

Ridgewood Public Schools FY11 Audit

Financial Results

**Presented at Regular Public
Board Meeting January 9, 2012**

Ridgewood Public Schools

FY11 Audit

Statute 18A:23-5

Within 30 days following receipt of the annual audit report, the BOE shall, at a regularly scheduled meeting cause the recommendations of the auditor to be read and discussed.

Report received December 15, 2011

**Report discussed at BOE meeting of
December 19th**

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Statute 18A:23-4

The Secretary of the Board shall prepare... a synopsis or summary of the report and recommendations... a copy of which shall be available for distribution to interested parties at the meeting.

Synopsis available but not distributed at meeting.

Ridgewood Public Schools FY11 Audit

The Rosetta Stone Contains Three Languages –
Greek, Demotic and Hieroglyphs



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The Audit Contains Three Methods of Accounting

Full Accrual:

- Recognize Depreciation not Capital Outlay
- Recognize Interest Paid Not Principal Payment
- Does not include revenue for unpaid state aid

Modified Accrual:

- Capital Outlay and Principal payments included as expenses
- Proceeds from the sale of bonds recognized as revenue
- Does not include revenue for unpaid state aid

Budgetary:

- Recognized all revenue committed by the state
- Includes Capital Outlay and not depreciation
- Principal payments recognized as expense

This discussion focuses on Budgetary Method only

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Highlights

- **FY11 Revenue of \$83.7M is \$.7M favorable to budget. (Revenue of \$83.7M excludes \$6.1M of state contributions to pension, FICA, and life insurance.)**
- **FY11 Expenditures of \$84.3M were \$2.2M or 2.5% favorable vs \$86.5M Budget (after adjustment for the state contributions to pension, FICA, and life insurance.)**
- **FY11 Revenue of \$83.7M is \$.8M higher than FY10 Revenue (after adjustment for the state contributions to pension, FICA, and life insurance.)**
- **FY11 Expenditures of \$84.3M were \$1.1M or 1.4% over FY10 Expenditures of \$83.2M (after adjustment for the state contributions to pension, FICA, and life insurance.)**
- **Actual FY11 Revenue exceeds Expenditures by \$.6M thereby increasing Fund Balance to \$7.3M from \$6.7M**

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Reconciliation of Original Expenditure Budget to Final Expenditure Budget

Original Revenue Budget – 7/1/10	\$ 82,874,749
Federal Jobs Aid	<u>98,941</u>
Final Budget from Page 58 of Audit	\$82,973,690

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Reconciliation of Original Expenditure Budget to Final Expenditure Budget

Original Expenditure Budget – 7/1/10	\$ 84,832,880
Federal Jobs Aid	98,941
Extraordinary Aid carried over from FY10	376,245
Open PO's (Encumbrances) from 6/30/10	<u>1,203,243</u>
Final Budget from Page 72 of Audit	\$ 86,511,309

From this point on dollars are stated in millions

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Actual Revenue versus Budgeted Revenue

Revenue	FY 11 Budget	FY11 Actual	Change Incr (Decr)
Local	\$ 81.9	\$ 82.0	\$.1
State *	1.0	7.7	6.7
Federal	<u>.1</u>	<u>.1</u>	<u>-0-</u>
Total	\$ 83.0	\$ 89.8	\$ 6.8
\$ in Millions Ties to Audit Page 58			

* The State of NJ pays the employer portion of FICA, Pension, and Life Insurance for Certificated Employees amounting to \$6.1M. By law, the district is prohibited from budgeting this State Aid.

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Actual Expenditures versus Budgeted Expenditures

Expenditures	FY11 Budget	FY11 Actual	Fav (Unf)	% Change
Instruction	\$ 38.1	\$ 38.0	\$.1	.3%
Student Services	10.4	10.2	.2	1.9%
OD Tuition	4.6	4.5	.1	2.2%
Administration	6.5	6.2	.3	4.6%
Facility Ops (Page 67,68)	7.9	7.3	.6	7.6%
Transportation	2.8	2.6	.2	7.1%
Benefits	12.0	17.2	(5.2)	(43.3%)
Curriculum & PD	.7	.7	-0-	-0-
Capital Outlay (Equip. & Lighting)	2.2	2.8	(.6)	27.3%
Other Schools	<u>1.3</u>	<u>1.0</u>	<u>.3</u>	<u>23.1%</u>
Total Expenditures	\$ 86.5	\$ 90.5	(4.0)	(4.6%)
\$ in Millions Ties to Audit Page 72				

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Analysis of Revenue versus Expenditures

	FY11 Budget	FY11 Actual	Fav (Unf)
Revenue	\$ 83.0	\$ 89.8*	\$ 6.8
Expenditures	<u>86.5</u>	<u>90.5*</u>	<u>(4.0)</u>
Rev Over (Under) Expenditures	(\$ 3.5)	(\$.7)	\$ 2.8
Use of Capital Reserve	.2	.1	(.1)
Time Purchase of Equipment & Lights	<u>-0-</u>	<u>1.2</u>	<u>1.2</u>
Rev Over (Under) Exp. after Adjustments	(\$ 3.3)	\$.6	\$ 3.9
\$ in Millions Ties to Audit Page 72		*Includes "non-budgeted" \$6.1m state aid & non-budgeted Benefit Expenses	

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Analysis of Change in Fund Balance

	FY11 Budget	FY11 Actual	Budget vs. Actual Fav (Unf)
Revenue Over (Under) Expenditures	(\$ 3.3)	\$.6	\$ 3.9
Fund Balance 7/1/10	<u>6.7</u>	<u>6.7</u>	<u>-0-</u>
Fund Balance 6/30/11	3.4	7.3	\$ 3.9
Budgeted Fund Balance	(\$ 1.3)	\$.5	\$ 1.8
Appropriated Ex Aid	(.4)		.4
Capital Reserve Transfer	(.4)	1.3	1.7
Open PO's from FY10	<u>(1.2)</u>	<u>(1.2)</u>	<u>- 0 -</u>
Use of Fund Balance	(\$ 3.3)	\$.6	\$ 3.9
\$ in Millions Ties to Audit Page 72 & 73			

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Analysis of Fund Balance as of June 30, 2011

Fund Balance Components	Amount
Surplus Reserved for FY12 Budget	\$ 1.4
Surplus Reserved for FY13 Budget	1.1
Capital Reserve	2.0
Reserve for FY11 Encumbrances	.7
Unreserved Fund Balance	<u>2.1</u>
Total Fund Balance	\$ 7.3
\$ in Millions Ties to Audit Page 73	

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FY10 Actual versus FY11 Actual Revenue

Revenue	FY10 Actual	FY11 Actual	Incr (Decr)	% Change
Tax Levy	\$ 76.8	\$ 79.7	\$ 2.9	3.8 %
Other Local Revenue	2.4	2.3	(.1)	(4.2 %)
Categorical State Aid	2.3	-0-	(2.3)	(100.0 %)
Extraordinary State Aid	1.5	1.5	- 0 -	
Unbudgeted State Aid	5.9	6.2	.3	5.1 %
Federal Jobs Aid	<u>-0-</u>	<u>.1</u>	<u>.1</u>	
Total Revenue	\$ 88.9	\$ 89.8	\$.9	1.0 %
\$ in Millions				

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FY10 Actual versus FY11 Actual Expenditures

Expenditures	FY10 Actual	FY11 Actual	(Incr) Decr	% Change
Instruction	\$ 37.8	\$ 38.0	(\$.2)	(.5 %)
Student Services	10.3	10.2	.1	1.0 %
Out of District Tuition	3.4	4.5	(1.1)	(32.4 %)
Administration	6.9	6.2	.7	10.1 %
Facility Operations	7.5	7.3	.2	2.7 %
Transportation	2.8	2.6	.2	7.1 %
Benefits	16.2	17.2	(1.0)	(6.1 %)
Curriculum & PD	1.2	.7	.5	41.7 %
Capital Outlay	1.9	2.8	(.9)	47.4 %
Other Schools	<u>1.1</u>	<u>1.0</u>	<u>.1</u>	<u>9.1 %</u>
Total Expenditures	\$ 89.1	\$ 90.5	(\$ 1.4)	1.6 %
\$ in Millions				