debt by Type	118
J-11	Ratios of Net General Bonded Debt Outstanding	119
J-12	Direct and Overlapping Governmental Activities Debt	120
J-13	Legal Debt Margin Information	121
J-14	Demographic and Economic Statistics	122
J-15	Principal Employers	123
J-16	Full-Time Equivalent District Employees by Function/Program	124
J-17	Operating Statistics	125
J-18	School Building Information	126-127
J-19	Schedule of Required Maintenance for School Facilities	128
J-20	Schedule of Insurance	129

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**SINGLE AUDIT SECTION**

K-1	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 – Independent Auditor’s Report	130-131
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	132-134
K-3	Schedule of Expenditures of Federal Awards	135
K-4	Schedule of Expenditures of State Financial Assistance	136
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	137-138
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	139-140
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	141
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	142-144
K-8	Summary Schedule of Prior Year Findings	145

## **INTRODUCTORY SECTION**



## Ridgewood Public Schools

### BOARD MEMBERS

Jennie Smith Wilson, President  
James Morgan, Vice President  
Sheila Brogan  
Christina Krauss  
Cristopher Kaufman

### Education Center

49 Cottage Place  
Ridgewood, NJ 07451  
(P) 201-670-2700  
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### ADMINISTRATION

Dr. Daniel Fishbein,  
Superintendent  
Stacie Poelstra,  
Asst. Superintendent  
Antoinette Kelly,  
Business Administrator/  
Board Secretary

December 11, 2019

Honorable President and Members  
of the Board of Education  
Village of Ridgewood School District  
County of Bergen  
Ridgewood, NJ

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Village of Ridgewood School District (District) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects. It is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, Organizational Chart and a List of Principal Officials of the District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements including the district-wide financial statements presented in accordance with the provisions of the *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The basic financial statements also include individual fund financial statements, Notes to the Financial Statements and Required Supplementary Information (RSI).
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Uniform Guidance, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.



## **Reporting Entity and Its Services**

The Village of Ridgewood School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB No. 14. All funds of the District are included in this report. The Village of Ridgewood Board of Education and all its schools constitute the District's reporting entity. The District consists of one high school, two middle schools, seven elementary schools, and an administration building.

The District provides education to approximately 5,712 students in grades kindergarten through twelve as well as a pre-k disabled program.

An elected five-member Board of Education (the "Board") serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of the District's tax money.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Business Administrator/Board Secretary is the chief financial officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all District funds, and investing funds as permitted by New Jersey law.

## **Economic Conditions and Outlook**

The District completed the 2018-2019 fiscal year with an average daily enrollment of 5,652 students, which is 12 students less than the previous year's average daily enrollment. The following details the changes in the student average daily enrollment of the District over the last seven years.

<b>Fiscal Year</b>	<b>Average Daily Student Enrollment</b>	<b>Percent Change</b>
2018-19	5,652	-0.21%
2017-18	5,664	0.09%
2016-17	5,659	0.07%
2015-16	5,655	0.09%
2014-15	5,650	-1.17%
2013-14	5,717	-0.59%
2012-13	5,751	0.89%

The District's actual enrollment on October 15, 2019 was 5,712 a decrease of approximately 36 students from October 2018.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. General fund expenditures increased by 4.2%. The local tax levy increased by 3.0%. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing. The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for, and support of a quality school system.

## Educational Program

The mission statement for the Ridgewood Public Schools is as follows:

***The Ridgewood Public Schools, committed to a tradition of excellence and innovation, in partnership with the community, provide a rich and challenging learning environment, enabling students to maximize their unique potentials to become life-long learners and productive, responsible citizens.***

The Ridgewood Public School system is composed of seven elementary schools (Pre-K-5), two middle schools (6-8), and one high school (9-12), serving approximately 5,712 students. All public schools are accredited by the New Jersey Department of Education.

To maintain and advance instructional excellence, the District promotes comprehensive programs of staff and curriculum development. Our staff development and curriculum improvement efforts have focused on balanced literacy, mathematics, science and technology in alignment with the Common Core State Standards.

Ridgewood High School is a comprehensive high school, grades 9-12, which attempts to meet the needs of all students. It is also an institution with a long-standing tradition of providing a sound and challenging academic program for college-bound students. The present school population is 1,792. The high school is the largest in Bergen County. The class of 2019 included 435 students. The following page details the post-graduation plans for this class.

<b>Post- Secondary Plans: Class of 2019</b>	
4-Year Colleges	92.0%
2-Year Colleges	3.5%
Military	3 student

The Class of 2019 received acceptances from the following colleges, universities, and military academies:

American University (2)	Indiana University at Bloomington (4)	The Ohio State University (3)
Andrews University (1)	Iona College(1)	The University of Alabama (2)
Arizona State University (1)	Ithaca College (1)	The University of Iowa (1)
Auburn University(2)	Johns Hopkins University (1)	The University of Scranton (2)
Baldwin Wallace University (1)	Kent State University (1)	Trinity College (1)
Baruch College of the CUNY (1)	Lafayette College (3)	Tufts University (3)
Bentley University (2)	Lehigh University (6)	Tulane University (4)
Bergen Community College (10)	Loyola University Maryland (2)	Union College, New York (1)
Berkeley College-Paramus (1)	Manhattan College (2)	United States Air Force Academy (1)
Berklee College of Music (2)	Marist College (4)	University of Brighton (1)
Binghamton University (2)	Marymount Manhattan College (1)	University of California, Los Angeles (2)
Borough of Manhattan Community College of the CUNY (1)	McGill University (2)	University of California, Santa Barbara (1)
Boston College (6)	Miami University, Oxford (2)	University of Chicago (1)
Boston University (4)	Michigan State University (3)	University of Connecticut (1)
Bowdoin College (1)	Middlebury College (2)	University of Delaware (6)
Brandeis University (1)	Millersville University of Penn (1)	University of Exeter (1)
Brigham Young University (1)	Monmouth University (1)	University of Glasgow (1)
Brown University (3)	Montclair State University (7)	University of Hartford (4)
Bucknell University (7)	Muhlenberg College (3)	University of Maryland, College Park (8)
Bryant University (1)	New Jersey Institute of Technology (1)	University of Massachusetts, Amherst (4)
Caldwell University (1)	New York Conservatory for Dramatic Arts (1)	University of Miami (4)
California Polytech State University (1)	New York University (6)	University of Michigan (7)

Carnegie Mellon University (1)	Harvard College (2)	SUNY College of Cortland (1)
Case Western Reserve University (1)	High Point University (1)	Susquehanna University (2)
Champlain College (1)	Hobart and William Smith Colleges (2)	Syracuse University (10)
Chapman University (1)	Hope College (1)	Texas A&M University (1)
Clark University (2)	Northeastern University (3)	Texas Christian University (1)
Clemson University (6)	Northwestern University (2)	The Catholic University of America (1)
Coastal Carolina University(1)	Pace University, NYC (1)	The College of New Jersey (13)
Colgate University(4)	Penn State University (4)	The George Washington University (5)
College of Charleston (2)	Princeton University (1)	University of New Hampshire at Durham (1)
College of Holy Cross (3)	Providence College (3)	University of New Haven (1)
Connecticut College (2)	Quinnipiac University (5)	University of Notre Dame (4)
Cornell University (5)	Ramapo College of NJ (4)	University of Pennsylvania (3)
Dartmouth College (2)	Rensselaer Polytechnic Institute (3)	University of Pittsburgh (4)
DeSales University (1)	Rider University (1)	University of Portland (1)
Dickinson College (1)	Rochester Institute of Technology (1)	University of Rhode Island (3)
Drew University (1)	Roger Williams University (2)	University of Richmond (2)
Drexel University (3)	Rowan University (1)	University of Rochester (2)
Duke University (1)	Rutgers University-New Brunswick (24)	University of South Carolina (5)
Eastman School of Music of the University of Rochester (2)	Rutgers University-Newark (1)	University of Southern California (1)
Elon University (4)	Sacred Heart University (4)	University of St. Andrews (1)
Embry-Riddle Aeronautical University (1)	Salisbury University (1)	University of Toronto (1)
Endicott College (1)	School of the Art Institute of Chicago (1)	University of Vermont (6)
Fairfield University (4)	School of Visual Arts (1)	University of Washington (1)
Fashion Institute of Technology (1)	Seton Hall University (5)	University of Wisconsin, Madison (3)
Felician University (1)	Skidmore College (1)	Villanova University (4)
Fordham University (9)	Southern Methodist University (1)	Virginia Tech (2)
Franklin & Marshall College (3)	Springfield College (1)	Washington University in St. Louis (2)
George Mason University (1)	St. Lawrence University (2)	West Virginia University (1)
Georgetown University (1)	St. Thomas Aquinas College (1)	Wilfrid Laurier University (1)
Gettysburg College (3)	Stanford University (1)	William Paterson University of NJ (1)
Hamilton College –NY (2)	Stevens Institute of Technology (3)	Yale University (1)

## Major Initiatives

### In District Special Education Classes

The District offers specialized classes for students with disabilities. Learning disability classes are offered at Ridgewood High School, George Washington Middle School, Benjamin Franklin Middle School, and Willard Elementary and Hawes Elementary School. Ridgewood Intensive Services (RISe Program) are ABA-based self-contained programs offered at Ridgewood High School, George Washington Middle School, and Ridge Elementary and Glen School. Strategic Actions for Innovative Learning (SAIL) is a multiply disabled program offered at Ridgewood High School, Benjamin Franklin Middle School, and Hawes Elementary School. The NOVA Program offered at Somerville Elementary for students with behavioral disabilities. Additionally, at Glen School, there are classes for preschool students with disabilities. These classes provide Ridgewood students with the opportunity to remain in the Ridgewood Public School System rather than be sent to potentially more expensive and more restrictive out of district specialized schools for the disabled. In district programs, provide these special students with the opportunity to be included in the regular education classes in their buildings when it is appropriate

## Financial Information

**Internal Accounting Controls:** Management of the District is responsible for establishing and maintaining internal control 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 accounting principles generally accepted in the United States of America (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is also subject to periodic evaluation by the District's management.

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

**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, special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

**Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". 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.

**Risk Management:** The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance, and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

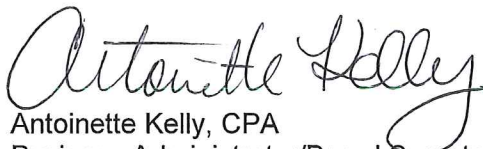
## Acknowledgements

We would like to express our appreciation to the members of the Village of Ridgewood School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

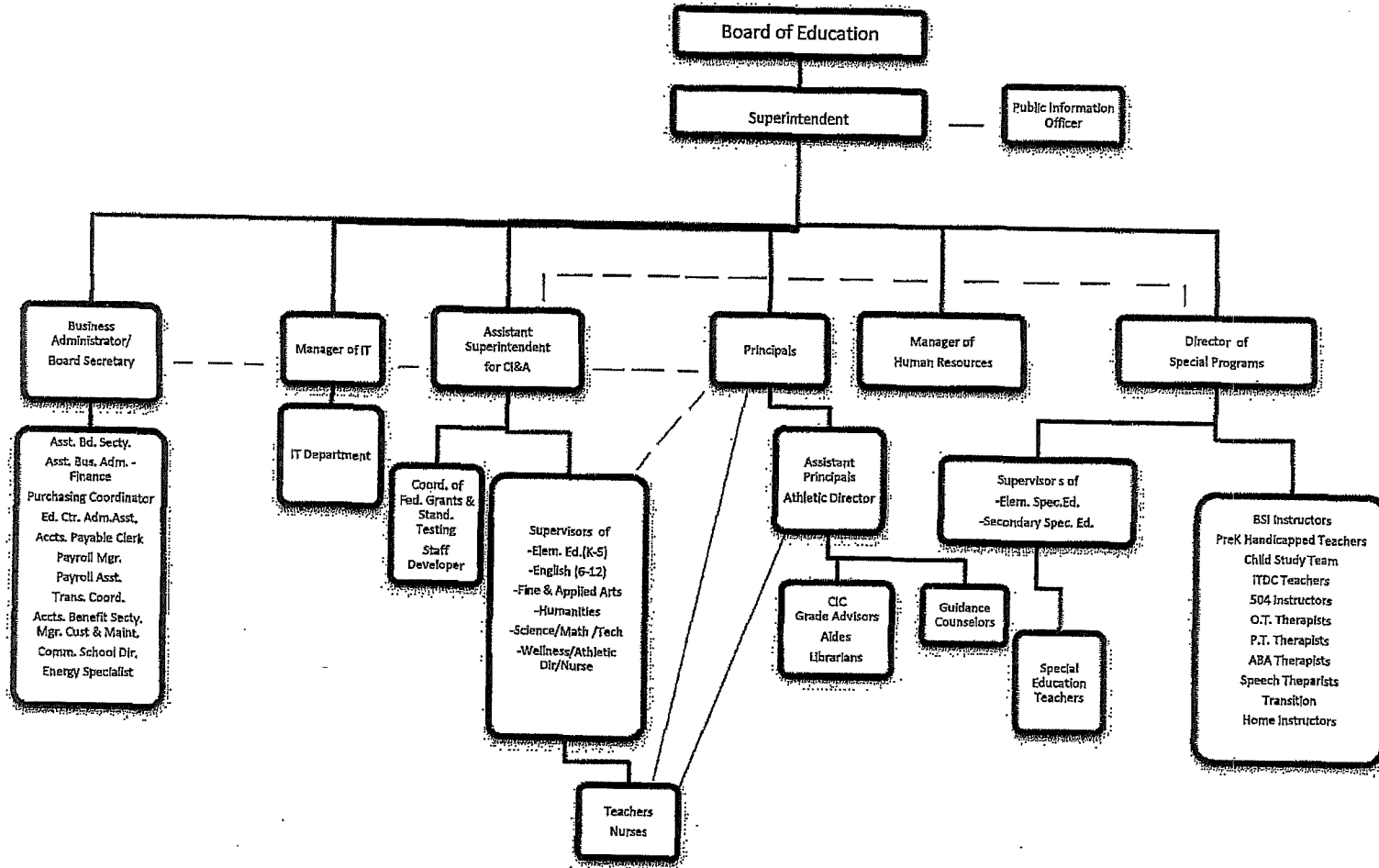


Daniel Fishbein, Ed. D  
Superintendent of Schools



Antoinette Kelly, CPA  
Business Administrator/Board Secretary

# Ridgewood Board of Education Organizational Chart



**RIDGEWOOD BOARD OF EDUCATION**

**ROSTER OF OFFICIALS  
JUNE 30, 2019**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Ms. Jennie Smith Wilson, President	2020
Mr. James Morgan, Vice President	2020
Ms. Sheila Brogan	2021
Ms. Christina Krauss	2021
Mr. Cristopher Kaufman	2022

**Other Officials**

Dr. Daniel Fishbein, Ed. D, Superintendent

Ms. Antoinette Kelly, School Business Administrator/Board Secretary

Mr. Angelo DeSimone, Treasurer

**RIDGEWOOD BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Independent Auditor**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208  
Fair Lawn, NJ 07410

**Attorney**

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, NJ 07090

**Official Depositories**

Columbia Bank  
19-01 Route 208 North  
Fair Lawn, New Jersey 07410



**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Ridgewood Board of Education  
Ridgewood, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridgewood Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, 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 schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Ridgewood Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate 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, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


The introductory section, financial schedules and statistical section have not been subjected 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 them.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2019 on our consideration of the Ridgewood 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 the effectiveness of the Ridgewood Board of Education's 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 Ridgewood Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 11, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

As management of the Ridgewood Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Ridgewood Board of Education for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 fiscal year include the following:

- The assets and deferred outflows of resources of the Ridgewood Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$39,660,769 (Net Position).
- Overall District revenues were \$138,774,623 and were \$3,440,754 more than overall Board expenses of \$135,333,869. General revenues accounted for \$98,728,694 or 71% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$39,392,351 or 28% of total revenues.
- The School District had \$132,074,096 in expenses for governmental activities; only \$35,961,455 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$98,725,562 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,234,468. Of that amount, \$240,503 (4%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned GAAP basis fund balance was \$240,503 at June 30, 2019, a decrease of \$232,332 when compared with the beginning unassigned GAAP basis fund balance at July 1, 2018 of \$472,835.
- The General Fund unassigned budgetary basis fund balance at June 30, 2019 was \$2,238,756, which represents a decrease of \$119,256 compared to the ending unassigned budgetary basis fund balance at June 30, 2018 of \$2,358,012.

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

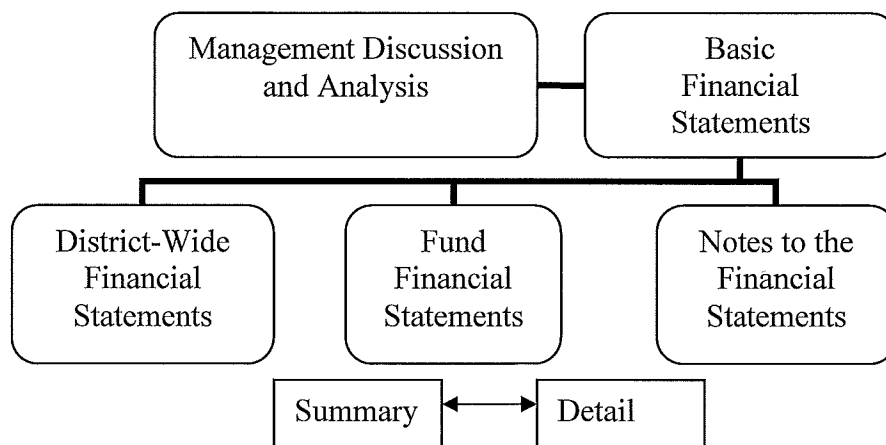
Fiscal Year Ended June 30, 2019

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District’s operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending
- *Proprietary funds statements* offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The basic financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The Figure below shows how the various parts of this annual report are arranged and related to one another.



# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

The following table summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

### Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service.	Instances in which the district administers resources on behalf of someone else, such as scholarship, donations, student activities, and payroll deductions.
<b>Required Financial Statements</b>	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue Expenditures and changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of Asset, Liabilities and Deferred Inflows/outflows Information</b>	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	All assets and liabilities both short and long-term; funds do not currently contain capital assets although they can
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.



# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

### District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the district's assets, liabilities and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Districts *net position* and how they have changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statement's the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and community education. Property taxes and State and Federal aids finance most of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's food service, infant/toddler development, technology initiative and inclusive preschool programs are included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g. repaying its long-term debts) or to show that it is properly using certain revenues (e.g. Federal funds).

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

### Fund Financial Statements (Continued)

The District has three kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
  - *Enterprise Funds* – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The state intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has three enterprise funds for its food service operations, infant toddler development and technology’s initiative programs. The inclusive preschool program enterprise fund was discontinued during the 2018/2019 school year.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others such as scholarship funds, unemployment reserves, payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s district-wide financial statements because the District cannot use these assets to finance its operations.

### 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. The notes to the financial statements can be found following the financial statements.

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

### Other Information

In addition to the financial statements and accompanying notes, which together comprise the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual revenue and expenditure budget for the general, special revenue and debt service funds. Budgetary comparison schedules have been provided for the general, special revenue and debt service funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons and pension information.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the school district's net position for 2019 and 2018.

**Net Position.** The District's *combined* net position was \$39,660,769 and \$36,220,015 on June 30, 2019 and 2018, respectively.

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

Table 1  
Net Position  
as of June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and Other Assets	\$ 7,332,032	\$ 8,096,103	\$ 429,973	\$ 296,793	\$ 7,762,005	\$ 8,392,896
Capital Assets						
Net of Accumulated Depreciation	98,615,336	100,605,668	155,576	168,572	98,770,912	100,774,240
Total Assets	<u>105,947,368</u>	<u>108,701,771</u>	<u>585,549</u>	<u>465,365</u>	<u>106,532,917</u>	<u>109,167,136</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	2,865,654	3,149,949	-	-	2,865,654	3,149,949
Deferred Amount on Net Pension Liability	2,933,511	4,608,556	-	-	2,933,511	4,608,556
Total Deferred Outflows of Resources	<u>5,799,165</u>	<u>7,758,505</u>	<u>-</u>	<u>-</u>	<u>5,799,165</u>	<u>7,758,505</u>
<b>Liabilities</b>						
Non Current Liabilities	62,688,822	70,517,835			62,688,822	70,517,835
Other Liabilities	1,579,323	2,017,305	92,251	127,596	1,671,574	2,144,901
Total Liabilities	<u>64,268,145</u>	<u>72,535,140</u>	<u>92,251</u>	<u>127,596</u>	<u>64,360,396</u>	<u>72,662,736</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amount on Net Pension Liability	8,310,917	8,042,890	-	-	8,310,917	8,042,890
Total Deferred Inflows of Resources	<u>8,310,917</u>	<u>8,042,890</u>	<u>-</u>	<u>-</u>	<u>8,310,917</u>	<u>8,042,890</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	53,460,402	52,024,622	155,576	168,572	53,615,978	52,193,194
Restricted	3,367,381	3,154,358			3,367,381	3,154,358
Unrestricted (Deficit)	(17,660,312)	(19,296,734)	337,722	169,197	(17,322,590)	(19,127,537)
Total Net Position	<u>\$ 39,167,471</u>	<u>\$ 35,882,246</u>	<u>\$ 493,298</u>	<u>\$ 337,769</u>	<u>\$ 39,660,769</u>	<u>\$ 36,220,015</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

The District's total net position of \$39,660,769 at June 30, 2019 represents a \$3,440,754 or 9%, increase from the prior year. The following shows changes in net position for the fiscal years 2019 and 2018.

**Table 2**  
**Change in Net Position**  
**for the Fiscal Years Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues:						
Charge for Services	\$ 2,736,701	\$ 1,570,131	\$ 3,430,896	\$ 3,254,198	\$ 6,167,597	\$ 4,824,329
Operating Grants and Contributions	33,160,633	40,845,805			33,160,633	40,845,805
Capital Grants and Contributions	64,121	11,027			64,121	11,027
General Revenues:						
Property Taxes	97,444,257	94,784,956			97,444,257	94,784,956
Federal and State Aid - Restricted	409,204	417,813			409,204	417,813
Federal and State Aid - Unrestricted	4,556	55,859			4,556	55,859
Other	867,545	1,368,929	3,132	501	870,677	1,369,430
Special Item						
Change in Net Pension Liability	653,578	-	-	-	653,578	-
<b>Total Revenues</b>	<b>135,340,595</b>	<b>139,054,520</b>	<b>3,434,028</b>	<b>3,254,699</b>	<b>138,774,623</b>	<b>142,309,219</b>
<b>Program Expenses</b>						
Instruction						
Regular	55,317,248	60,234,080			55,317,248	60,234,080
Special Education	21,481,554	22,237,366			21,481,554	22,237,366
Other Instruction	4,931,423	5,307,856			4,931,423	5,307,856
School Sponsored Activities and Athletics	1,672,880	1,718,793			1,672,880	1,718,793
Support Services:						
Student and Instruction Related Services	21,060,674	21,458,596			21,060,674	21,458,596
General Administration,	1,188,610	1,361,502			1,188,610	1,361,502
School Administration	6,103,999	6,405,997			6,103,999	6,405,997
Central Services	1,634,597	1,539,412			1,634,597	1,539,412
Administration Information Technology	1,069,133	1,147,762			1,069,133	1,147,762
Plant Operations and Maintenance	12,613,773	12,395,800			12,613,773	12,395,800
Pupil Transportation	3,455,619	3,707,638			3,455,619	3,707,638
Interest and Other Charges on Debt	1,544,586	1,400,202			1,544,586	1,400,202
Food Service			2,073,207	1,969,904	2,073,207	1,969,904
Infant/Toddler Development			1,119,044	933,221	1,119,044	933,221
Technology Initiative			67,522	89,063	67,522	89,063
Inclusive Preschool	-	-	-	30,834	-	30,834
<b>Total Expenses</b>	<b>132,074,096</b>	<b>138,915,004</b>	<b>3,259,773</b>	<b>3,023,022</b>	<b>135,333,869</b>	<b>141,938,026</b>
Change in Net Position Before Transfers	3,266,499	139,516	174,255	231,677	3,440,754	371,193
Transfers	18,726	(20,859)	(18,726)	20,859	-	-
Change in Net Position	3,285,225	118,657	155,529	252,536	3,440,754	371,193
Net Position, Beginning of Year	35,882,246	35,763,589	337,769	85,233	36,220,015	35,848,822
Net Position, End of Year	\$ 39,167,471	\$ 35,882,246	\$ 493,298	\$ 337,769	\$ 39,660,769	\$ 36,220,015

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

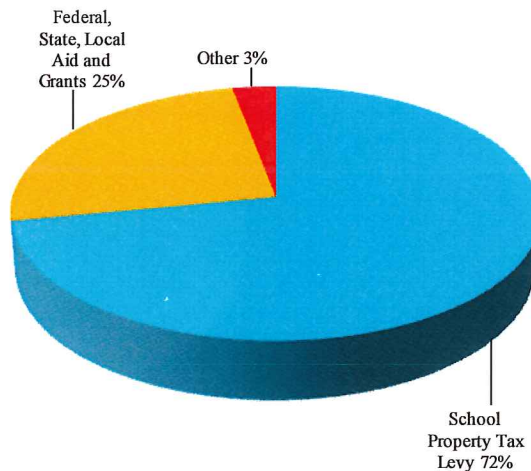
### Fiscal Year Ended June 30, 2019

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$135,340,595 for the year ended June 30, 2019, property taxes of \$97,444,257 represented 72% of revenues. Another significant portion of revenues came from grant aid; total State, Federal and Local Aid and Grants were \$33,638,514 and represented 25% of revenues. In addition, revenue in the amount of \$3,604,246 (3%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

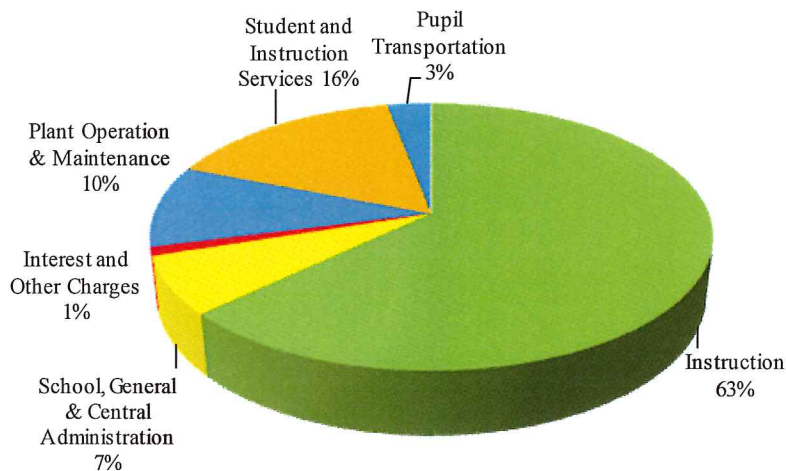
The total cost of all governmental activities programs and services was \$132,074,096. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$83,403,105 (63%) of total expenses. Support services, totaled \$47,126,405 (36%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$1,544,586 (1%).

Total governmental activities revenues and transfers in exceeded expenses increasing net position by \$3,285,225 from the previous year.

**Revenues by Type – Governmental Activities  
For Fiscal Year 2019**



**Expenses by Type – Governmental Activities  
For Fiscal Year 2019**



# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$132,074,096 and \$138,915,004, respectively. After applying program revenues, derived from operating and capital grants and contributions of \$33,224,754 and \$40,856,832, charges for services of \$2,736,701 and \$1,570,131, and the net cost of services of the District is \$96,112,641 and \$96,488,041, respectively.

**Table 3**  
**Total and Net Cost of Governmental Activities**  
**for the Fiscal Year Ended June 30, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 55,317,248	\$ 60,234,080	\$ 37,590,670	\$ 37,576,903
Special Education	21,481,554	22,237,366	12,886,878	12,878,857
Other Instruction	4,931,423	5,307,856	2,301,185	2,399,334
School Sponsored Activities and Athletics	1,672,880	1,718,793	1,309,270	1,612,270
Support Services:				
Student and Instructional Related Services	21,060,674	21,458,596	17,402,876	16,602,344
General Administration	1,188,610	1,361,502	1,172,951	1,326,321
School Administration	6,103,999	6,405,997	4,656,941	4,442,775
Central Services	1,634,597	1,539,412	1,581,633	1,432,739
Plant Operations and Maintenance	12,613,773	12,395,800	11,873,936	12,231,867
Administrative Information Technology	1,069,133	1,147,762	1,035,113	1,068,669
Pupil Transportation	3,455,619	3,707,638	2,756,602	3,515,760
Interest on Debt	1,544,586	1,400,202	1,544,586	1,400,202
Total Expenses	<u>\$ 132,074,096</u>	<u>\$ 138,915,004</u>	<u>\$ 96,112,641</u>	<u>\$ 96,488,041</u>

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2019 was \$3,259,773. Food service costs were \$2,073,207 (64%), infant/toddler development costs were \$1,119,044 (34%) and technology initiative costs were \$67,522 (2%). These costs were funded by revenue from charges for services of \$3,430,896 (100%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$2,150,930 (63%), infant/toddler development charges for services were \$1,181,341 (34%) and technology initiative charges for services were \$98,625 (3%).

Total business-type activities revenues surpassed expenses and transfers out increasing net position by \$155,529 over the previous year. At June 30, 2019 the net position balance of the food service program was \$282,506, the infant/toddler development program fund net position was \$122,733 and the technology initiative fund net position was \$88,059.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$6,234,468 at June 30, 2019 compared to a combined fund balance of \$6,611,412 at June 30, 2018. The decrease is mainly attributable to payments made in the Capital Projects Fund for costs associated with the 2018-2019 capital lease.

Revenues and transfers in for the District's governmental funds were \$125,013,841 while total expenditures and transfers out were \$125,390,785.

### GENERAL FUND

The General fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 12 including pupil transportation, extra-curricular activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues for the fiscal years ended June 30, 2019 and 2018.

<u>Revenues</u>	<u>Amount</u>		<u>Increase/(Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>Percent</u>
Local Sources	\$ 97,879,425	\$ 94,456,168	\$ 3,423,257	3.62%
State Sources	21,482,194	18,357,086	3,125,108	17.02%
Federal Sources	<u>7,020</u>	<u>3,762</u>	<u>3,258</u>	100.00%
Total	<u>\$ 119,368,639</u>	<u>\$ 112,817,016</u>	<u>\$ 6,551,623</u>	5.81%



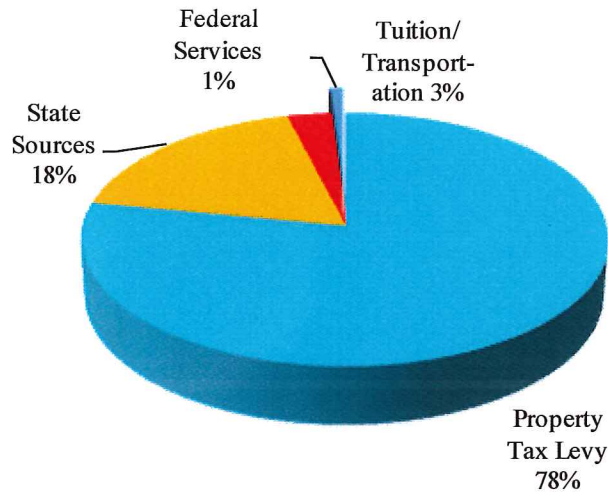
# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

The majority of revenues come from property taxes which accounted for 78% of total revenue while state sources represented 18% of total revenue for the 2019 fiscal year. Miscellaneous revenues primarily tuition and transportation fees represented 3% of the total revenue for the 2019 fiscal year. Federal sources represented 1% of total revenues for the 2019 fiscal year.

#### General Fund Revenues by Source For Fiscal Year 2019



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2019 and 2018.

<u>Expenditures</u>	<u>Amount</u>		<u>Increase/(Decrease)</u>	
	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>Percent</u>
Current Expense:				
Instruction	\$ 73,360,562	\$ 70,945,393	\$ 2,415,169	3.40%
Support Services	41,905,793	40,796,588	1,109,205	2.72%
Capital Outlay	1,463,861	1,183,714	280,147	23.67%
Debt Service:	<u>2,131,202</u>	<u>1,115,710</u>	<u>1,015,492</u>	91.02%
Total	<u>\$ 118,861,418</u>	<u>\$ 114,041,405</u>	<u>\$ 4,820,013</u>	4.23%

Total General Fund expenditures increased \$4,820,013 or 4% from the previous year. Instruction represented 62% of total expenditures while support services accounted for 35% and debt service and capital outlay accounted for 3% of total expenditures for the 2019 fiscal year. Approximately \$2.3 million of the increase is due to on-behalf contributions made by the State for pension, post-retirement medical benefits and social

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

security payments. Expenditures for health benefits also increased approximately \$565,000.

For the 2018-2019 school year General Fund revenues exceeded expenditures by \$507,221. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance decreased from \$472,835 at June 30, 2018 to \$240,503 at June 30, 2019. In addition, the District ended the June 30, 2019 fiscal year with \$1,450,000 of excess surplus of which \$750,000 was designated for the subsequent year's budget (2019/2020) and the remaining \$700,000 will be designated in the 2020/2021 budget. In addition, the District had restricted fund balances of \$2,778,509 in capital reserve of which \$1,300,000 was designated for the 2019/20 budget, \$415,548 in maintenance reserve none of which was designated in the 2019/2020 budget and \$600,000 in emergency reserve of which \$300,000 was designated for the 2019/20 budget.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of fiscal years 2019 and 2018, the District had \$98,770,912 and \$100,774,240 invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2018-2019 amounted to \$3,537,922 for governmental activities and \$32,732 for business-type activities. The following is a comparison of the June 30, 2019 and 2018 balances.

#### Capital Assets As of June 30, 2019 and 2018

Table 4  
Capital Assets at June 30, 2019 and 2018

	Governmental		Business Type		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 7,435,206	\$ 7,435,206			\$ 7,435,206	\$ 7,435,206
Construction in Progress	750,769	199,371			750,769	199,371
Land Improvements	6,907,344	6,900,876			6,907,344	6,900,876
Buildings and Building Improvements	128,435,070	127,660,074			128,435,070	127,660,074
Machinery and Equipment	6,106,745	5,955,717	\$ 439,401	\$ 419,665	6,546,146	6,375,382
Subtotal	149,635,134	148,151,244	439,401	419,665	150,074,535	148,570,909
Less: Accumulated Depreciation	(51,019,798)	(47,545,576)	(283,825)	(251,093)	(51,303,623)	(47,796,669)
Total Capital Assets,						
Net of Accumulated Depreciation	\$ 98,615,336	\$ 100,605,668	\$ 155,576	\$ 168,572	\$ 98,770,912	\$ 100,774,240

Additional information on the District's capital assets is presented in Note 3 of this report.

# RIDGEWOOD BOARD OF EDUCATION

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2019

**Debt Administration.** As of June 30, 2019 and 2018 the District had long-term debt and outstanding long-term liabilities in the amount of \$62,688,822 and \$70,517,835, respectively. For fiscal year 2018-2019 total outstanding long-term liabilities decreased by \$7,829,013. The following is a comparison of the June 30, 2019 and 2018 balances.

	<u>2019</u>	<u>2018</u>
Serial Bonds (including unamortized premium)	\$ 45,858,054	\$ 49,184,612
Capital Leases/Lease Purchase Agreements	2,163,362	3,341,995
Net Pension Liability	14,178,235	17,491,143
Compensated Absences	<u>489,171</u>	<u>500,085</u>
Total	<u>\$ 62,688,822</u>	<u>\$ 70,517,835</u>

Additional information on the District's long-term liabilities is presented in Note 3 of this report.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget. These budget amendments fall into two categories:

- Reinstating prior year purchase orders being carried over.
- Appropriation of additional State and Federal Aid.

General Fund budgetary basis revenues and other financing sources exceeded budgetary basis expenditures by \$645,181 during the 2018/19 fiscal year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance decreased \$119,256 from \$2,358,012 at June 30, 2018 to \$2,238,756 at June 30, 2019. In addition, the District ended the year with excess surplus of \$1,450,000. In accordance with State regulations, the District appropriated \$750,000 of excess surplus for use in 2019/2020 school year budget as required. The District has retained a capital reserve balance in the amount of \$2,778,509 at June 30, 2019. In addition, the District has a maintenance reserve in the amount of \$415,548 and an emergency reserve balance of \$600,000 at June 30, 2019.

# **RIDGEWOOD BOARD OF EDUCATION**

## **Management Discussion and Analysis**

**Fiscal Year Ended June 30, 2019**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, student enrollment and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-2020 budget. The primary factors were the District's projected student population, anticipated state and federal aid, contractual salary and related benefit cost increases, as well as, increased special education tuition costs.

These indicators were considered when adopting the budget for fiscal year 2019-2020. Budgeted expenditures in the General Fund increased \$1,191,042 to \$107,043,634 for fiscal year 2019-2020.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office, Ridgewood Board of Education, Education Center, 49 Cottage Place, Ridgewood, New Jersey 07451.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**RIDGEWOOD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,721,507	\$ 459,910	\$ 7,181,417
Receivables, Net:			
Receivables from Other Governments	419,634		419,634
Other	136,666	11,813	148,479
Internal Balances	54,225	(54,225)	-
Inventories		12,475	12,475
Capital Assets Not Being Depreciated	8,185,975		8,185,975
Capital Assets, Being Depreciated, net	90,429,361	155,576	90,584,937
Total Assets	105,947,368	585,549	106,532,917
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	2,865,654		2,865,654
Deferred Amounts on Net Pension Liability	2,933,511	-	2,933,511
Total Deferred Outflows of Resources	5,799,165	-	5,799,165
Total Assets and Deferred Outflows of Resources	111,746,533	585,549	112,332,082
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	160,744	-	160,744
Accrued Interest Payable	481,759		481,759
Payable to Other Governments	9,241		9,241
Unearned Revenue	927,579	92,251	1,019,830
Noncurrent Liabilities			
Due Within One Year	3,235,603		3,235,603
Due Beyond One Year	59,453,219	-	59,453,219
Total Liabilities	64,268,145	92,251	64,360,396
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	8,310,917	-	8,310,917
Total Deferred Inflows of Resources	8,310,917	-	8,310,917
Total Liabilities and Deferred Inflows of Resources	72,579,062	92,251	72,671,313
<b>NET POSITION</b>			
Net Investment in Capital Assets	53,460,402	155,576	53,615,978
Restricted for			
Capital Projects	2,817,192		2,817,192
Facility Maintenance	415,548		415,548
Other Purposes	134,641		134,641
Unrestricted (Deficit)	(17,660,312)	337,722	(17,322,590)
Total Net Position	\$ 39,167,471	\$ 493,298	\$ 39,660,769

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

**RIDGEWOOD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 55,317,248	\$ 1,039,299	\$ 16,628,099	\$ 59,180	\$ (37,590,670)		\$ (37,590,670)
Special Education	21,481,554		8,594,676		(12,886,878)		(12,886,878)
Other Instruction	4,931,423	1,083,733	1,546,505		(2,301,185)		(2,301,185)
School Sponsored Activities and Athletics	1,672,880	315,071	48,539		(1,309,270)		(1,309,270)
Support Services							
Student and Instruction Related Services	21,060,674		3,652,857	4,941	(17,402,876)		(17,402,876)
School Administration Services	6,103,999		1,447,058		(4,656,941)		(4,656,941)
General Administration Services	1,188,610		15,659		(1,172,951)		(1,172,951)
Central Services	1,634,597		52,964		(1,581,633)		(1,581,633)
Administration Information Technology	1,069,133		34,020		(1,035,113)		(1,035,113)
Plant Operations And Maintenance	12,613,773	295,925	443,912		(11,873,936)		(11,873,936)
Pupil Transportation	3,455,619	2,673	696,344		(2,756,602)		(2,756,602)
Interest On Long-Term Debt	1,544,586	-	-	-	(1,544,586)	-	(1,544,586)
Total Governmental Activities	<u>132,074,096</u>	<u>2,736,701</u>	<u>33,160,633</u>	<u>64,121</u>	<u>(96,112,641)</u>	<u>-</u>	<u>(96,112,641)</u>
<b>Business-Type Activities</b>							
Food Service	2,073,207	2,150,930	-			\$ 77,723	77,723
Infant/Toddler Development	1,119,044	1,181,341				62,297	62,297
Technology Initiative	67,522	98,625				31,103	31,103
Total Business-Type Activities	<u>3,259,773</u>	<u>3,430,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,123</u>	<u>171,123</u>
Total Primary Government	<u>\$ 135,333,869</u>	<u>\$ 6,167,597</u>	<u>\$ 33,160,633</u>	<u>\$ 64,121</u>	<u>(96,112,641)</u>	<u>171,123</u>	<u>(95,941,518)</u>
<b>General Revenues</b>							
Taxes							
Property Taxes Levied for General Purposes					\$ 94,279,356		\$ 94,279,356
Property Taxes Levied for Debt Service					3,164,901		3,164,901
State Aid Restricted - Debt Service					409,204		409,204
State Aid -Unrestricted					4,556		4,556
Interest Income					126,118	\$ 3,132	129,250
Miscellaneous Income					741,427		741,427
Transfers					18,726	(18,726)	-
Special Item							
Change in Net Pension Liability					653,578	-	653,578
Total General Revenues, Transfers and Special Item					<u>99,397,866</u>	<u>(15,594)</u>	<u>99,382,272</u>
Change in Net Position					3,285,225	155,529	3,440,754
Net Position, Beginning of Year					<u>35,882,246</u>	<u>337,769</u>	<u>36,220,015</u>
Net Position, End of Year					<u>\$ 39,167,471</u>	<u>\$ 493,298</u>	<u>\$ 39,660,769</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**FUND FINANCIAL STATEMENTS**



**RIDGEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,429,204	\$ 118,979	\$ 38,683	\$ 134,641	\$ 6,721,507
Receivables, Net					
Receivables from Other Governments	220,073	199,561			419,634
Other Accounts Receivable	136,562				136,562
Due from Other Funds	54,329	-	-	-	54,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 6,840,168</u>	<u>\$ 318,540</u>	<u>\$ 38,683</u>	<u>\$ 134,641</u>	<u>\$ 7,332,032</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 101,376	\$ 59,368			\$ 160,744
Payable to State Government		9,241			9,241
Unearned Revenue	677,648	249,931	-	-	927,579
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>779,024</u>	<u>318,540</u>	<u>-</u>	<u>-</u>	<u>1,097,564</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	700,000				700,000
Excess Surplus - Designated for					
Subsequent Year's Expenditures	750,000				750,000
Capital Reserve	1,478,509				1,478,509
Capital Reserve - Designated for					
Subsequent Year's Expenditures	1,300,000				1,300,000
Maintenance Reserve	415,548				415,548
Emergency Reserve	300,000				300,000
Emergency Reserve - Designated for					
Subsequent Year's Expenditures	300,000				300,000
Capital Projects			\$ 38,683		38,683
Debt Service				\$ 134,641	134,641
Committed Fund Balance					
Year End Encumbrances	137,166				137,166
Assigned Fund Balance					
Year End Encumbrances	182,418				182,418
Designated for Subsequent Year's					
Expenditures	257,000				257,000
Unassigned Fund Balance:					
General Fund	240,503	-	-	-	240,503
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>6,061,144</u>	<u>-</u>	<u>38,683</u>	<u>134,641</u>	<u>6,234,468</u>
Total Liabilities and Fund Balances	<u>\$ 6,840,168</u>	<u>\$ 318,540</u>	<u>\$ 38,683</u>	<u>\$ 134,641</u>	<u>\$ 7,332,032</u>

Continued

**RIDGEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

Total Fund Balances - Governmental Funds	\$	6,234,468
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$149,635,134 and the accumulated depreciation is \$51,019,798.</p>		98,615,336
<p>Accrued interest on long-term bonds, notes and capital leases is not due and payable in the current period and therefore is not reported as a liability in the funds.</p>		(481,759)
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of reserves on the statement of net position and amortized over the life of the debt.</p>		2,865,654
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$	2,933,511
Deferred Inflows of Resources		(8,310,917)
		(5,377,406)
<p>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.</p>		
Serial Bonds Payable (including unamortized premium)		(45,858,054)
Capital Leases/Lease Purchase Agreements		(2,163,362)
Compensated Absences		(489,171)
Net Pension Liability		(14,178,235)
		(62,688,822)
<b>Net position of governmental activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>39,167,471</u></b>

**RIDGEWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 94,279,356			\$ 3,164,901	\$ 97,444,257
Tuition	2,123,032				2,123,032
Miscellaneous	1,477,037	\$ 583,516	\$ 4,177	-	2,064,730
Total - Local Sources	<u>97,879,425</u>	<u>583,516</u>	<u>4,177</u>	<u>3,164,901</u>	<u>101,632,019</u>
State Sources	21,482,194	5,643		409,204	21,897,041
Federal Sources	7,020	1,318,237	-	-	1,325,257
Total Revenues	<u>119,368,639</u>	<u>1,907,396</u>	<u>4,177</u>	<u>3,574,105</u>	<u>124,854,317</u>
<b>EXPENDITURES</b>					
Current					
Instruction:					
Regular	48,169,322	406,007	691,943		49,267,272
Special Education	19,246,655	1,044,453			20,291,108
Other Instruction	4,261,475	180,271			4,441,746
School Sponsored Activities and Athletics	1,683,110				1,683,110
Support Services					
Student and Instruction Related Services	19,631,696	151,592			19,783,288
School Administrative Services	5,405,831				5,405,831
General Administration Services	1,188,397		3,514		1,191,911
Central Services	1,645,332		428		1,645,760
Administration Information Technology	1,055,349		20,955		1,076,304
Plant Operations And Maintenance	9,583,372		59,590		9,642,962
Pupil Transportation	3,395,816	60,952			3,456,768
Debt Service:					
Principal	1,888,633			2,210,000	4,098,633
Interest and Other Charges	242,569			1,475,135	1,717,704
Capital Outlay	1,463,861	64,121	19,608	-	1,547,590
Total Expenditures	<u>118,861,418</u>	<u>1,907,396</u>	<u>796,038</u>	<u>3,685,135</u>	<u>125,249,987</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>507,221</u>	<u>-</u>	<u>(791,861)</u>	<u>(111,030)</u>	<u>(395,670)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	24,884			134,640	159,524
Transfers Out	-		(140,798)	-	(140,798)
Total Other Financing Sources (Uses)	<u>24,884</u>	<u>-</u>	<u>(140,798)</u>	<u>134,640</u>	<u>18,726</u>
Net Change in Fund Balances	532,105	-	(932,659)	23,610	(376,944)
Fund Balance, Beginning of Year	<u>5,529,039</u>	<u>-</u>	<u>971,342</u>	<u>111,031</u>	<u>6,611,412</u>
Fund Balance, End of Year	<u>\$ 6,061,144</u>	<u>\$ -</u>	<u>\$ 38,683</u>	<u>\$ 134,641</u>	<u>\$ 6,234,468</u>

**RIDGEWOOD BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (376,944)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital additions in the period.

Capital Additions	\$ 1,547,590	
Depreciation Expense	<u>(3,537,922)</u>	(1,990,332)

In the statement of activities, interest on debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Accrued Interest		50,855
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Repayments of bond and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds		2,920,000
Capital Lease/Lease Purchase Agreements Payable		1,178,633

Governmental funds report the effect of discounts and losses on the refunding of debt when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Bond Premium	406,558	
Amortization of Deferred Amounts on Refunding	<u>(284,295)</u>	122,263

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Decrease in Compensated Absences	10,914	
Decrease in Pension Expense	716,258	
Decrease in Net Pension Liability	<u>653,578</u>	<u>1,380,750</u>

**Change in net position of governmental activities (Exhibit A-2)** **\$ 3,285,225**

**RIDGEWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

**Business-Type Activities - Enterprise Fund**

	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Non-Major Technology Initiative</u>	<u>Non-Major Inclusive Preschool</u>	<u>Totals</u>
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 245,252	\$ 126,599	\$ 88,059		\$ 459,910
Other Accounts Receivable	11,813				11,813
Inventories	<u>12,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,475</u>
Total Current Assets	<u>269,540</u>	<u>126,599</u>	<u>88,059</u>	<u>-</u>	<u>484,198</u>
Capital Assets					
Equipment	335,962	103,439			439,401
Less: Accumulated Depreciation	<u>(214,870)</u>	<u>(68,955)</u>	<u>-</u>	<u>-</u>	<u>(283,825)</u>
Total Capital Assets, Net	<u>121,092</u>	<u>34,484</u>	<u>-</u>	<u>-</u>	<u>155,576</u>
Total Assets	<u>390,632</u>	<u>161,083</u>	<u>88,059</u>	<u>-</u>	<u>639,774</u>
<b>LIABILITIES</b>					
Current Liabilities					
Due to Other Funds	54,225				54,225
Unearned Revenue	<u>53,901</u>	<u>38,350</u>	<u>-</u>	<u>-</u>	<u>92,251</u>
Total Current Liabilities	<u>108,126</u>	<u>38,350</u>	<u>-</u>	<u>-</u>	<u>146,476</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	121,092	34,484			155,576
Unrestricted	<u>161,414</u>	<u>88,249</u>	<u>88,059</u>	<u>-</u>	<u>337,722</u>
Total Net Position	<u>\$ 282,506</u>	<u>\$ 122,733</u>	<u>\$ 88,059</u>	<u>\$ -</u>	<u>\$ 493,298</u>

**RIDGEWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Fund</u>				<u>Totals</u>
	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Non-Major Technology Initiative</u>	<u>Non-Major Inclusive Preschool</u>	
<b>OPERATING REVENUES</b>					
Charges for Services					
Daily Sales - Non-Reimbursable Programs	\$ 2,150,930				\$ 2,150,930
Program Fees	-	\$ 1,181,341	\$ 98,625	-	1,279,966
	<u>2,150,930</u>	<u>1,181,341</u>	<u>98,625</u>	<u>-</u>	<u>3,430,896</u>
Total Operating Revenues					
<b>OPERATING EXPENSES</b>					
Salaries and Employee Benefits	806,368	966,758			1,773,126
Cost of Sales - Non-Reimbursable Programs	923,129				923,129
Other Purchased Services	198,973	121,583	9,049		329,605
Supplies and Materials	118,356	11,075	58,473		187,904
Miscellaneous	4,921	8,356			13,277
Depreciation	21,460	11,272	-	-	32,732
	<u>2,073,207</u>	<u>1,119,044</u>	<u>67,522</u>	<u>-</u>	<u>3,259,773</u>
Total Operating Expenses					
Operating Income	<u>77,723</u>	<u>62,297</u>	<u>31,103</u>	<u>-</u>	<u>171,123</u>
<b>NONOPERATING REVENUES</b>					
Interest Income	<u>3,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,132</u>
Total Nonoperating Revenues	<u>3,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,132</u>
Income Before Transfers	80,855	62,297	31,103	-	174,255
Transfers Out	-	-	-	\$ (18,726)	(18,726)
Change in Net Position	80,855	62,297	31,103	(18,726)	155,529
Net Position, Beginning of Year	<u>201,651</u>	<u>60,436</u>	<u>56,956</u>	<u>18,726</u>	<u>337,769</u>
Net Position, End of Year	<u>\$ 282,506</u>	<u>\$ 122,733</u>	<u>\$ 88,059</u>	<u>\$ -</u>	<u>\$ 493,298</u>

**RIDGEWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities - Enterprise Fund</b>				<b>Totals</b>
	<b>Food Service</b>	<b>Infant/ Toddler Development</b>	<b>Non-Major Technology Initiative</b>	<b>Non-Major Inclusive Preschool</b>	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers	\$ 2,151,825	\$ 1,173,650	\$ 98,625	\$ (3,100)	\$ 3,421,000
Payments for Employees' Salaries and Benefits	(806,368)	(966,758)	-		(1,773,126)
Payments to Suppliers for Goods and Services	<u>(1,276,732)</u>	<u>(141,014)</u>	<u>(67,522)</u>	<u>-</u>	<u>(1,485,268)</u>
Net Cash Provided by (Used for) Operating Activities	<u>68,725</u>	<u>65,878</u>	<u>31,103</u>	<u>(3,100)</u>	<u>162,606</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,726)</u>	<u>(18,726)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,726)</u>	<u>(18,726)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Earnings	<u>3,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,132</u>
Net Cash Provided by Investing Activities	<u>3,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,132</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of Capital Assets	<u>(19,736)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,736)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(19,736)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,736)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	52,121	65,878	31,103	(21,826)	127,276
Cash and Cash Equivalents, Beginning of Year	<u>193,131</u>	<u>60,721</u>	<u>56,956</u>	<u>21,826</u>	<u>332,634</u>
Cash and Cash Equivalents, End of Year	<u>\$ 245,252</u>	<u>\$ 126,599</u>	<u>\$ 88,059</u>	<u>\$ -</u>	<u>\$ 459,910</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>					
Operating Income	<u>\$ 77,723</u>	<u>\$ 62,297</u>	<u>\$ 31,103</u>	<u>\$ -</u>	<u>\$ 171,123</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities					
Depreciation	21,460	11,272			32,732
Change in Assets and Liabilities:					
Decrease/(Increase) in Accounts Receivable	(5,248)				(5,248)
(Decrease)/Increase in Unearned Revenue	6,143	(7,691)		(3,100)	(4,648)
(Increase)/Decrease in Inventories	(656)				(656)
Increase/(Decrease) in Accounts Payable	<u>(30,697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,697)</u>
Total Adjustments	<u>(8,998)</u>	<u>3,581</u>	<u>-</u>	<u>(3,100)</u>	<u>(8,517)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 68,725</u>	<u>\$ 65,878</u>	<u>\$ 31,103</u>	<u>\$ (3,100)</u>	<u>\$ 162,606</u>

**RIDGEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2019**

	<b>Private Purpose Scholarship Trust</b>	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 512,389	\$ 230,628	\$ 2,046,051
Investments, at fair value	<u>2,110,220</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,622,609</u>	<u>230,628</u>	<u>\$ 2,046,051</u>
<b>LIABILITIES</b>			
Due to Other Funds			\$ 104
Due to Student Groups			378,247
Accounts Payable		3,409	
Payroll Deductions and Withholdings			19,742
Accrued Salaries and Wages	<u>-</u>	<u>-</u>	<u>1,647,958</u>
Total Liabilities	<u>-</u>	<u>3,409</u>	<u>\$ 2,046,051</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims		<u>\$ 227,219</u>	
Held in Trust for Scholarships	<u>\$ 2,622,609</u>		



**RIDGEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Private Purpose Scholarship Trust</b>	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>		
Contributions		
Employees		\$ 81,227
Dividends	\$ 52,392	
Net Gain in Fair Value	54,501	
Other Contributions	27,018	-
	133,911	81,227
 Investment Earnings		
Interest	6,248	1,501
	6,248	1,501
Net Investment Earnings	6,248	1,501
	140,159	82,728
 <b>DEDUCTIONS</b>		
Other Purchased Services and Other Expenses	2,921	
Scholarship/Award Payments	141,610	
Unemployment Claims and Contributions	-	43,303
	144,531	43,303
	(4,372)	39,425
Net Position, Beginning of the Year	2,626,981	187,794
Net Position, End of the Year	\$ 2,622,609	\$ 227,219

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**NOTES TO THE FINANCIAL STATEMENTS**

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Ridgewood Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. 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 reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Ridgewood Board of Education this includes general operations, food service, infant/toddler development, information technology initiative and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

**C. Basis of Presentation - Financial Statements**

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. Fiduciary funds are excluded from the district-wide financial statements.

**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 and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and the food service and infant/toddler development enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *infant/toddler development fund* accounts for the activities of the District's teaching and recreational school program which provides daycare and recreation to infants and toddlers.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *technology initiative fund* accounts for the non refundable deposits charged to repair and replenish the districts chromebooks which are provided to students.

The *inclusive preschool fund* accounts for the activities of the District's education program which provides instruction and recreation to preschool age children. The District discontinued this Fund during the 2018/2019 school year.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-45
Machinery and Equipment	5-10

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***5. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is deferred and amortized over future years.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.



**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***9. Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

*Excess Surplus – Designated for Subsequent Year’s Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

*Capital Reserve - Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2E).

*Emergency Reserve – Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**9. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (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.

**10. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

***4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$1,572,520. The increase was funded by additional state aid, additional appropriated grant awards and the reappropriation of prior year encumbrances.

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 2,816,451
Increased by:		
Interest Earnings	\$ 4,514	
Unexpended Balance on Withdrawal to Capital Outlay	378,772	
Deposits Approved by Board Resolution	<u>1,078,772</u>	
Total Increases		<u>1,462,058</u>
		4,278,509
Decreased by:		
Withdrawals Approved in District Budget		<u>1,500,000</u>
Balance, June 30, 2019		<u>\$ 2,778,509</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,300,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 50,000
Increased by:	
Deposits Approved by Board Resolution	<u>415,548</u>
	465,548
Decreased by:	
Withdrawals Approved in District Budget	<u>50,000</u>
Balance, June 30, 2019	<u>\$ 415,548</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$5,223,567. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve (Continued)**

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 100,000
Increased by:	
Deposits Approved by Board Resolution	<u>600,000</u>
	700,000
Decreased by:	
Withdrawals Approved in District Budget	<u>100,000</u>
Balance, June 30, 2019	<u>\$ 600,000</u>

\$300,000 of the emergency reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2019 is \$1,450,000. Of this amount, \$750,000 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$700,000 will be appropriated in the 2020/2021 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.



**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$9,970,485 and bank and brokerage firm balances of the Board's deposits amounted to \$13,495,082. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>13,495,082</u>
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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 Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had the following investments:

<b><u>Investment Type:</u></b>	<b><u>Fair Value</u></b>
Private Purpose Scholarship	
Various	\$ <u>2,110,220</u>

The investments, which were received as donations to the school district, are to be invested with specific custodians, according to donor stipulations. These custodians, which are subsidiaries of banks, make all investment decisions.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk.

As of June 30, 2019, the Board had no outstanding investments.

Interest Rate Risk – The Board 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.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board’s investments are in BNY Mellon and Morgan Stanley brokerage accounts. These investments are 100% of the District’s total investments.

The fair value of the above-listed investments were based on quoted market prices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2019 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Other	\$ 136,562		\$ 11,813	\$ 148,375
Intergovernmental-				
Federal	43	\$ 199,561		199,604
State	220,020			220,020
Local	10	-	-	10
	<u>356,635</u>	<u>199,561</u>	<u>11,813</u>	<u>568,009</u>
Gross Receivables				
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 356,635</u>	<u>\$ 199,561</u>	<u>\$ 11,813</u>	<u>\$ 568,009</u>

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepaid Fees	\$ 677,648
Special Revenue Fund	
Unencumbered Grant Draw Downs	249,811
Grant Draw Downs Reserved for Encumbrances	120
Total Unearned Revenue for Governmental Funds	<u>\$ 927,579</u>

**D. Capital Assets**

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

	Balance, July 1, 2018	Increases	Decreases	Adjustments	Balance, June 30, 2019
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,435,206				\$ 7,435,206
Construction in Progress	199,371	\$ 750,769	-	\$ (199,371)	750,769
Total Capital Assets, Not Being Depreciated	<u>7,634,577</u>	<u>750,769</u>	-	<u>(199,371)</u>	<u>8,185,975</u>
Capital Assets, Being Depreciated:					
Land Improvements	6,900,876	6,468			6,907,344
Building and Building Improvements	127,660,074	575,625		199,371	128,435,070
Machinery and Equipment	5,955,717	214,728	\$ (63,700)	-	6,106,745
Total Capital Assets Being Depreciated	<u>140,516,667</u>	<u>796,821</u>	<u>(63,700)</u>	<u>199,371</u>	<u>141,449,159</u>
Less Accumulated Depreciation for:					
Land Improvements	(2,812,173)	(345,360)			(3,157,533)
Building and Building Improvements	(41,259,921)	(2,558,526)			(43,818,447)
Machinery and Equipment	(3,473,482)	(634,036)	63,700	-	(4,043,818)
Total Accumulated Depreciation	<u>(47,545,576)</u>	<u>(3,537,922)</u>	<u>63,700</u>	<u>-</u>	<u>(51,019,798)</u>
Total Capital Assets, Being Depreciated, Net	<u>92,971,091</u>	<u>(2,741,101)</u>	-	<u>199,371</u>	<u>90,429,361</u>
Governmental Activities Capital Assets, Net	<u>\$100,605,668</u>	<u>\$ (1,990,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,615,336</u>

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Equipment	\$ 419,665	\$ 19,736	\$ -	\$ 439,401
Total Capital Assets Being Depreciated	<u>419,665</u>	<u>19,736</u>	<u>-</u>	<u>439,401</u>
Less Accumulated Depreciation for:				
Equipment	(251,093)	(32,732)	-	(283,825)
Total Accumulated Depreciation	<u>(251,093)</u>	<u>(32,732)</u>	<u>-</u>	<u>(283,825)</u>
Total Capital Assets, Being Depreciated, Net	<u>168,572</u>	<u>(12,996)</u>	<u>-</u>	<u>155,576</u>
Business-Type Activities Capital Assets, Net	<u>\$ 168,572</u>	<u>\$ (12,996)</u>	<u>\$ -</u>	<u>\$ 155,576</u>

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 198,765
Total Instruction	<u>198,765</u>
Support Services	
Student and Instruction Related Services	161,584
School Administration	201,581
Operations and Maintenance of Plant	<u>2,975,992</u>
Total Support Services	<u>3,339,157</u>
Total Depreciation Expense - Governmental Funds	<u>\$ 3,537,922</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 21,460
Infant/Toddler Development Fund	<u>11,272</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 32,732</u>

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction project as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Fire Alarm System Upgrade at Hawes School	\$ 160,213	\$ 117,787
Total		<u>\$ 117,787</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	\$ 104
General Fund	Food Service Fund	<u>54,225</u>
Total		<u>\$ 54,329</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Transfer Out:			
Capital Projects Fund	\$ 6,158	\$ 134,640	\$ 140,798
Inclusive Preschool Fund	<u>18,726</u>	<u>-</u>	<u>18,726</u>
Total Transfers	<u>\$ 24,884</u>	<u>\$ 134,640</u>	<u>\$ 159,524</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Capital Lease and Lease Purchase Agreements**

The District is leasing computers and technology equipment totaling \$4,428,969 under capital leases and lease purchase agreements. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Computers and Equipment	\$ <u>4,428,969</u>
Total	\$ <u>4,428,969</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2020	\$ 928,056
2021	730,902
2022	408,696
2023	<u>191,360</u>
Total minimum lease payments	2,259,014
Less: amount representing interest	<u>(95,652)</u>
Present value of minimum lease payments	<u>\$ 2,163,362</u>

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2019 are comprised of the following issues:

\$38,420,000, 2010 School Improvement Bonds, due in an annual installment of \$1,500,000 through March 15, 2020, interest at 4.00%	\$1,500,000
\$3,475,000, 2011 Refunding Bonds, due in annual installments of \$215,000 to \$235,000 through February 15, 2028, interest at 3.25% to 5.00%	2,065,000
\$32,860,000, 2016 School Refunding Bonds, due in annual installments of \$1,580,000 to \$2,755,000 through March 15, 2035, interest at 3.00% to 4.00%	32,685,000
\$6,660,000, 2016 Energy Savings Improvement Bonds, due in annual installments of \$210,000 to \$640,000 through November 15, 2035, interest at 2.00% to 4.00%	<u>5,950,000</u>
Total	<u>\$42,200,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,355,000	\$ 1,604,049	\$ 3,959,049
2021	2,350,000	1,521,400	3,871,400
2022	2,155,000	1,438,750	3,593,750
2023	2,215,000	1,360,075	3,575,075
2024	2,225,000	1,279,200	3,504,200
2025-2029	12,550,000	5,005,200	17,555,200
2030-2034	14,725,000	2,365,900	17,090,900
2035-2036	<u>3,625,000</u>	<u>118,250</u>	<u>3,743,250</u>
Total	<u>\$ 42,200,000</u>	<u>\$ 14,692,824</u>	<u>\$ 56,892,824</u>

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 264,461,941
Less: Net Debt	<u>42,200,000</u>
Remaining Borrowing Power	<u>\$ 222,261,941</u>

**Prior-Year Defeasance of Debt**

In prior years, the District defeased certain serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On June 30, 2019, \$33,170,000 of bonds outstanding are considered defeased. These bonds will be called for redemption on March 15, 2020.

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, July 1, 2018	Additions	Reductions	Balance, June 30, 2018	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 45,120,000		\$ 2,920,000	\$ 42,200,000	\$ 2,355,000
Add: Original Issue Premium	<u>4,064,612</u>	-	<u>406,558</u>	<u>3,658,054</u>	-
Total Bonds Payable	49,184,612	-	3,326,558	45,858,054	2,355,000
Capital Leases	3,340,849		1,178,315	2,162,534	880,264
Lease Purchase Agreement	1,146		318	828	339
Compensated Absences	500,085		10,914	489,171	
Net Pension Liability	<u>17,491,143</u>	-	<u>3,312,908</u>	<u>14,178,235</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 70,517,835</u>	<u>\$ -</u>	<u>\$ 7,829,013</u>	<u>\$ 62,688,822</u>	<u>\$ 3,235,603</u>

For the governmental activities, the liabilities for compensated absences, capital leases, lease purchase agreements and net pension liability are generally liquidated by the general fund.



**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance Group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2019	\$ 81,227	\$ 43,303	\$ 227,219
2018	163,857	98,732	187,794
2017	32,482	88,686	122,327

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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 always 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 represent the membership tiers for TPAF:

<b>Tier</b>	<b>Definition</b>
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

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 716,258	\$ 8,883,951	\$ 152,309
2018	696,082	6,471,738	101,859
2017	703,450	5,014,960	106,178

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$4,055, \$11,625 and \$4,463, respectively for PERS and the State contributed \$6,607, \$6,935 and \$8,619, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,432,606 during the fiscal year ended June 30, 2019 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$14,178,235 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .07200 percent, which was a decrease of .00314 percent from its proportionate share measured as of June 30, 2017 of .07514 percent.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) no pension expense for PERS. However, the District reported a special item of revenue in the amount of \$653,578 in the district-wide statement of activities (accrual basis) for PERS as a result of the decrease in net pension liability net of the related change in deferred inflows and deferred outflows in the net pension liability. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 270,381	\$ 73,108
Changes of Assumptions	2,336,338	4,533,446
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		132,992
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>326,792</u>	<u>3,571,371</u>
Total	<u>\$ 2,933,511</u>	<u>\$ 8,310,917</u>

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ (1,220,942)
2021	(1,338,649)
2022	(1,376,882)
2023	(1,094,173)
2024	(346,760)
Thereafter	<u>-</u>
	<u>\$ (5,377,406)</u>



**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

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

	<b><u>PERS</u></b>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65%-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 17,827,497</u>	<u>\$ 14,178,235</u>	<u>\$ 11,116,738</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$15,912,205 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$272,952,994. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .42905 percent, which was a decrease of .01680 percent from its proportionate share measured as of June 30, 2017 of .44585 percent.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

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

	<u><b>TPAF</b></u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 322,625,255</u>	<u>\$ 272,952,994</u>	<u>\$ 231,775,900</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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



**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>362,181</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$4,029,746, \$4,179,958 and \$4,178,603, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$6,834,192. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$150,799,185. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .32704 percent, which was an increase of .00644 percent from its proportionate share measured as of June 30, 2017 of .32060 percent.

**Actuarial Assumptions**

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

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

\*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate 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.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 171,967,788
Changes Recognized for the Fiscal Year:	
Service Cost	6,008,296
Interest on the Total OPEB Liability	6,302,473
Differences Between Expected and Actual Experience	(12,281,458)
Changes of Assumptions	(17,304,961)
Gross Benefit Payments	(4,032,316)
Contributions from the Member	139,363
<b>Net Changes</b>	<b>\$ (21,168,603)</b>
Balance, June 30, 2018 Measurement Date	\$ 150,799,185

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>178,275,334</u>	\$ <u>150,799,185</u>	\$ <u>128,958,484</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ <u>124,644,309</u>	\$ <u>150,799,185</u>	\$ <u>185,390,009</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**F. Subsequent Events**

On July 10, 2019, the District entered into a capital lease agreement for the purchase of technology equipment with TD Equipment Finance, Inc. for total funding amount of \$940,000 at an annual interest rate of 2.0619%. The capital lease agreement will mature over 5 years. The first maturity is due on November 1, 2019.

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**G. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Ridgewood Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**BUDGETARY COMPARISON SCHEDULES**

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 94,831,243	\$ (551,887)	\$ 94,279,356	\$ 94,279,356	
Tuition from Individuals	50,000		50,000	260,847	\$ 210,847
Tuition from Other LEAs within the State	650,000		650,000	695,664	45,664
Tuition from Summer School				82,788	82,788
Rents and Royalties	300,000		300,000	247,891	(52,109)
Unrestricted Miscellaneous Revenue	1,322,357		1,322,357	1,224,633	(97,724)
Interest	80		80	4,514	4,434
Other Restricted Miscellaneous Revenues	1,178,359		1,178,359	1,083,732	(94,627)
State Sources					
Extraordinary Aid	1,576,345		1,576,345	1,716,211	139,866
Categorical Special Education Aid	2,049,826	359,326	2,409,152	2,409,152	
Security Aid	98,280	349,462	447,742	447,742	
Transportation Aid	438,587	181,948	620,535	620,535	
Additional Nonpublic Transportation Aid				48,720	48,720
Reimbursed TPAF Social Security Payments (Non-Budget)				3,432,606	3,432,606
On-behalf TPAF Pension System Contribution (Non-Budget)				8,701,800	8,701,800
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				182,151	182,151
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				4,029,746	4,029,746
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				6,607	6,607
Federal Sources					
Medicaid Reimbursement	28,913	-	28,913	7,020	(21,893)
<b>Total Revenues</b>	<b>102,523,990</b>	<b>338,849</b>	<b>102,862,839</b>	<b>119,481,715</b>	<b>16,618,876</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,155,230	(15,951)	1,139,279	1,139,279	
Grades 1-5	10,888,593	179,260	11,067,853	11,067,852	1
Grades 6-8	8,323,008	(2,413)	8,320,595	8,279,627	40,968
Grades 9-12	9,626,723	(5,236)	9,621,487	9,621,487	
Regular Programs - Home Instruction					
Salaries of Teachers	1,871	7,916	9,787	9,490	297
Purchased Professional-Educational Services	9,800	(8,755)	1,045	1,045	
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	16,980	54,636	71,616	71,613	3
Other Purchased Services	1,189,990	42,060	1,232,050	1,228,584	3,466
General Supplies	1,035,816	(153,237)	882,579	867,396	15,183
Textbooks	425,019	(241,687)	183,332	166,912	16,420
Other Objects	16,050	(6,047)	10,003	4,942	5,061
<b>Total Regular Programs</b>	<b>32,689,080</b>	<b>(149,454)</b>	<b>32,539,626</b>	<b>32,458,227</b>	<b>81,399</b>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	1,607,823	(95,779)	1,512,044	1,512,043	1
Other Salaries for Instruction	170,671	26,112	196,783	172,677	24,106
General Supplies	18,270	(11,421)	6,849	6,849	-
<b>Total Learning and/or Language Disabilities</b>	<b>1,796,764</b>	<b>(81,088)</b>	<b>1,715,676</b>	<b>1,691,569</b>	<b>24,107</b>



RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Behavioral Disabilities					
Purchased Professional-Educational Services	-	\$ 343,265	\$ 343,265	\$ 343,265	-
Total Behavioral Disabilities	-	343,265	343,265	343,265	-
Multiple Disabilities					
Salaries of Teachers	\$ 625,733	25,341	651,074	572,247	\$ 78,827
Other Salaries for Instruction	446,631	123,059	569,690	529,535	40,155
Purchased Professional-Educational Services		585	585	585	
General Supplies	49,000	(36,467)	12,533	12,218	315
Other Objects	250	(250)	-	-	-
Total Multiple Disabilities	1,121,614	112,268	1,233,882	1,114,585	119,297
Resource Room/Resource Center					
Salaries of Teachers	3,619,439	41,286	3,660,725	3,660,724	1
Other Salaries for Instruction	1,720,928	(55,474)	1,665,454	1,548,597	116,857
Purchased Professional-Educational Services		29,387	29,387	29,386	1
General Supplies	14,150	(876)	13,274	13,274	
Other Objects	250	(250)	-	-	-
Total Resource Room	5,354,767	14,073	5,368,840	5,251,981	116,859
Preschool Disabilities - Full Time					
Salaries of Teachers	462,014	68,693	530,707	503,651	27,056
Other Salaries for Instruction	151,707	28,244	179,951	179,950	1
Purchased Professional-Educational Services		15,750	15,750	15,750	
Other Purchased Services	900	(900)			
General Supplies	8,100	13,273	21,373	20,880	493
Other Objects	-	100	100	-	100
Total Preschool Disabilities - Full Time	622,721	125,160	747,881	720,231	27,650
Home Instruction					
Salaries of Teachers		27,102	27,102	27,101	1
Purchased Professional-Educational Services	16,000	15,376	31,376	30,785	591
Total Home Instruction	16,000	42,478	58,478	57,886	592
Total Special Education	8,911,866	556,156	9,468,022	9,179,517	288,505
Basic Skills/Remedial					
Salaries of Teachers	1,378,567	(105,063)	1,273,504	1,273,503	1
General Supplies	5,700	(1,143)	4,557	4,557	-
Total Basic Skills/Remedial	1,384,267	(106,206)	1,278,061	1,278,060	1
Bilingual Education					
Salaries of Teachers	446,392	11,340	457,732	457,732	
Purchased Professional-Educational Services		5,673	5,673	5,673	
General Supplies	4,305	(2,220)	2,085	1,985	100
Total Bilingual Education	450,697	14,793	465,490	465,390	100

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Co-Curricular Activities					
Salaries	\$ 335,071	\$ 18,654	\$ 353,725	\$ 348,311	\$ 5,414
Purchased Services	18,400	42	18,442	18,441	1
Supplies and Materials	10,780	(4,653)	6,127	6,126	1
Other Objects	23,625	(2,465)	21,160	21,159	1
Total School-Sponsored Co/Extra Curricular Activities	<u>387,876</u>	<u>11,578</u>	<u>399,454</u>	<u>394,037</u>	<u>5,417</u>
School Sponsored Athletics - Instruction					
Salaries	763,044	(56,449)	706,595	694,245	12,350
Purchased Services	98,682	6,355	105,037	101,676	3,361
Supplies and Materials	101,499	6,947	108,446	98,065	10,381
Other Objects	57,207	10,107	67,314	67,313	1
Total School Sponsored Athletics	<u>1,020,432</u>	<u>(33,040)</u>	<u>987,392</u>	<u>961,299</u>	<u>26,093</u>
Summer School - Instruction					
Salaries of Teachers	-	51,654	51,654	51,654	-
Total Summer School - Instruction	<u>-</u>	<u>51,654</u>	<u>51,654</u>	<u>51,654</u>	<u>-</u>
Summer School - Support Services					
Salaries	-	14,648	14,648	14,648	-
Total Summer School - Support Services	<u>-</u>	<u>14,648</u>	<u>14,648</u>	<u>14,648</u>	<u>-</u>
Other Instructional Programs					
Salaries	150,000	(150,000)	-	-	-
Other Objects	6,500	(6,500)	-	-	-
Total Other Instructional Program	<u>156,500</u>	<u>(156,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Instruction	<u>45,000,718</u>	<u>203,629</u>	<u>45,204,347</u>	<u>44,802,832</u>	<u>401,515</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular		2,299	2,299	2,299	-
Tuition to Other LEA's Within the State - Special	930,890	295,874	1,226,764	1,217,793	8,971
Tuition to County Vocational School District-Regular	557,619	(4,931)	552,688	497,038	55,650
Tuition to CSSD & Regional Day Schools	555,931	195,262	751,193	446,750	304,443
Tuition to Private Schools for Disabled - Within State	4,918,845	(651,853)	4,266,992	4,238,211	28,781
Tuition to Private Schools for Disabled & Other LEAs-Spl,O/S State	347,916	(221,768)	126,148	126,148	-
Tuition - Other	155,993	294,262	450,255	9,160	441,095
Total Undistributed Expenditures - Instruction	<u>7,467,194</u>	<u>(90,855)</u>	<u>7,376,339</u>	<u>6,411,251</u>	<u>965,088</u>
Attendance and Social Work					
Salaries	47,275	662	47,937	47,937	-
Supplies and Materials	200	(126)	74	74	-
Total Attendance and Social Work	<u>47,475</u>	<u>536</u>	<u>48,011</u>	<u>48,011</u>	<u>-</u>

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 813,125	\$ (54,205)	\$ 758,920	\$ 758,915	\$ 5
Purchased Professional and Technical Services	50,676	1,820	52,496	52,496	
Other Purchased Services	100	480	580	580	
Supplies and Materials	29,488	(5,657)	23,831	23,828	3
Other Objects	2,200	(2,200)	-	-	-
Total Health Services	895,589	(59,762)	835,827	835,819	8
Speech, OT, PT and Related Svcs.					
Salaries	1,682,374	(106,491)	1,575,883	1,570,259	5,624
Purchased Professional-Educational Services	1,370,328	(297,006)	1,073,322	1,005,615	67,707
Supplies and Materials	13,355	(1,616)	11,739	11,739	-
Total Speech, OT, PT and Related Svcs.	3,066,057	(405,113)	2,660,944	2,587,613	73,331
Other Support Services - Students - Extra Services					
Salaries	560,875	285,147	846,022	793,451	52,571
Purchased Professional-Educational Services	1,434,693	(74,184)	1,360,509	1,272,885	87,624
Supplies and Materials	21,215	(8,913)	12,302	12,302	-
Total Other Support Services - Students - Extra Services	2,016,783	202,050	2,218,833	2,078,638	140,195
Guidance					
Salaries of Other Professional Staff	1,765,063	(11,150)	1,753,913	1,753,911	2
Salaries of Secretarial and Clerical Assistants	247,765	(2,371)	245,394	245,394	
Other Salaries		3,957	3,957	3,957	
Purchased Professional-Educational Services	196,700	43,810	240,510	240,510	
Other Purchased Services	14,655	(7,733)	6,922	6,921	1
Supplies and Materials	59,860	(1,175)	58,685	58,685	
Other Objects	1,000	(89)	911	911	-
Total Guidance	2,285,043	25,249	2,310,292	2,310,289	3
Child Study Teams					
Salaries of Other Professional Staff	2,640,343	182,431	2,822,774	2,822,773	1
Salaries of Secretarial and Clerical Assistants	357,797	1,725	359,522	359,402	120
Purchased Professional-Educational Services	12,000	13,165	25,165	25,165	
Other Purchased Professional-Technical Services	49,800	24,207	74,007	74,007	
Other Purchased Services	1,800	4,896	6,696	6,695	1
Supplies and Materials	30,400	(6,186)	24,214	24,207	7
Other Objects	500	442	942	942	-
Total Child Study Teams	3,092,640	220,680	3,313,320	3,313,191	129
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	1,222,371	2,621	1,224,992	1,224,992	
Salaries of Other Professional Staff	165,978	25,804	191,782	191,781	1
Salaries of Secretarial and Clerical Assistants	304,476	4,880	309,356	309,355	1
Purchased Professional - Educational Services	20,000	(13,251)	6,749	4,200	2,549
Other Purchased Services	9,550	688	10,238	1,125	9,113
Supplies and Materials	18,436	1,500	19,936	19,416	520
Other Objects	9,125	1,264	10,389	9,915	474
Total Improvement of Instructional Services	1,749,936	23,506	1,773,442	1,760,784	12,658

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 1,332,126	\$ 7,780	\$ 1,339,906	\$ 1,339,604	\$ 302
Purchased Professional and Technical Services	10,000	(2,800)	7,200	7,200	
Other Purchased Services	25,750	(4,254)	21,496	21,496	
Supplies and Materials	248,614	(28,035)	220,579	220,572	7
Other Objects	200	(200)	-	-	-
Total Educational Media Serv./School Library	<u>1,616,690</u>	<u>(27,509)</u>	<u>1,589,181</u>	<u>1,588,872</u>	<u>309</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	55,219	(44,678)	10,541	5,914	4,627
Salaries of Secretarial and Clerical Assistants	57,579	(57,579)			
Purchased Professional - Educational Services	70,000	20,620	90,620	73,951	16,669
Other Purchased Services	190,078	(98,489)	91,589	80,810	10,779
Supplies and Materials	3,250	738	3,988	3,090	898
Total Instructional Staff Training Services	<u>376,126</u>	<u>(179,388)</u>	<u>196,738</u>	<u>163,765</u>	<u>32,973</u>
Support Services - General Administration					
Salaries	319,532	48,253	367,785	336,346	31,439
Legal Services	130,000	72,814	202,814	196,294	6,520
Audit Fees	64,000	(8,229)	55,771	55,771	
Architectural/Engineering Services		23,310	23,310	23,310	
Other Purchased Professional Services	1,500	(1,500)			
Communications/Telephone	208,640	(22,190)	186,450	186,449	1
BOE Other Purchased Services	4,500	(748)	3,752	3,752	
Misc Purchased Services	191,096	(21,534)	169,562	169,560	2
General Supplies	29,750	(4,855)	24,895	24,894	1
Miscellaneous Expenditures	24,344	264	24,608	24,607	1
BOE Membership Dues and Fees	29,580	(2,917)	26,663	26,663	-
Total Support Services - General Administration	<u>1,002,942</u>	<u>82,668</u>	<u>1,085,610</u>	<u>1,047,646</u>	<u>37,964</u>
Support Services - School Administration					
Salaries of Principal/Asst. Principals	2,649,686	(34,022)	2,615,664	2,615,664	
Salaries of Secretarial and Clerical Assistants	962,119	10,020	972,139	969,907	2,232
Other Purchased Services	13,924	(2,761)	11,163	3,381	7,782
Supplies and Materials	166,900	(80,741)	86,159	79,066	7,093
Other Objects	4,500	536	5,036	3,919	1,117
Total Support Services - School Administration	<u>3,797,129</u>	<u>(106,968)</u>	<u>3,690,161</u>	<u>3,671,937</u>	<u>18,224</u>
Central Services					
Salaries	1,060,828	76,795	1,137,623	1,137,610	13
Purchased Professional Services	100,000	5,786	105,786	63,791	41,995
Misc Purchased Services	23,500	34,602	58,102	56,462	1,640
Supplies and Materials	26,000	11,380	37,380	36,542	838
Miscellaneous Expenditures	3,000	2,358	5,358	5,358	-
Total Central Services	<u>1,213,328</u>	<u>130,921</u>	<u>1,344,249</u>	<u>1,299,763</u>	<u>44,486</u>

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 739,801	\$ (3,337)	\$ 736,464	\$ 730,708	\$ 5,756
Purchased Professional Services	13,500	(11,474)	2,026		2,026
Other Purchased Services	134,044	(39,931)	94,113	92,523	1,590
Supplies and Materials	1,000	812	1,812	1,812	
Other Objects	1,175	(437)	738	575	163
<b>Total Admin. Info. Technology</b>	<b>889,520</b>	<b>(54,367)</b>	<b>835,153</b>	<b>825,618</b>	<b>9,535</b>
Required Maintenance for School Facilities					
Salaries	141,179	31,995	173,174	173,174	
Cleaning, Repair and Maintenance Services	1,036,831	(185,323)	851,508	841,200	10,308
General Supplies	293,023	110,144	403,167	403,087	80
Other Objects	2,000	(2,000)	-	-	-
<b>Total Required Maintenance for School Facilities</b>	<b>1,473,033</b>	<b>(45,184)</b>	<b>1,427,849</b>	<b>1,417,461</b>	<b>10,388</b>
Custodial Services					
Salaries	196,041	(30,815)	165,226	164,992	234
Salaries of Non-Instructional Aides	98,480	9,559	108,039	108,036	3
Purchased Professional and Technical Services	130,000	6,492	136,492	135,561	931
Cleaning, Repair and Maintenance Services	4,637,034	160,656	4,797,690	4,760,217	37,473
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	40,492	4,605	45,097	45,097	
Other Purchased Property Services	137,866	60	137,926	137,882	44
Insurance	295,270	(9,743)	285,527	285,527	
Miscellaneous Purchased Services	450	(450)			
General Supplies	410,720	60,584	471,304	467,977	3,327
Energy (Natural Gas)	206,680	231,107	437,787	369,776	68,011
Energy (Electricity)	693,320	50,833	744,153	739,479	4,674
Other Objects		325	325	325	
Interest - Energy Savings Impr Prog Bonds	194,000		194,000	194,000	
Principal - Energy Savings Impr Prog Bonds	710,000	-	710,000	710,000	-
<b>Total Custodial Services</b>	<b>7,750,353</b>	<b>483,213</b>	<b>8,233,566</b>	<b>8,118,869</b>	<b>114,697</b>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	78,520		78,520	78,520	
Cleaning, Repair and Maintenance Services	233,550	153,470	387,020	387,020	
General Supplies	110,450	(1,043)	109,407	109,220	187
<b>Total Care and Upkeep of Grounds</b>	<b>422,520</b>	<b>152,427</b>	<b>574,947</b>	<b>574,760</b>	<b>187</b>
Security					
Salaries	80,887	898	81,785	81,785	
Purchased Professional and Technical Services	33,600	30,366	63,966	57,024	6,942
Cleaning, Repair and Maintenance Services	36,048	4,667	40,715	40,715	
General Supplies	49,884	(23,912)	25,972	25,937	35
<b>Total Security</b>	<b>200,419</b>	<b>12,019</b>	<b>212,438</b>	<b>205,461</b>	<b>6,977</b>

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides		\$ 21,557	\$ 21,557	\$ 17,593	\$ 3,964
Salaries for Pupil Transportation(Bet Home & Sch) Reg	\$ 63,015	782	63,797	63,797	
Salaries for Pupil Transportation(Other than Bet Home & Sch)	18,100	27,968	46,068	35,728	10,340
Management Fee-ESC and CTSA Transportation Prog.	53,000	386	53,386	53,386	
Cleaning, Repair and Maintenance Services	10,000	21	10,021	10,021	
Contracted Services - Aid in Lieu of Payments - Non Public	140,000	(415)	139,585	112,447	27,138
Contracted Svcs. (Between Home & School) - Vendors	820,000	52,700	872,700	872,700	
Contracted Svcs. (Other than Between Home and School) - Vendors	234,900	5,939	240,839	240,838	1
Contracted Services (Bet. Home & Sch)-Joint Agreements	55,000	(18,593)	36,407	36,406	1
Contracted Services (Special Ed. Students)-Vendors	54,750	8,720	63,470	63,410	60
Contracted Services (Special Ed. Students)-Joint Agreements	2,120,000	(64,840)	2,055,160	1,848,411	206,749
Misc. Purchased Services - Transportation	250	(250)			
Transportation Supplies		4,087	4,087	4,087	
Other Objects	-	171	171	171	-
<b>Total Student Transportation Services</b>	<b>3,569,015</b>	<b>38,233</b>	<b>3,607,248</b>	<b>3,358,995</b>	<b>248,253</b>
Unallocated Benefits - Employee Benefits					
Group Insurance	3,000	(3,000)			
Social Security Contributions	960,000	(69,704)	890,296	839,645	50,651
Other Retirement Contributions - PERS	860,000	(207,816)	652,184	652,183	1
Other Retirement Contributions - Regular		152,309	152,309	152,309	
Unemployment Compensation	5,100	(5,097)	3		3
Workmen's Compensation	405,000	(402)	404,598	404,597	1
Health Benefits	12,016,084	(351,720)	11,664,364	11,121,985	542,379
Tuition Reimbursement	265,000	1,185	266,185	208,479	57,706
Other Employee Benefits	58,100	1,250	59,350	37,032	22,318
Unused Sick Payment to Terminated/Retired Staff	5,000	-	5,000	-	5,000
<b>Total Unallocated Benefits-Employee Benefits</b>	<b>14,577,284</b>	<b>(482,995)</b>	<b>14,094,289</b>	<b>13,416,230</b>	<b>678,059</b>
Reimbursed TPAF Social Security Payments (Non-Budget)				3,432,606	(3,432,606)
On-behalf TPAF Pension System Contribution (Non-Budget)				8,701,800	(8,701,800)
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				182,151	(182,151)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				4,029,746	(4,029,746)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)	-	-	-	6,607	(6,607)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,352,910</b>	<b>(16,352,910)</b>
<b>Total Undistributed Expenditures</b>	<b>57,509,076</b>	<b>(80,639)</b>	<b>57,428,437</b>	<b>71,387,883</b>	<b>(13,959,446)</b>
Interest Earned on Maintenance Reserve	10		10		10
Interest Earned on Current Expense Emergency Res	20	-	20	-	20
<b>Total Expenditures - Current Expenditures</b>	<b>102,509,824</b>	<b>122,990</b>	<b>102,632,814</b>	<b>116,190,715</b>	<b>(13,557,901)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Grades 1-5		3,400	3,400	3,400	
Grades 6-8		10,118	10,118	10,118	
Grades 9-12		18,092	18,092	18,092	
Special Programs - Instruction					
Learning and/or Language Disabilities		2,531	2,531	2,531	
School-Sponsored Co/Extra Curricular Activities		4,737	4,737	4,737	
School Sponsored Athletics		16,492	16,492		16,492
Undistributed Expenditures					
Support Services - Instructional Staff		5,460	5,460	5,460	
Support Services - General Administration		18,861	18,861		18,861
Support Services - School Administration		18,332	18,332	18,332	
Support Services - Central Services		2,290	2,290	2,290	
Support Services - Required Maint for School Fac.	25,000	79,621	104,621	104,621	
Support Services - Custodial Services		12,662	12,662	2,662	10,000
Support Services - Security	-	4,000	4,000	4,000	-
<b>Total Equipment</b>	<b>25,000</b>	<b>196,596</b>	<b>221,596</b>	<b>176,243</b>	<b>45,353</b>

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>CAPITAL OUTLAY (Continued)</b>					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	\$ 105,000	\$ 35,000	\$ 140,000	\$ 69,444	\$ 70,556
Other Purchased Professional and Technical Services	215,000	(214,805)	195	195	
Construction Services	1,180,000	466,735	1,646,735	1,213,626	433,109
Assessment for Debt Service on SDA Funding	42,837	-	42,837	42,837	-
Total Facilities Acquisition and Construction Services	1,542,837	286,930	1,829,767	1,326,102	503,665
Interest Deposit into Capital Reserve	50	-	50	-	50
Total Capital Outlay	1,567,887	483,526	2,051,413	1,502,345	549,068
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	222,920	(36,063)	186,857	186,857	
Other Salaries for Instruction	22,000	(22,000)			
General Supplies	8,950	(76)	8,874	8,874	-
Total Summer School - Instruction	253,870	(58,139)	195,731	195,731	-
Summer School - Support Services					
Salaries	43,763	(1,402)	42,361	42,361	
Personal Services - Employee Benefits	16,100	17,874	33,974	33,972	2
Other Purchased Services	1,000	24,000	25,000	25,000	-
Total Summer School - Support Services	60,863	40,472	101,335	101,333	2
Other Special Schools - Instruction					
Salaries of Teachers	255,000	46,117	301,117	301,116	1
Purchased Professional and Technical Services		18,270	18,270	18,270	
General Supplies	15,800	2,528	18,328	18,328	-
Total Other Special Schools - Instruction	270,800	66,915	337,715	337,714	1
Other Special Schools - Support Services					
Salaries	43,075	(9)	43,066	43,066	
Personal Services - Employee Benefits	36,500	13,046	49,546	49,544	2
Other Purchased Services	41,950	20,900	62,850	62,850	-
Supplies and Materials	250	1,712	1,962	1,962	
Other Objects	25,000	7,995	32,995	32,994	1
Total Other Special Schools - Support Services	146,775	43,644	190,419	190,416	3
Adult Education - Local - Instruction					
Salaries of Teachers	125,000	(38,810)	86,190	86,190	
Purchased Professional and Technical Services	8,500	(961)	7,539	7,539	
Other Purchased Services	80,000	(36,971)	43,029	43,029	
General Supplies	1,500	93	1,593	1,593	-
Total Adult Education - Local - Instruction	215,000	(76,649)	138,351	138,351	-

RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
Adult Education - Local - Support Services					
Salaries	\$ 50,721	\$ (1,338)	\$ 49,383	\$ 49,383	
Personal Services - Employee Benefits	23,300	11,377	34,677	34,676	\$ 1
Other Purchased Services	80,100	37,911	118,011	118,011	
Supplies and Materials	100	18	118	118	
Other Objects	1,750	875	2,625	2,625	-
Total Adult Education - Local - Support Services	155,971	48,843	204,814	204,813	1
Total Special Schools	1,103,279	65,086	1,168,365	1,168,358	7
Total Expenditures	105,180,990	671,602	105,852,592	118,861,418	(13,008,826)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,657,000)	(332,753)	(2,989,753)	620,297	3,610,050
Other Financing Sources					
Transfer In - Capital Project Fund				6,158	6,158
Transfer In - Non-Major Inclusive Preschool Fund	-	-	-	18,726	18,726
Total Other Financing Sources	-	-	-	24,884	24,884
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(2,657,000)	(332,753)	(2,989,753)	645,181	3,634,934
Change in Fund Balance	(2,657,000)	(332,753)	(2,989,753)	645,181	3,634,934
Fund Balance, Beginning of Year	7,414,216	-	7,414,216	7,414,216	-
Fund Balance, End of Year	\$ 4,757,216	\$ (332,753)	\$ 4,424,463	\$ 8,059,397	\$ 3,634,934
<b>Recapitulation Of Fund Balance:</b>					
Restricted Fund Balance:					
Excess Surplus				\$ 700,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				750,000	
Capital Reserve				1,478,509	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,300,000	
Emergency Reserve				300,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				300,000	
Maintenance Reserve				415,548	
Committed Fund Balance:					
Year End Encumbrances				137,166	
Assigned Fund Balance:					
Year End Encumbrances				182,418	
Designated for Subsequent Year's Expenditures				257,000	
Unassigned Fund Balance				2,238,756	
Reconciliation to Governmental Fund Statement (GAAP)				8,059,397	
State Aid Payments Not Recognized on GAAP Basis					
Extraordinary Aid			\$ (1,716,211)		
Delayed State Aid Payments			(282,042)		
				(1,998,253)	
Fund Balance Per Governmental Funds (GAAP)				\$ 6,061,144	



**RIDGEWOOD BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 14,884	\$ 14,884	\$ 5,643	\$ (9,241)
Local		824,337	824,337	579,910	(244,427)
Federal	\$ 1,301,871	61,697	1,363,568	1,318,357	(45,211)
 Total Revenues	<u>1,301,871</u>	<u>900,918</u>	<u>2,202,789</u>	<u>1,903,910</u>	<u>(298,879)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	196,545	14,516	211,061	200,972	10,089
Other Salaries for Instruction		23,583	23,583	19,659	3,924
Purchased Technical Services		3,072	3,072	3,072	
Other Purchased Services		2,301	2,301	2,175	126
Tuition	1,037,326	7,127	1,044,453	1,044,453	
Travel		2,865	2,865	2,865	
Supplies and Materials		176,029	176,029	82,467	93,562
Textbooks		374	374		374
Miscellaneous	-	262,717	262,717	173,996	88,721
 Total Instruction	<u>1,233,871</u>	<u>492,584</u>	<u>1,726,455</u>	<u>1,529,659</u>	<u>196,796</u>
Support Services					
Salaries of Other Professional Staff	68,000	(3,564)	64,436	64,436	
Salaries for Pupil Transportation(Other than Bet Home & Sch)		241	241	241	
Personnel Services - Employee Benefits		65,793	65,793	64,482	1,311
Purchased Prof./Educational Services		41,140	41,140	23,254	17,886
Other Purchased Professional Services		679	679		679
Cleaning, Repair & Maintenance		7,377	7,377	7,225	152
Rental		41,884	41,884	41,884	
Transportation		62,465	62,465	60,952	1,513
Insurance		2,419	2,419	2,358	61
Travel		4,719	4,719	3,116	1,603
General Supplies		9,583	9,583	8,605	978
Miscellaneous Expenditures	-	11,999	11,999	5,774	6,225
 Total Support Services	<u>68,000</u>	<u>244,735</u>	<u>312,735</u>	<u>282,327</u>	<u>30,408</u>
Facilities Acquisition and Construction Services					
Instructional		158,658	158,658	86,983	71,675
Non-instructional Equipment	-	4,941	4,941	4,941	-
 Total Facilities Acquisition and Const.Ser.	<u>-</u>	<u>163,599</u>	<u>163,599</u>	<u>91,924</u>	<u>71,675</u>
 Total Expenditures	<u>\$ 1,301,871</u>	<u>\$ 900,918</u>	<u>\$ 2,202,789</u>	<u>\$ 1,903,910</u>	<u>\$ 298,879</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**RIDGEWOOD BOARD OF EDUCATION  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET TO GAAP RECONCILIATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1 and C-2)	\$ 119,481,715	\$ 1,903,910
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances June 30, 2018		3,606
Encumbrances June 30, 2019		(120)
State Aid payments recognized for budgetary purposes not recognized for GAAP statements		
Prior Year	1,885,177	
Current Year	<u>(1,998,253)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 119,368,639</u>	<u>\$ 1,907,396</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 118,861,418	\$ 1,903,910
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances June 30, 2018		3,606
Encumbrances June 30, 2019	<u>-</u>	<u>(120)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 118,861,418</u>	<u>\$ 1,907,396</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION  
AND  
POST-EMPLOYMENT BENEFITS INFORMATION**

**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Six Fiscal Years \*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.07200%	0.07514%	0.07918%	0.08106%	0.12008%	0.11244%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 14,178,235</u>	<u>\$ 17,491,143</u>	<u>\$ 23,451,718</u>	<u>\$ 18,196,878</u>	<u>\$ 22,482,937</u>	<u>\$ 21,488,873</u>
District's Covered Payroll	<u>\$ 4,924,565</u>	<u>\$ 5,000,343</u>	<u>\$ 5,088,990</u>	<u>\$ 5,355,142</u>	<u>\$ 7,167,298</u>	<u>\$ 7,023,952</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	287.91%	349.80%	460.83%	339.80%	313.69%	305.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 716,258	\$ 696,082	\$ 703,450	\$ 696,919	\$ 989,952	\$ 847,187
Contributions in Relation to the Contractually Required Contributions	<u>716,258</u>	<u>696,082</u>	<u>703,450</u>	<u>696,919</u>	<u>989,952</u>	<u>847,187</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 5,068,384</u>	<u>\$ 4,924,565</u>	<u>\$ 5,000,343</u>	<u>\$ 5,088,990</u>	<u>\$ 5,355,142</u>	<u>\$ 7,167,298</u>
Contributions as a Percentage of Covered Payroll	14.13%	14.13%	14.07%	13.69%	18.49%	11.82%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND  
Last Six Fiscal Years \***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)						
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>272,952,994</u>	<u>300,609,650</u>	<u>346,457,855</u>	<u>280,128,643</u>	<u>231,014,249</u>	<u>223,403,034</u>
<b>Total</b>	<u>\$ 272,952,994</u>	<u>\$300,609,650</u>	<u>\$346,457,855</u>	<u>\$ 280,128,643</u>	<u>\$ 231,014,249</u>	<u>\$ 223,403,034</u>
District's Covered Payroll	<u>\$ 47,693,601</u>	<u>\$ 45,578,273</u>	<u>\$ 44,290,765</u>	<u>\$ 44,690,162</u>	<u>\$ 43,796,359</u>	<u>\$ 42,920,432</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	572.31%	659.55%	782.23%	626.82%	527.47%	520.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.



**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 6,008,296	\$ 7,186,978
Interest on Total OPEB Liability	6,302,473	5,465,675
Differences Between Expected and Actual Experience	(12,281,458)	
Changes of Assumptions	(17,304,961)	(22,719,433)
Gross Benefit Payments	(4,032,316)	(4,113,092)
Contribution from the Member	<u>139,363</u>	<u>151,454</u>
<b>Net Change in Total OPEB Liability</b>	(21,168,603)	(14,028,418)
<b>Total OPEB Liability - Beginning</b>	<u>171,967,788</u>	<u>185,996,206</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 150,799,185</u>	<u>\$ 171,967,788</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>150,799,185</u>	<u>171,967,788</u>
Total OPEB Liability - Ending	<u>\$ 150,799,185</u>	<u>\$ 171,967,788</u>
District's Covered Payroll	<u>\$ 52,618,166</u>	<u>\$ 50,578,616</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RIDGEWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**RIDGEWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>I.D.E.A.</u>			<u>Subtotal Page 2</u>	<u>Total</u>
	<u>Part B Basic</u>	<u>Preschool</u>	<u>Other Grants</u>		
<b>REVENUES</b>					
State				\$ 5,643	\$ 5,643
Local			\$ 579,910		579,910
Federal	\$ 1,006,333	\$ 38,120	-	273,904	1,318,357
Total Revenues	<u>\$ 1,006,333</u>	<u>\$ 38,120</u>	<u>\$ 579,910</u>	<u>\$ 279,547</u>	<u>\$ 1,903,910</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers			\$ 81,704	\$ 119,268	\$ 200,972
Other Salaries for Instruction				19,659	19,659
Purchased Technical Services			3,072		3,072
Other Purchased Services				2,175	2,175
Tuition	\$ 1,006,333	\$ 38,120			1,044,453
Travel			2,865		2,865
Supplies and Materials			77,864	4,603	82,467
Miscellaneous	-	-	173,996	-	173,996
Total Instruction	<u>1,006,333</u>	<u>38,120</u>	<u>339,501</u>	<u>145,705</u>	<u>1,529,659</u>
<b>Support Services</b>					
Salaries of Other Professional Staff			649	63,787	64,436
Salaries for Pupil Transportation(Other than Bet Home & Sch)			241		241
Personnel Services - Employee Benefits			7,668	56,814	64,482
Purchased Prof./Educational Services			10,671	12,583	23,254
Cleaning, Repair & Maintenance			7,225		7,225
Rental			41,884		41,884
Transportation			60,952		60,952
Insurance			2,358		2,358
Travel			2,458	658	3,116
General Supplies			8,605		8,605
Miscellaneous Expenditures	-	-	5,774	-	5,774
Total Support Services	<u>-</u>	<u>-</u>	<u>148,485</u>	<u>133,842</u>	<u>282,327</u>
<b>Facilities Acquisition and Construction Services</b>					
Instructional			86,983		86,983
Non-Instructional Equipment	-	-	4,941	-	4,941
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>91,924</u>	<u>-</u>	<u>91,924</u>
Total Expenditures	<u>\$ 1,006,333</u>	<u>\$ 38,120</u>	<u>\$ 579,910</u>	<u>\$ 279,547</u>	<u>\$ 1,903,910</u>

Continued

RIDGEWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Nonpublic Aid</u>				<u>Title III</u>	<u>Page 2</u>
	<u>Exam. &amp; Class.</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III A</u>	<u>Immigrant</u>	<u>Total</u>
REVENUES						
State	\$ 5,643					\$ 5,643
Federal	-	\$ 133,836	\$ 85,915	\$ 28,330	\$ 25,823	273,904
Total Revenues	\$ 5,643	\$ 133,836	\$ 85,915	\$ 28,330	\$ 25,823	\$ 279,547
EXPENDITURES						
Instruction						
Salaries of Teachers		\$ 102,688		\$ 15,973	\$ 607	\$ 119,268
Other Salaries for Instruction					19,659	19,659
Other Purchased Services		2,175				2,175
Supplies and Materials	-	1,377	-	1,218	\$ 2,008	4,603
Total Instruction	-	106,240	-	17,191	22,274	145,705
Support Services						
Salaries of Other Professional Staff			\$ 63,787			63,787
Personnel Services - Employee Benefits		27,596	22,128	5,541	1,549	56,814
Purchased Prof./Educational Services	\$ 5,643			4,940	2,000	12,583
Other Purchased Professional Services						
Cleaning Repair & Maintenance						
Rental						
Travel	-	-	-	658	-	658
Total Support Services	5,643	27,596	85,915	11,139	3,549	133,842
Total Expenditures	\$ 5,643	\$ 133,836	\$ 85,915	\$ 28,330	\$ 25,823	\$ 279,547

**RIDGEWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**



**RIDGEWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2019</u>
			<u>Current Year</u>	<u>Cancelled</u>	
GW New Construction	\$ 11,882,309	\$ 11,747,669		\$ 134,640	-
Energy Savings Improvement Program	<u>7,427,878</u>	<u>7,385,642</u>	<u>\$ 3,553</u>	<u>-</u>	<u>\$ 38,683</u>
	19,310,187	19,133,311	3,553	134,640	38,683
 <b><u>Capital Leases</u></b>					
2017-2018 Capital Lease - Computer Equipment	916,378	915,713		\$ 665	-
2018-2019 Capital Lease - Computer Equipment	<u>905,127</u>	<u>107,149</u>	<u>792,485</u>	<u>5,493</u>	<u>-</u>
	<u>1,821,505</u>	<u>1,022,862</u>	<u>792,485</u>	<u>6,158</u>	<u>-</u>
	<u>\$ 21,131,692</u>	<u>\$ 20,156,173</u>	<u>\$ 796,038</u>	<u>\$ 140,798</u>	<u>\$ 38,683</u>
 <b><u>Reconciliation to GAAP</u></b>					
Project Balances, June 30, 2019 - Budgetary					\$ 38,683
Fund Balance, June 30, 2019 - GAAP					<u>\$ 38,683</u>
 <b><u>Recapitulation of Fund Balance</u></b>					
Restricted for Capital Projects					
Available for Capital Projects					<u>38,683</u>
Total Fund Balance - Restricted for Capital Projects					<u>\$ 38,683</u>

**RIDGEWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Revenues and Other Financing Sources</b>	
Interest	\$ 4,177
	<u>4,177</u>
<b>Expenditures and Other Financing Uses</b>	
Professional Services	74,475
Supplies and Materials	698,402
Equipment	19,608
Construction Services	3,553
Transfer to General Fund	6,158
Transfer to Debt Service Fund	<u>134,640</u>
	<u>936,836</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(932,659)
Fund Balance, Beginning of Year	<u>971,342</u>
Fund Balance - End of Year	<u>\$ 38,683</u>
Reconciliation to GAAP Basis	
Fund Balance, June 30, 2019 - Budgetary Basis	<u>\$ 38,683</u>
Fund Balance, June 30, 2019 - GAAP Basis	<u>\$ 38,683</u>

**RIDGEWOOD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**GEORGE WASHINGTON CONSTRUCTION AND ADDITION**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Bond Proceeds and Transfers	\$ 11,402,309		\$ 11,402,309	\$ 11,402,309
Special Item - Legal Settlement	<u>480,000</u>	<u>-</u>	<u>480,000</u>	<u>480,000</u>
 Total Revenues	 <u>11,882,309</u>	 <u>-</u>	 <u>11,882,309</u>	 <u>11,882,309</u>
 <b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Purchased Professional and Technical Services	996,514		996,514	996,514
Construction Services	10,603,787		10,603,787	10,703,383
General Supplies	147,368		147,368	182,412
Cancelled - Transfer to Debt Service Fund	<u>-</u>	<u>\$ 134,640</u>	<u>134,640</u>	<u>-</u>
 Total Expenditures and other Financing Sources	 <u>11,747,669</u>	 <u>134,640</u>	 <u>11,882,309</u>	 <u>11,882,309</u>
 Excess of Revenues over Expenditures	 <u>\$ 134,640</u>	 <u>\$ (134,640)</u>	 <u>\$ -</u>	 <u>\$ -</u>

## Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 9,594,243
Bonds Issued	\$ 9,594,243
Original Authorized Cost	\$ 9,594,243
Additional Authorized Cost	\$ 2,288,066
Revised Authorized Cost	\$ 11,882,309

## Percentage Increase (Decrease) over Original Authorized

Cost	23.85%
Percentage Completion	100%
Original Target Completion Date	12/31/2012
Revised Target Completion Date	Complete

**RIDGEWOOD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**2017-2018 CAPITAL LEASE - COMPUTER EQUIPMENT**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Capital Lease Proceeds	\$ 915,000		\$ 915,000	\$ 915,000
Interest	1,378	-	1,378	1,378
	<u>916,378</u>	<u>-</u>	<u>916,378</u>	<u>916,378</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Legal Services	3,500		3,500	3,500
Purchased Professional Services	31,367		31,367	31,367
Supplies and Materials	522,722		522,722	523,525
Equipment	358,124		358,124	357,986
Cancelled - Transfer to General Fund	-	\$ 665	665	-
	<u>915,713</u>	<u>665</u>	<u>916,378</u>	<u>916,378</u>
Excess of Revenues over Expenditures	<u>\$ 665</u>	<u>\$ (665)</u>	<u>\$ -</u>	<u>\$ -</u>

## Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 915,000
Additional Authorized Cost	\$ 1,378
Revised Authorized Cost	\$ 916,378

## Percentage Increase (Decrease) over Original Authorized

Cost	0.15%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	9/30/2018

**RIDGEWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
BUDGETARY BASIS  
ENERGY SAVINGS IMPROVEMENT PROGRAM  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Energy Savings Bond Proceeds	\$ 6,660,000		\$ 6,660,000	\$ 6,660,000
Premium on Energy Savings Bonds	452,878		452,878	452,878
Transfer from Capital Outlay	<u>315,000</u>	<u>-</u>	<u>315,000</u>	<u>315,000</u>
 Total Revenues	 <u>7,427,878</u>	 <u>-</u>	 <u>7,427,878</u>	 <u>7,427,878</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Other Professional Services	35,305		35,305	35,305
Construction Services	<u>7,350,337</u>	<u>\$ 3,553</u>	<u>7,353,890</u>	<u>7,392,573</u>
 Total Expenditures and other Financing Sources	 <u>7,385,642</u>	 <u>3,553</u>	 <u>7,389,195</u>	 <u>7,427,878</u>
 Excess of Revenues over Expenditures	 <u>\$ 42,236</u>	 <u>\$ (3,553)</u>	 <u>\$ 38,683</u>	 <u>\$ -</u>

## Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	11/30/2016
Bonds Authorized	\$ 6,660,000
Bonds Issued	\$ 6,660,000
Original Authorized Cost	\$ 7,427,878
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,427,878
 Percentage Increase (Decrease) over Original Authorized Cost	
	0.00%
Percentage Completion	99.48%
Original Target Completion Date	6/30/2018
Revised Target Completion Date	6/30/2019

**RIDGEWOOD BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**2018-2019 CAPITAL LEASE - COMPUTER EQUIPMENT**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Capital Lease Proceeds	\$ 900,000		\$ 900,000	\$ 900,000
Interest	950	\$ 4,177	5,127	5,127
	<u>900,950</u>	<u>4,177</u>	<u>905,127</u>	<u>905,127</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Professional Services	2,000	74,475	76,475	2,000
Supplies and Materials	105,149	698,402	803,551	105,149
Equipment		19,608	19,608	797,978
Cancelled - Transfer to General Fund	-	5,493	5,493	-
	<u>107,149</u>	<u>797,978</u>	<u>905,127</u>	<u>905,127</u>
Excess of Revenues over Expenditures	<u>\$ 793,801</u>	<u>\$ (793,801)</u>	<u>\$ -</u>	<u>\$ -</u>

## Additional Project Information:

NJ DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Notification Date	N/A
Grant Amount	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 900,000
Additional Authorized Cost	\$ 5,127
Revised Authorized Cost	\$ 905,127

## Percentage Increase (Decrease) over Original Authorized

Cost	0.57%
Percentage Completion	100.00%
Original Target Completion Date	06/30/2019
Revised Target Completion Date	06/30/2019

**ENTERPRISE FUND**

**EXHIBIT G-1**

**RIDGEWOOD BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6



**FIDUCIARY FUNDS**

**RIDGEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY NET POSITION  
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 378,247	\$ 1,667,804	\$ 2,046,051
Total Assets	<u>\$ 378,247</u>	<u>\$ 1,667,804</u>	<u>\$ 2,046,051</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Payable		\$ 19,742	\$ 19,742
Accrued Salaries and Wages		1,647,958	1,647,958
Due to Other Funds		104	104
Due to Student Groups	<u>\$ 378,247</u>	<u>-</u>	<u>378,247</u>
Total Liabilities	<u>\$ 378,247</u>	<u>\$ 1,667,804</u>	<u>\$ 2,046,051</u>

**RIDGEWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
<b>ELEMENTARY SCHOOLS</b>				
Hawes	\$ 6,188	\$ 21,054	\$ 23,447	\$ 3,795
Orchard	5,772	17,791	17,534	6,029
Ridge	9,346	27,541	29,119	7,768
Somerville	12,586	62,195	41,916	32,865
Travell	4,544	2,536	5,668	1,412
Willard	<u>57,298</u>	<u>66,586</u>	<u>64,008</u>	<u>59,876</u>
Total Elementary Schools	<u>95,734</u>	<u>197,703</u>	<u>181,692</u>	<u>111,745</u>
<b>MIDDLE SCHOOLS</b>				
Benjamin Franklin	21,374	137,913	120,522	38,765
George Washington	<u>15,694</u>	<u>138,034</u>	<u>123,292</u>	<u>30,436</u>
Total Junior High School	<u>37,068</u>	<u>275,947</u>	<u>243,814</u>	<u>69,201</u>
<b>HIGH SCHOOL</b>				
Ridgewood High School	169,280	506,171	485,186	190,265
Athletic Accounts	<u>4,977</u>	<u>129,375</u>	<u>127,316</u>	<u>7,036</u>
Total Senior High School	<u>174,257</u>	<u>635,546</u>	<u>612,502</u>	<u>197,301</u>
Total All Schools	<u>\$ 307,059</u>	<u>\$ 1,109,196</u>	<u>\$ 1,038,008</u>	<u>\$ 378,247</u>

**RIDGEWOOD BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Balance, July 1, <u>2018</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2019</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 73,803	\$ 68,316,516	\$ 66,722,515	\$ 1,667,804
Total Assets	<u>\$ 73,803</u>	<u>\$ 68,316,516</u>	<u>\$ 66,722,515</u>	<u>\$ 1,667,804</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 45,934	\$ 30,250,490	\$ 30,276,682	\$ 19,742
Accrued Salaries and Wages		38,066,022	36,418,064	1,647,958
Due to Other Funds	<u>27,869</u>	<u>4</u>	<u>27,769</u>	<u>104</u>
Total Liabilities	<u>\$ 73,803</u>	<u>\$ 68,316,516</u>	<u>\$ 66,722,515</u>	<u>\$ 1,667,804</u>

**LONG-TERM DEBT**

**RIDGEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
104 Additions and Renovations to Various Schools	April 8, 2010	\$ 38,420,000	03/15/20	\$ 1,500,000	4.00%	\$ 2,300,000	\$ 800,000	\$ 1,500,000
Additions and Renovations to Various Schools (Refunded 2003 Bonds Maturing 2/15/2016 to 2/15/2028)	June 1, 2011	3,475,000	2/15/20	215,000	5.00%			
			2/15/21	220,000	5.00%			
			2/15/22-2/15/23	230,000	3.25%			
			2/15/24-2/15/27	235,000	4.00%			
			2/15/28	230,000	4.00%	2,270,000	205,000	2,065,000
School Refunding Bonds	October 24, 2013	5,300,000				1,205,000	1,205,000	
School Refunding Bonds	November 1, 2016	32,860,000	3/15/21	1,580,000	4.00%			
			3/15/22	1,630,000	4.00%			
			3/15/23	1,680,000	4.00%			
			3/15/24	1,780,000	4.00%			
			3/15/25	1,860,000	4.00%			
			3/15/26	1,975,000	4.00%			
			3/15/27	2,050,000	4.00%			
			3/15/28	2,175,000	4.00%			
			3/15/29	2,275,000	4.00%			
			3/15/30	2,370,000	4.00%			
			3/15/31	2,465,000	4.00%			
			3/15/32	2,610,000	4.00%			
			3/15/33	2,755,000	4.00%			
			3/15/34	2,745,000	4.00%			
			3/15/35	2,735,000	3.00%	32,685,000		32,685,000

RIDGEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

105

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
Energy Savings Improvement Bonds	November 1, 2016	\$ 6,660,000	11/15/19	\$ 640,000	2.00%			
			11/15/20	550,000	2.00%			
			11/15/21	295,000	2.00%			
			11/15/22	305,000	2.00%			
			11/15/23	210,000	3.00%			
			11/15/24	225,000	3.00%			
			11/15/25	240,000	3.00%			
			11/15/26	255,000	3.00%			
			11/15/27	270,000	3.00%			
			11/15/28	290,000	4.00%			
			11/15/29	310,000	4.00%			
			11/15/30	330,000	3.00%			
			11/15/31	355,000	4.00%			
			11/15/32	380,000	4.00%			
			11/15/33	405,000	4.00%			
			11/15/34	430,000	4.00%			
			11/15/35	460,000	4.00%			
						\$ 6,660,000	\$ 710,000	\$ 5,950,000
						<u>\$ 45,120,000</u>	<u>\$ 2,920,000</u>	<u>\$ 42,200,000</u>
							Paid by General Fund	\$ 710,000
							Paid by Debt Service Fund	<u>2,210,000</u>
								<u>\$ 2,920,000</u>

**RIDGEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Capital Leases</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Retired Current Year</u>	<u>Balance, June 30, 2019</u>
Technology Equipment - 2014-2015	1.2480%	\$ 970,000	\$ 196,867	\$ 196,867	
Computers - 2014-2015	1.4690%	485,000	98,376	98,376	
Technology Equipment - 2015-2016	1.5600%	955,000	385,271	191,145	\$ 194,126
Technology Equipment - 2016-2017	1.5730%	995,000	597,920	196,204	401,716
Technology Equipment - 2017-2018	1.7300%	915,000	727,974	177,338	550,636
Technology Equipment - 2018-2019	2.8970%	900,000	900,000	186,942	713,058
42 Konica Digital Copier	2.6900%	635,645	413,892	126,356	287,536
2 Savin Digital Copiers	4.8420%	15,400	11,755	2,941	8,814
1 Konica Digital Copier	4.8430%	11,293	<u>8,794</u>	<u>2,146</u>	<u>6,648</u>
			3,340,849	1,178,315	2,162,534
<u>Lease Purchase Agreements</u>					
1 Savin Digital Copier	5.0170%	1,631	<u>1,146</u>	<u>318</u>	<u>828</u>
			<u>\$ 3,341,995</u>	<u>\$ 1,178,633</u>	<u>\$ 2,163,362</u>



**RIDGEWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 3,164,901		\$ 3,164,901	\$ 3,164,901	
State Sources					
State Aid Type II	<u>409,204</u>	<u>-</u>	<u>409,204</u>	<u>409,204</u>	<u>-</u>
Total Revenues	<u>3,574,105</u>	<u>-</u>	<u>3,574,105</u>	<u>3,574,105</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal on Bonds	2,250,000	\$ (40,000)	2,210,000	2,210,000	
Interest on Bonds	<u>1,435,136</u>	<u>40,000</u>	<u>1,475,136</u>	<u>1,475,135</u>	<u>\$ 1</u>
Total Expenditures	<u>3,685,136</u>	<u>-</u>	<u>3,685,136</u>	<u>3,685,135</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,031)	-	(111,031)	(111,030)	1
Other Financing Sources:					
Transfer In from Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,640</u>	<u>134,640</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(111,031)	-	(111,031)	23,610	134,641
Fund Balance, Beginning of Year	<u>111,031</u>	<u>-</u>	<u>111,031</u>	<u>111,031</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,641</u>	<u>\$ 134,641</u>
<b><u>Recapitulation of Fund Balance:</u></b>					
Restricted for Debt Service:					
Designated for Subsequent Year's Budgeted Debt Service Expenditures				\$ 134,640	
Available for Subsequent Year's Expenditures				<u>1</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 134,641</u>	

## STATISTICAL SECTION

This part of the Ridgewood Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**RIDGEWOOD BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2010	2011	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ (3,026,561)	\$ 20,697,948	\$ 41,756,338	\$ 46,132,466	\$ 46,434,486	\$ 47,460,901	\$ 50,296,485	\$ 48,026,214	\$ 52,024,622	\$ 53,460,402
Restricted	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989	2,446,640	6,721,461	3,154,358	3,367,381
Unrestricted (Deficit)	(1,350,383)	(1,335,961)	(1,415,055)	277,381	479,002	(21,862,874)	(18,159,172)	(18,984,086)	(19,296,734)	(17,660,312)
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 37,257,808</u></b>	<b><u>\$ 43,277,784</u></b>	<b><u>\$ 48,175,471</u></b>	<b><u>\$ 51,671,980</u></b>	<b><u>\$ 52,185,372</u></b>	<b><u>\$ 30,417,016</u></b>	<b><u>\$ 34,583,953</u></b>	<b><u>\$ 35,763,589</u></b>	<b><u>\$ 35,882,246</u></b>	<b><u>\$ 39,167,471</u></b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 78,561	\$ 174,404	\$ 200,277	\$ 200,056	\$ 182,963	\$ 165,869	\$ 157,906	\$ 161,011	\$ 168,572	\$ 155,576
Unrestricted (Deficit)	238,200	84,170	(14,732)	(262,802)	(177,875)	(127,338)	(52,385)	(75,778)	169,197	337,722
<b>Total Business-Type Activities Net Position</b>	<b><u>\$ 316,761</u></b>	<b><u>\$ 258,574</u></b>	<b><u>\$ 185,545</u></b>	<b><u>\$ (62,746)</u></b>	<b><u>\$ 5,088</u></b>	<b><u>\$ 38,531</u></b>	<b><u>\$ 105,521</u></b>	<b><u>\$ 85,233</u></b>	<b><u>\$ 337,769</u></b>	<b><u>\$ 493,298</u></b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ (2,948,000)	\$ 20,872,352	\$ 41,956,615	\$ 46,332,522	\$ 46,617,449	\$ 47,626,770	\$ 50,454,391	\$ 48,187,225	\$ 52,193,194	\$ 53,615,978
Restricted	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989	2,446,640	6,721,461	3,154,358	3,367,381
Unrestricted (Deficit)	(1,112,183)	(1,251,791)	(1,429,787)	14,579	301,127	(21,990,212)	(18,211,557)	(19,059,864)	(19,127,537)	(17,322,590)
<b>Total District Net Position</b>	<b><u>\$ 37,574,569</u></b>	<b><u>\$ 43,536,358</u></b>	<b><u>\$ 48,361,016</u></b>	<b><u>\$ 51,609,234</u></b>	<b><u>\$ 52,190,460</u></b>	<b><u>\$ 30,455,547</u></b>	<b><u>\$ 34,689,474</u></b>	<b><u>\$ 35,848,822</u></b>	<b><u>\$ 36,220,015</u></b>	<b><u>\$ 39,660,769</u></b>

Note 1 - Net Position at June 30, 2012 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB No. 68, "Accounting and Financial Reporting for Pensions".

**RIDGEWOOD BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 37,635,956	\$ 39,044,444	\$ 39,520,534	\$ 41,066,546	\$ 42,268,110	\$ 49,809,263	\$ 52,476,438	\$ 59,694,002	\$ 60,234,080	\$ 55,317,248
Special Education	6,697,403	7,094,778	8,659,407	9,677,014	10,365,003	12,214,247	20,423,801	22,405,915	22,237,366	21,481,554
Other Special Instruction	1,700,384	1,276,142	1,832,543	1,865,523	1,917,159	2,259,204				
Other Instruction	2,702,014	2,439,657	2,226,960	2,333,329	2,209,523	3,249,504	4,078,298	4,593,792	5,307,856	4,931,423
School Sponsored Activities and Athletics							1,560,774	1,761,876	1,718,793	1,672,880
Support Services:										
Tuition	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926				
Student and Instruction Related Services	15,001,751	14,731,156	15,693,498	16,593,369	17,168,297	20,121,714	19,624,092	21,377,496	21,458,596	21,060,674
School Administrative Services	4,886,853	4,797,546	4,630,097	4,912,473	5,124,205	5,956,806	5,921,747	6,433,802	6,405,997	6,103,999
General Administration Services	1,290,797	973,223	1,002,754	996,072	1,030,247	992,004	1,105,974	1,431,937	1,361,502	1,188,610
Central Services	1,609,055	1,569,040	1,566,374	1,557,969	1,647,350	1,802,578	1,500,900	1,678,752	1,539,412	1,634,597
Administration Information Technology	859,287	755,846	784,880	712,561	893,325	1,148,311	1,148,506	1,444,498	1,147,762	1,069,133
Plant Operations And Maintenance	7,343,995	7,235,913	7,743,196	7,760,169	8,829,531	9,002,078	8,907,317	9,519,429	12,395,800	12,613,773
Pupil Transportation	2,852,706	2,672,636	2,691,737	2,831,955	3,096,229	3,214,020	3,420,974	3,390,261	3,707,638	3,455,619
Special Schools	1,052,193	996,687	940,027	915,697	1,010,334	763,467				
Interest On Long-Term Debt	1,124,232	2,235,001	2,167,806	2,084,878	2,136,514	1,786,823	1,811,652	1,561,651	1,400,202	1,544,586
Unallocated Depreciation	2,177,278	2,341,669	2,337,989	3,478,605						-
<b>Total Governmental Activities Expenses</b>	<b>91,913,880</b>	<b>93,652,653</b>	<b>98,066,328</b>	<b>103,299,971</b>	<b>104,096,558</b>	<b>119,216,945</b>	<b>121,980,473</b>	<b>135,293,411</b>	<b>138,915,004</b>	<b>132,074,096</b>
<b>Business-Type Activities:</b>										
Food Service	1,200,627	1,153,075	1,234,287	1,272,615	1,467,124	1,491,101	1,643,143	1,845,060	1,969,904	2,073,207
Infant/Toddler Development Program	1,056,302	1,074,626	1,005,350	923,260	716,747	952,967	1,005,800	1,054,794	933,221	1,119,044
Technology Initiative							58,239	85,159	89,063	67,522
Inclusive Preschool								14,140	30,834	-
<b>Total Business-Type Activities Expense</b>	<b>2,256,929</b>	<b>2,227,701</b>	<b>2,239,637</b>	<b>2,195,875</b>	<b>2,183,871</b>	<b>2,444,068</b>	<b>2,707,182</b>	<b>2,999,153</b>	<b>3,023,022</b>	<b>3,259,773</b>
<b>Total District Expenses</b>	<b>\$ 94,170,809</b>	<b>\$ 95,880,354</b>	<b>\$ 100,305,965</b>	<b>\$ 105,495,846</b>	<b>\$ 106,280,429</b>	<b>\$ 121,661,013</b>	<b>\$ 124,687,655</b>	<b>\$ 138,292,564</b>	<b>\$ 141,938,026</b>	<b>\$ 135,333,869</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 1,697,013	\$ 1,671,910	\$ 1,440,927	\$ 1,932,584	\$ 879,643	\$ 689,432	\$ 390,244	\$ 1,541,938	\$ 1,570,131	\$ 2,736,701
Operating Grants and Contributions	8,970,346	8,515,529	10,101,630	12,062,765	1,730,518	1,999,970	28,730,584	39,130,298	40,845,805	33,160,633
Capital Grants And Contributions	522,627	4,123,851	3,440,895	1,012,305	177,260	1,815,883	10,828	-	11,027	64,121
<b>Total Governmental Activities Program Revenues</b>	<b>11,189,986</b>	<b>14,311,290</b>	<b>14,983,452</b>	<b>15,007,654</b>	<b>2,787,421</b>	<b>4,505,285</b>	<b>29,131,656</b>	<b>40,672,236</b>	<b>42,426,963</b>	<b>35,961,455</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	1,058,262	1,044,532	1,078,878	1,096,927	1,395,639	1,537,697	1,678,546	1,883,039	2,013,836	2,150,930
Infant/Toddler Development Program	990,367	1,011,663	961,850	728,458	853,846	939,697	1,012,840	989,001	1,090,435	1,181,341
Technology Initiative							96,600	97,890	94,927	98,625
Inclusive Preschool								8,700	55,000	-
Operating Grants And Contributions	122,895	112,120	124,847	121,800	2,124					
<b>Total Business Type Activities Program Revenues</b>	<b>2,171,524</b>	<b>2,168,315</b>	<b>2,165,575</b>	<b>1,947,185</b>	<b>2,251,609</b>	<b>2,477,394</b>	<b>2,787,986</b>	<b>2,978,630</b>	<b>3,254,198</b>	<b>3,430,896</b>
<b>Total District Program Revenues</b>	<b>\$ 13,361,510</b>	<b>\$ 16,479,605</b>	<b>\$ 17,149,027</b>	<b>\$ 16,954,839</b>	<b>\$ 5,039,030</b>	<b>\$ 6,982,679</b>	<b>\$ 31,919,642</b>	<b>\$ 43,650,866</b>	<b>\$ 45,681,161</b>	<b>\$ 39,392,351</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>										
	\$ (80,723,894)	\$ (79,341,363)	\$ (83,082,876)	\$ (88,292,317)	\$ (101,309,137)	\$ (114,711,660)	\$ (92,848,817)	\$ (94,621,175)	\$ (96,488,041)	\$ (96,112,641)
<b>Business-Type Activities</b>										
	(85,405)	(59,386)	(74,062)	(248,690)	67,738	33,326	80,804	(20,523)	231,176	171,123
<b>Total District-Wide Net Expense</b>	<b>\$ (80,809,299)</b>	<b>\$ (79,400,749)</b>	<b>\$ (83,156,938)</b>	<b>\$ (88,541,007)</b>	<b>\$ (101,241,399)</b>	<b>\$ (114,678,334)</b>	<b>\$ (92,768,013)</b>	<b>\$ (94,641,698)</b>	<b>\$ (96,256,865)</b>	<b>\$ (95,941,518)</b>

**RIDGEWOOD BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 76,758,275	\$ 79,728,606	\$ 81,323,178	\$ 82,949,642	\$ 84,608,635	\$ 86,223,037	\$ 87,947,497	\$ 90,636,248	\$ 91,519,173	\$ 94,279,356
Debt Service	1,435,200	2,958,908	3,105,755	3,200,686	3,239,342	3,214,082	3,313,073	3,323,724	3,265,783	3,164,901
State Aid Restricted									417,813	409,204
Unrestricted Grants And Contributions	3,428,070	2,189,099	3,146,320	5,239,532	12,345,398	23,699,314	436,954	440,918	55,859	4,556
Investment Earnings	127,785	207,272	119,899	27,018	13,687	13,391	32,868	18,164	27,426	126,118
Miscellaneous	478,408	277,454	285,421	371,948	1,510,467	1,282,353	1,820,195	1,381,757	1,341,503	741,427
Transfers										18,726
Special Items					105,000				(20,859)	653,578
Total Governmental Activities	<u>82,227,738</u>	<u>85,361,339</u>	<u>87,980,573</u>	<u>91,788,826</u>	<u>101,822,529</u>	<u>114,432,177</u>	<u>93,550,587</u>	<u>95,800,811</u>	<u>96,606,698</u>	<u>99,397,866</u>
Business-Type Activities:										
Investment Earnings	867	1,199	1,033	399	96	117	254	235	501	3,132
Transfers In/(Out)									20,859	(18,726)
Total Business-Type Activities	<u>867</u>	<u>1,199</u>	<u>1,033</u>	<u>399</u>	<u>96</u>	<u>117</u>	<u>254</u>	<u>235</u>	<u>21,360</u>	<u>(15,594)</u>
Total District-Wide	<u>\$ 82,228,605</u>	<u>\$ 85,362,538</u>	<u>\$ 87,981,606</u>	<u>\$ 91,789,225</u>	<u>\$ 101,822,625</u>	<u>\$ 114,432,294</u>	<u>\$ 93,550,841</u>	<u>\$ 95,801,046</u>	<u>\$ 96,628,058</u>	<u>\$ 99,382,272</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ 1,503,844	\$ 6,019,976	\$ 4,897,697	\$ 3,496,509	\$ 513,392	\$ (279,483)	\$ 701,770	\$ 1,179,636	\$ 118,657	\$ 3,285,225
Business-Type Activities	(84,538)	(58,187)	(73,029)	(248,291)	67,834	33,443	81,058	(20,288)	252,536	155,529
Total District	<u>\$ 1,419,306</u>	<u>\$ 5,961,789</u>	<u>\$ 4,824,668</u>	<u>\$ 3,248,218</u>	<u>\$ 581,226</u>	<u>\$ (246,040)</u>	<u>\$ 782,828</u>	<u>\$ 1,159,348</u>	<u>\$ 371,193</u>	<u>\$ 3,440,754</u>

**RIDGEWOOD BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 4,661,867									
Unreserved	388,549									
Restricted		\$ 4,491,947	\$ 4,137,931	\$ 4,285,603	\$ 5,271,884	\$ 4,818,989	\$ 4,390,327	\$ 4,637,415	\$ 4,466,451	\$ 5,244,057
Committed		626,236	524,538	863,807			936,100	208,900	290,930	137,166
Assigned		55,629	67,945	81,909	201,232	57,326	1,532,412	1,349,639	298,823	439,418
Unassigned		633,086	595,619	2,131,432	2,121,012	1,757,257	359,127	459,218	472,835	240,503
<b>Total General Fund</b>	<u>\$ 5,050,416</u>	<u>\$ 5,806,898</u>	<u>\$ 5,326,033</u>	<u>\$ 7,362,751</u>	<u>\$ 7,594,128</u>	<u>\$ 6,633,572</u>	<u>\$ 7,217,966</u>	<u>\$ 6,655,172</u>	<u>\$ 5,529,039</u>	<u>\$ 6,061,144</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 18,536,160									
Unreserved	18,436,725									
Restricted		\$ 3,544,259	\$ 2,682,320	\$ 112,723	\$ 238,428	\$ 217,185	\$ 1,354,153	\$ 4,898,207	\$ 1,082,373	\$ 173,324
Committed		20,507,731	2,697,335							
Assigned		166,046	175,087		997,506	980,585				
Unassigned		(5,420,422)	(2,383,023)							
<b>Total All Other Governmental Funds</b>	<u>\$ 36,972,885</u>	<u>\$ 18,797,614</u>	<u>\$ 3,171,719</u>	<u>\$ 112,723</u>	<u>\$ 1,235,934</u>	<u>\$ 1,197,770</u>	<u>\$ 1,354,153</u>	<u>\$ 4,898,207</u>	<u>\$ 1,082,373</u>	<u>\$ 173,324</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

**RIDGEWOOD BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 78,193,475	\$ 82,687,514	\$ 84,428,933	\$ 86,150,328	\$ 87,847,977	\$ 89,437,119	\$ 91,260,570	\$ 93,959,972	\$ 94,784,956	\$ 97,444,257
Tuition	468,722	465,061	340,410	551,917	879,643	689,432	1,188,229	1,541,938	1,570,131	2,123,032
Interest Earnings	127,785	207,272	119,899	27,018	13,687	13,391				
Miscellaneous	2,372,905	2,284,237	2,391,509	2,924,860	3,124,804	2,142,073	1,620,019	1,954,998	2,187,119	2,064,730
State Sources	10,455,749	12,297,765	14,021,944	15,669,656	12,311,320	13,924,734	13,657,818	16,704,906	18,790,535	21,897,041
Federal Sources	2,025,226	1,963,964	1,893,252	1,672,701	1,297,519	1,256,141	1,377,359	1,294,706	1,277,600	1,325,257
<b>Total Revenue</b>	<b>93,643,862</b>	<b>99,905,813</b>	<b>103,195,947</b>	<b>106,996,480</b>	<b>105,474,950</b>	<b>107,462,890</b>	<b>109,103,995</b>	<b>115,456,520</b>	<b>118,610,341</b>	<b>124,854,317</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	29,667,390	30,442,131	30,223,875	30,930,494	31,968,923	32,726,271	41,966,925	44,795,853	47,820,687	49,267,272
Special Education Instruction	5,091,202	5,265,323	6,335,189	7,038,909	7,462,101	7,638,879	18,151,458	19,168,515	19,722,511	20,291,108
Other Special Instruction	1,294,233	957,878	1,349,859	1,352,093	1,417,159	1,450,732				
Other Instruction	2,156,305	1,925,886	1,776,047	1,866,881	1,709,523	1,750,022	3,510,599	3,749,114	4,063,010	4,441,746
School Sponsored Activities and Athletics							1,609,224	1,700,797	1,675,626	1,683,110
<b>Support Services:</b>										
Tuition	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926				
Student & Inst. Related Services	11,833,051	11,382,241	12,058,142	12,843,206	13,209,750	13,762,418	17,516,888	18,128,037	18,892,425	19,783,288
School Administration Services	1,179,235	926,283	911,760	897,146	896,078	812,902	4,967,525	5,175,251	5,295,387	5,405,831
General Administration Services	3,706,608	3,552,799	3,394,576	3,584,519	3,734,917	3,769,146	1,059,126	1,404,735	1,128,302	1,191,911
Central Services	1,264,768	1,174,765	1,177,958	1,181,180	1,246,810	1,182,702	1,494,132	1,625,937	1,496,184	1,645,760
Administrative Information Technology Services	760,859	589,380	617,686	548,276	679,276	774,375	1,142,986	1,301,853	1,115,710	1,076,304
Plant Operations And Maintenance	7,505,750	7,500,654	8,008,255	8,037,721	8,345,568	8,409,424	8,574,472	9,477,746	9,435,958	9,642,962
Pupil Transportation	2,832,276	2,644,397	2,664,944	2,806,253	2,939,264	3,020,649	3,301,115	3,352,012	3,703,386	3,456,768
Employee Benefits	16,241,126	17,271,044	18,897,615	20,406,898	18,215,072	19,683,350				
Special Schools	1,052,193	996,687	940,027	915,697	1,010,334	841,165				
Capital Outlay	3,824,054	25,114,187	21,742,993	6,127,501	2,266,611	3,461,864	1,317,861	6,740,799	5,163,118	1,547,590
<b>Debt Service:</b>										
Principal	1,190,000	1,260,000	1,565,000	1,640,000	1,755,000	1,975,000	3,019,821	3,394,979	3,339,836	4,098,633
Interest And Other Charges	716,821	2,102,778	2,085,255	2,053,173	2,004,717	1,745,785	1,726,086	1,425,961	1,579,309	1,717,704
<b>Total Expenditures</b>	<b>95,295,847</b>	<b>118,595,348</b>	<b>120,017,707</b>	<b>108,743,758</b>	<b>105,261,834</b>	<b>109,901,610</b>	<b>109,358,218</b>	<b>121,441,589</b>	<b>124,431,449</b>	<b>125,249,987</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(1,651,985)	(18,689,535)	(16,821,760)	(1,747,278)	213,116	(2,438,720)	(254,223)	(5,985,069)	(5,821,108)	(395,670)
<b>Other Financing Sources (Uses)</b>										
Proceeds from Borrowing	38,420,000							6,660,000		
Premium (Discount) on Bonds	649				(31,800)			1,037,360		
Capital Leases (Non-Budgeted)	787,000	1,215,000	715,000	725,000	975,000	1,440,000	995,000	1,578,969	900,000	
Proceeds from Refunding		3,609,274			5,300,000			32,860,000		
Payments to Refunded Bond Escrow Agent		(3,553,528)			(5,206,728)			(33,170,000)		
Special Item					105,000					
Transfers In	44,452	115,897	37,468	1,255		651,330		315,000	98,256	159,524
Transfers Out	(44,452)	(115,897)	(37,468)	(1,255)		(651,330)		(315,000)	(119,115)	(140,798)
<b>Total Other Financing Sources (Uses)</b>	<b>39,207,649</b>	<b>1,270,746</b>	<b>715,000</b>	<b>725,000</b>	<b>1,141,472</b>	<b>1,440,000</b>	<b>995,000</b>	<b>8,966,329</b>	<b>879,141</b>	<b>18,726</b>
<b>Net Change In Fund Balances</b>	<b>\$ 37,555,664</b>	<b>\$ (17,418,789)</b>	<b>\$ (16,106,760)</b>	<b>\$ (1,022,278)</b>	<b>\$ 1,354,588</b>	<b>\$ (998,720)</b>	<b>\$ 740,777</b>	<b>\$ 2,981,260</b>	<b>\$ (4,941,967)</b>	<b>\$ (376,944)</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	2.08%	3.60%	3.71%	3.60%	3.65%	3.50%	4.39%	4.20%	4.12%	4.70%

**RIDGEWOOD BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Rentals</u>	<u>Transportation</u>	<u>Reimbursements/ Refunds</u>	<u>Miscellaneous Restricted</u>	<u>Miscellaneous Unrestricted</u>	<u>Summer School Tuition and Fees</u>	<u>Adult School and Other Special School Fees</u>	<u>Student Activity Fees</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 441,031	\$ 25,413		\$ 240,976	\$ 186,463		\$ 864,429	\$ 174,525		\$ 1,932,837
2011	436,537	16,712		74,458	74,101		863,701	251,978		1,717,487
2012	443,372	22,261		68,737	77,555		836,173	169,762		1,617,860
2013	442,037	16,169		217,516	119,653	\$ 41,545	813,197	302,498		1,952,615
2014	409,329	32,749		289,969	374,403	56,625	879,643	361,079		2,403,797
2015	282,355	22,750		521,180	59,698	100,940	689,432	308,821	\$ 13,391	1,998,567
2016	329,492	58,413			278,441	38,575	797,985	258,817	32,868	1,794,591
2017	386,446	144,251	\$ 160,391		381,187	34,655		273,551	18,164	1,398,645
2018	407,209		261,231		319,600	65,865		287,598	25,361	1,366,864
2019	247,891	2,673	77,874		723,013			303,645	121,941	1,477,037

Source: District Records



**RIDGEWOOD BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2010	\$ 24,188,000	\$ 5,948,400,600	\$ 596,467,300	\$ 106,335,700	\$ 6,675,391,600	\$ 10,616,803	\$ 6,686,008,403	\$ 6,707,210,394	\$ 1.237
2011	22,561,000	5,928,833,100	593,617,600	106,335,700	6,651,347,400	9,425,266	6,660,772,666	6,476,883,013	1.268
2012	23,955,900	5,908,926,300	574,609,800	102,767,000	6,610,259,000	10,000	6,610,269,000	6,342,573,286	1.304
2013 (b)	16,795,700	5,111,925,100	506,624,400	88,306,400	5,723,651,600		5,723,651,600	5,968,091,065	1.535
2014	17,989,100	5,122,760,900	504,096,500	88,306,400	5,733,152,900		5,733,152,900	6,022,176,495	1.560
2015	18,991,800	5,138,526,500	504,214,500	88,306,400	5,750,039,200		5,750,039,200	6,224,840,527	1.590
2016	16,723,800	5,163,336,500	506,142,200	88,156,400	5,774,358,900		5,774,358,900	6,404,608,448	1.592
2017	20,509,500	5,176,844,900	503,089,400	87,624,700	5,788,068,500		5,788,068,500	6,461,282,869	1.654
2018	17,793,600	5,198,029,600	505,395,700	87,624,700	5,808,843,600		5,808,843,600	6,651,451,246	1.678
2019	26,605,500	5,215,426,000	492,242,000	87,624,700	5,821,898,200		5,821,898,200	6,810,324,473	1.699

114

Source: County Abstract of Ratables

a Tax rates are per \$100

b The Village reassessed real property effective 2013 and 2008

**RIDGEWOOD BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

<b>Assessment Year</b>	<b>Basic Rate</b>	<b>General Obligation Debt Services</b>	<b>Total District School</b>	<b>Overlapping Rates</b>		<b>Total Direct and Overlapping Tax Rate</b>
				<b>Village of Ridgewood</b>	<b>County of Bergen</b>	
2010	\$ 1.194	\$ 0.043	\$ 1.237	\$ 0.454	\$ 0.196	\$ 1.887
2011	1.220	0.048	1.268	0.419	0.269	1.956
2012	1.255	0.049	1.304	0.500	0.210	2.014
2013 (A)	1.489	0.046	1.535	0.577	0.247	2.359
2014	1.518	0.042	1.560	0.540	0.243	2.343
2015	1.554	0.036	1.590	0.545	0.257	2.392
2016	1.534	0.058	1.592	0.551	0.269	2.412
2017	1.601	0.053	1.654	0.560	0.270	2.484
2018	1.616	0.062	1.678	0.608	0.279	2.565
2019	1.649	0.050	1.699	0.615	0.283	2.597

Source: The Village Tax Duplicate

(A) The Village reassessed real property effective 2013

RIDGEWOOD BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

116

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% Total of District Net Assessed Value
1200 E RIDGEWOOD LLC% CUSHMAN/WAKE	\$ 23,000,000	0.40%	\$ 27,683,800	0.41%
MILRIDGE REALTY, LLC	10,250,700	0.18%	14,030,100	0.21%
SL OAK MANOR OWNER LLC %601 W ASSOC	9,705,700	0.17%		
RIDGWD MAYFLOWER RLTY%KRIEGMAN&SMIT	8,700,600	0.15%		
CHESTNUT VD HOLDINGS	8,399,700	0.14%		
CAMERON APARTMENTS	8,167,200	0.14%		
LUCERNE-RIDGEWOOD LLC	8,080,000	0.14%	9,802,700	0.15%
KIMCO RIDGEWOOD 615, INC.	7,452,500	0.13%		
FRANKLIN-MAPLE LLC % P HIRSCHMANN	7,361,000	0.13%	9,025,100	0.13%
KEW MANAGEMENT CORPORATION	7,000,000	0.12%	10,516,500	0.16%
VERIZON - NEW JERSEY (Personal Property)			10,616,803	0.16%
PONDVIEW MEDICAL CTR OF RIDGEWOOD			10,240,400	0.15%
HOME PROPERTIES WMF I, LLC			9,900,000	0.15%
STOP & SHOP SUPERMRKT% RE TAX DEPT			9,436,600	0.14%
VAN DYK HEALTH CARE, INC			9,037,400	0.14%
			-	
Total	\$ 98,117,400	1.69%	\$ 120,289,403	1.80%

Source: Municipal Tax Assessor

The Village reassessed real property effective 2013

**RIDGEWOOD BOARD OF EDUCATION  
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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 78,193,475	\$ 78,193,475	100.00%	N/A
2011	82,661,789	82,661,789	100.00%	N/A
2012	84,454,658	84,454,658	100.00%	N/A
2013	86,150,328	86,150,328	100.00%	N/A
2014	87,847,977	87,847,977	100.00%	N/A
2015	89,437,119	89,437,119	100.00%	N/A
2016	91,260,570	91,260,570	100.00%	N/A
2017	93,959,972	93,959,972	100.00%	N/A
2018	94,784,956	94,784,956	100.00%	N/A
2019	97,444,257	97,444,257	100.00%	N/A

**RIDGEWOOD BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/Lease Purchases</u>			
2010	\$ 53,111,000	\$ 1,456,614	\$ 54,567,614	24,982	\$ 2,184
2011	51,915,000	1,866,566	53,781,566	25,102	2,143
2012	50,350,000	1,763,477	52,113,477	25,156	2,072
2013	48,710,000	1,662,254	50,372,254	25,210	1,998
2014	47,230,000	2,720,676	49,950,676	25,221	1,981
2015	45,255,000	3,137,662	48,392,662	25,302	1,913
2016	43,200,000	3,167,841	46,367,841	25,259	1,836
2017	47,275,000	3,626,831	50,901,831	25,293	2,012
2018	45,120,000	3,341,995	48,461,995	25,272	1,918
2019	42,200,000	2,163,362	44,363,362	25,272 (A)	1,755

Source: District records

(A) -Estimated

**RIDGEWOOD BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2010	\$ 53,111,000		\$ 53,111,000	0.79%	\$ 2,126
2011	51,915,000		51,915,000	0.78%	2,068
2012	50,350,000		50,350,000	0.76%	2,002
2013	48,710,000		48,710,000	0.85%	1,932
2014	47,230,000		47,230,000	0.82%	1,873
2015	45,255,000		45,255,000	0.79%	1,789
2016	43,200,000		43,200,000	0.75%	1,710
2017	47,275,000	\$ 111,032	47,163,968	0.81%	1,865
2018	45,120,000	111,031	45,008,969	0.77%	1,781
2019	42,200,000	134,641	42,065,359	0.72%	1,665

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RIDGEWOOD BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
FOR YEAR ENDED DECEMBER 31, 2018  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
School Purposes	\$ 43,205,000	\$ 43,205,000	
Local Utilities	49,100,865	49,100,865	
Municipal Purposes	<u>53,241,430</u>	<u>-</u>	<u>\$ 53,241,430</u>
	<u>\$ 145,547,295</u>	<u>\$ 92,305,865</u>	<u>53,241,430</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County			
County of Bergen (A)			53,824,052
Northwest Bergen County Utilities Authority (B)			<u>42,620</u>
			<u>53,866,672</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 107,108,102</u>

## SOURCE:

(1) Village of Ridgewood 2018 Annual Debt Statement

(A) The debt information for this entity was obtained from the Bergen County Treasurer's office and was apportioned to the Village of Ridgewood by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Source: Village of Ridgewood Chief Financial Officer and Bergen County Treasurer's Office.

**RIDGEWOOD BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

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

Equalized Valuation Basis	
2018	\$ 6,783,654,794
2017	6,616,447,759
2016	6,434,543,013
	<u>\$ 19,834,645,566</u>
Average Equalized Valuation of Taxable Property	\$ 6,611,548,522
Debt Limit	264,461,941
Total Net Debt Applicable to Limit	42,200,000
Legal debt margin	<u>\$ 222,261,941</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 270,146,454	\$ 266,850,895	\$ 260,721,259	\$ 253,879,774	\$ 200,299,151	\$ 199,955,909	\$ 247,500,182	\$ 253,282,184	\$ 258,897,167	\$ 264,461,941
Total Net Debt Applicable to Limit	53,111,000	51,915,000	50,350,000	48,710,000	47,230,000	45,255,000	43,200,000	47,275,000	45,120,000	42,200,000
Legal Debt Margin	<u>\$ 217,035,454</u>	<u>\$ 214,935,895</u>	<u>\$ 210,371,259</u>	<u>\$ 205,169,774</u>	<u>\$ 153,069,151</u>	<u>\$ 154,700,909</u>	<u>\$ 204,300,182</u>	<u>\$ 206,007,184</u>	<u>\$ 213,777,167</u>	<u>\$ 222,261,941</u>
Total net debt applicable to the limit as a percentage of debt limit	19.66%	19.45%	19.31%	19.19%	23.58%	22.63%	17.45%	18.66%	17.43%	15.96%

Source: Annual Debt Statements



**RIDGEWOOD BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	24,982	\$ 65,992	5.7%
2011	25,102	68,865	5.6%
2012	25,156	71,789	5.9%
2013	25,210	71,100	5.3%
2014	25,221	73,637	4.0%
2015	25,302	76,821	5.3%
2016	25,259	77,901	3.2%
2017	25,293	81,203	3.1%
2018	25,272	81,203 (A)	2.5%
2019	25,272 (A)	81,203 (A)	N/A

(A) - Estimated

N/A - Not Available

Source: New Jersey State Department of Education



**RIDGEWOOD BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	372	369	348	350	341	344	350	352	352	353
Special education	93	54	78	76	89	82	73	77	77	78
Other special education - suppl/mainstreaming	15	59	107	119	95	101	102	101	102	102
Other Instruction										
Support Services:										
Student & instruction related services	123	125	108	108	95	114	95	108	108	108
General administration	4	4	4	4	2	2	2	2	2	2
School administrative services	63	41	54	54	44	40	40	35	35	35
Central services	24	16	20	20	15	14	14	13	13	13
Administrative Information Technology	17	19	19	19	7	11	11	10	10	10
Plant operations and maintenance	9	2	7	6	3	2	2	3	3	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Special Schools	2	2	2	2	2	2	2	2	2	2
Infant/Toddler Development Center	33	33	33	32	33	33	33	33	33	33
<b>Total</b>	<u>756</u>	<u>725</u>	<u>781</u>	<u>791</u>	<u>727</u>	<u>746</u>	<u>725</u>	<u>737</u>	<u>738</u>	<u>740</u>

Source: District Personnel Records

RIDGEWOOD BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2010	5,777	\$ 89,564,972	\$ 15,504	0.80%	419.27	14.1	12.6	13.1	5,709	5,477.0	1.15%	95.94%
2011	5,822	90,118,383	15,479	-0.16%	423.00	14.4	12.4	11.8	5,711	5,488.7	0.04%	96.11%
2012	5,793	94,624,459	16,334	5.53%	431.30	13.9	12.8	13.1	5,700	5,520.5	-0.19%	96.85%
2013	5,829	98,923,084	16,971	3.90%	432.00	14.0	12.7	13.0	5,751	5,542.3	0.89%	96.37%
2014	5,743	99,235,506	17,279	1.83%	430.10	13.6	12.6	11.1	5,717	5,517.9	-0.59%	96.52%
2015	5,650	102,718,961	18,180	5.21%	426.00	15.5	15.9	15.0	5,650	5,463.0	-1.17%	96.69%
2016	5,655	103,293,950	18,266	0.47%	423.00	13.6	13.2	10.3	5,655	5,478.0	0.09%	96.87%
2017	5,678	109,577,063	19,299	5.65%	426.00	13.8	13.0	13.3	5,659	5,473.0	0.07%	96.71%
2018	5,691	114,349,186	20,093	4.12%	429.00	13.8	13.0	13.3	5,664	5,451.2	0.09%	96.24%
2019	5,676	117,109,630	20,632	2.68%	431.00	13.6	13.0	13.3	5,652	5,449.0	-0.21%	96.41%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

RIDGEWOOD BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>District Building</b>										
<b>Elementary</b>										
<b>Glen (1959)</b>										
Square Feet	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300	27,300
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	42	54	37	42	42	42	42	42	48	66
<b>Hawes (1966)</b>										
Square Feet	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765	39,765
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	416	407	405	407	407	407	407	423	408	419
<b>Orchard (1966)</b>										
Square Feet	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	331	340	337	333	333	333	333	316	308	292
<b>Ridge (1960)</b>										
Square Feet	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	478	500	497	514	514	514	514	432	442	447
<b>Somerville (1950)</b>										
Square Feet	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	534	527	502	517	517	517	517	411	416	430
<b>Travel (1966)</b>										
Square Feet	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800	47,800
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	416	407	395	365	365	365	365	385	389	394
<b>Willard (1926)</b>										
Square Feet	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	458	484	479	500	500	500	500	496	491	488
<b>Middle School</b>										
<b>Benjamin Franklin (1954)</b>										
Square Feet	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	691	691	697	738	738	738	738	711	713	686
<b>George Washington (1928)</b>										
Square Feet	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600	99,600
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	678	661	688	652	652	652	652	732	712	706

**RIDGEWOOD BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>High School</u></b>										
<b><u>Ridgewood High School</u></b>										
Square Feet	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286	248,286
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,664	1,662	1,663	1,684	1,684	1,684	1,684	1,730	1,746	1,767
<b><u>Other</u></b>										
Central Administration (1895)										
Square Feet	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640	32,640

127

Number of Schools at June 30, 2019

- Elementary = 7
- Middle School = 2
- Senior High School = 1
- Other = 1

Source: District Facilities Office

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

N/A - Information is not available

**RIDGEWOOD BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

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

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>*School Facilities</b>	<b>School #</b>										
Ridgewood High School	050	\$ 469,753	\$ 28,872	\$ 377,586	\$ 374,705	\$ 355,471	\$ 346,196	\$ 351,787	\$ 493,690	\$ 477,170	\$ 391,537
Benjamin Franklin Middle School	060	221,103	75,875	349,328	287,346	204,427	199,093	269,770	295,869	365,920	180,005
George Washington Middle School	070	158,124	122,790	173,071	149,408	141,019	137,340	141,119	216,994	191,417	165,307
Glen Elementary School	080	18,158	20,656	37,476	41,200	52,398	51,031	38,681	73,316	52,467	45,729
Hawes Elementary School	085	45,628	46,837	25,864	52,821	89,505	87,170	56,341	72,499	76,423	83,418
Ridge Elementary School	090	99,958	73,875	52,033	71,565	66,201	64,474	67,726	79,050	91,865	96,435
Somerville Elementary School	100	169,905	186,173	116,760	102,623	142,082	138,375	96,347	115,136	130,685	131,631
Travel Elementary School	110	79,188	140,485	83,408	69,120	70,942	69,091	67,726	117,861	91,865	71,580
Orchard Elementary School	120	71,535	204,931	126,520	58,103	66,450	64,716	59,697	101,684	80,974	69,656
Willard Elementary School	130	133,068	427,402	25,329	76,213	73,703	71,780	71,551	99,301	97,054	143,221
Education Center	999	46,167	134,943	111,929	49,259	83,579	81,398	46,246	55,209	62,729	38,942
Total School Facilities		<u>\$1,512,587</u>	<u>\$1,462,839</u>	<u>\$1,479,304</u>	<u>\$1,332,363</u>	<u>\$1,345,777</u>	<u>\$1,310,664</u>	<u>\$1,266,991</u>	<u>\$1,720,609</u>	<u>\$1,718,569</u>	<u>\$ 1,417,461</u>

Source: District Records

**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2019  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>PACKAGE POLICY - Great American Ins. Co.</b>		
Property	\$ 262,768,595	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood (Zones A & V)	2,000,000	500,000
Automobile	1,000,000	\$1,000/COMP&COLL
Comprehensive General Liability	1,000,000	1,000
Crime (Non-Statutory Bonds) Selective Ins. Co.	\$100,000 Per Employee \$500,000 Excess	5,000
Boiler & Machinery	262,768,595	
<b>ENVIRONMENTAL - ACE</b>	4,000,000 20,000,000 Group Aggregate	15,000
<b>EDUCATOR'S LEGAL LIABILITY/ EMPLOYMENT PRACTICES - Greenwich</b>	1,000,000	25,000
<b>COMMERCIAL UMBRELLA-Great American Ins. Co.</b>	9,000,000	10,000
<b>EXCESS UMBRELLA - Fireman's Fund</b>	\$50,000,000 Group Aggregate	
<b>CYBER LIABILITY-Indian Harbor Ins. Co.</b>	\$1,000,000 Occurrence \$4,000,000 Group Aggregate (Subject to Sublimits)	15,000
<b>WORKER'S COMPENSATION-Safety National</b>		
Maximum Limit of Indemnity per Occurrence	Statutory	
Employer's Liability Per Occurrence	1,000,000	
<b>TRAVEL ACCIDENT POLICY - Gerber Life</b>	\$100,000 AD&D	
Board Members, Business Admin., Superintendent		
<b>STUDENT AND ATHLETIC ACCIDENT-Zurich Ins. Co.</b>	5,000,000	20% Co insurance on 1st \$25,000
<b>Voluntary - Monumental Life</b>	500,000	



**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
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ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

**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**

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Trustees  
Ridgewood Board of Education  
Ridgewood, New Jersey

We have audited, in accordance with the 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Ridgewood Board of Education’s basic financial statements and have issued our report thereon dated December 11, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ridgewood 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 Ridgewood Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Ridgewood 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 Ridgewood Board of Education’s financial statements are free from 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgewood Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 11, 2019.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ridgewood Board of Education’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 Ridgewood Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 11, 2019



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Trustees  
Ridgewood Board of Education  
Ridgewood, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Ridgewood Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Ridgewood Board of Education’s major federal and state programs for the fiscal year ended June 30, 2019. The Ridgewood Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Ridgewood Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Ridgewood Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Ridgewood 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 fiscal year ended June 30, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Ridgewood Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Ridgewood Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the Ridgewood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ridgewood Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ridgewood Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

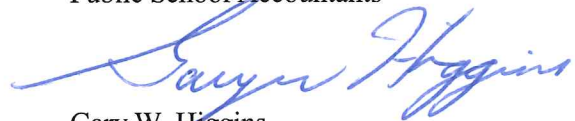
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the Ridgewood Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 11, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 11, 2019

RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	July 1, 2018		A/R Carryover Amount	Def. Rev. Carryover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Deferred Revenue Adjustment	Refund of Prior Years' Balances	June 30, 2019			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue								Accounts Receivable	Unearned Revenue	Due to Grantor	
<b>General Fund</b>																	
<b>U.S. Department of Human Services</b>																	
Passed-through State Department of Education																	
Medicaid Assistance	93.778	1905NJ5MAP	7/1/18-6/30/19	\$ 7,020	-	-	-	-	\$ 6,977	\$ 7,020	-	-	-	\$ (43)	-	-	\$ (43)
Total General Fund					-	-	-	-	6,977	7,020	-	-	-	(43)	-	-	(43)
<b>Special Revenue Fund</b>																	
<b>U.S. Department of Education</b>																	
Passed-through State Department of Education																	
I.D.E.A. Part B	84.027	H027A180100	7/1/18-6/30/19	1,006,333	-	-	-	-	970,250	1,006,333	-	-	-	(36,083)	-	-	(36,083)
I.D.E.A. Preschool	84.173	H173A180114	7/1/18-6/30/19	38,120	-	-	-	-	38,120	38,120	-	-	-	-	-	-	-
Total Special Education Cluster (IDEA)					-	-	-	-	1,008,370	1,044,453	-	-	-	(36,083)	-	-	(36,083)
Title I Part A	84.010	S010A170030	7/1/17-6/30/18	152,940	\$ (70,982)	\$ 15,552	\$ 15,552	\$ (15,552)	55,430								
Title I Part A	84.010	S010A180030	7/1/18-6/30/19	153,886			(15,552)	15,552	64,166	133,836				(105,272)	\$ 35,602		(69,670)
Title II A	84.367	S367A170029	7/1/17-6/30/18	83,489	(36,605)				36,605								
Title II A	84.367	S367A180029	7/1/18-6/30/19	85,915					49,660	85,915				(36,255)			(36,255)
Title III	84.365	S365A170030	7/1/17-6/30/18	26,472	(14,806)	3,484	3,484	(3,484)	11,322								
Title III	84.365	S365A180030	7/1/18-6/30/19	24,846			(3,484)	3,484	17,076	28,330				(11,254)			(11,254)
Title III, Immigrant	84.365	S365A170030	7/1/17-6/30/18	13,260	(13,260)	13,260		(13,260)									
Title III, Immigrant	84.365	S365A180030	7/1/18-6/30/19	16,789	-	-	(13,260)	13,260	8,667	25,823	-	-	-	(21,382)	4,226	-	(17,156)
Total Title III Cluster					(28,066)	16,744	-	-	37,065	54,153	-	-	-	(32,636)	4,226	-	(28,410)
Teaching American History	84.215X	N/A	9/1/10-8/31/15	999,479	-	5,383	-	-	-	-	-	-	-	-	5,383	-	-
Total U.S. Department of Education					(135,653)	37,679	-	-	1,251,296	1,318,357	-	-	-	(210,246)	45,211	-	(170,418)
<b>U.S. Department of Homeland Security</b>																	
Passed-through the New Jersey State Police																	
Disaster Grants - Public Assist.	97.036	N/A	9/1/12-8/31/13	208,188	(29,143)	-	-	-	-	-	-	-	-	(29,143)	-	-	(29,143)
Total Special Revenue Fund					(164,796)	37,679	-	-	1,251,296	1,318,357	-	-	-	(239,389)	45,211	-	(199,561)
Total Federal Awards					\$ (164,796)	\$ 37,679	\$ -	\$ -	\$ 1,258,273	\$ 1,325,377	\$ -	\$ -	\$ -	\$ (239,432)	\$ 45,211	\$ -	\$ (199,604)

See Accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018			Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Deferred Revenue Adjustment	Refund of Prior Years' Balances	June 30, 2019			MEMO		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>General Fund</b>																	
State Department of Education																	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 2,049,826	\$ (164,827)		\$ 164,827											
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,409,152			2,213,754	\$ 2,409,152					\$ (195,398)				\$ 2,409,152	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	98,280	(7,903)		7,903											
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	447,742			411,427	447,742					(36,315)				447,742	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	56,660	(4,556)		4,556											
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	56,660	(4,556)		4,556											
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	55,375	(4,453)		4,453											
Total State Aid Public Cluster				(186,295)			2,811,476	2,856,894				(231,713)				2,856,894	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	136,964	(11,013)		11,013											
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	620,535			570,206	620,535					(50,329)				620,535	
Additional Non Public Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	46,358	(46,358)		46,358											
Additional Non Public Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	48,720				48,720					(48,720)				\$ (48,720)	48,720
Total State Aid Transportation Cluster				(57,371)			627,577	669,255				(99,049)				(48,720)	669,255
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	1,687,869	\$ (1,687,869)		1,687,869											
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	1,716,211				1,716,211					(1,716,211)				1,716,211	
On-Behalf TPAF Pension Benefits	19-495-034-5094-002	7/1/18-6/30/19	8,701,800			8,701,800	8,701,800									8,701,800	
On-Behalf TPAF - Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	182,151			182,151	182,151									182,151	
On-Behalf TPAF - Post Retirement Medical Contributions	19-495-034-5094-001	7/1/18-6/30/19	4,029,746			4,029,746	4,029,746									4,029,746	
On-Behalf TPAF - Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	6,607			6,607	6,607									6,607	
Reimbursed TPAF Social Security Contr.	18-495-034-5094-003	7/1/17-6/30/18	3,376,281	(167,897)		167,897											
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	7/1/18-6/30/19	3,432,606			3,261,306	3,432,606					(171,300)				(171,300)	3,432,606
Total General Fund				(2,099,432)			21,476,429	21,595,270				(2,218,273)				(220,020)	21,595,270
<b>Special Revenue Fund</b>																	
N.J. Nonpublic Aid:																	
Handicapped Services																	
Corrective Speech Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	1,607			1,607									\$ 1,607		
	19-100-034-5120-066	7/1/18-6/30/19	10,922			10,922	5,643								5,279		5,643
Total Handicapped Aid						12,529	5,643								6,886		5,643
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	1,314			3						3					
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	374			374									374		
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	888			70						70					
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	252			252									252		
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	1,800			95						95					
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	1,050			1,050									1,050		
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	2,328			1,553						1,553					
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	679			679									679		
Total Special Revenue Fund						1,721	14,884	5,643				1,721			9,241		5,643
<b>Debt Service Fund</b>																	
Debt Service Aid	19-495-034-5120-017	7/1/18-6/30/19	409,204				409,204	409,204									409,204
Total State Financial Subject to Single Audit Determination				\$ (2,099,432)	\$ -	\$ 1,721	\$ 21,900,517	\$ 22,010,117	\$ -	\$ -	\$ 1,721	\$ (2,218,273)	\$ -	\$ 9,241	\$ (220,020)	\$ 22,010,117	
<b>Less Amounts Not Subject to Single Audit:</b>																	
On-Behalf TPAF Pension Benefits	19-495-034-5094-002	7/1/18-6/30/19	8,701,800				(8,701,800)	(8,701,800)									(8,701,800)
On-Behalf TPAF - Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	182,151				(182,151)	(182,151)									(182,151)
On-Behalf TPAF - Post Retirement Medical Contributions	19-495-034-5094-001	7/1/18-6/30/19	4,029,746				(4,029,746)	(4,029,746)									(4,029,746)
On-Behalf TPAF - Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	6,607				(6,607)	(6,607)									(6,607)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (2,099,432)	\$ -	\$ 1,721	\$ 8,980,213	\$ 9,089,813	\$ -	\$ -	\$ 1,721	\$ (2,218,273)	\$ -	\$ 9,241	\$ (220,020)	\$ 9,089,813	



**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Ridgewood Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance 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 are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$113,076 for the general fund and an increase of \$3,486 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,020	\$ 21,482,194	\$ 21,489,214
Special Revenue Fund	1,318,237	5,643	1,323,880
Debt Service Fund	-	409,204	409,204
	<hr/>	<hr/>	<hr/>
Total Awards Financial Assistance	<u>\$ 1,325,257</u>	<u>\$ 21,897,041</u>	<u>\$ 23,222,298</u>

**RIDGEWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$3,432,606 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$8,883,951, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,029,746 and TPAF Long-Term Disability Insurance in the amount of \$6,607 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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 amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

- 1) Were material weakness(es) identified?      yes   X   no
- 2) Significant deficiencies identified that are not considered to be material weakness(es)?      yes   X   none reported

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

**Federal Awards Section**

Internal Control over major programs:

- (1) Material weakness(es) identified?      yes   X   no
- 2) Significant deficiencies identified that are not considered to be material weakness(es)?      yes   X   none reported

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 U.S. Uniform Guidance?      yes   X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A180100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA Preschool</u>

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

Auditee qualified as low-risk auditee?   X   yes      no



**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.

**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2019-001**

Our audit of purchases and procedures related to compliance with national cooperative purchasing agreements revealed the following:

- A contract was awarded for construction services through a national cooperative vendor.
- A cost savings analysis was not prepared for a contract in excess of the bid threshold.
- Additional quotes were not obtained for purchases in excess of the quote threshold.

**State program information:**

Special Education Aid	19-495-034-5120-089
Security Aid	19-495-034-5120-084

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid – Public  
NJSA 18A:18A – Public School Contracts Law

**Condition:**

- National cooperative contracts may not be utilized for construction contracts.
- A cost savings analysis of comparable state contract or other cooperative purchasing programs was not completed and compared to the national cooperative contract to be awarded.
- Additional quotes for purchases in excess of \$6,000 from national cooperative vendors were not obtained.

**Questioned Costs:**

Unknown.

**RIDGEWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2019-001 (Continued)**

**Context:**

- One (1) contract was awarded for construction services through a national cooperative vendor.
- One (1) instance where a cost savings analysis was not prepared for a contract in excess of the bid threshold.
- Two (2) instances where additional quotes were not obtained for purchases in excess of the quote threshold.

**Effect:**

Noncompliance with requirements of the Public School Contracts Law and State Aid-Public Compliance Supplement.

**Recommendation:**

Purchases made under national cooperative purchasing agreements be in accordance with State procurement guidelines.

**Views of Responsible Officials and Planned Corrective Action:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.



**RIDGEWOOD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-001**

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable wages.

**Current Status**

Corrective action was taken.

**RIDGEWOOD BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2019**

**RIDGEWOOD BOARD OF EDUCATION  
TABLE OF CONTENTS**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Auditor's Management Report	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
School Food Service	5
Infant/Toddler Development Fund	6
One to One Initiative	6
Community School	6
Student Body Activities	6
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	7
Number of Meals Served and (Over)/Underclaim – Not Applicable	8
Schedule of Net Cash Resources – Not Applicable	8
Application for State School Aid	9-11
Calculation of Excess Surplus	12
Recommendations	13
Acknowledgment	14



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
Ridgewood Board of Education  
Ridgewood, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Ridgewood Board of Education as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated December 11, 2019.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, management, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
December 11, 2019

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Antoinette Kelly	School Business Administrator/Board Secretary	\$500,000
Mr. Angelo DeSimone	Treasurer of School Monies	\$500,000

There is a blanket dishonesty bond covering all other employees, including faithful performance for elected officials, in the amount of \$100,000 per loss.

**Financial Planning, Accounting and Reporting**

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures and certifications.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator and the Superintendent.

Salary withholdings were remitted to the proper agencies, including health benefit withholdings due to the General Fund.

The District maintains a personnel tracking and accounting (Position Control) system.

The required certification (E-CERTI) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6-13 and N.J.S.A. 18A:11-12. No exceptions were noted pertaining to travel expenses tested.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

The Board Secretary's and Treasurer's reports were presented monthly to the board and were submitted to the executive county superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36).

Treasurer's Records

The Treasurer did perform cash reconciliations for all District bank accounts.

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the Board Secretary.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II and III of the Elementary and Secondary Education Act, as amended.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Financial Planning, Accounting and Reporting (Continued)**

I.D.E.A. Part B

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Offices of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the Department by the due date.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 and 18A:39-3 are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The School Business Administrator/Board Secretary is a Qualified Purchasing Agent and the bid threshold has been approved by resolution at \$40,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

The results of our examination did indicate that payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S. 18A:18A-4, as amended.

**Finding (CAFR Finding 2019-001)** – Our audit of purchases and procedures related to compliance with national cooperative purchasing agreements revealed the following:

- A contract was awarded for construction services through a national cooperative vendor.
- A cost savings analysis was not prepared for a contract in excess of the bid threshold.
- Additional quotes were not obtained for purchases in excess of the quote threshold.

**Recommendation** – Purchases made under national cooperative purchasing agreements be in accordance with State procurement guidelines.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal that purchases were made through the use of state contracts.

**School Food Service**

The District did not participate in the National School Lunch program.

The financial transactions and records of the school food services were maintained in satisfactory condition. The financial accounts and records were reviewed on a test-check basis.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18a:17-34, and 19-1 through 19.4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a \$200,000 profit to the District. The operating results provision has been met.

**Finding** – Sales reported per the food service management company's operating statement exceeded sales per the District records.

**Recommendation** – Food service management company's sales records be reconciled with the District's sales records on a monthly basis.

Cash receipts and bank records were reviewed for timely deposits.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenses for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

The District has contracted with Pomptonian Food Services, Inc. to operate its school food service program.



**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Infant/Toddler Development Fund**

The financial transactions of the Infant/Toddler Development Fund was maintained as an Enterprise Fund. The financial accounts and records were reviewed on a test-check basis.

**One to One Initiative**

The financial transactions of the One to One Initiative Program were maintained as an Enterprise Fund. The financial accounts and records were reviewed on a test-check basis.

Cash receipt records and bank records were reviewed for timely deposits and proper fee charges.

Cash disbursement records had supporting documentation and reflected program related expenses.

**Community School**

The Financial transactions of the Community School program were maintained in the General Fund. The financial accounts and records were reviewed on a test-check basis.

**Student Body Activities**

The Board has a policy which clearly establishes the regulation of student activity funds.

Cash receipts and cash disbursements records were maintained in fair condition.

All cash disbursements had proper supporting documentation.

**Finding** – Our audit of the various student activity accounts revealed the following:

Hawes and Sommerville Elementary Schools, George Washington Middle School, Athletic Account

- Bank reconciliations included deposits in transit and outstanding checks which need to be reviewed and cleared of record.

Orchard Elementary School and Ridgewood High School

- Voucher approval requests were not approved.

Willard Elementary School, George Washington Middle School

- Certain deposits were not made in a timely manner.

Travell Elementary School, Ridgewood High School

- Supporting vendor invoices were not available to support certain paid claims.

Travell Elementary School

- Pre-numbered receipts were not issued.
- Disbursements request forms were not utilized to support paid claims.

**Recommendation** – Continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, on-roll low-income and Limited English Proficient. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions. The information on the District workpapers was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our testing, the District did comply with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction.

Capital assets records were properly maintained.

**RIDGEWOOD BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018 - 2019 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Full Day Pre-School 3yr				-	-	-											
Full Day Pre-School 4yr	29		29					29		29							
Full Day Kindergarten	343		343					60		60							
One	373		373					72		72							
Two	332		332					47		47							
Three	374		374					58		58							
Four	380		380					62		62							
Five	364		364					58		58							
Six	399		399					217		217							
Seven	395		395					217		217							
Eight	420		420					218		218							
Nine	401		401					401		401							
Ten	372		372					372		372							
Eleven	385		385					385		385							
Twelve	392	1	392	1				392		392							
Post Grad	-		2	1	(2)	(1)		2		2							
Adult School (15+cr)	-		-					-		-							
Subtotal	4,959	1	4,961	2	(2)	(1)		2,590	-	2,590	-	-	-	-	-	-	-
Sp. Ed. - Elementary	315		316		(1)	-		12		12			14	15	15	-	-
Sp. Ed. - Middle School	184		184					7		7			17	17	17	-	-
Sp. Ed. - High School	218	1	216		2	1		8		8			24	15	15	-	-
Subtotal	717	1	716	-	1	1		27	-	27	-	-	55	47	47	-	-
Totals	5,676	2	5,677	2	(1)	-		2,617	-	2,617	-	-	55	47	47	-	-
Percentage Error					<u>-0.02%</u>	<u>0.00%</u>				<u>0.00%</u>					<u>0.00%</u>		

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Kindergarten	3.0	3.0	-	1.0	-	1.0	-	-	-	-	-	-
One	2.0	2.0	-	1.0	1.0	-	2.0	2.0	-	1.0	1.0	-
Two	3.0	3.0	-	1.0	1.0	-	-	-	-	-	-	-
Three	5.0	5.0	-	1.0	1.0	-	2.0	2.0	-	1.0	1.0	-
Four	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Five	3.0	3.0	-	1.0	1.0	-	-	-	-	-	-	-
Six	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Seven	7.0	7.0	-	1.0	1.0	-	-	-	-	-	-	-
Eight	6.0	6.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Nine	9.0	9.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Ten	3.0	3.0	-	1.0	1.0	-	-	-	-	-	-	-
Eleven	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-
Twelve	6.0	6.0	-	1.0	1.0	-	-	-	-	-	-	-
Adult School (15+ credits)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	58.0	58.0	-	15.0	14.0	1.0	9.0	9.0	-	7.0	7.0	-
Special Ed. - Elementary	14.0	14.0	-	3.0	3.0	-	3.0	3.0	-	3.0	3.0	-
Special Ed. - Middle	7.0	7.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed. - High	16.0	16.0	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal	37.0	37.0	-	9.0	9.0	-	4.0	4.0	-	4.0	4.0	-
Co.Voc. -Regular												
Co.Voc. Ft. Post Sec.												
Totals	95.0	95.0	-	24.0	23.0	1.0	13.0	13.0	-	11.0	11.0	-
Percentage Error			<u>0.00%</u>			<u>4.17%</u>						<u>0.00%</u>

	Transportation					
	Reported on DRTRS by BOE	Reported on DRTRS by District	Errors(1)	Tested	Verified	Errors
Regular Public Students	390.0	390.0	-	15.0	15.0	-
Transported Non-Public Students	98.0	98.0	-	4.0	4.0	-
Regular Special Education (w/o needs)	159.0	159.0	-	6.0	6.0	-
Special Ed Students (w/special needs or out of district)	67.0	67.0	-	3.0	3.0	-
	714.0	714.0	-	28.0	28.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIDGEWOOD BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2018  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as LEP Not low Income	Reported on Workpapers as LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
				-		
Full Day Kindergarten	13.0	13.0	-	3.0	3.0	-
One	15.0	15.0	-	3.0	3.0	-
Two	16.0	16.0	-	4.0	4.0	-
Three	7.0	7.0	-	2.0	2.0	-
Four	7.0	7.0	-	2.0	2.0	-
Five	6.0	6.0	-	1.0	1.0	-
Six	8.0	8.0	-	2.0	2.0	-
Seven	6.0	6.0	-	1.0	1.0	-
Eight	5.0	5.0	-	1.0	1.0	-
Nine	2.0	2.0	-	1.0	1.0	-
Ten	7.0	7.0	-	2.0	2.0	-
Eleven	2.0	2.0	-	1.0	1.0	-
Twelve	5.0	5.0	-	1.0	1.0	-
Adult School (15+ credits)	-	-	-	-	-	-
Subtotal	99.0	99.0	-	24.0	24.0	-
Special Ed. - Elementary	3.0	5.0	(2.0)	1.0	1.0	-
Special Ed. - Middle	2.0	2.0	-	1.0	1.0	-
Special Ed. - High	-	-	-	-	-	-
Subtotal	5.0	7.0	(2.0)	2.0	2.0	-
Co. Voc. -Regular						
Co. Voc. Ft. Post Sec.						
Totals	104.0	106.0	(2.0)	26.0	26.0	-
Percentage Error			<u>-1.92%</u>			<u>0.00%</u>

**RIDGEWOOD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SECTION 1A - Two Percent (2%) - Calculation of Excess surplus**

2018-2019 Total General Fund Expenditures per the CAFR	\$ 118,861,418
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(16,352,910)</u>
Adjusted 2018-2019 General Fund Expenditures	<u>\$ 102,508,508</u>
2% of Adjusted 2018-2019 General Fund Expenditures	<u>\$ 2,050,170</u>
Enter Greater of 2% of Adjusted 2018-2019 General Fund Expenditures or \$250,000	\$ 2,050,170
Increased by:	
Allowable Adjustments	<u>188,586</u>
Maximum Unassigned Fund Balance	<u>\$ 2,238,756</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2019	\$ 8,059,397
Decreased by:	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000
Capital Reserve	1,478,509
Capital Reserve - Designated for Subsequent Year's Expenditures	1,300,000
Maintenance Reserve	415,548
Emergency Reserve	300,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	300,000
Year End Encumbrances	319,584
Designated for Subsequent Year's Expenditures	<u>257,000</u>
	<u>5,120,641</u>
Total Unassigned Fund Balance	<u>\$ 2,938,756</u>

**SECTION 3**

Restricted Fund Balance - Reserved Excess Surplus	<u>\$ 700,000</u>
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**Recapitulation of Excess Surplus as of June 30, 2019**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 750,000
Reserved Excess Surplus	<u>700,000</u>
	<u>\$ 1,450,000</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 139,866
Nonpublic Transportation Aid	<u>48,720</u>
	<u>\$ 188,586</u>

**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that purchases made under national cooperative purchasing agreements be in accordance with State procurement guidelines.

IV. School Food Service

It is recommended that the food service management company's sales records be reconciled with the District's sales records on a monthly basis.

V. Infant/Toddler Development Fund

There are none.

VI. One to One Initiative

There are none.

VII. Community School Program

There are none.

VIII. Student Body Activities

\* It is recommended that continued efforts be made in the student body activity accounts to properly record and account for all related transactions.

IX. Application for State School Aid

There are none.

X. Pupil Transportation

There are none.

XI. Facilities and Capital Assets

There are none.

XII. Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior year's recommendations and corrective action was taken on all except those denoted with an asterisk.



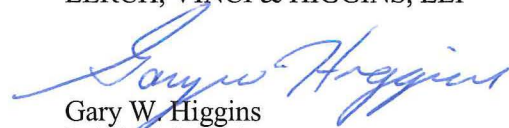
**RIDGEWOOD BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins  
Public School Accountant  
Certified Public Accountant



Superintendent  
Dr. Daniel Fishbein

**RIDGEWOOD PUBLIC SCHOOLS  
CORRECTIVE ACTION PLAN  
FY19 AUDIT**



Business Administrator/Board Secretary  
Antoinette Kelly

**PRESENTED AT THE PUBLIC MEETING OF**

<b>Audit Area</b>	<b>Auditor's Finding</b>	<b>Auditor's Recommendation</b>	<b>Corrective Action</b>	<b>Implementation Date</b>	<b>Primary Responsibility</b>	<b>Status</b>
<b>School Purchasing Programs</b>  <b>III</b>	A Contract was awarded for construction services through a national cooperative vendor. A cost savings analysis was not prepared for a national cooperative purchasing contract in excess of the bid threshold. Additional quotes were not obtained for national cooperative purchases in excess of the quote threshold.	Purchases made under national cooperative purchasing agreements be in accordance with State procurement guidelines.	Enhance purchasing controls so that only non-construction services contracts are awarded under national coops, to ensure contracts awarded through national coops over the bid threshold include a cost savings analysis and purchase over the quote threshold include at least one additional quote.	Effective Immediately	Business Administrator  Assistant Business Administrator  Purchasing Coordinator	<b>Corrected</b>
<b>School Food Service</b>  <b>IV</b>	Sales reported per the food service management company's operating statement exceeded sales per the district records.	Food service management company's sales records be reconciled with the Districts sales records on a monthly basis	The business office will review and reconcile the food service company's sales records to the Districts monthly receipt/revenue records on a monthly basis	Effective Immediately	Business Administrator Assistant Business Administrator	<b>Ongoing thru June 30, 2020</b>
<b>Student Body Activities</b>  <b>VIII</b>	The audit of the various student activity accounts revealed that certain voucher approval requests were not approved at two schools, Pre-numbered receipts were not always utilized at one school, there exists prior year outstanding checks and deposits in transit on the monthly bank reconciliations for three schools, certain deposits were not made in a timely manner at two schools, Supporting vendor invoices were not available to support certain paid claims at two schools, and disbursement request forms were not always utilized to support paid claims.	Continued efforts be made in the student body activity accounts to properly record and account for all related transactions.	Continue monthly review of school level reconciliations and supporting system entries. Continue to review the process of properly recording and maintaining student activity transactions will the responsible employees.	Effective Immediately	Business Administrator  Purchasing Coordinator  School Administrators	<b>Ongoing thru June 30, 2020</b>