

RIDGEWOOD BOARD OF EDUCATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020

Prepared by

**Ridgewood Board of Education
Business Office**

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INTRODUCTORY SECTION



Ridgewood Public Schools

Education Center

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ADMINISTRATION

Dr. Thomas Gorman,
Acting Superintendent
Stacie Poelstra,
Assistant Superintendent
Joann Khoury-Frias,
Acting Business Administrator/
Board Secretary

BOARD MEMBERS

Michael Lembo, President
Hyunju Kwak, Vice President
Sheila Brogan
Saurabh Dani
Cristopher Kaufman

December 18, 2020

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, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material 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 5,572 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 2019-2020 fiscal year with an average daily enrollment of 5,694 students, which is 42 students more than the previous year's average daily student enrollment. The following details the changes in the average daily student enrollment of the District over the last eight years.

Fiscal Year	Average Daily Student Enrollment	Percent Change
2019-20	5,694	0.74%
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, 2020 was 5,572 a decrease of approximately 140 students from October 2019.

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 Budget expenditures increased by 1.13% The local tax levy increased by 1.84%. 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 5,572 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 1,777. The high school is the largest in Bergen County. The class of 2020 included 434 students. The following page details the post-graduation plans for this class.

Post- Secondary Plans: Class of 2020	
4-Year Colleges	91.5%
2-Year Colleges	2.7%
Military	1 student

The Class of 2020 received acceptances from the following colleges, universities, and military academies:

American University (3)	Keio University (1)	The University of Alabama (1)
Amherst College (1)	King's College London (1)	The University of Arizona (1)
Arizona State University- Tempe(2)	Lafayette College (4)	The University of Scranton (1)
Auburn University (1)	Lehigh University (11)	The University of Tennessee- Knoxville (3)
Baldwin Wallace University (1)	Lincoln Technical Institute (1)	The University of Texas at Austin (1)
Baruch College of the CUNY (1)	Loyola University Maryland (3)	Tufts University (2)
Bates College (1)	Manhattan College (1)	Tulane University of Louisiana (1)
Bentley University (2)	Marist College (4)	University of British Columbia (3)
Bergen Community College (10)	Marquette University (1)	University of California-Los Angeles (4)
Boston College (4)	Marymount Manhattan College (1)	University of Chicago (3)
Boston University (8)	Massachusetts Institute of Technology (1)	University of Cincinnati-Main Campus (1)
Brandeis University (3)	McGill University (3)	University of Colorado Boulder (1)
Brown University (1)	Miami University-Oxford (1)	University of Connecticut (3)
Bucknell University (5)	Middlebury College (1)	University of Delaware (5)
California PolyTech-San Luis Obispo (1)	Monmouth University (2)	University of Florida (1)
California State University- Chico (1)	Montclair State University (1)	University of Hartford (2)
Carleton College (1)	Muhlenberg College (2)	University of Hawaii at Manoa (1)
Carnegie Mellon University (3)	New Jersey Institute of Technology (4)	University of Illinois-Urbana- Champaign (2)
Case Western Reserve University (1)	New York University (11)	University of Maryland, College Park (4)
Catholic University of America (1)	Northeastern University (6)	University of Massachusetts-Boston (1)
Clemson University (3)	Oberlin College (1)	University of Massachusetts- Amherst (2)
Coastal Carolina University (3)	Ontario Tech University (1)	University of Miami (3)

Colby College (1)	Pennsylvania State University (7)	University of Michigan-Ann Arbor (9)
Colgate University (5)	Pennsylvania State University-Harrisburg (1)	University of New Hampshire (2)
College of Charleston (3)	Prescott College (1)	University of Notre Dame (2)
College of the Holy Cross (4)	Princeton University (1)	University of Oklahoma-Norman Campus (1)
Columbia University (1)	Providence College (2)	University of Pennsylvania (1)
Connecticut College (2)	Purdue University (3)	University of Pittsburgh-Pitt Campus (4)
Cornell University (3)	Quinnipiac University (2)	University of Rhode Island (2)
Dartmouth College (2)	Ramapo College of NJ (11)	University of Richmond (3)
Denison University (1)	Rensselaer Polytechnic Institute (1)	University of Rochester (1)
Drexel University (3)	Rider University (3)	University of South Carolina-Columbia (1)
Elizabethtown College (1)	Ringling College of Art and Design (1)	University of Southern California (1)
Elon University (5)	Rochester Institute of Technology (4)	University of Vermont (5)
Emerson College (1)	Roger Williams University (4)	University of Wisconsin-Madison (2)
Emory University (1)	Rowan University (1)	University of Wollongong (1)
Fairfield University (4)	Royal Holloway University of London (1)	Ursinus College (1)
Fairleigh Dickinson University (1)	Rutgers University-Camden (1)	Vanderbilt University (4)
Fashion Institute of Technology (3)	Rutgers University-New Brunswick (22)	Vassar College (2)
Fordham University (1)	Sacred Heart University (2)	Villanova University (2)
Franklin and Marshall College (3)	Savannah College of Art and Design (1)	Virginia Tech (5)
George Washington University (2)	School of the Art Institute of Chicago (1)	Wagner College (1)
Georgetown University (4)	Seton Hall University (2)	Wake Forest University (5)
Georgia Institute of Technology (2)	Skidmore College (1)	Waseda University (1)
Gettysburg College (2)	Springfield College (1)	Washington and Lee University (3)
Hamilton College (2)	St. John's University (2)	Washington University in St Louis (3)
Harvard College (2)	Stanford University (1)	Weber State University (1)
Haverford College (2)	Stevens Institute of Technology (5)	Wellesley College (2)
High Point University (1)	Swarthmore College (1)	Wesleyan University (1)
Hocking College (1)	Syracuse University (7)	Western New England University (2)
Hofstra University (1)	Temple University (1)	William and Mary (2)
Holy Cross College (1)	The College of New Jersey (2)	William Paterson University of NJ (3)
Indiana University-Purdue Indianapolis (1)	The Los Angeles Film School (1)	Worcester Polytechnic Institute (1)
Indiana University-Bloomington (6)	The New School-All Divisions (2)	Yale University (1)
Ithaca College (2)	The Ohio State University (3)	

Major Initiatives

Capital Projects

The District replaced the turf field at the stadium field at Ridgewood High School. Bathrooms were renovated at George Washington and Ben Franklin Middle Schools. The pole vault and javelin areas were renovated at Ben Franklin Middle School's Track. Paving and Sidewalk repairs were done districtwide.

In District Special Education Classes

The District offers specialized classes for students with disabilities that are located in-district. At Glen School, the Ridgewood Early Development (RED) classes offer a comprehensive educational experience for a child who has been identified as a preschool disabled student, ages 3-5 that focuses on skill development within the social, motor, cognitive, and communications domains. The district also offers Language Learning Disabled (LLD) classes at Ridgewood High School, George Washington Middle School, Benjamin Franklin Middle School, Willard Elementary and Hawes Elementary School. The District's ABA-Based program, Ridgewood Intensive Services (RISe) are offered at Ridgewood High School, George Washington Middle School, Ridge Elementary and Glen School. Additionally, Strategic Actions for Innovative Learning (SAIL) is the District's multiply disabled program and is offered at Ridgewood High School, Benjamin Franklin Middle School, and Hawes Elementary School. The Ridgewood NOVA Program is a self-contained class designed to for students with behavioral disabilities who are dysregulated emotionally/behaviorally and is offered at Somerville Elementary School. The District's transition to adulthood class, School Transition and Employment Program for Student Success (STEPSS) offers students ages 18-21-year-old who have met state graduation requirements, but continue to need more time and skill development before entering independent or interdependence adulthood. These classes provide Ridgewood students with the opportunity to remain in the Ridgewood Public School system rather than be sent to potentially more restrictive out of district specialized schools for the disabled. In-district programs provide these students with disabilities additional inclusive opportunities to learn and work alongside their non-disabled peers in regular education classes and non-academic activities in their home school buildings when 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, 2020.

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.

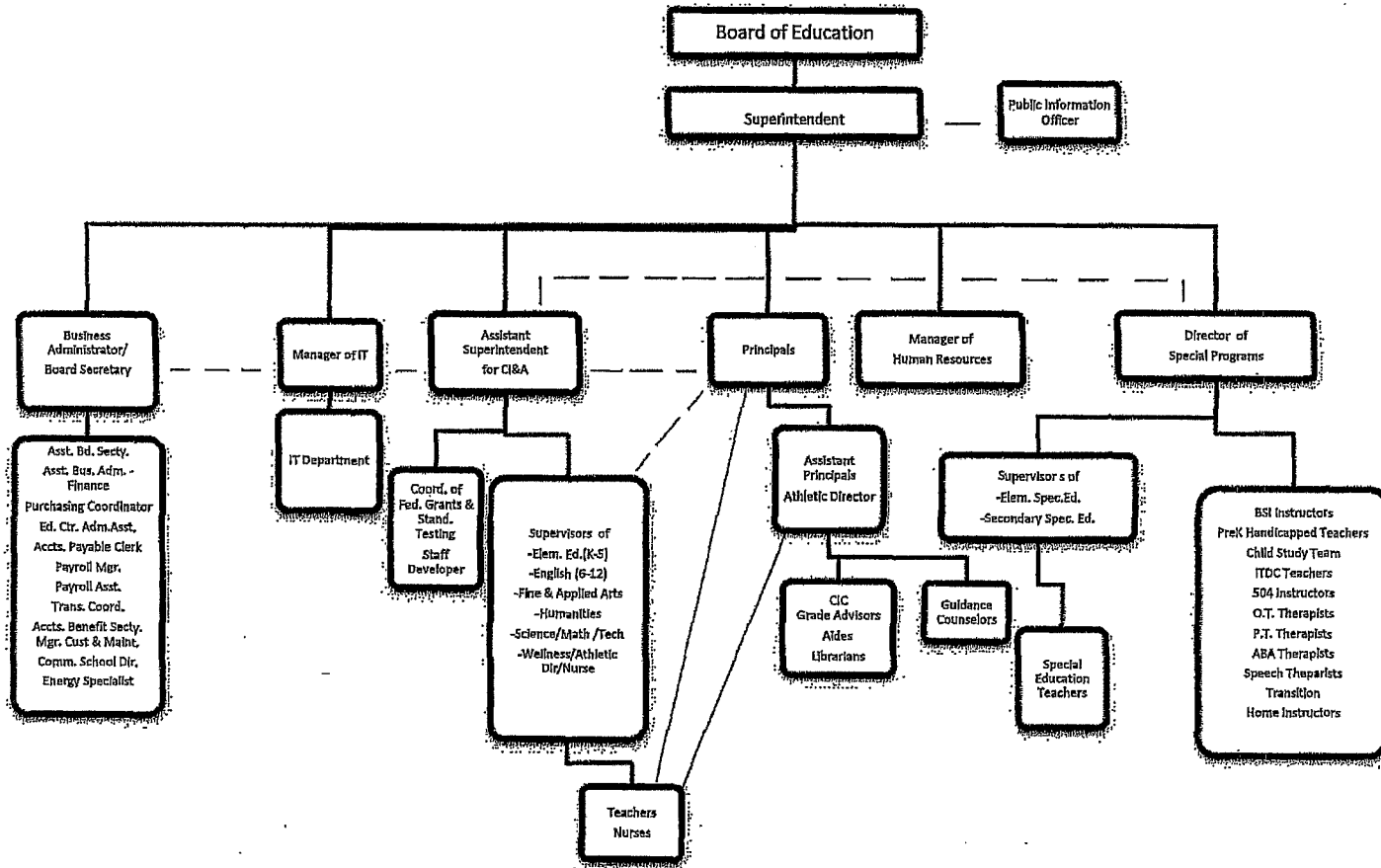
We would like to express our appreciation to the members of the Village of Ridgewood School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joann Khoury-Frias" with a stylized flourish at the end.

Joann Khoury-Frias
Acting Business Administrator/Board Secretary

Ridgewood Board of Education Organizational Chart



RIDGEWOOD BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Michael Lembo, President	2023
Ms. Hyunju Kwak, Vice President	2021
Ms. Sheila Brogan	2021
Mr. Saurabh Dani	2023
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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2020 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, 2020, 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.

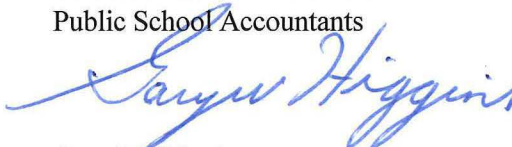
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2020 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 solely 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 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

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, 2020. 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 2019-2020 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 \$42,791,720 (Net Position).
- Overall District revenues and other special items were \$136,580,585 and were \$3,130,951 more than overall Board expenses of \$133,449,634. General revenues accounted for \$99,817,264 or 73% of all revenues and special items. Program specific revenues in the form of charges for services, grants and contributions account for \$35,867,292 or 27% of total revenues and special items. Other special items were \$896,029 and relate to the change in the net pension liability.
- The School District had \$130,207,832 in expenses for governmental activities; only \$33,048,560 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$99,813,944 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 \$7,300,902. Of that amount, \$207,260 (2.8%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned GAAP basis fund balance was \$207,260 at June 30, 2020, a decrease of \$33,243 when compared with the beginning unassigned GAAP basis fund balance at July 1, 2019 of \$240,503.
- The General Fund unassigned budgetary basis fund balance at June 30, 2020 was \$2,494,021 which represents an increase of \$255,265 compared to the ending unassigned budgetary basis fund balance at June 30, 2019 of \$2,238,756.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

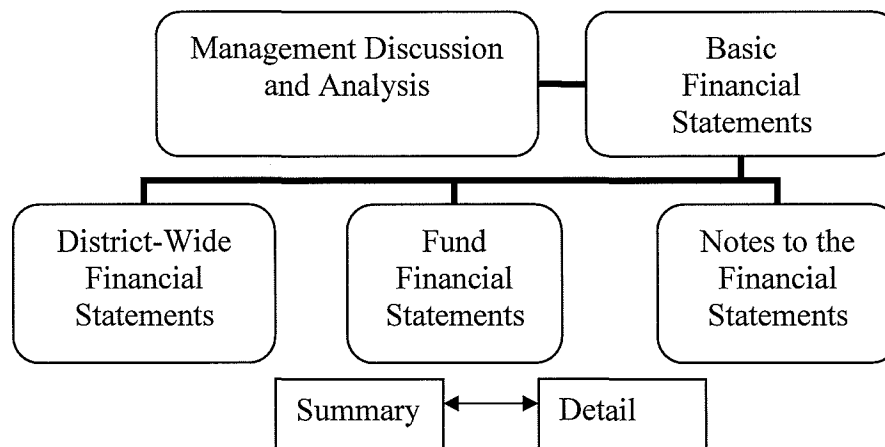
Fiscal Year Ended June 30, 2020

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, 2020

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
Scope	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.
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statements of Revenues 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
Accounting Basis and Measurement Focus	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
Type of Asset, Liabilities and Deferred Inflows/outflows Information	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
Type of Inflow/Outflow Information	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 deductions during the year, regardless of when cash is received or paid.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

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 photography lab fee 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, 2020

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 four enterprise funds for its food service operations, infant toddler development, technology’s initiative and photography lab fee programs. The photography lab fee program enterprise fund was established by Board resolution on November 4, 2019.
- *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, 2020

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 and postemployment medical benefits plan 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 as of June 30, 2020 and 2019.

Net Position. The District's *combined* net position was \$42,791,720 and \$39,660,769 on June 30, 2020 and 2019, respectively.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

Table 1
Net Position
as of June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 7,830,520	\$ 7,332,032	\$ 329,292	\$ 429,973	\$ 8,159,812	\$ 7,762,005
Capital Assets						
Net of Accumulated Depreciation	<u>96,843,376</u>	<u>98,615,336</u>	<u>165,766</u>	<u>155,576</u>	<u>97,009,142</u>	<u>98,770,912</u>
Total Assets	<u>104,673,896</u>	<u>105,947,368</u>	<u>495,058</u>	<u>585,549</u>	<u>105,168,954</u>	<u>106,532,917</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	2,581,359	2,865,654	-	-	2,581,359	2,865,654
Deferred Amount on Net Pension Liability	<u>1,604,576</u>	<u>2,933,511</u>	<u>-</u>	<u>-</u>	<u>1,604,576</u>	<u>2,933,511</u>
Total Deferred Outflows of Resources	<u>4,185,935</u>	<u>5,799,165</u>	<u>-</u>	<u>-</u>	<u>4,185,935</u>	<u>5,799,165</u>
Liabilities						
Non Current Liabilities	58,676,652	62,688,822			58,676,652	62,688,822
Other Liabilities	<u>964,595</u>	<u>1,579,323</u>	<u>120,564</u>	<u>92,251</u>	<u>1,085,159</u>	<u>1,671,574</u>
Total Liabilities	<u>59,641,247</u>	<u>64,268,145</u>	<u>120,564</u>	<u>92,251</u>	<u>59,761,811</u>	<u>64,360,396</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>6,801,358</u>	<u>8,310,917</u>	<u>-</u>	<u>-</u>	<u>6,801,358</u>	<u>8,310,917</u>
Total Deferred Inflows of Resources	<u>6,801,358</u>	<u>8,310,917</u>	<u>-</u>	<u>-</u>	<u>6,801,358</u>	<u>8,310,917</u>
Net Position						
Net Investment in						
Capital Assets	54,281,797	53,460,402	165,766	155,576	54,447,563	53,615,978
Restricted	4,257,267	3,367,381			4,257,267	3,367,381
Unrestricted (Deficit)	<u>(16,121,838)</u>	<u>(17,463,586)</u>	<u>208,728</u>	<u>140,996</u>	<u>(15,913,110)</u>	<u>(17,322,590)</u>
Total Net Position	<u>\$ 42,417,226</u>	<u>\$ 39,364,197</u>	<u>\$ 374,494</u>	<u>\$ 296,572</u>	<u>\$ 42,791,720</u>	<u>\$ 39,660,769</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, 2020

The District's total net position of \$42,791,720 at June 30, 2020 represents a \$3,130,951 or 8%, increase from the prior year. The following shows changes in net position for the fiscal years 2020 and 2019.

Table 2
Change in Net Position
for the Fiscal Years Ended June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019 (Restated)	2020	2019 (Restated)	2020	2019
Revenues and Special Items						
Program Revenues:						
Charge for Services	\$ 2,743,299	\$ 2,736,701	\$ 2,818,732	\$ 3,430,896	\$ 5,562,031	\$ 6,167,597
Operating Grants and Contributions	30,227,961	33,160,633			30,227,961	33,160,633
Capital Grants and Contributions	77,300	64,121			77,300	64,121
General Revenues:						
Property Taxes	98,884,675	97,444,257			98,884,675	97,444,257
Federal and State Aid - Restricted	134,178	409,204			134,178	409,204
Federal and State Aid - Unrestricted		4,556			-	4,556
Other	795,091	867,545	3,320	3,132	798,411	870,677
Special Item						
Change in Net Pension Liability	896,029	653,578	-	-	896,029	653,578
Total Revenues and Special Items	133,758,533	135,340,595	2,822,052	3,434,028	136,580,585	138,774,623
Program Expenses						
Instruction						
Regular	54,161,384	55,317,248			54,161,384	55,317,248
Special Education	21,180,542	21,481,554			21,180,542	21,481,554
Other Instruction	4,262,453	4,931,423			4,262,453	4,931,423
School Sponsored Activities and Athletics	2,033,520	1,672,880			2,033,520	1,672,880
Support Services:						
Student and Instruction Related Services	21,296,956	20,863,948			21,296,956	20,863,948
General Administration,	1,260,916	1,188,610			1,260,916	1,188,610
School Administration	5,932,010	6,103,999			5,932,010	6,103,999
Central Services	1,707,813	1,634,597			1,707,813	1,634,597
Administration Information Technology	1,166,129	1,069,133			1,166,129	1,069,133
Plant Operations and Maintenance	12,552,287	12,613,773			12,552,287	12,613,773
Pupil Transportation	3,150,196	3,455,619			3,150,196	3,455,619
Interest and Other Charges on Debt	1,503,626	1,544,586			1,503,626	1,544,586
Food Service			1,872,969	2,073,207	1,872,969	2,073,207
Infant/Toddler Development			1,191,263	1,315,770	1,191,263	1,315,770
Technology Initiative			177,570	67,522	177,570	67,522
Photography Lab Fee	-	-	-	-	-	-
Total Expenses	130,207,832	131,877,370	3,241,802	3,456,499	133,449,634	135,333,869
Change in Net Position Before Transfers	3,550,701	3,463,225	(419,750)	(22,471)	3,130,951	3,440,754
Transfers	(497,672)	18,726	497,672	(18,726)	-	-
Change in Net Position	3,053,029	3,481,951	77,922	(41,197)	3,130,951	3,440,754
Net Position, Beginning of Year	39,364,197	35,882,246	296,572	337,769	39,660,769	36,220,015
Net Position, End of Year	\$ 42,417,226	\$ 39,364,197	\$ 374,494	\$ 296,572	\$ 42,791,720	\$ 39,660,769

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

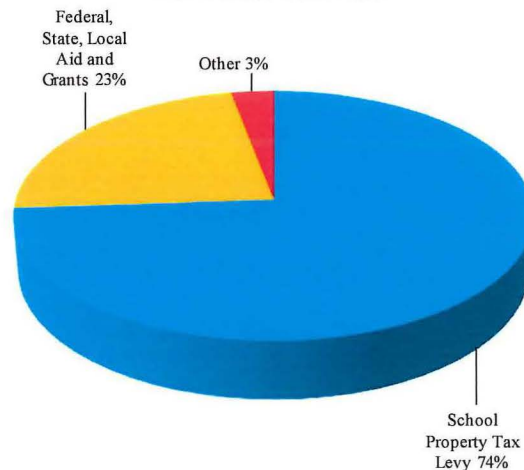
Fiscal Year Ended June 30, 2020

Governmental Activities. The District's total governmental activities' revenues and special items, which includes State and Federal grants, were \$133,758,533 for the year ended June 30, 2020, property taxes of \$98,884,675 represented 74% of revenues and special items. Another significant portion of revenues came from grant aid; total State, Federal and Local Aid and Grants were \$30,439,439 and represented 23% of revenues and special items. In addition, revenue and other special items in the amount of \$4,434,419 (3%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

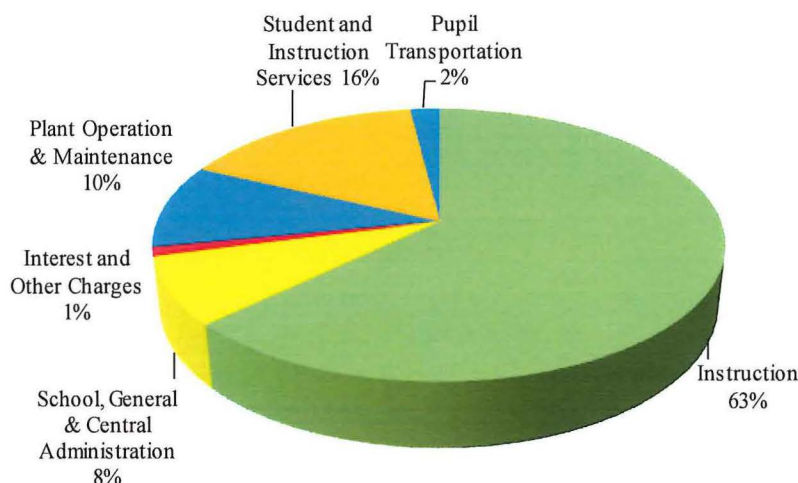
The total cost of all governmental activities programs and services was \$130,207,832. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$81,637,899 (63%) of total expenses. Support services, totaled \$47,066,307 (36%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$1,503,626 (1%).

Total governmental activities revenues and special items exceeded expenses and transfers out increasing net position by \$3,053,029 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2020**



**Expenses by Type – Governmental Activities
For Fiscal Year 2020**



RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

Total and Net Cost of Governmental Activities. The District's total cost of services for the fiscal years ended June 30, 2020 and 2019 were \$130,207,832 and \$131,877,370, respectively. After applying program revenues derived from operating and capital grants and contributions of \$30,305,261 and \$33,224,754 and charges for services of \$2,743,299 and \$2,736,701, the net cost of services of the District is \$97,159,272 and \$95,915,915, respectively.

Table 3
Total and Net Cost of Governmental Activities
for the Fiscal Year Ended June 30, 2020 and 2019

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)
Instruction				
Regular	\$ 54,161,384	\$ 55,317,248	\$ 38,735,944	\$ 37,590,670
Special Education	21,180,542	21,481,554	12,379,701	12,886,878
Other Instruction	4,262,453	4,931,423	1,611,251	2,301,185
School Sponsored Activities and Athletics	2,033,520	1,672,880	1,749,570	1,309,270
Support Services:				
Student and Instructional Related Services	21,296,956	20,863,948	18,075,837	17,206,150
General Administration	1,260,916	1,188,610	1,260,916	1,172,951
School Administration	5,932,010	6,103,999	4,709,068	4,656,941
Central Services	1,707,813	1,634,597	1,707,813	1,581,633
Plant Operations and Maintenance	12,552,287	12,613,773	11,785,815	11,873,936
Administrative Information Technology	1,166,129	1,069,133	1,166,129	1,035,113
Pupil Transportation	3,150,196	3,455,619	2,473,602	2,756,602
Interest on Debt	1,503,626	1,544,586	1,503,626	1,544,586
Total Expenses	\$ 130,207,832	\$ 131,877,370	\$ 97,159,272	\$ 95,915,915

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$3,241,802. Food service costs were \$1,872,969 (58%), infant/toddler development costs were \$1,191,263 (37%) and technology initiative costs were \$177,570 (5%). These costs were funded by revenue from charges for services of \$2,818,732 (99.9%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$1,915,025 (68%), infant/toddler development charges for services were \$806,137 (29%) technology initiative charges for services were \$95,950 (3%) and photography lab fee charges for services were \$1,620 (less than 1%).

Total business-type activities revenues and transfers in surpassed expenses increasing net position by \$77,922 over the previous year. At June 30, 2020 the net position balance of the food service program was \$327,882, the infant/toddler development program fund net position was \$38,553, the technology initiative fund net position was \$6,439 and the photography lab fee fund net position was \$1,620.

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 \$7,300,902 at June 30, 2020 compared to a combined fund balance of \$6,431,194 at June 30, 2019. The increase is mainly attributable to an increase in State Aid and district taxes net of additional expenditures.

Revenues, capital lease proceed and transfers in for the District's governmental funds were \$129,527,121 while total expenditures and transfers out were \$128,657,413.

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, 2020 and 2019.

<u>Revenues</u>	<u>Amount</u>		<u>Increase/(Decrease)</u>	
	<u>2020</u>	<u>2019</u>	<u>Amount</u>	<u>Percent</u>
Local Sources	\$ 99,543,808	\$ 97,879,425	\$ 1,664,383	1.70%
State Sources	22,785,062	21,482,194	1,302,868	6.06%
Federal Sources	15,582	7,020	8,562	121.97%
Total	<u>\$ 122,344,452</u>	<u>\$ 119,368,639</u>	<u>\$ 2,975,813</u>	2.49%

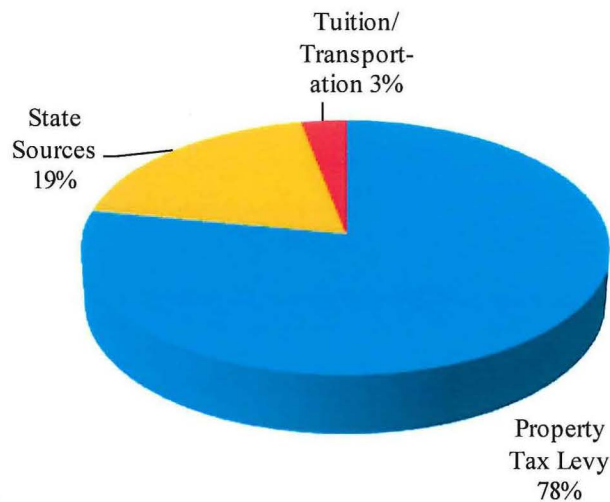
RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

The majority of revenues come from property taxes which accounted for 78% of total revenue while state sources represented 19% of total revenue for the 2020 fiscal year. Miscellaneous revenues primarily tuition and transportation fees represented 3% of the total revenue for the 2020 fiscal year. Federal sources represented less than 1% of total revenues for the 2020 fiscal year.

General Fund Revenues by Source For Fiscal Year 2020



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2020 and 2019.

<u>Expenditures</u>	<u>Amount</u>		<u>Increase/(Decrease)</u>	
	<u>2020</u>	<u>2019</u> (Restated)	<u>Amount</u>	<u>Percent</u>
Current Expenditures:				
Instruction	\$ 74,254,917	\$ 73,360,562	\$ 894,355	1.22%
Support Services	42,918,580	41,709,067	1,209,513	2.90%
Capital Outlay	497,925	1,463,861	(965,936)	-65.99%
Debt Service:	1,945,552	2,131,202	(185,650)	-8.71%
Total	<u>\$ 119,616,974</u>	<u>\$ 118,664,692</u>	<u>\$ 952,282</u>	0.80%

Total General Fund expenditures increased \$952,282 or 0.80% from the previous year. Instruction represented 62% of total expenditures while support services accounted for 36% and debt service and capital outlay accounted for 2% of total expenditures for the 2020 fiscal year. Approximately \$850 thousand of the increase is due to on-behalf contributions made by the State for pension, post-retirement medical benefits and social security payments.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

For the 2019-2020 school year General Fund revenues and transfers in exceeded expenditures and transfers out by \$1,038,690. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance decreased from \$240,503 at June 30, 2019 to \$207,260 at June 30, 2020. In addition, the District ended the June 30, 2020 fiscal year with \$1,350,000 of excess surplus of which \$700,000 was designated for the subsequent year's budget (2020/2021) and the remaining \$650,000 will be designated in the 2021/2022 budget. In addition, the District had restricted fund balances of \$3,228,493 in capital reserve of which \$1,650,000 was designated for the 2020/21 budget, \$915,548 in maintenance reserve of which \$150,000 was designated in the 2020/2021 budget and \$500,000 in emergency reserve none of which was designated for the 2020/21 budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2020 and 2019, the District had \$97,009,142 and \$98,770,912, respectively, invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2019-2020 amounted to \$3,573,769 for governmental activities and \$30,209 for business-type activities. The following is a comparison of the June 30, 2020 and 2019 balances.

Capital Assets As of June 30, 2020 and 2019

Table 4
Capital Assets at June 30, 2020 and 2019

	Governmental		Business Type		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,435,206	\$ 7,435,206			\$ 7,435,206	\$ 7,435,206
Construction in Progress	221,587	750,769			221,587	750,769
Land Improvements	7,714,690	6,907,344			7,714,690	6,907,344
Buildings and Building Improvements	129,678,202	128,435,070			129,678,202	128,435,070
Machinery and Equipment	<u>6,387,258</u>	<u>6,106,745</u>	<u>\$ 479,800</u>	<u>\$ 439,401</u>	<u>6,867,058</u>	<u>6,546,146</u>
Subtotal	151,436,943	149,635,134	479,800	439,401	151,916,743	150,074,535
Less: Accumulated Depreciation	<u>(54,593,567)</u>	<u>(51,019,798)</u>	<u>(314,034)</u>	<u>(283,825)</u>	<u>(54,907,601)</u>	<u>(51,303,623)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 96,843,376</u>	<u>\$ 98,615,336</u>	<u>\$ 165,766</u>	<u>\$ 155,576</u>	<u>\$ 97,009,142</u>	<u>\$ 98,770,912</u>

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, 2020

Debt Administration. As of June 30, 2020 and 2019 the District had long-term debt and outstanding long-term liabilities in the amount of \$58,676,652 and \$62,688,822, respectively. For fiscal year 2019-2020 total outstanding long-term liabilities decreased by \$4,012,170. The following is a comparison of the June 30, 2020 and 2019 balances.

	<u>2020</u>	<u>2019</u>
Serial Bonds (including unamortized premium)	\$ 43,111,688	\$ 45,858,054
Capital Leases/Lease Purchase Agreements	2,031,739	2,163,362
Net Pension Liability	12,773,286	14,178,235
Compensated Absences	<u>759,939</u>	<u>489,171</u>
Total	<u>\$ 58,676,652</u>	<u>\$ 62,688,822</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 and other financing uses by \$1,327,198 during the 2019/20 fiscal year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$225,265 from \$2,238,756 at June 30, 2019 to \$2,494,021 at June 30, 2020. In addition, the District ended the year with excess surplus of \$1,350,000. In accordance with State regulations, the District appropriated \$700,000 of excess surplus for use in 2020/2021 school year budget as required. The District has retained a capital reserve balance in the amount of \$3,228,493 at June 30, 2020. In addition, the District has a maintenance reserve in the amount of \$915,458 and an emergency reserve balance of \$500,000 at June 30, 2020.

RIDGEWOOD BOARD OF EDUCATION

Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

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 2020-2021 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 2020-2021. Budgeted expenditures in the General Fund increased \$2,543,883 to \$109,587,517 for fiscal year 2020-2021.

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,343,313	\$ 343,889	\$ 7,687,202
Receivables, Net:			
Receivables from Other Governments	271,491		271,491
Other	161,491	10,858	172,349
Internal Balances	54,225	(54,225)	-
Inventories		28,770	28,770
Capital Assets Not Being Depreciated	7,656,793		7,656,793
Capital Assets, Being Depreciated, net	89,186,583	165,766	89,352,349
Total Assets	104,673,896	495,058	105,168,954
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	2,581,359		2,581,359
Deferred Amounts on Net Pension Liability	1,604,576	-	1,604,576
Total Deferred Outflows of Resources	4,185,935	-	4,185,935
Total Assets and Deferred Outflows of Resources	108,859,831	495,058	109,354,889
LIABILITIES			
Accounts Payable and Other Current Liabilities	222,143	8,741	230,884
Accrued Interest Payable	434,977		434,977
Payable to Other Governments	5,571		5,571
Unearned Revenue	301,904	111,823	413,727
Noncurrent Liabilities			
Due Within One Year	3,233,694		3,233,694
Due Beyond One Year	55,442,958	-	55,442,958
Total Liabilities	59,641,247	120,564	59,761,811
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	6,801,358	-	6,801,358
Total Deferred Inflows of Resources	6,801,358	-	6,801,358
Total Liabilities and Deferred Inflows of Resources	66,442,605	120,564	66,563,169
NET POSITION			
Net Investment in Capital Assets	54,281,797	165,766	54,447,563
Restricted for			
Capital Projects	3,232,834		3,232,834
Facility Maintenance	915,548		915,548
Other Purposes	108,885		108,885
Unrestricted (Deficit)	(16,121,838)	208,728	(15,913,110)
Total Net Position	\$ 42,417,226	\$ 374,494	\$ 42,791,720

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, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 54,161,384	\$ 790,656	\$ 14,557,484	\$ 77,300	\$ (38,735,944)		\$ (38,735,944)
Special Education	21,180,542		8,800,841		(12,379,701)		(12,379,701)
Other Instruction	4,262,453	1,333,675	1,317,527		(1,611,251)		(1,611,251)
School Sponsored Activities and Athletics	2,033,520	283,950			(1,749,570)		(1,749,570)
Support Services							
Student and Instruction Related Services	21,296,956		3,221,119		(18,075,837)		(18,075,837)
School Administration Services	5,932,010		1,222,942		(4,709,068)		(4,709,068)
General Administration Services	1,260,916				(1,260,916)		(1,260,916)
Central Services	1,707,813				(1,707,813)		(1,707,813)
Administration Information Technology	1,166,129				(1,166,129)		(1,166,129)
Plant Operations And Maintenance	12,552,287	335,018	431,454		(11,785,815)		(11,785,815)
Pupil Transportation	3,150,196		676,594		(2,473,602)		(2,473,602)
Interest On Long-Term Debt	1,503,626	-	-	-	(1,503,626)	-	(1,503,626)
Total Governmental Activities	<u>130,207,832</u>	<u>2,743,299</u>	<u>30,227,961</u>	<u>77,300</u>	<u>(97,159,272)</u>	<u>-</u>	<u>(97,159,272)</u>
Business-Type Activities							
Food Service	1,872,969	1,915,025	-			\$ 42,056	42,056
Infant/Toddler Development	1,191,263	806,137				(385,126)	(385,126)
Technology Initiative	177,570	95,950				(81,620)	(81,620)
Photography Lab Fee	-	1,620				1,620	1,620
Total Business-Type Activities	<u>3,241,802</u>	<u>2,818,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(423,070)</u>	<u>(423,070)</u>
Total Primary Government	<u>\$ 133,449,634</u>	<u>\$ 5,562,031</u>	<u>\$ 30,227,961</u>	<u>\$ 77,300</u>	<u>(97,159,272)</u>	<u>(423,070)</u>	<u>(97,582,342)</u>
General Revenues							
Taxes							
Property Taxes Levied for General Purposes					\$ 96,014,943		\$ 96,014,943
Property Taxes Levied for Debt Service					2,869,732		2,869,732
State Aid Restricted - Debt Service					134,178		134,178
Interest Income					165,977	\$ 3,320	169,297
Miscellaneous Income					629,114		629,114
Transfers					(497,672)	497,672	-
Special Items							
Change in Net Pension Liability					896,029	-	896,029
					-		-
Total General Revenues, Transfers and Special Item					<u>100,212,301</u>	<u>500,992</u>	<u>100,713,293</u>
Change in Net Position					3,053,029	77,922	3,130,951
Net Position, Beginning of Year , as Restated					<u>39,364,197</u>	<u>296,572</u>	<u>39,660,769</u>
Net Position, End of Year					<u>\$ 42,417,226</u>	<u>\$ 374,494</u>	<u>\$ 42,791,720</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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 7,103,025	\$ 121,706	\$ 118,581	\$ 1	\$ 7,343,313
Receivables, Net					
Receivables from Other Governments	185,146	86,345			271,491
Other Accounts Receivable	161,387				161,387
Due from Other Funds	163,213	-	-	-	163,213
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 7,612,771</u>	<u>\$ 208,051</u>	<u>\$ 118,581</u>	<u>\$ 1</u>	<u>\$ 7,939,404</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 135,091	\$ 81,696	\$ 5,356		\$ 222,143
Payable to State Government		5,571			5,571
Due to Other Funds			108,884		108,884
Unearned Revenue	181,120	120,784	-	-	301,904
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>316,211</u>	<u>208,051</u>	<u>114,240</u>	<u>-</u>	<u>638,502</u>
Fund Balances					
Restricted Fund Balance					
Legally Restricted - Designated for					
Future Year's Budget	108,884				108,884
Excess Surplus	650,000				650,000
Excess Surplus - Designated for					
Subsequent Year's Expenditures	700,000				700,000
Capital Reserve	1,578,493				1,578,493
Capital Reserve - Designated for					
Subsequent Year's Expenditures	1,650,000				1,650,000
Maintenance Reserve	765,548				765,548
Maintenance Reserve - Designated for					
Subsequent Year's Expenditures	150,000				150,000
Emergency Reserve	500,000				500,000
Capital Projects			\$ 4,341		4,341
Debt Service				\$ 1	1
Committed Fund Balance					
Year End Encumbrances	118,451				118,451
Assigned Fund Balance					
Year End Encumbrances	610,924				610,924
Designated for Subsequent Year's Expenditures	257,000				257,000
Unassigned Fund Balance:					
General Fund	207,260	-	-	-	207,260
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>7,296,560</u>	<u>-</u>	<u>4,341</u>	<u>1</u>	<u>7,300,902</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 7,612,771</u>	<u>\$ 208,051</u>	<u>\$ 118,581</u>	<u>\$ 1</u>	<u>\$ 7,939,404</u>

Continued

**RIDGEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

Total Fund Balances - Governmental Funds	\$	7,300,902
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</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 \$151,436,943 and the accumulated depreciation is \$54,593,567.		96,843,376
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.		(434,977)
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.		2,581,359
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.		
Deferred Outflows of Resources	\$ 1,604,576	
Deferred Inflows of Resources	<u>(6,801,358)</u>	(5,196,782)
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.		
Serial Bonds Payable (including unamortized premium)	(43,111,688)	
Capital Leases/Lease Purchase Agreements	(2,031,739)	
Compensated Absences	(759,939)	
Net Pension Liability	<u>(12,773,286)</u>	<u>(58,676,652)</u>
Net position of governmental activities (Exhibit A-1)	\$	<u>42,417,226</u>

**RIDGEWOOD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 96,014,943			\$ 2,869,732	\$ 98,884,675
Tuition	2,124,331				2,124,331
Miscellaneous	1,404,534	\$ 478,705	\$ 9,525	-	1,892,764
	<u>99,543,808</u>	<u>478,705</u>	<u>9,525</u>	<u>2,869,732</u>	<u>102,901,770</u>
Total - Local Sources					
State Sources	22,785,062	14,201		134,178	22,933,441
Federal Sources	15,582	1,327,444	-	-	1,343,026
	<u>38,370,644</u>	<u>1,341,645</u>	<u>-</u>	<u>134,178</u>	<u>39,846,467</u>
Total Revenues	<u>122,344,452</u>	<u>1,820,350</u>	<u>9,525</u>	<u>3,003,910</u>	<u>127,178,237</u>
EXPENDITURES					
Current					
Instruction:					
Regular	49,032,923	298,491	948,399		50,279,813
Special Education	19,356,443	1,099,963			20,456,406
Other Instruction	3,877,335	168,916			4,046,251
School Sponsored Activities and Athletics	1,988,216				1,988,216
Support Services					
Student and Instruction Related Services	20,534,754	141,750			20,676,504
School Administrative Services	5,493,359				5,493,359
General Administration Services	1,280,374				1,280,374
Central Services	1,767,869				1,767,869
Administration Information Technology	1,206,649				1,206,649
Plant Operations And Maintenance	9,514,239				9,514,239
Pupil Transportation	3,121,336	33,930			3,155,266
Debt Service:					
Principal	1,711,623			1,715,000	3,426,623
Interest and Other Charges	233,929			1,423,550	1,657,479
Capital Outlay	497,925	77,300	1,226,584	-	1,801,809
	<u>119,616,974</u>	<u>1,820,350</u>	<u>2,174,983</u>	<u>3,138,550</u>	<u>126,750,857</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,727,478</u>	<u>-</u>	<u>(2,165,458)</u>	<u>(134,640)</u>	<u>427,380</u>
Other Financing Sources (Uses)					
Capital Lease Proceeds			940,000		940,000
Transfers In	108,884		1,300,000		1,408,884
Transfers Out	(1,797,672)	-	(108,884)	-	(1,906,556)
	<u>(1,688,788)</u>	<u>-</u>	<u>2,131,116</u>	<u>-</u>	<u>442,328</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	1,038,690	-	(34,342)	(134,640)	869,708
Fund Balance, Beginning of Year, as Restated	6,257,870	-	38,683	134,641	6,431,194
Fund Balance, End of Year	<u>\$ 7,296,560</u>	<u>\$ -</u>	<u>\$ 4,341</u>	<u>\$ 1</u>	<u>\$ 7,300,902</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, 2020**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 869,708**

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	\$ 1,801,809	
Depreciation Expense	<u>(3,573,769)</u>	(1,771,960)

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		46,782
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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		2,355,000
Capital Lease/Lease Purchase Agreements Payable		1,071,623

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Capital Lease/Lease Purchase Agreement Proceeds		(940,000)
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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	391,366	
Amortization of Deferred Amounts on Refunding	<u>(284,295)</u>	107,071

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).

Increase in Compensated Absences	(270,768)	
Decrease in Pension Expense	689,544	
Decrease in Net Pension Liability	<u>896,029</u>	<u>1,314,805</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 3,053,029**

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

**RIDGEWOOD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Infant/ Toddler Development</u>	<u>Non-Major Technology Initiative</u>	<u>Non-Major Photography Lab Fee</u>	<u>Totals</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 294,208	\$ 41,622	\$ 6,439	\$ 1,620	\$ 343,889
Other Accounts Receivable	10,858				10,858
Inventories	<u>28,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,770</u>
Total Current Assets	<u>333,836</u>	<u>41,622</u>	<u>6,439</u>	<u>1,620</u>	<u>383,517</u>
Capital Assets					
Equipment	376,361	103,439			479,800
Less: Accumulated Depreciation	<u>(236,876)</u>	<u>(77,158)</u>	<u>-</u>	<u>-</u>	<u>(314,034)</u>
Total Capital Assets, Net	<u>139,485</u>	<u>26,281</u>	<u>-</u>	<u>-</u>	<u>165,766</u>
Total Assets	<u>473,321</u>	<u>67,903</u>	<u>6,439</u>	<u>1,620</u>	<u>549,283</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	8,741				8,741
Due to Other Funds	54,225				54,225
Unearned Revenue	<u>82,473</u>	<u>29,350</u>	<u>-</u>	<u>-</u>	<u>111,823</u>
Total Current Liabilities	<u>145,439</u>	<u>29,350</u>	<u>-</u>	<u>-</u>	<u>174,789</u>
NET POSITION					
Net Investment in Capital Assets	139,485	26,281			165,766
Unrestricted	<u>188,397</u>	<u>12,272</u>	<u>6,439</u>	<u>1,620</u>	<u>208,728</u>
Total Net Position	<u>\$ 327,882</u>	<u>\$ 38,553</u>	<u>\$ 6,439</u>	<u>\$ 1,620</u>	<u>\$ 374,494</u>

**RIDGEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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 Photography Lab Fee</u>	
OPERATING REVENUES					
Charges for Services					
Daily Sales - Non-Reimbursable Programs	\$ 1,915,025				\$ 1,915,025
Program Fees	<u>-</u>	<u>\$ 806,137</u>	<u>\$ 95,950</u>	<u>1,620</u>	<u>903,707</u>
Total Operating Revenues	<u>1,915,025</u>	<u>806,137</u>	<u>95,950</u>	<u>1,620</u>	<u>2,818,732</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	642,818	999,507	2,188		1,644,513
Cost of Sales - Non-Reimbursable Programs	679,923				679,923
Other Purchased Services	402,977	123,977	59,633		586,587
Supplies and Materials	120,403	14,175	115,749		250,327
Miscellaneous	4,842	45,401			50,243
Depreciation	<u>22,006</u>	<u>8,203</u>	<u>-</u>	<u>-</u>	<u>30,209</u>
Total Operating Expenses	<u>1,872,969</u>	<u>1,191,263</u>	<u>177,570</u>	<u>-</u>	<u>3,241,802</u>
Operating Income (Loss)	<u>42,056</u>	<u>(385,126)</u>	<u>(81,620)</u>	<u>1,620</u>	<u>(423,070)</u>
NONOPERATING REVENUES					
Interest Income	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
Total Nonoperating Revenues	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
Income (Loss) Before Transfers	45,376	(385,126)	(81,620)	1,620	(419,750)
Transfers In	<u>-</u>	<u>497,672</u>	<u>-</u>	<u>\$ -</u>	<u>497,672</u>
Change in Net Position	45,376	112,546	(81,620)	1,620	77,922
Net Position, Beginning of Year , as Restated	<u>282,506</u>	<u>(73,993)</u>	<u>88,059</u>	<u>-</u>	<u>296,572</u>
Net Position, End of Year	<u>\$ 327,882</u>	<u>\$ 38,553</u>	<u>\$ 6,439</u>	<u>\$ 1,620</u>	<u>\$ 374,494</u>

**RIDGEWOOD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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 Photography Lab Fee</u>	
Cash Flows from Operating Activities					
Receipts from Customers	\$ 1,944,552	\$ 797,137	\$ 95,950	\$ 1,620	\$ 2,839,259
Payments for Employees' Salaries and Benefits	(642,818)	(999,507)	(2,188)	-	(1,644,513)
Payments to Suppliers for Goods and Services	<u>(1,215,699)</u>	<u>(183,553)</u>	<u>(175,382)</u>	<u>-</u>	<u>(1,574,634)</u>
Net Cash Provided by (Used for) Operating Activities	<u>86,035</u>	<u>(385,923)</u>	<u>(81,620)</u>	<u>1,620</u>	<u>(379,888)</u>
Cash Flows from Noncapital Financing Activities					
Transfers to Other Funds	-	(196,726)	-	-	(196,726)
Transfers from Other Funds	<u>-</u>	<u>497,672</u>	<u>-</u>	<u>-</u>	<u>497,672</u>
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>300,946</u>	<u>-</u>	<u>-</u>	<u>300,946</u>
Cash Flows from Investing Activities					
Interest Earnings	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
Net Cash Provided by Investing Activities	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	<u>(40,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,399)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(40,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,399)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	48,956	(84,977)	(81,620)	1,620	(116,021)
Cash and Cash Equivalents, Beginning of Year	<u>245,252</u>	<u>126,599</u>	<u>88,059</u>	<u>-</u>	<u>459,910</u>
Cash and Cash Equivalents, End of Year	<u>\$ 294,208</u>	<u>\$ 41,622</u>	<u>\$ 6,439</u>	<u>\$ 1,620</u>	<u>\$ 343,889</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	<u>\$ 42,056</u>	<u>\$ (385,126)</u>	<u>\$ (81,620)</u>	<u>\$ 1,620</u>	<u>\$ (423,070)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	22,006	8,203	-	-	30,209
Change in Assets and Liabilities:					
Decrease/(Increase) in Accounts Receivable	955	-	-	-	955
(Decrease)/Increase in Unearned Revenue	28,572	(9,000)	-	-	19,572
(Increase)/Decrease in Inventories	(16,295)	-	-	-	(16,295)
Increase/(Decrease) in Accounts Payable	<u>8,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,741</u>
Total Adjustments	<u>43,979</u>	<u>(797)</u>	<u>-</u>	<u>-</u>	<u>43,182</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 86,035</u>	<u>\$ (385,923)</u>	<u>\$ (81,620)</u>	<u>\$ 1,620</u>	<u>\$ (379,888)</u>

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

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	Private Purpose Scholarship Trust	Unemployment Compensation Trust	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 578,231	\$ 260,754	\$ 2,221,439
Investments, at fair value	<u>2,106,460</u>	<u>-</u>	<u>-</u>
Total Assets	<u>2,684,691</u>	<u>260,754</u>	<u>\$ 2,221,439</u>
LIABILITIES			
Due to Other Funds			\$ 104
Due to Student Groups			374,945
Accounts Payable	60,200	68,935	
Payroll Deductions and Withholdings			40,339
Accrued Salaries and Wages	<u>-</u>	<u>-</u>	<u>1,806,051</u>
Total Liabilities	<u>60,200</u>	<u>68,935</u>	<u>\$ 2,221,439</u>
NET POSITION			
Held in Trust for Unemployment Claims		<u>\$ 191,819</u>	
Held in Trust for Scholarships	<u>\$ 2,624,491</u>		

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Private Purpose Scholarship Trust	Unemployment Compensation Trust
ADDITIONS		
Contributions		
Employees		\$ 84,343
Dividends	\$ 47,672	
Net Gain in Fair Value	16,193	
Other Contributions	21,850	-
	85,715	84,343
Investment Earnings		
Interest	7,210	1,952
Net Investment Earnings	7,210	1,952
Total Additions	92,925	86,295
DEDUCTIONS		
Other Purchased Services and Other Expenses	5,420	
Scholarship/Award Payments	85,623	
Unemployment Claims and Contributions	-	121,695
Total Deductions	91,043	121,695
Change in Net Position	1,882	(35,400)
Net Position, Beginning of the Year	2,622,609	227,219
Net Position, End of the Year	\$ 2,624,491	\$ 191,819

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, 2020**

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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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, technology initiative, photography lab fee 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

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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 *photography lab fee* accounts for the annual lab fees collected for the photography program at Ridgewood High School.

Additionally, the District 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, 2020**

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

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 a future period(s) 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arise only under the accrual basis of accounting that qualify 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. These amounts are 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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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.

Legally Restricted – Designated for Future Year's Budget —This restriction was created to represent the unexpended capital projects fund balance designated by Board resolution for tax relief in the 2021/22 general fund budget.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 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 2B).

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 2020/2021 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 2C).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes

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 2D).

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, 2020**

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 2020/2021 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, 2020**

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 1st 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 2018-2019 and 2019-2020 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 revenues, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$1,219,342. The increase was funded by the additional appropriation of unassigned fund balance, maintenance reserve, grant awards and the reappropriation of prior year general fund 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.

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.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 2,778,509
Increased by:		
Interest Earnings	\$ 6,537	
Deposits Approved by Board Resolution	<u>1,743,447</u>	
Total Increases		<u>1,749,984</u>
		4,528,493
Decreased by:		
Withdrawals Approved in District Budget		<u>1,300,000</u>
Balance, June 30, 2020		<u>\$ 3,228,493</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. \$1,650,000 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

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, 2020 is as follows:

Balance, July 1, 2019	\$ 415,548
Increased by:	
Deposits Approved by Board Resolution	<u>700,000</u>
	1,115,548
Decreased by:	
Withdrawals Approved by Resolution	<u>200,000</u>
Balance, June 30, 2020	<u>\$ 915,548</u>

The June 30, 2020 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. \$150,000 of the maintenance reserve balance at June 30, 2020 was designated and appropriated for use 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, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 600,000
Increased by:	
Deposits Approved by Board Resolution	<u>200,000</u>
	800,000
Decreased by:	
Withdrawals Approved in District Budget	<u>300,000</u>
Balance, June 30, 2020	<u>\$ 500,000</u>

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, 2020 is \$1,350,000. Of this amount, \$700,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$650,000 will be appropriated in the 2021/2022 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, 2020**

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, 2020, the book value of the Board's deposits were \$10,747,626 and bank and brokerage firm balances of the Board's deposits amounted to \$15,344,943. 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>15,344,943</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, 2020 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, 2020, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities	
Fixed Income and Preferreds	\$ 340,551
Equities	1,563,709
Alternative Investments	<u>202,200</u>
	<u>\$ 2,106,460</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, 2020**

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, 2020, \$2,106,460 of the Board’s investments were exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
but not in the Board's name	\$ <u>2,106,460</u>
	\$ <u>2,106,460</u>

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, 2020 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	\$ 161,387		\$ 10,558	\$ 171,945
Intergovernmental-				
Federal	369	\$ 86,345		86,714
State	184,767			184,767
Local	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
Gross Receivables	346,533	86,345	10,558	443,436
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 346,533</u>	<u>\$ 86,345</u>	<u>\$ 10,558</u>	<u>\$ 443,436</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$	181,120
Special Revenue Fund		
Unencumbered Grant Draw Downs		100,980
Grant Draw Downs Reserved for Encumbrances		19,804
Total Unearned Revenue for Governmental Funds	\$	<u>301,904</u>

D. Capital Assets

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

	Balance, July 1, 2019	Increases	Decreases	Adjustments	Balance, June 30, 2020
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,435,206				\$ 7,435,206
Construction in Progress	750,769	\$ 221,587	-	\$ (750,769)	221,587
Total Capital Assets, Not Being Depreciated	<u>8,185,975</u>	<u>221,587</u>	<u>-</u>	<u>(750,769)</u>	<u>7,656,793</u>
Capital Assets, Being Depreciated:					
Land Improvements	6,907,344	807,346			7,714,690
Building and Building Improvements	128,435,070	492,363		750,769	129,678,202
Machinery and Equipment	6,106,745	280,513	\$ -	-	6,387,258
Total Capital Assets Being Depreciated	<u>141,449,159</u>	<u>1,580,222</u>	<u>-</u>	<u>750,769</u>	<u>143,780,150</u>
Less Accumulated Depreciation for:					
Land Improvements	(3,157,533)	(385,727)			(3,543,260)
Building and Building Improvements	(43,818,447)	(2,612,610)			(46,431,057)
Machinery and Equipment	(4,043,818)	(575,432)	-	-	(4,619,250)
Total Accumulated Depreciation	<u>(51,019,798)</u>	<u>(3,573,769)</u>	<u>-</u>	<u>-</u>	<u>(54,593,567)</u>
Total Capital Assets, Being Depreciated, Net	<u>90,429,361</u>	<u>(1,993,547)</u>	<u>-</u>	<u>750,769</u>	<u>89,186,583</u>
Governmental Activities Capital Assets, Net	<u>\$ 98,615,336</u>	<u>\$ (1,771,960)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,843,376</u>

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 439,401	\$ 40,399	\$ -	\$ 479,800
Total Capital Assets Being Depreciated	<u>439,401</u>	<u>40,399</u>	<u>-</u>	<u>479,800</u>
Less Accumulated Depreciation for:				
Equipment	<u>(283,825)</u>	<u>(30,209)</u>	<u>-</u>	<u>(314,034)</u>
Total Accumulated Depreciation	<u>(283,825)</u>	<u>(30,209)</u>	<u>-</u>	<u>(314,034)</u>
Total Capital Assets, Being Depreciated, Net	<u>155,576</u>	<u>10,190</u>	<u>-</u>	<u>165,766</u>
Business-Type Activities Capital Assets, Net	<u>\$ 155,576</u>	<u>\$ 10,190</u>	<u>\$ -</u>	<u>\$ 165,766</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 187,385
Total Instruction	<u>187,385</u>
Support Services	
Student and Instruction Related Services	138,604
School Administration	177,824
Operations and Maintenance of Plant	<u>3,069,956</u>
Total Support Services	<u>3,386,384</u>
Total Depreciation Expense - Governmental Funds	<u>\$ 3,573,769</u>
Business-Type Activities:	
Food Service Fund	\$ 22,006
Infant/Toddler Development Fund	<u>8,203</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 30,209</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Replace Gym Floors at High School	\$ -0-	\$ 96,997
Total		<u>\$ 96,997</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 108,884
General Fund	Payroll Agency Fund	104
General Fund	Food Service Fund	<u>54,225</u>
Total		<u>\$ 163,213</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 and/or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Infant/Toddler Fund</u>	<u>Total</u>
Transfer Out:				
Capital Projects Fund	\$ 108,884			\$ 108,884
General Fund	<u>-</u>	<u>\$ 1,300,000</u>	<u>\$ 497,672</u>	<u>1,797,672</u>
Total Transfers	<u>\$ 108,884</u>	<u>\$ 1,300,000</u>	<u>\$ 497,672</u>	<u>\$ 1,906,556</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, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing computers and technology equipment totaling \$4,412,338 under capital leases. 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	\$ 4,412,338
Total	<u>\$ 4,412,338</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2021	\$ 927,897
2022	605,692
2023	388,355
2024	<u>196,996</u>
Total minimum lease payments	2,118,940
Less: amount representing interest	<u>(87,201)</u>
Present value of minimum lease payments	<u>\$ 2,031,739</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020 are comprised of the following issues:

\$3,475,000, 2011 Refunding Bonds, due in annual installments of \$220,000 to \$235,000 through February 15, 2028, interest at 3.25% to 5.00%	\$1,850,000
\$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 \$550,000 through November 15, 2035, interest at 2.00% to 4.00%	<u>5,310,000</u>
Total	<u>\$39,845,000</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,320,000	1,192,075	3,512,075
2026-2030	12,910,000	4,510,275	17,420,275
2031-2035	15,210,000	1,777,800	16,987,800
2036	<u>460,000</u>	<u>9,200</u>	<u>469,200</u>
Total	<u>\$ 39,845,000</u>	<u>\$ 13,088,775</u>	<u>\$ 52,933,775</u>

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 268,429,030
Less: Net Debt	<u>39,845,000</u>
Remaining Borrowing Power	<u>\$ 228,584,030</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance, July 1, 2019	Additions	Reductions	Balance, June 30, 2020	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 42,200,000		\$ 2,355,000	\$ 39,845,000	\$ 2,350,000
Add: Original Issue Premium	<u>3,658,054</u>	-	<u>391,366</u>	<u>3,266,688</u>	-
Total Bonds Payable	45,858,054	-	2,746,366	43,111,688	2,350,000
Capital Leases	2,162,534	\$ 940,000	1,071,284	2,031,250	883,331
Lease Purchase Agreement	828		339	489	363
Compensated Absences	489,171	270,768		759,939	
Net Pension Liability	<u>14,178,235</u>	-	<u>1,404,949</u>	<u>12,773,286</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 62,688,822</u>	<u>\$ 1,210,768</u>	<u>\$ 5,222,938</u>	<u>\$ 58,676,652</u>	<u>\$ 3,233,694</u>

For the governmental activities, the liabilities for capital leases, lease purchase agreements, compensated absences 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, 2020**

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 worker's compensation claims.

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>
2020	\$ 84,343	\$ 121,695	\$ 191,819
2019	81,227	43,303	227,219
2018	163,857	98,732	187,794

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020, 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, 2020, 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.

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, 2020**

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:

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

Service retirement benefits of 1/55th 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 1/60th 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.

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:

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th 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 1/60th 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 PERS 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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 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.

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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 unfunded 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>
2020	\$ 689,544	\$ 9,962,215	\$ 121,085
2019	716,258	8,883,951	152,309
2018	696,082	6,471,738	101,859

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$3,299, \$4,055 and \$11,625, respectively for PERS and the State contributed \$6,187, \$6,607 and \$6,935, 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 \$3,543,954 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a both revenue and expense/expenditure in accordance with GASB No. 85.

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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$12,773,286 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was 0.07088 percent, which was a decrease of 0.00112 percent from its proportionate share measured as of June 30, 2018 of 0.07200 percent.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense (benefit) of \$(1,585,573) for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 229,264	\$ 56,427
Changes of Assumptions	1,275,460	4,433,567
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		201,631
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>99,852</u>	<u>2,109,733</u>
Total	<u>\$ 1,604,576</u>	<u>\$ 6,801,358</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (1,584,281)
2022	(1,622,514)
2023	(1,339,805)
2024	(592,392)
2025	(57,790)
Thereafter	<u>-</u>
	<u>\$ (5,196,782)</u>

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2019) 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 rates 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 PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$16,015,680 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$271,531,940. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was 0.44244 percent, which was an increase of 0.01339 percent from its proportionate share measured as of June 30, 2018 of 0.42905 percent.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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:

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 320,196,256</u>	<u>\$ 271,531,940</u>	<u>\$ 231,155,924</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

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, 2019. 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, 2020**

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>364,943</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, 2019 is \$41.7 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, 2018 which were rolled forward to June 30, 2019.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an 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. over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$3,695,799, \$4,029,746 and \$4,179,958 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, 2018 through June 30, 2019. 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.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,326,601. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$136,067,465. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .32607 percent, which was a decrease of .00097 percent from its proportionate share measured as of June 30, 2018 of .32704 percent.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5%.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

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 2.00% as of June 30, 2019.

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>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>150,799,185</u>
Changes Recognized for the Fiscal Year:	
Service Cost	5,381,730
Interest on the Total OPEB Liability	5,966,519
Differences Between Expected and Actual Experience	(24,055,695)
Changes of Assumptions	2,028,777
Gross Benefit Payments	(4,176,865)
Contributions from the Member	<u>123,814</u>
Net Changes	\$ <u>(14,731,720)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>136,067,465</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**RIDGEWOOD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>160,749,446</u>	\$ <u>136,067,465</u>	\$ <u>116,461,452</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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>112,113,526</u>	\$ <u>136,067,465</u>	\$ <u>167,777,561</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

F. Subsequent Events

On July 23, 2020, the District entered into a capital lease agreement for the purchase of technology and computer equipment with U.S. Bancorp Government Leasing and Finance, Inc. for total funding amount of \$940,000 at an annual interest rate of 1.350%. The capital lease agreement will mature over 5 years. The first maturity is due on November 1, 2020.

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.

NOTE 5 PRIOR PERIOD ADJUSTMENT

The governmental and business-type activities financial statements have been restated to reflect an adjustment for certain expenses paid by the General Fund on behalf of Infant/Toddler Fund in prior years that were allocated to the business-type activity.

The effect of this restatement results in an increase of the fund balance of the General Fund and the net position of governmental activities in the amount of \$196,726 and a corresponding decrease in the net position of the proprietary fund and business-type activities in the amount of \$196,726.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 PRIOR PERIOD ADJUSTMENT (Continued)

The effects of the restatement is as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<u>Governmental Activities:</u>			
Budgetary Fund Balance - General Fund	\$ 8,059,397	\$ 196,726	\$ 8,256,123
GAAP Budgetary Fund Balance - General Fund	6,061,144	196,726	6,257,870
Net Position	39,167,471	196,726	39,364,197
Change in Budgetary Fund Balance - General Fund	645,181	196,726	841,907
Change in GAAP Budgetary Fund Balance - General Fund	532,105	196,726	728,831
Change in Net Position	3,285,225	196,726	3,481,951
<u>Business-Type Activities:</u>			
Net Position - Infant/Toddler Program	122,733	(196,726)	(73,993)
Change in Net Position - Infant/Toddler Program	62,297	(196,726)	(134,429)

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

BUDGETARY COMPARISON SCHEDULES

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 96,014,943	\$ -	\$ 96,014,943	\$ 96,014,943	
Tuition from Individuals	200,000		200,000	273,413	\$ 73,413
Tuition from Other LEAs within the State	650,000		650,000	517,243	(132,757)
Tuition from Summer School	75,000		75,000	73,300	(1,700)
Rents and Royalties	170,000		170,000	301,833	131,833
Unrestricted Miscellaneous Revenue	800,000		800,000	1,096,164	296,164
Interest Capital Reserve Account	80		80	6,537	6,457
Other Restricted Miscellaneous Revenues	1,040,000		1,040,000	1,260,375	220,375
State Sources					
Extraordinary Aid	1,576,345		1,576,345	1,978,317	401,972
Categorical Special Education Aid	2,810,902	-	2,810,902	2,810,902	-
Security Aid	447,742	-	447,742	447,742	-
Transportation Aid	620,535	-	620,535	620,535	-
Additional Nonpublic Transportation Aid			-	7,919	7,919
Reimbursed TPAF Social Security Payments (Non-Budget)				3,543,954	3,543,954
On-behalf TPAF Pension System Contribution (Non-Budget)				9,786,798	9,786,798
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				175,417	175,417
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				3,695,799	3,695,799
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)				6,187	6,187
Federal Sources					
Medicaid Reimbursement	31,087	-	31,087	15,582	(15,505)
Total Revenues	104,436,634	-	104,436,634	122,632,960	18,196,326
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,225,637	25,604	1,251,241	1,251,238	3
Grades 1-5	11,423,031	(512,920)	10,910,111	10,908,546	1,565
Grades 6-8	8,662,493	(197,142)	8,465,351	8,416,074	49,277
Grades 9-12	10,232,142	(28,104)	10,204,038	10,107,517	96,521
Regular Programs - Home Instruction					
Salaries of Teachers	1,800	31,395	33,195	29,635	3,560
Purchased Professional-Educational Services	16,500	(11,939)	4,561	4,189	372
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	2,800	33,553	36,353	35,100	1,253
Purchased Professional-Educational Services	16,980	29,656	46,636	39,471	7,165
Other Purchased Services	1,138,400	(12,517)	1,125,883	1,094,381	31,502
General Supplies	914,081	(57,279)	856,802	791,501	65,301
Textbooks	553,730	(105,047)	448,683	403,185	45,498
Other Objects	9,145	(746)	8,399	3,807	4,592
Total Regular Programs	34,196,739	(805,486)	33,391,253	33,084,644	306,609
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	1,604,103	(511,635)	1,092,468	1,009,460	83,008
Other Salaries for Instruction	179,167	18,173	197,340	173,658	23,682
General Supplies	13,300	(6,023)	7,277	6,196	1,081
Total Learning and/or Language Disabilities	1,796,570	(499,485)	1,297,085	1,189,314	107,771

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Behavioral Disabilities					
Purchased Professional-Educational Services	350,000	\$ 22,099	\$ 372,099	\$ 372,099	-
Total Behavioral Disabilities	350,000	22,099	372,099	372,099	-
Multiple Disabilities					
Salaries of Teachers	\$ 823,195	50,680	873,875	811,799	\$ 62,076
Other Salaries for Instruction	676,521	(208,290)	468,231	308,156	160,075
Purchased Professional-Educational Services	-	685	685	685	-
General Supplies	10,250	15,152	25,402	22,720	2,682
Other Objects	250	-	250	-	250
Total Multiple Disabilities	1,510,216	(141,773)	1,368,443	1,143,360	225,083
Resource Room/Resource Center					
Salaries of Teachers	3,898,930	585,722	4,484,652	4,484,651	1
Other Salaries for Instruction	1,774,345	(554,398)	1,219,947	1,164,864	55,083
General Supplies	17,450	(1,603)	15,847	13,176	2,671
Total Resource Room	5,690,725	29,721	5,720,446	5,662,691	57,755
Preschool Disabilities - Full Time					
Salaries of Teachers	561,156	8,345	569,501	563,664	5,837
Other Salaries for Instruction	193,377	2,689	196,066	189,465	6,601
Purchased Professional-Educational Services	15,000	(7,575)	7,425	2,925	4,500
General Supplies	5,600	2,965	8,565	6,308	2,257
Other Objects	-	1,900	1,900	1,000	900
Total Preschool Disabilities - Full Time	775,133	8,324	783,457	763,362	20,095
Home Instruction					
Salaries of Teachers		19,535	19,535	19,535	-
Purchased Professional-Educational Services	16,500	(2,493)	14,007	9,860	4,147
Total Home Instruction	16,500	17,042	33,542	29,395	4,147
Total Special Education	10,139,144	(564,072)	9,575,072	9,160,221	414,851
Basic Skills/Remedial					
Salaries of Teachers	1,288,656	-	1,288,656	1,283,644	5,012
General Supplies	7,200	(598)	6,602	4,386	2,216
Total Basic Skills/Remedial	1,295,856	(598)	1,295,258	1,288,030	7,228
Bilingual Education					
Salaries of Teachers	475,473	49,888	525,361	515,912	9,449
General Supplies	3,455	364	3,819	2,299	1,520
Total Bilingual Education	478,928	50,252	529,180	518,211	10,969

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 367,100	\$ (13,640)	\$ 353,460	\$ 352,575	\$ 885
Purchased Services	15,450	(14,350)	1,100		1,100
Supplies and Materials	9,580	(542)	9,038	5,934	3,104
Other Objects	19,650	984	20,634	14,616	6,018
Total School-Sponsored Co/Extra Curricular Activities	411,780	(27,548)	384,232	373,125	11,107
School Sponsored Athletics - Instruction					
Salaries	754,644	15,612	770,256	708,839	61,417
Purchased Services	93,127	(2,476)	90,651	87,131	3,520
Supplies and Materials	102,640	25,335	127,975	102,641	25,334
Other Objects	46,000	18,786	64,786	63,521	1,265
Total School Sponsored Athletics	996,411	57,257	1,053,668	962,132	91,536
Summer School - Instruction					
Salaries of Teachers	52,687	(2,877)	49,810	49,809	1
General Supplies	-	85	85	85	-
Total Summer School - Instruction	52,687	(2,792)	49,895	49,894	1
Summer School - Support Services					
Salaries	14,940	(14,940)	-	-	-
Total Summer School - Support Services	14,940	(14,940)	-	-	-
Total Instruction	47,586,485	(1,307,927)	46,278,558	45,436,257	842,301
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Regular	2,300	(2,300)	-		-
Tuition to Other LEA's Within the State - Special	1,196,055	(436,983)	759,072	755,176	3,896
Tuition to County Vocational School District-Regular	564,786	(82,531)	482,255	436,988	45,267
Tuition to CSSD & Regional Day Schools	457,680	331,659	789,339	787,124	2,215
Tuition to Private Schools for Disabled - Within State	3,922,004	263,190	4,185,194	4,104,085	81,109
Tuition to Private Schools for Disabled & Other LEAs-Spl,O/S State	-	202,452	202,452	202,452	-
Tuition - Other	-	11,660	11,660	11,660	-
Total Undistributed Expenditures - Instruction	6,142,825	287,147	6,429,972	6,297,485	132,487
Attendance and Social Work					
Salaries	48,790	17	48,807	48,807	
Supplies and Materials	100	(17)	83	69	14
Total Attendance and Social Work	48,890	-	48,890	48,876	14

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 839,821	\$ (40,940)	\$ 798,881	\$ 798,767	\$ 114
Purchased Professional and Technical Services	51,676	16,579	68,255	38,904	29,351
Other Purchased Services	100	350	450	450	-
Supplies and Materials	27,938	19,376	47,314	46,628	686
Total Health Services	919,535	(4,635)	914,900	884,749	30,151
Speech, OT, PT and Related Svcs.					
Salaries	1,766,554	(81,090)	1,685,464	1,629,750	55,714
Purchased Professional-Educational Services	900,000	(109,371)	790,629	604,005	186,624
Supplies and Materials	13,855	669	14,524	8,838	5,686
Total Speech, OT, PT and Related Svcs.	2,680,409	(189,792)	2,490,617	2,242,593	248,024
Other Support Services - Students - Extra Services					
Salaries	637,831	284,019	921,850	921,849	1
Purchased Professional-Educational Services	1,408,625	139,093	1,547,718	1,269,002	278,716
Supplies and Materials	23,970	(4,048)	19,922	16,384	3,538
Total Other Support Services - Students - Extra Services	2,070,426	419,064	2,489,490	2,207,235	282,255
Guidance					
Salaries of Other Professional Staff	2,024,365	35,493	2,059,858	2,059,858	-
Salaries of Secretarial and Clerical Assistants	250,831	(28,302)	222,529	221,729	800
Other Salaries	6,000	-	6,000	5,480	520
Purchased Professional-Educational Services	205,520	60,092	265,612	247,743	17,869
Other Purchased Services	10,985	(9,314)	1,671	592	1,079
Supplies and Materials	72,813	(57,644)	15,169	14,953	216
Other Objects	800	205	1,005	205	800
Total Guidance	2,571,314	530	2,571,844	2,550,560	21,284
Child Study Teams					
Salaries of Other Professional Staff	2,874,469	254,258	3,128,727	3,128,390	337
Salaries of Secretarial and Clerical Assistants	363,420	13,466	376,886	371,440	5,446
Purchased Professional-Educational Services	-	70,750	70,750	47,405	23,345
Other Purchased Professional-Technical Services	78,200	(50,262)	27,938	17,908	10,030
Other Purchased Services	2,100	7,368	9,468	6,091	3,377
Supplies and Materials	26,750	11,662	38,412	36,099	2,313
Other Objects	825	(450)	375	197	178
Total Child Study Teams	3,345,764	306,792	3,652,556	3,607,530	45,026
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	1,256,609	-	1,256,609	1,237,540	19,069
Salaries of Other Professional Staff	163,912	127,089	291,001	281,493	9,508
Salaries of Secretarial and Clerical Assistants	264,518	(9,757)	254,761	254,760	1
Purchased Professional - Educational Services	15,000	26,973	41,973	41,973	-
Other Purchased Services	9,550	26	9,576	1,381	8,195
Supplies and Materials	19,975	(17,465)	2,510	1,556	954
Other Objects	19,125	(7,575)	11,550	10,692	858
Total Improvement of Instructional Services	1,748,689	119,291	1,867,980	1,829,395	38,585

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 1,368,488	\$ (21,782)	\$ 1,346,706	\$ 1,341,470	\$ 5,236
Purchased Professional and Technical Services	-	11,456	11,456	11,456	-
Other Purchased Services	22,250	(21,930)	320	320	-
Supplies and Materials	271,387	(88,814)	182,573	179,820	2,753
Total Educational Media Serv./School Library	1,662,125	(121,070)	1,541,055	1,533,066	7,989
Instructional Staff Training Services					
Salaries of Other Professional Staff	49,524	(28,656)	20,868	5,216	15,652
Salaries of Secretarial and Clerical Assistants	59,199	(43,186)	16,013	-	16,013
Purchased Professional - Educational Services	47,900	21,125	69,025	52,302	16,723
Other Purchased Services	204,695	(99,255)	105,440	70,098	35,342
Supplies and Materials	4,750	(2,356)	2,394	820	1,574
Total Instructional Staff Training Services	366,068	(152,328)	213,740	128,436	85,304
Support Services - General Administration					
Salaries	317,035	52,609	369,644	369,644	-
Legal Services	140,000	72,540	212,540	210,497	2,043
Audit Fees	55,925	(733)	55,192	55,192	-
Architectural/Engineering Services	5,000	31,900	36,900	36,340	560
Other Purchased Professional Services	1,500	(1,187)	313	-	313
Purchased Professional and Technical Services	-	1,600	1,600	1,600	-
Communications/Telephone	206,364	(70,448)	135,916	130,982	4,934
BOE Other Purchased Services	4,500	(600)	3,900	3,403	497
Misc Purchased Services	182,545	69,158	251,703	247,903	3,800
General Supplies	26,750	(11,372)	15,378	15,300	78
Miscellaneous Expenditures	25,248	(1,308)	23,940	23,153	787
BOE Membership Dues and Fees	29,580	(2,917)	26,663	26,663	-
Total Support Services - General Administration	994,447	139,242	1,133,689	1,120,677	13,012
Support Services - School Administration					
Salaries of Principal/Asst. Principals	2,623,829	24,180	2,648,009	2,648,008	1
Salaries of Secretarial and Clerical Assistants	1,006,308	4,905	1,011,213	1,004,463	6,750
Other Purchased Services	14,185	(3,287)	10,898	2,648	8,250
Supplies and Materials	131,206	(53,230)	77,976	68,381	9,595
Other Objects	2,000	879	2,879	2,749	130
Total Support Services - School Administration	3,777,528	(26,553)	3,750,975	3,726,249	24,726
Central Services					
Salaries	1,139,985	892	1,140,877	1,140,877	-
Purchased Professional Services	103,100	82,299	185,399	174,319	11,080
Misc Purchased Services	63,460	(8,890)	54,570	54,529	41
Supplies and Materials	26,300	1,515	27,815	20,671	7,144
Miscellaneous Expenditures	3,600	1,488	5,088	5,088	-
Total Central Services	1,336,445	77,304	1,413,749	1,395,484	18,265

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 761,815	\$ 7,934	\$ 769,749	\$ 769,749	\$ -
Purchased Professional Services	13,500	181,232	194,732	150,156	44,576
Purchased Professional and Technical Services	-	10,398	10,398	10,398	-
Other Purchased Services	169,162	(133,605)	35,557	15,737	19,820
Supplies and Materials	1,000	557	1,557	882	675
Other Objects	1,175	-	1,175	575	600
Total Admin. Info. Technology	946,652	66,516	1,013,168	947,497	65,671
Required Maintenance for School Facilities					
Salaries	155,415	1,017	156,432	156,432	-
Cleaning, Repair and Maintenance Services	886,831	(168,942)	717,889	674,241	43,648
General Supplies	293,023	195,406	488,429	368,270	120,159
Other Objects	2,000	(1,964)	36	-	36
Total Required Maintenance for School Facilities	1,337,269	25,517	1,362,786	1,198,943	163,843
Custodial Services					
Salaries	152,427	33,366	185,793	185,792	1
Salaries of Non-Instructional Aides	139,564	5,583	145,147	145,105	42
Purchased Professional and Technical Services	122,900	22,727	145,627	145,627	-
Cleaning, Repair and Maintenance Services	4,728,741	86,147	4,814,888	4,812,276	2,612
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	42,575	5,134	47,709	47,708	1
Other Purchased Property Services	140,189	50,496	190,685	190,684	1
Insurance	310,035	58,893	368,928	368,928	-
General Supplies	400,360	318,310	718,670	609,404	109,266
Energy (Natural Gas)	212,885	145,927	358,812	307,856	50,956
Energy (Electricity)	714,123	36,002	750,125	454,324	295,801
Interest - Energy Savings Impr Prog Bonds	180,500	-	180,500	180,500	-
Principal - Energy Savings Impr Prog Bonds	640,000	-	640,000	640,000	-
Total Custodial Services	7,784,299	762,585	8,546,884	8,088,204	458,680
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	80,090	(10,945)	69,145	69,144	1
Cleaning, Repair and Maintenance Services	252,117	158,001	410,118	408,838	1,280
General Supplies	111,200	15,507	126,707	126,525	182
Total Care and Upkeep of Grounds	443,407	162,563	605,970	604,507	1,463
Security					
Salaries	68,416	(11,577)	56,839	56,838	1
Purchased Professional and Technical Services	188,635	(37,886)	150,749	150,748	1
Cleaning, Repair and Maintenance Services	81,285	(30,338)	50,947	50,897	50
General Supplies	27,884	(19,751)	8,133	8,129	4
Total Security	366,220	(99,552)	266,668	266,612	56

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 6,350	-	\$ 6,350		\$ 6,350
Salaries for Pupil Transportation(Bet Home & Sch) Reg	64,650	\$ 651	65,301	\$ 65,301	-
Salaries for Pupil Transportation(Other than Bet Home & Sch)	8,775	14,831	23,606	21,166	2,440
Management Fee-ESC and CTSA Transportation Prog.	54,985	-	54,985	53,155	1,830
Cleaning, Repair and Maintenance Services	11,000	(4,996)	6,004	1,828	4,176
Contracted Services - Aid in Lieu of Payments - Non Public	150,000	(20,746)	129,254	80,270	48,984
Contracted Svcs. (Between Home & School) - Vendors	845,630	(48,196)	797,434	743,506	53,928
Contracted Svcs. (Other than Between Home and School) - Vendors	229,400	7,153	236,553	173,479	63,074
Contracted Services (Bet. Home & Sch)-Joint Agreements	55,000	-	55,000	38,926	16,074
Contracted Services (Special Ed. Students)-Vendors	54,750	66,654	121,404	48,063	73,341
Contracted Services (Special Ed. Students)-Joint Agreements	2,192,400	(54,818)	2,137,582	1,865,142	272,440
Misc. Purchased Services - Transportation	250	-	250		250
Transportation Supplies	-	6,588	6,588	1,389	5,199
Total Student Transportation Services	3,673,190	(32,879)	3,640,311	3,092,225	548,086
Unallocated Benefits - Employee Benefits					
Social Security Contributions	960,000	2,494	962,494	962,493	1
TPAF Contributions - ERIP		4,978	4,978	4,978	-
Other Retirement Contributions - PERS	860,000	(167,147)	692,853	692,853	-
Other Retirement Contributions - Regular		121,086	121,086	121,085	1
Unemployment Compensation		2	2	-	2
Workmen's Compensation	423,625	(236,216)	187,409	187,409	-
Health Benefits	12,224,222	(772,853)	11,451,369	11,423,234	28,135
Tuition Reimbursement	266,185	718	266,903	125,941	140,962
Other Employee Benefits	58,100	5,000	63,100	45,817	17,283
Unused Sick Payment to Terminated/Retired Staff	1,500	-	1,500	-	1,500
Total Unallocated Benefits-Employee Benefits	14,793,632	(1,041,938)	13,751,694	13,563,810	187,884
Reimbursed TPAF Social Security Payments (Non-Budget)				3,543,954	(3,543,954)
On-behalf TPAF Pension System Contribution (Non-Budget)				9,786,798	(9,786,798)
On-behalf TPAF Pension - NCGI Premium (Non-Budget)				175,417	(175,417)
On-behalf TPAF Post Retirement Medical Contribution (Non-Budget)				3,695,799	(3,695,799)
On-behalf TPAF Long-Term Disability Insurance (Non-Budget)	-	-	-	6,187	(6,187)
Total On-Behalf TPAF	-	-	-	17,208,155	(17,208,155)
Total Undistributed Expenditures	57,009,134	697,804	57,706,938	72,542,288	(14,835,350)
Interest Earned on Maintenance Reserve	20	-	20	-	20
Total Expenditures - Current Expenditures	104,595,639	(610,123)	103,985,516	117,978,545	(13,993,029)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 6-8		132	132	132	-
Grades 9-12		18,066	18,066	18,066	-
Special Programs - Instruction					
School-Sponsored Other Instructional		54,491	54,491	47,943	6,548
Undistributed Expenditures					
Support Services - Related Services	2,940	3,048	5,988	5,008	980
Support Services - Instructional Staff		4,555	4,555	4,555	-
Support Services - General Administration		18,861	18,861	18,861	-
Support Services - School Administration		8,158	8,158	7,722	436
Support Services - Required Maint for School Fac.		164,862	164,862	139,224	25,638
Support Services - Custodial Services		27,299	27,299	27,299	-
Support Services - Security	-	4,172	4,172	-	4,172
Total Equipment	2,940	303,644	306,584	268,810	37,774

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		\$ 7,106	\$ 7,106	\$ 796	\$ 6,310
Construction Services		467,787	467,787	221,587	246,200
Assessment for Debt Service on SDA Funding	42,837	-	42,837	42,837	-
Total Facilities Acquisition and Construction Services	42,837	474,893	517,730	265,220	252,510
Interest Deposit into Capital Reserve	60	-	60	-	60
Total Capital Outlay	45,837	778,537	824,374	534,030	290,344
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	190,000	10,948	200,948	200,948	
General Supplies	9,300	(417)	8,883	8,883	-
Total Summer School - Instruction	199,300	10,531	209,831	209,831	-
Summer School - Support Services					
Salaries	68,124	(21,116)	47,008	46,855	153
Personal Services - Employee Benefits	16,100	21,927	38,027	38,026	1
Other Purchased Services	-	3,275	3,275	3,275	-
Other Objects	-	8,812	8,812	4,510	4,302
Total Summer School - Support Services	84,224	12,898	97,122	92,666	4,456
Other Special Schools - Instruction					
Salaries of Teachers	250,000	18,014	268,014	267,977	37
Purchased Professional and Technical Services	38,000	(7,598)	30,402	30,402	-
General Supplies	13,000	3,221	16,221	16,221	-
Total Other Special Schools - Instruction	301,000	13,637	314,637	314,600	37
Other Special Schools - Support Services					
Salaries	43,066	1,862	44,928	44,928	-
Personal Services - Employee Benefits	36,500	12,208	48,708	48,707	1
Other Purchased Services	41,950	46,778	88,728	87,290	1,438
Supplies and Materials	250	286	536	242	294
Other Objects	25,000	(11,323)	13,677	8,043	5,634
Total Other Special Schools - Support Services	146,766	49,811	196,577	189,210	7,367
Adult Education - Local - Instruction					
Salaries of Teachers	165,000	(93,713)	71,287	63,177	8,110
Purchased Professional and Technical Services	8,500	648	9,148	8,927	221
Other Purchased Services	40,000	(9,785)	30,215	30,215	-
General Supplies	2,000	(940)	1,060	751	309
Total Adult Education - Local - Instruction	215,500	(103,790)	111,710	103,070	8,640

RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Adult Education - Local - Support Services					
Salaries	\$ 49,218	\$ 2,214	\$ 51,432	\$ 51,432	
Personal Services - Employee Benefits	23,300	14,240	37,540	35,695	\$ 1,845
Other Purchased Services	80,100	11,249	91,349	81,951	9,398
Supplies and Materials	1,000	(736)	264	264	-
Other Objects	1,750	31,930	33,680	25,680	8,000
Total Adult Education - Local - Support Services	155,368	58,897	214,265	195,022	19,243
Total Special Schools	1,102,158	41,984	1,144,142	1,104,399	39,743
Total Expenditures	105,743,634	210,398	105,954,032	119,616,974	(13,662,942)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,307,000)	(210,398)	(1,517,398)	3,015,986	4,533,384
Other Financing Sources (Uses)					
Transfer In - Capital Project Fund				108,884	108,884
Transfer Out- Capital Project Fund	(1,300,000)		(1,300,000)	(1,300,000)	-
Transfer Out - Enterprise Funds	-	(497,672)	(497,672)	(497,672)	-
Total Other Financing Sources	(1,300,000)	(497,672)	(1,797,672)	(1,688,788)	108,884
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(2,607,000)	(708,070)	(3,315,070)	1,327,198	4,642,268
Change in Fund Balance	(2,607,000)	(708,070)	(3,315,070)	1,327,198	4,642,268
Fund Balance, Beginning of Year, as Restated	8,256,123	-	8,256,123	8,256,123	-
Fund Balance, End of Year	\$ 5,649,123	\$ (708,070)	\$ 4,941,053	\$ 9,583,321	\$ 4,642,268
Recapitulation Of Fund Balance:					
Restricted Fund Balance:					
Legally Restricted - Designated for Future Year's Budget				\$ 108,884	
Excess Surplus				650,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				700,000	
Capital Reserve				1,578,493	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,650,000	
Emergency Reserve				500,000	
Maintenance Reserve				765,548	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				150,000	
Committed Fund Balance:					
Year End Encumbrances				118,451	
Assigned Fund Balance:					
Year End Encumbrances				610,924	
Designated for Subsequent Year's Expenditures				257,000	
Unassigned Fund Balance				2,494,021	
Reconciliation to Governmental Fund Statement (GAAP)				9,583,321	
State Aid Payments Not Recognized on GAAP Basis					
Extraordinary Aid			\$ (1,978,317)		
Delayed State Aid Payments			(308,444)		
				(2,286,761)	
Fund Balance Per Governmental Funds (GAAP)				\$ 7,296,560	

**RIDGEWOOD BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 7,807	\$ 11,965	\$ 19,772	\$ 14,201	\$ (5,571)
Local	101,575	492,170	593,745	496,210	(97,535)
Federal	\$ 1,358,185	7,137	1,365,322	1,329,623	(35,699)
 Total Revenues	<u>1,467,567</u>	<u>511,272</u>	<u>1,978,839</u>	<u>1,840,034</u>	<u>(138,805)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	237,905	6,790	244,695	214,745	29,950
Other Salaries for Instruction		17,761	17,761	17,078	683
Other Purchased Services		2,309	2,309	-	2,309
Tuition	1,044,453	11,235	1,055,688	1,055,688	-
Supplies and Materials	16,605	157,496	174,101	133,199	40,902
Miscellaneous	19,815	77,845	97,660	93,894	3,766
 Total Instruction	<u>1,318,778</u>	<u>273,436</u>	<u>1,592,214</u>	<u>1,514,604</u>	<u>77,610</u>
Support Services					
Salaries of Other Professional Staff	85,915	(27,876)	58,039	57,515	524
Salaries for Pupil Transportation(Other than Bet Home & Sch)		-		-	-
Personnel Services - Employee Benefits	1,339	71,358	72,697	71,252	1,445
Purchased Prof./Educational Services	11,000	9,848	20,848	13,904	6,944
Other Purchased Professional Services	6,656	1,465	8,121	2,455	5,666
Cleaning, Repair & Maintenance	152	53,830	53,982	53,932	50
Transportation	1,575	35,907	37,482	33,930	3,552
Insurance		2,418	2,418	2,418	-
Travel	1,603	2,401	4,004	1,658	2,346
General Supplies	978	5,782	6,760	5,860	900
Miscellaneous Expenditures	6,225	420	6,645	4,008	2,637
 Total Support Services	<u>115,443</u>	<u>155,553</u>	<u>270,996</u>	<u>246,932</u>	<u>24,064</u>
Facilities Acquisition and Construction Services					
Instructional	33,346	56,901	90,247	53,116	37,131
Non-instructional Equipment	-	25,382	25,382	25,382	-
 Total Facilities Acquisition and Const.Ser.	<u>33,346</u>	<u>82,283</u>	<u>115,629</u>	<u>78,498</u>	<u>37,131</u>
 Total Expenditures	<u>\$ 1,467,567</u>	<u>\$ 511,272</u>	<u>\$ 1,978,839</u>	<u>\$ 1,840,034</u>	<u>\$ 138,805</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, 2020**

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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1 and C-2)	\$ 122,632,960	\$ 1,840,034
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, 2019		120
Encumbrances June 30, 2020		(19,804)
State Aid payments recognized for budgetary purposes not recognized for GAAP statements		
Prior Year	1,998,253	
Current Year	(2,286,761)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 122,344,452</u>	<u>\$ 1,820,350</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 119,616,974	\$ 1,840,034
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, 2019		120
Encumbrances June 30, 2020	-	(19,804)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 119,616,974</u>	<u>\$ 1,820,350</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 Seven Fiscal Years *

	<u>2020</u>	<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)	0.07088%	0.07200%	0.07514%	0.07918%	0.08106%	0.12008%	0.11244%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 12,273,286</u>	<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>\$ 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>	<u>\$ 7,023,952</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	242.15%	287.91%	349.80%	460.83%	339.80%	313.69%	305.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	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 Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 689,544	\$ 716,258	\$ 696,082	\$ 703,450	\$ 696,919	\$ 989,952	\$ 847,187
Contributions in Relation to the Contractually Required Contributions	<u>689,544</u>	<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>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 5,222,317</u>	<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	13.20%	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 Seven Fiscal Years ***

	<u>2020</u>	<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>271,531,940</u>	<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>
Total	<u>\$ 271,531,940</u>	<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>\$ 48,375,614</u>	<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	561.30%	572.31%	659.55%	782.23%	626.82%	527.47%	520.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	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, 2020**

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 Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 5,381,730	\$ 6,008,296	\$ 7,186,978
Interest on Total OPEB Liability	5,966,519	6,302,473	5,465,675
Differences Between Expected and Actual Experience	(24,055,695)	(12,281,458)	
Changes of Assumptions	2,028,777	(17,304,961)	(22,719,433)
Gross Benefit Payments	(4,176,865)	(4,032,316)	(4,113,092)
Contribution from the Member	<u>123,814</u>	<u>139,363</u>	<u>151,454</u>
Net Change in Total OPEB Liability	(14,731,720)	(21,168,603)	(14,028,418)
Total OPEB Liability - Beginning	<u>150,799,185</u>	<u>171,967,788</u>	<u>185,996,206</u>
Total OPEB Liability - Ending	<u>\$ 136,067,465</u>	<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>136,067,465</u>	<u>150,799,185</u>	<u>171,967,788</u>
Total OPEB Liability - Ending	<u>\$ 136,067,465</u>	<u>\$ 150,799,185</u>	<u>\$ 171,967,788</u>
District's Covered Payroll	<u>\$ 53,443,998</u>	<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%	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, 2020**

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, 2020**

	I.D.E.A.			Subtotal Page 2	Total
	Part B Basic	Preschool	Other Grants		
REVENUES					
State				\$ 14,201	\$ 14,201
Local					496,210
Federal	\$ 1,019,246	\$ 38,884	\$ 496,210	271,493	1,329,623
Total Revenues	\$ 1,019,246	\$ 38,884	\$ 496,210	\$ 285,694	\$ 1,840,034
EXPENDITURES					
Instruction					
Salaries of Teachers			\$ 82,012	\$ 132,733	\$ 214,745
Other Salaries for Instruction				17,078	17,078
Tuition	\$ 1,016,804	\$ 38,884			1,055,688
Supplies and Materials	2,442		123,428	7,329	133,199
Miscellaneous	-	-	93,894	-	93,894
Total Instruction	1,019,246	38,884	299,334	157,140	1,514,604
Support Services					
Salaries of Other Professional Staff				57,515	57,515
Personnel Services - Employee Benefits			9,289	61,963	71,252
Purchased Prof./Educational Services			8,333	5,571	13,904
Other Purchased Professional Services				2,455	2,455
Cleaning, Repair & Maintenance			53,932		53,932
Transportation			33,930		33,930
Insurance			2,418		2,418
Travel			608	1,050	1,658
General Supplies			5,860		5,860
Miscellaneous Expenditures	-	-	4,008	-	4,008
Total Support Services	-	-	118,378	128,554	246,932
Facilities Acquisition and Construction Services					
Instructional			53,116		53,116
Non-Instructional Equipment	-	-	25,382	-	25,382
Total Facilities Acquisition and Construction Services	-	-	78,498	-	78,498
Total Expenditures	\$ 1,019,246	\$ 38,884	\$ 496,210	\$ 285,694	\$ 1,840,034

Continued

RIDGEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Aid				Title I	Title II A	Title III	Title III Immigrant	Page 2 Total
	Textbooks	Security	Nursing	Exam. & Class.					
REVENUES									
State	\$ 1,025	\$ 5,150	\$ 2,455	\$ 5,571					\$ 14,201
Federal	-	-	-	-	\$ 153,234	\$ 78,045	\$ 20,675	\$ 19,539	271,493
Total Revenues	\$ 1,025	\$ 5,150	\$ 2,455	\$ 5,571	\$ 153,234	\$ 78,045	\$ 20,675	\$ 19,539	\$ 285,694
EXPENDITURES									
Instruction									
Salaries of Teachers					\$ 118,008		\$ 14,725		\$ 132,733
Other Salaries for Instruction								17,078	17,078
Supplies and Materials	\$ 1,025	\$ 5,150	-	-	-	-	-	\$ 1,154	7,329
Total Instruction	1,025	5,150	-	-	118,008	-	14,725	18,232	157,140
Support Services									
Salaries of Other Professional Staff						\$ 57,515			57,515
Personnel Services - Employee Benefits					35,226	20,130	5,300	1,307	61,963
Purchased Prof/Educational Services				\$ 5,571					5,571
Other Purchased Professional Services			\$ 2,455						2,455
Travel	-	-	-	-	-	400	650	-	1,050
Total Support Services	-	-	2,455	5,571	35,226	78,045	5,950	1,307	128,554
Total Expenditures	\$ 1,025	\$ 5,150	\$ 2,455	\$ 5,571	\$ 153,234	\$ 78,045	\$ 20,675	\$ 19,539	\$ 285,694

**RIDGEWOOD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

<u>Issue Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance, June 30, 2020</u>
			<u>Current Year</u>			
Energy Savings Improvement Program	\$ 7,427,878	\$ 7,389,195			\$ 38,683	-
Various Improvements	<u>1,300,000</u>	<u>-</u>	<u>\$ 1,229,799</u>		<u>70,201</u>	<u>-</u>
	8,727,878	7,389,195	1,229,799		108,884	-
 <u>Capital Leases</u>						
2019-2020 Capital Lease - Computer Equipment	<u>949,525</u>	<u>-</u>	<u>945,184</u>		<u>-</u>	<u>\$ 4,341</u>
	<u>949,525</u>	<u>-</u>	<u>945,184</u>		<u>-</u>	<u>4,341</u>
	<u>\$ 9,677,403</u>	<u>\$ 7,389,195</u>	<u>\$ 2,174,983</u>		<u>\$ 108,884</u>	<u>\$ 4,341</u>
 <u>Reconciliation to GAAP</u>						
Project Balances, June 30, 2020 - Budgetary						<u>\$ 4,341</u>
Fund Balance, June 30, 2020 - GAAP						<u>\$ 4,341</u>
 <u>Recapitulation of Fund Balance</u>						
Restricted for Capital Projects						
Available for Capital Projects						<u>\$ 4,341</u>
Total Fund Balance - Restricted for Capital Projects						<u>\$ 4,341</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, 2020**

Revenues and Other Financing Sources

Capital Lease Proceeds	\$ 945,248
Transfer from General Fund - Capital Reserve Funds	1,300,000
Interest	<u>4,277</u>
 Total Revenues and Other Financing Sources	 <u>2,249,525</u>

Expenditures and Other Financing Uses

Professional Services	54,150
Supplies and Materials	835,913
Equipment	55,121
Construction Services	1,229,799
Transfer to General Fund	<u>108,884</u>
 Total Expenditures and Other Financing Uses	 <u>2,283,867</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (34,342)

Fund Balance, Beginning of Year 38,683

Fund Balance - End of Year \$ 4,341

Reconciliation to GAAP Basis

Fund Balance, June 30, 2020 - Budgetary Basis \$ 4,341

Fund Balance, June 30, 2020 - GAAP Basis \$ 4,341

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, 2020

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
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	315,000	-	315,000	315,000
	<u>7,427,878</u>	<u>-</u>	<u>7,427,878</u>	<u>7,427,878</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Other Professional Services	35,305		35,305	35,305
Construction Services	7,353,890		7,353,890	7,392,573
Cancelled - Transferred to General Fund	-	\$ 38,683	38,683	-
	<u>7,389,195</u>	<u>38,683</u>	<u>7,427,878</u>	<u>7,427,878</u>
Excess of Revenues over Expenditures	<u>\$ 38,683</u>	<u>\$ (38,683)</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	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	100.00%
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
2019-2020 CAPITAL LEASE - COMPUTER EQUIPMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Capital Lease Proceeds	\$ -	\$ 945,248	\$ 945,248	\$ 945,248
Interest	-	4,277	4,277	-
	<u>-</u>	<u>949,525</u>	<u>949,525</u>	<u>945,248</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Professional Services		54,150	54,150	54,150
Supplies and Materials		835,913	835,913	835,977
Equipment		55,121	55,121	55,121
Cancelled - Transfer to General Fund	-	-	-	-
	<u>-</u>	<u>945,184</u>	<u>945,184</u>	<u>945,248</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ 4,341</u>	<u>\$ 4,341</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	\$ 945,248
Additional Authorized Cost	\$ 4,277
Revised Authorized Cost	\$ 949,525

Percentage Increase (Decrease) over Original Authorized

Cost	0.45%
Percentage Completion	99.54%
Original Target Completion Date	06/30/2020
Revised Target Completion Date	06/30/2020

**RIDGEWOOD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund - Capital Reserve	\$ -	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
 Total Revenues	 -	 1,300,000	 1,300,000	 1,300,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Construction Services	-	1,229,799	1,229,799	1,300,000
Cancelled - Transfer to General Fund	-	70,201	70,201	-
 Total Expenditures and other Financing Sources	 -	 1,300,000	 1,300,000	 1,300,000
 Excess of Revenues over Expenditures	 \$ -	 \$ -	 \$ -	 \$ -

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	\$ 1,300,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,300,000

Percentage Increase (Decrease) over Original Authorized

Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	06/30/2020
Revised Target Completion Date	06/30/2020

ENTERPRISE FUND

EXHIBIT G-1

**RIDGEWOOD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

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, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 374,945	\$ 1,846,494	\$ 2,221,439
Total Assets	<u>\$ 374,945</u>	<u>\$ 1,846,494</u>	<u>\$ 2,221,439</u>
LIABILITIES			
Payroll Deductions and Withholdings Payable		\$ 40,339	\$ 40,339
Accrued Salaries and Wages		1,806,051	1,806,051
Due to Other Funds		104	104
Due to Student Groups	<u>\$ 374,945</u>	<u>-</u>	<u>374,945</u>
Total Liabilities	<u>\$ 374,945</u>	<u>\$ 1,846,494</u>	<u>\$ 2,221,439</u>

**RIDGEWOOD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
ELEMENTARY SCHOOLS				
Hawes	\$ 3,795	\$ 12,880	\$ 6,417	\$ 10,258
Orchard	6,029	19,318	9,656	15,691
Ridge	7,768	36,643	39,391	5,020
Somerville	32,865	26,346	39,990	19,221
Travell	1,412	910	1,004	1,318
Willard	59,876	24,869	42,267	42,478
	<u>111,745</u>	<u>120,966</u>	<u>138,725</u>	<u>93,986</u>
Total Elementary Schools				
MIDDLE SCHOOLS				
Benjamin Franklin	38,765	106,935	95,576	50,124
George Washington	30,436	47,594	52,259	25,771
	<u>69,201</u>	<u>154,529</u>	<u>147,835</u>	<u>75,895</u>
Total Junior High School				
HIGH SCHOOL				
Ridgewood High School	190,265	642,836	638,784	194,317
Athletic Accounts	7,036	92,108	88,397	10,747
	<u>197,301</u>	<u>734,944</u>	<u>727,181</u>	<u>205,064</u>
Total Senior High School				
Total All Schools	<u>\$ 378,247</u>	<u>\$ 1,010,439</u>	<u>\$ 1,013,741</u>	<u>\$ 374,945</u>

**RIDGEWOOD BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2020</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,667,804	\$ 70,614,948	\$ 70,436,258	\$ 1,846,494
Total Assets	<u>\$ 1,667,804</u>	<u>\$ 70,614,948</u>	<u>\$ 70,436,258</u>	<u>\$ 1,846,494</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 19,742	\$ 31,612,595	\$ 31,591,998	\$ 40,339
Accrued Salaries and Wages	1,647,958	38,999,723	38,841,630	1,806,051
Due to Other Funds	<u>104</u>	<u>2,630</u>	<u>2,630</u>	<u>104</u>
Total Liabilities	<u>\$ 1,667,804</u>	<u>\$ 70,614,948</u>	<u>\$ 70,436,258</u>	<u>\$ 1,846,494</u>

LONG-TERM DEBT

**RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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, 2019</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
106 Additions and Renovations to Various Schools	April 8, 2010	\$ 38,420,000				\$ 1,500,000	\$ 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	2/15/21	\$ 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%	2,065,000	215,000	\$ 1,850,000
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
CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Capital Leases</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance, June 30, 2020</u>
Technology Equipment - 2015-2016	1.5600%	\$ 955,000	\$ 194,126		\$ 194,126	\$ -
Technology Equipment - 2016-2017	1.5730%	995,000	401,716		199,291	202,425
Technology Equipment - 2017-2018	1.7300%	915,000	550,636		180,407	370,229
Technology Equipment - 2018-2019	2.8970%	900,000	713,058		170,702	542,356
Technology Equipment - 2019-2020	2.0619%	940,000		\$ 940,000	191,020	748,980
42 Konica Digital Copier	2.6900%	635,645	287,536		130,320	157,216
2 Savin Digital Copiers	4.8420%	15,400	8,814		3,133	5,681
1 Konica Digital Copier	4.8430%	11,293	6,648	-	2,285	4,363
			2,162,534	940,000	1,071,284	2,031,250
<u>Lease Purchase Agreements</u>						
1 Savin Digital Copier	5.0170%	1,631	828	-	339	489
			<u>\$ 2,163,362</u>	<u>\$ 940,000</u>	<u>\$ 1,071,623</u>	<u>\$ 2,031,739</u>

**RIDGEWOOD BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,869,732		\$ 2,869,732	\$ 2,869,732	
State Sources					
State Aid Type II	<u>134,178</u>	-	<u>134,178</u>	<u>134,178</u>	-
Total Revenues	<u>3,003,910</u>	-	<u>3,003,910</u>	<u>3,003,910</u>	-
EXPENDITURES					
Regular Debt Service					
Principal on Bonds	1,715,000	-	1,715,000	1,715,000	
Interest on Bonds	<u>1,423,550</u>	-	<u>1,423,550</u>	<u>1,423,550</u>	-
Total Expenditures	<u>3,138,550</u>	-	<u>3,138,550</u>	<u>3,138,550</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(134,640)	-	(134,640)	(134,640)	-
Fund Balance, Beginning of Year	<u>134,641</u>	-	<u>134,641</u>	<u>134,641</u>	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted for Debt Service:					
Designated for Subsequent Year's Budgeted Debt Service Expenditures				\$ 1	
Total Fund Balance - Restricted for Debt Service				<u>\$ 1</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		(Restated)		(Restated)					(Restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 54,281,797
Restricted	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	4,257,267
Unrestricted (Deficit)	(1,335,961)	(1,415,055)	277,381	479,002	(21,862,874)	(18,159,172)	(18,984,086)	(19,296,734)	(17,463,586)	(16,121,838)
Total Governmental Activities Net Position	\$ 43,277,784	\$ 48,175,471	\$ 51,671,980	\$ 52,185,372	\$ 30,417,016	\$ 34,583,953	\$ 35,763,589	\$ 35,882,246	\$ 39,364,197	\$ 42,417,226
Business-Type Activities										
Net Investment in Capital Assets	\$ 174,404	\$ 200,277	\$ 200,056	\$ 182,963	\$ 165,869	\$ 157,906	\$ 161,011	\$ 168,572	\$ 155,576	\$ 165,766
Unrestricted (Deficit)	84,170	(14,732)	(262,802)	(177,875)	(127,338)	(52,385)	(75,778)	169,197	140,996	208,728
Total Business-Type Activities Net Position	\$ 258,574	\$ 185,545	\$ (62,746)	\$ 5,088	\$ 38,531	\$ 105,521	\$ 85,233	\$ 337,769	\$ 296,572	\$ 374,494
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 54,447,563
Restricted	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	4,257,267
Unrestricted (Deficit)	(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)	(15,913,110)
Total District Net Position	\$ 43,536,358	\$ 48,361,016	\$ 51,609,234	\$ 52,190,460	\$ 30,455,547	\$ 34,689,474	\$ 35,848,822	\$ 36,220,015	\$ 39,660,769	\$ 42,791,720

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".

Note 3 - Net position at June 30, 2019 is restated to reflect the reclassification of expenditures/expenses between the Governmental and Business Type Activities.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
										(Restated)
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 54,161,384
Special Education	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	21,180,542
Other Special Instruction	1,276,142	1,832,543	1,865,523	1,917,159	2,259,204					
Other Instruction	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	4,262,453
School Sponsored Activities and Athletics						1,560,774	1,761,876	1,718,793	1,672,880	2,033,520
Support Services:										
Tuition	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926					
Student and Instruction Related Services	14,731,156	15,693,498	16,593,369	17,168,297	20,121,714	19,624,092	21,377,496	21,458,596	20,863,948	21,296,956
School Administrative Services	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	5,932,010
General Administration Services	973,223	1,002,754	996,072	1,030,247	992,004	1,105,974	1,431,937	1,361,502	1,188,610	1,260,916
Central Services	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	1,707,813
Administration Information Technology	755,846	784,880	712,561	893,325	1,148,311	1,148,506	1,444,498	1,147,762	1,069,133	1,166,129
Plant Operations And Maintenance	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	12,552,287
Pupil Transportation	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	3,150,196
Special Schools	996,687	940,027	915,697	1,010,334	763,467					
Interest On Long-Term Debt	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	1,503,626
Unallocated Depreciation	2,341,669	2,337,989	3,478,605							-
Total Governmental Activities Expenses	93,652,653	98,066,328	103,299,971	104,096,558	119,216,945	121,980,473	135,293,411	138,915,004	131,877,370	130,207,832
Business-Type Activities:										
Food Service	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	1,872,969
Infant/Toddler Development Program	1,074,626	1,005,350	923,260	716,747	952,967	1,005,800	1,054,794	933,221	1,315,770	1,191,263
Technology Initiative						58,239	85,159	89,063	67,522	177,570
Inclusive Preschool							14,140	30,834	-	-
Total Business-Type Activities Expense	2,227,701	2,239,637	2,195,875	2,183,871	2,444,068	2,707,182	2,999,153	3,023,022	3,456,499	3,241,802
Total District Expenses	\$ 95,880,354	\$ 100,305,965	\$ 105,495,846	\$ 106,280,429	\$ 121,661,013	\$ 124,687,655	\$ 138,292,564	\$ 141,938,026	\$ 135,333,869	\$ 133,449,634
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 1,671,910	\$ 1,440,927	\$ 1,932,584	\$ 879,643	\$ 689,432	\$ 390,244	\$ 1,541,938	\$ 1,570,131	\$ 2,736,701	\$ 2,743,299
Operating Grants and Contributions	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	30,227,961
Capital Grants And Contributions	4,123,851	3,440,895	1,012,305	177,260	1,815,883	10,828	-	11,027	64,121	77,300
Total Governmental Activities Program Revenues	14,311,290	14,983,452	15,007,654	2,787,421	4,505,285	29,131,656	40,672,236	42,426,963	35,961,455	33,048,560
Business-Type Activities:										
Charges For Services										
Food Service	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	1,915,025
Infant/Toddler Development Program	1,011,663	961,850	728,458	853,846	939,697	1,012,840	989,001	1,090,435	1,181,341	806,137
Technology Initiative						96,600	97,890	94,927	98,625	95,950
Inclusive Preschool							8,700	55,000		1,620
Operating Grants And Contributions	112,120	124,847	121,800	2,124						
Total Business Type Activities Program Revenues	2,168,315	2,165,575	1,947,185	2,251,609	2,477,394	2,787,986	2,978,630	3,254,198	3,430,896	2,818,732
Total District Program Revenues	\$ 16,479,605	\$ 17,149,027	\$ 16,954,839	\$ 5,039,030	\$ 6,982,679	\$ 31,919,642	\$ 43,650,866	\$ 45,681,161	\$ 39,392,351	\$ 35,867,292
Net (Expense)/Revenue										
Governmental Activities	\$ (79,341,363)	\$ (83,082,876)	\$ (88,292,317)	\$ (101,309,137)	\$ (114,711,660)	\$ (92,848,817)	\$ (94,621,175)	\$ (96,488,041)	\$ (95,915,915)	\$ (97,159,272)
Business-Type Activities	(59,386)	(74,062)	(248,690)	67,738	33,326	80,804	(20,523)	231,176	(25,603)	(423,070)
Total District-Wide Net Expense	\$ (79,400,749)	\$ (83,156,938)	\$ (88,541,007)	\$ (101,241,399)	\$ (114,678,334)	\$ (92,768,013)	\$ (94,641,698)	\$ (96,256,865)	\$ (95,941,518)	\$ (97,582,342)

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2019
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 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	\$ 96,014,943
Debt Service	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	2,869,732
State Aid Restricted								417,813	409,204	134,178
Unrestricted Grants And Contributions	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	207,272	119,899	27,018	13,687	13,391	32,868	18,164	27,426	126,118	165,977
Miscellaneous	277,454	285,421	371,948	1,510,467	1,282,353	1,820,195	1,381,757	1,341,503	741,427	629,114
Transfers									18,726	(497,672)
Special Items				105,000				(20,859)	653,578	896,029
Total Governmental Activities	<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>	<u>100,212,301</u>
Business-Type Activities:										
Investment Earnings	1,199	1,033	399	96	117	254	235	501	3,132	3,320
Transfers In/(Out)								20,859	(18,726)	497,672
Total Business-Type Activities	<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>	<u>500,992</u>
Total District-Wide	<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>	<u>\$ 100,713,293</u>
Change In Net Position										
Governmental Activities	\$ 6,019,976	\$ 4,897,697	\$ 3,496,509	\$ 513,392	\$ (279,483)	\$ 701,770	\$ 1,179,636	\$ 118,657	\$ 3,481,951	\$ 3,053,029
Business-Type Activities	(58,187)	(73,029)	(248,291)	67,834	33,443	81,058	(20,288)	252,536	(41,197)	77,922
Total District	<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>	<u>\$ 3,130,951</u>

Note 1 - The Changes in Net Position for the fiscal year ended June 30, 2019 is restated to reflect the reclassification of expenditures/expenses between th Governmental and Business-Type Activities.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Restated)	2020
General Fund										
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	\$ 6,102,925
Committed	626,236	524,538	863,807			936,100	208,900	290,930	137,166	118,451
Assigned	55,629	67,945	81,909	201,232	57,326	1,532,412	1,349,639	298,823	439,418	867,924
Unassigned	633,086	595,619	2,131,432	2,121,012	1,757,257	359,127	459,218	472,835	437,229	207,260
Total General Fund	<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>\$ 6,257,870</u>	<u>\$ 7,296,560</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 3,544,259	\$ 2,682,320	\$ 112,723	\$ 238,428	\$ 217,185	\$ 1,354,153	\$ 4,898,207	\$ 1,082,373	\$ 173,324	\$ 4,342
Committed	20,507,731	2,697,335								
Assigned	166,046	175,087		997,506	980,585					
Unassigned	(5,420,422)	(2,383,023)								
Total All Other Governmental Funds	<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>	<u>\$ 4,342</u>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 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	\$ 98,884,675
Tuition	465,061	340,410	551,917	879,643	689,432	1,188,229	1,541,938	1,570,131	2,123,032	2,124,331
Interest Earnings	207,272	119,899	27,018	13,687	13,391					
Miscellaneous	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	1,892,764
State Sources	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	22,933,441
Federal Sources	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	1,343,026
Total Revenue	99,905,813	103,195,947	106,996,480	105,474,950	107,462,890	109,103,995	115,456,520	118,610,341	124,854,317	127,178,237
Expenditures										
Instruction										
Regular Instruction	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	50,279,813
Special Education Instruction	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	20,456,406
Other Special Instruction	957,878	1,349,859	1,352,093	1,417,159	1,450,732					
Other Instruction	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	4,046,251
School Sponsored Activities and Athletics						1,609,224	1,700,797	1,675,626	1,683,110	1,988,216
Support Services:										
Tuition	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926					
Student & Inst. Related Services	11,382,241	12,058,142	12,843,206	13,209,750	13,762,418	17,516,888	18,128,037	18,892,425	19,586,562	20,676,504
School Administration Services	926,283	911,760	897,146	896,078	812,902	4,967,525	5,175,251	5,295,387	5,405,831	5,493,359
General Administration Services	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	1,280,374
Central Services	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	1,767,869
Administrative Information Technology Services	589,380	617,686	548,276	679,276	774,375	1,142,986	1,301,853	1,115,710	1,076,304	1,206,649
Plant Operations And Maintenance	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	9,514,239
Pupil Transportation	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	3,155,266
Employee Benefits	17,271,044	18,897,615	20,406,898	18,215,072	19,683,350					
Special Schools	996,687	940,027	915,697	1,010,334	841,165					
Capital Outlay	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	1,801,809
Debt Service:										
Principal	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	3,426,623
Interest And Other Charges	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	1,657,479
Total Expenditures	118,595,348	120,017,707	108,743,758	105,261,834	109,901,610	109,358,218	121,441,589	124,431,449	125,053,261	126,750,857
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(18,689,535)	(16,821,760)	(1,747,278)	213,116	(2,438,720)	(254,223)	(5,985,069)	(5,821,108)	(198,944)	427,380
Other Financing Sources (Uses)										
Proceeds from Borrowing							6,660,000			
Premium (Discount) on Bonds				(31,800)			1,037,360			
Capital Leases (Non-Budgeted)	1,215,000	715,000	725,000	975,000	1,440,000	995,000	1,578,969	900,000		940,000
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	115,897	37,468	1,255		651,330		315,000	98,256	159,524	1,408,884
Transfers Out	(115,897)	(37,468)	(1,255)		(651,330)		(315,000)	(119,115)	(140,798)	(1,906,556)
Total Other Financing Sources (Uses)	1,270,746	715,000	725,000	1,141,472	1,440,000	995,000	8,966,329	879,141	18,726	442,328
Net Change In Fund Balances	\$ (17,418,789)	\$ (16,106,760)	\$ (1,022,278)	\$ 1,354,588	\$ (998,720)	\$ 740,777	\$ 2,981,260	\$ (4,941,967)	\$ (180,218)	\$ 869,708
Debt Service As A Percentage Of Noncapital Expenditures	3.60%	3.71%	3.60%	3.65%	3.50%	4.39%	4.20%	4.12%	4.71%	4.07%

**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>
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
2020	301,833		77,117		532,626	73,300		263,206	156,452	1,404,534

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 ^a
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
2020	24,532,000	5,214,285,800	493,934,100	87,624,700	5,820,376,600		5,820,376,600	6,741,842,545	1.724

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)

Assessment Year	Basic Rate	General Obligation Debt Services	Total District School	Overlapping Rates		Total Direct and Overlapping Tax Rate
				Village of Ridgewood	County of Bergen	
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
2020	1.672	0.052	1.724	0.626	0.287	2.637

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)**

Taxpayer	2020		2011	
	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	0.42%
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	0.14%
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	1.81%

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	
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
2020	98,884,675	98,884,675	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>			
2011	\$ 51,915,000	\$ 1,866,566	\$ 53,781,566	25,097	\$ 2,143
2012	50,350,000	1,763,477	52,113,477	25,147	2,072
2013	48,710,000	1,662,254	50,372,254	25,199	1,999
2014	47,230,000	2,720,676	49,950,676	25,208	1,982
2015	45,255,000	3,137,662	48,392,662	25,282	1,914
2016	43,200,000	3,167,841	46,367,841	25,232	1,838
2017	47,275,000	3,626,831	50,901,831	25,258	2,015
2018	45,120,000	3,341,995	48,461,995	25,164	1,926
2019	42,200,000	2,163,362	44,363,362	25,056	1,771
2020	39,845,000	2,031,739	41,876,739	25,056 (A)	1,671

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2011	\$ 51,915,000		\$ 51,915,000	0.78%	\$ 2,069
2012	50,350,000		50,350,000	0.76%	2,002
2013	48,710,000		48,710,000	0.85%	1,933
2014	47,230,000		47,230,000	0.82%	1,874
2015	45,255,000		45,255,000	0.79%	1,790
2016	43,200,000		43,200,000	0.75%	1,712
2017	47,275,000	\$ 111,032	47,163,968	0.81%	1,867
2018	45,120,000	111,031	45,008,969	0.77%	1,789
2019	42,200,000	134,641	42,065,359	0.72%	1,679
2020	39,845,000	1	39,844,999	0.68%	1,590

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, 2019
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
School Purposes	\$ 41,560,000	\$ 41,560,000	
Local Utilities	52,916,665	52,916,665	
Municipal Purposes	<u>56,725,228</u>	<u>-</u>	<u>\$ 56,725,228</u>
	<u>\$ 151,201,893</u>	<u>\$ 94,476,665</u>	<u>56,725,228</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Bergen County			
County of Bergen (A)			53,204,299
Northwest Bergen County Utilities Authority (B)			<u>38,969</u>
			<u>53,243,268</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 109,968,496</u>

SOURCE:

(1) Village of Ridgewood 2019 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 2019 equalized value by the total 2019 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 2019

	Equalized Valuation Basis
2019	\$ 6,732,074,699
2018	6,783,654,794
2017	<u>6,616,447,759</u>
	<u>\$ 20,132,177,252</u>
Average Equalized Valuation of Taxable Property	<u>\$ 6,710,725,751</u>
Debt Limit	268,429,030
Total Net Debt Applicable to Limit	<u>39,845,000</u>
Legal debt margin	<u>\$ 228,584,030</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 268,429,030
Total Net Debt Applicable to Limit	<u>51,915,000</u>	<u>50,350,000</u>	<u>48,710,000</u>	<u>47,230,000</u>	<u>45,255,000</u>	<u>43,200,000</u>	<u>47,275,000</u>	<u>45,120,000</u>	<u>42,200,000</u>	<u>39,845,000</u>
Legal Debt Margin	<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>	<u>\$ 228,584,030</u>
Total net debt applicable to the limit as a percentage of debt limit	19.45%	19.31%	19.19%	23.58%	22.63%	17.45%	18.66%	17.43%	15.96%	14.84%

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>
2011	25,097	\$ 69,053	5.6%
2012	25,147	72,152	5.9%
2013	25,199	71,679	5.3%
2014	25,208	74,452	4.0%
2015	25,282	77,666	5.3%
2016	25,232	79,145	3.2%
2017	25,258	81,483	3.1%
2018	25,164	83,951	2.5%
2019	25,056	83,951 (A)	2.1%
2020	25,056 (A)	83,951 (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>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>	<u>2020</u>
Instruction										
Regular	369	348	350	341	344	350	352	352	353	353
Special education	54	78	76	89	82	73	77	77	78	79
Other special education - suppl/mainstreaming	59	107	119	95	101	102	101	102	102	102
Other Instruction										
Support Services:										
Student & instruction related services	125	108	108	95	114	95	108	108	108	108
General administration	4	4	4	2	2	2	2	2	2	2
School administrative services	41	54	54	44	40	40	35	35	35	35
Central services	16	20	20	15	14	14	13	13	13	13
Administrative Information Technology	19	19	19	7	11	11	10	10	10	10
Plant operations and maintenance	2	7	6	3	2	2	3	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	32	33	33	33	33	33	33	33
Total	<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>	<u>741</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	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				
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%
2020	5,699	119,864,946	21,033	1.94%	431.00	13.5	13.0	13.6	5,694	5,546.0	0.74%	97.40%

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)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
<u>Glen (1959)</u>										
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	54	37	42	42	42	42	42	48	66	67
<u>Hawes (1966)</u>										
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	407	405	407	407	407	407	423	408	419	408
<u>Orchard (1966)</u>										
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	340	337	333	333	333	333	316	308	292	308
<u>Ridge (1960)</u>										
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	500	497	514	514	514	514	432	442	447	463
<u>Somerville (1950)</u>										
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	527	502	517	517	517	517	411	416	430	421
<u>Travel (1966)</u>										
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	407	395	365	365	365	365	385	389	394	390
<u>Willard (1926)</u>										
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	484	479	500	500	500	500	496	491	488	496
<u>Middle School</u>										
<u>Benjamin Franklin (1954)</u>										
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	697	738	738	738	738	711	713	686	681
<u>George Washington (1928)</u>										
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	661	688	652	652	652	652	732	712	706	676

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

	<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>	<u>2020</u>
<u>District Building</u>										
<u>High School</u>										
<u>Ridgewood High School</u>										
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	1,789
<u>Other</u>										
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

129

Number of Schools at June 30, 2020

- 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>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>	<u>2020</u>
*School Facilities	School #										
Ridgewood High School	050	\$ 28,872	\$ 377,586	\$ 374,705	\$ 355,471	\$ 346,196	\$ 351,787	\$ 493,690	\$ 477,170	\$ 391,537	\$ 286,977
Benjamin Franklin Middle School	060	75,875	349,328	287,346	204,427	199,093	269,770	295,869	365,920	180,005	202,181
George Washington Middle School	070	122,790	173,071	149,408	141,019	137,340	141,119	216,994	191,417	165,307	160,250
Glen Elementary School	080	20,656	37,476	41,200	52,398	51,031	38,681	73,316	52,467	45,729	45,675
Hawes Elementary School	085	46,837	25,864	52,821	89,505	87,170	56,341	72,499	76,423	83,418	67,424
Ridge Elementary School	090	73,875	52,033	71,565	66,201	64,474	67,726	79,050	91,865	96,435	58,106
Somerville Elementary School	100	186,173	116,760	102,623	142,082	138,375	96,347	115,136	130,685	131,631	68,110
Travel Elementary School	110	140,485	83,408	69,120	70,942	69,091	67,726	117,861	91,865	71,580	68,731
Orchard Elementary School	120	204,931	126,520	58,103	66,450	64,716	59,697	101,684	80,974	69,656	46,270
Willard Elementary School	130	427,402	25,329	76,213	73,703	71,780	71,551	99,301	97,054	143,221	118,523
Education Center	999	134,943	111,929	49,259	83,579	81,398	46,246	55,209	62,729	38,942	76,696
Total School Facilities		<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>	<u>\$ 1,198,943</u>

Source: District Records

RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
PACKAGE POLICY - Great American Ins. Co.		
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	5,000 100,000
Boiler & Machinery	262,768,595	
ENVIRONMENTAL - ACE	4,000,000 20,000,000 Group Aggregate	25,000
EDUCATOR'S LEGAL LIABILITY/ EMPLOYMENT PRACTICES - Greenwich	1,000,000	25,000
COMMERCIAL UMBRELLA-Great American Ins. Co.	9,000,000	10,000
EXCESS UMBRELLA - Fireman's Fund	\$50,000,000 Group Aggregate	
CYBER LIABILITY-Indian Harbor Ins. Co.	\$1,000,000 Occurrence \$6,000,000 Group Aggregate (Subject to Sublimits)	15,000
WORKER'S COMPENSATION-Safety National		
Maximum Limit of Indemnity per Occurrence	Statutory	
Employer's Liability Per Occurrence	1,000,000	
TRAVEL ACCIDENT POLICY - Gerber Life	\$100,000 AD&D	
Board Members, Business Admin., Superintendent		
STUDENT AND ATHLETIC ACCIDENT-Zurich Ins. Co.	5,000,000	20% Co insurance on 1st \$25,000
Voluntary - Monumental Life	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
JULIUS B. CONSONI, CPA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
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 Education
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, 2020 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 18, 2020.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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 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 and which is described in the accompanying schedule of findings and questioned costs as item 2020-002.

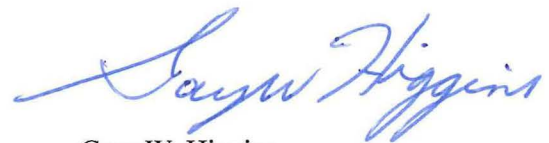
Additionally, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Ridgewood Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 18, 2020.

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 18, 2020



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
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 Education
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, 2020. 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 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, 2020.

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.

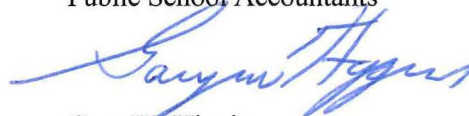
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 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, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated December 18, 2020, 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 18, 2020

RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	July 1, 2019		A/R Carryover Amount	Def. Rev. Carryover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	June 30, 2020			MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue						Accounts Receivable	Unearned Revenue	Due to Grantor	
General Fund															
U.S. Department of Human Services															
Passed-through State Department of Education															
Medicaid Assistance	93.778	2005NJ5MAP	7/1/18-6/30/20	\$ 15,582	\$ -	-	-	-	\$ 15,213	\$ 15,582	-	\$ (369)	-	-	\$ (369)
Medicaid Assistance	93.778	1905NJ5MAP	7/1/18-6/30/19	7,020	(43)	-	-	-	43	-	-	-	-	-	-
Total General Fund					(43)	-	-	-	15,256	15,582	-	(369)	-	-	(369)
Special Revenue Fund															
U.S. Department of Education															
Passed-through State Department of Education															
I.D.E.A. Part B	84.027	H027A180100	7/1/18-6/30/19	1,006,333	(36,083)	-	-	-	36,083	-	-	-	-	-	-
I.D.E.A. Part B	84.027	H027A190100	7/1/19-6/30/20	1,023,981	-	-	-	-	1,015,765	1,019,246	(8,216)	\$ 4,735	-	-	(3,481)
I.D.E.A. Preschool	84.173	H173A190114	7/1/19-6/30/20	38,884	-	-	-	-	38,884	38,884	-	-	-	-	-
Total Special Education Cluster (IDEA)					(36,083)	-	-	-	1,090,732	1,058,130	-	(8,216)	4,735	-	(3,481)
Title I Part A	84.010	S010A190030	7/1/19-6/30/20	179,819	-	-	\$ (35,602)	\$ 35,602	97,028	153,234	(82,791)	26,585	-	-	(56,206)
Title I Part A	84.010	S010A180030	7/1/18-6/30/19	153,886	(105,272)	\$ 35,602	35,602	(35,602)	69,670	-	-	-	-	-	-
Title II A	84.367A	S367A190029	7/1/19-6/30/20	78,161	-	-	-	-	61,764	78,045	(16,397)	116	-	-	(16,281)
Title II A	84.367A	S367A180029	7/1/18-6/30/19	85,915	(36,255)	-	-	-	36,255	-	-	-	-	-	-
Title III	84.365	S365A190030	7/1/19-6/30/20	22,549	-	-	-	-	13,902	20,675	(8,647)	1,874	-	-	(6,773)
Title III	84.365	S365A180030	7/1/18-6/30/19	24,846	(11,254)	-	-	-	11,254	-	-	-	-	-	-
Title III, Immigrant	84.365	S365A190030	7/1/19-6/30/20	21,928	-	-	(4,226)	4,226	15,935	19,539	(5,993)	2,389	-	-	(3,604)
Title III, Immigrant	84.365	S365A180030	7/1/18-6/30/19	16,789	(21,382)	4,226	4,226	(4,226)	17,156	-	-	-	-	-	-
Total Title III Cluster					(32,636)	4,226	-	-	58,247	40,214	-	(14,640)	4,263	-	(10,377)
Total U.S. Department of Education Passed-through State Department of Education															
					(210,246)	39,828	-	-	1,413,696	1,329,623	-	(122,044)	35,699	-	(86,345)
U.S. Department of Education															
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					(210,246)	45,211	-	-	1,413,696	1,329,623	-	(122,044)	41,082	-	(86,345)
U.S. Department of Homeland Security 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	-	-	-	-
Total Special Revenue Fund					(239,389)	45,211	-	-	1,413,696	1,329,623	29,143	(122,044)	41,082	-	(86,345)
Total Federal Awards					\$ (239,432)	\$ 45,211	\$ -	\$ -	\$ 1,428,952	\$ 1,345,205	\$ 29,143	\$ (122,413)	\$ 41,082	\$ -	\$ (86,714)

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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Deferred Revenue Adjustment	Refund of Prior Years' Balances	June 30, 2020			MEMO		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
General Fund																	
State Department of Education																	
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 2,810,902				\$ 2,587,399	\$ 2,810,902									\$ 2,810,902
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,409,152	(195,398)			195,398						(223,503)				
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	447,742				398,402	447,742					(49,340)				447,742
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	447,742	(36,315)			36,315										
Total State Aid Public Cluster				(231,713)			3,217,514	3,258,644					(272,843)				3,258,644
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	620,535				584,934	620,535					(35,601)				620,535
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	620,535	(50,329)			50,329										
Additional Non Public Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	7,919					7,919					(7,919)				7,919
Additional Non Public Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	48,720	(48,720)			48,720										
Total State Aid Transportation Cluster				(99,049)			683,983	628,454					(43,520)				628,454
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	1,978,317					1,978,317					(1,978,317)				1,978,317
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	1,716,211	(1,716,211)			1,716,211										
On-Behalf TPAF Pension Benefits	20-495-034-5094-002	7/1/19-6/30/20	9,786,798				9,786,798	9,786,798									9,786,798
On-Behalf TPAF - Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	175,417				175,417	175,417									175,417
On-Behalf TPAF - Post Retirement Medical Contributions	20-495-034-5094-001	7/1/19-6/30/20	3,695,799				3,695,799	3,695,799									3,695,799
On-Behalf TPAF - Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	6,187				6,187	6,187									6,187
Reimbursed TPAF Social Security Contr.	20-495-034-5094-003	7/1/19-6/30/20	3,543,954				3,367,106	3,543,954					(176,848)				3,543,954
Reimbursed TPAF Social Security Contr.	19-495-034-5094-003	7/1/18-6/30/19	3,432,606	(171,300)			171,300										
Total General Fund				(2,218,273)			22,820,315	23,073,570					(2,471,528)				(184,767) 23,073,570
Special Revenue Fund																	
N.J. Nonpublic Aid:																	
Handicapped Services																	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	1,607			\$ 1,607					1,607						
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	8,732				8,732	5,571							\$ 3,161		5,571
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	10,922			5,279					5,279						
Total Handicapped Aid						6,886	8,732	5,571			6,886				3,161		5,571
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	1,423				1,423	1,025									1,025
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	374			374					374						
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	972				972										
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	252			252					252						
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	5,250				5,250	5,150								100	5,150
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	1,050			1,050					1,050						
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	3,395				3,395	2,455								940	2,455
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	679			679					679						
Total Special Revenue Fund						9,241	19,772	14,201			9,241				5,571		14,201
Debt Service Fund																	
Debt Service Aid	20-495-034-5120-017	7/1/19-6/30/20	134,178				134,178	134,178									134,178
Total State Financial Subject to Single Audit Determination				\$ (2,218,273)	\$ -	\$ 9,241	\$ 22,974,265	\$ 23,221,949	\$ -	\$ -	\$ 9,241	\$ (2,471,528)	\$ -	\$ 5,571	\$ (184,767)	\$ 23,221,949	
Less Amounts Not Subject to Single Audit:																	
On-Behalf TPAF Pension Benefits	20-495-034-5094-002	7/1/19-6/30/20	9,786,798				(9,786,798)	(9,786,798)									(9,786,798)
On-Behalf TPAF - Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	175,417				(175,417)	(175,417)									(175,417)
On-Behalf TPAF - Post Retirement Medical Contributions	20-495-034-5094-001	7/1/19-6/30/20	3,695,799				(3,695,799)	(3,695,799)									(3,695,799)
On-Behalf TPAF - Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	6,187				(6,187)	(6,187)									(6,187)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (2,218,273)	\$ -	\$ 9,241	\$ 9,310,064	\$ 9,557,748	\$ -	\$ -	\$ 9,241	\$ (2,471,528)	\$ -	\$ 5,571	\$ (184,767)	\$ 9,557,748	

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

**RIDGEWOOD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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. 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 \$288,508 for the general fund and a decrease of \$19,684 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	\$ 15,582	\$ 22,785,062	\$ 22,800,644
Special Revenue Fund	1,327,444	14,201	1,341,645
Debt Service Fund	-	134,178	134,178
	<hr/>	<hr/>	<hr/>
Total Awards Financial Assistance	<u>\$ 1,343,026</u>	<u>\$ 22,933,441</u>	<u>\$ 24,276,467</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, 2020**

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 \$3,543,954 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$9,962,215, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,695,799 and TPAF Long-Term Disability Insurance in the amount of \$6,187 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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 payments 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, 2020**

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)? X yes none reported

Noncompliance material to the basic financial statements noted? X yes 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>
84.027	H027A190100	IDEA Part B
84.173	H173A190114	IDEA Preschool

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, 2020

Part I – Summary of Auditor’s Results

State 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 N.J. Circular Letter 15-08?

 yes X no

Identification of major State programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000

Auditee qualified as low rise auditee

 X yes no

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*.

Finding 2020-001:

Our audit of the District's capital assets revealed the capital assets report provided for audit did not accurately reflect all current year additions.

Criteria or specific requirement:

Generally Accepted Accounting Principles.

Condition:

The District's capital assets report provided for audit did not accurately record all additions for the fiscal year ended June 30, 2020.

Context:

- Capital asset additions in the amount of \$1,266,466 per the District's accounting records were not added to the capital asset report.
- Encumbrances payable at June 30, 2020 in the amount of \$9,905 were added to the capital asset report in error.
- The prior year construction in progress balance of \$750,769 was not added to the capital assets report.
- Current year construction in progress of \$221,587 was not tabulated.

Effect:

The District capital asset records may not agree with actual values of District owned assets.

Cause:

All capital assets acquired during the year were not identified and recorded in the District's capital assets accounting records.

Recommendation:

All current year additions be properly reflected in the District's capital assets report.

View of Responsible Officials and Planned Corrective Action:

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

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*.

Finding 2020-002:

The audit indicated that the District did not submit the post-award notice for the contract for custodial, maintenance, grounds and management services within 20 days after the award to the Office of State Comptroller in accordance with N.J.S.A. 52:15 C-10.

Criteria or Specific Requirement

N.J.A.C. 52:15 C-10.

Condition

The district did not submit a post-award notice for an award in excess of \$10 million to the Office of State Comptroller timely.

Context

See Finding 2020-002.

Effect

The Office of State Comptroller was not notified timely for the post-award notice of a contract award over \$10 million.

Cause

Unknown.

Recommendation

Purchasing procedures be enhanced to ensure post-award notices are submitted to the Office of State Comptroller in accordance with N.J.S.A 52:15 C-10.

View of Responsible Officials and Planned Corrective Action Plan

Management has reviewed this finding and has indicated that the post-award notice was subsequently submitted to the Office of the State Comptroller.

**RIDGEWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

CURRENT YEAR STATE AWARDS

There are none.

**RIDGEWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 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.

Current Status

Corrective action has been taken.