

Ridgewood Board of Education

Village of Ridgewood
Board of Education
County of Bergen
New Jersey

*Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2015*

Ridgewood Board of Education

Village of Ridgewood, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Prepared by Ridgewood Board of Education
Business Office

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Introductory Section



Ridgewood Public Schools

Education Center

49 Cottage Place
Ridgewood, NJ 07451
(P) 201-670-2700
(F) 201-670-2668

BOARD MEMBERS

Sheila Brogan, President
B. Vincent Loncto, Vice President
Christina Krauss
Michele Lenhard
James Morgan

ADMINISTRATION

Dr. Daniel Fishbein,
Superintendent
Cheryl Best,
Asst. Superintendent
Dr. Alfredo Aguilar,
Business Administrator/
Board Secretary

December 18, 2015

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, 2015 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 Basic 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 Single Audit Act of 1984, as amended, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, 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 5,650 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 Assistant Superintendent for Business/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 2014-2015 fiscal year with an average daily enrollment of 5,650 students, which is 67 students below the previous year's average daily enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2014-15	5,650.4	-1.17%
2013-14	5,717.2	-0.59%
2012-13	5,751.0	0.90%
2011-12	5,699.9	-0.19%
2010-11	5,710.6	1.14%

The forecast for student enrollment is for continued growth at a rate of about 1.0%. The District's actual enrollment on September 30, 2015 was 5,755 an increase of approximately 105 students from June 2015.

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. The proposed budget for fiscal year 2014-15 passed. General fund expenditures increased by 3.1%. The local tax levy increased by 2.0%. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing. The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for, and support of a quality school system.

Educational Program

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

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

The Ridgewood Public School system is composed of seven elementary schools (Pre-K-5), two middle schools (6-8), and one high school (9-12), serving approximately 5,755 students. All public schools are accredited by the New Jersey Department of Education, and the high school is accredited by the Middle States Association of Colleges and Secondary Schools.

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 1,697. The high school is the largest in Bergen County. It is accredited by the Middle States Association of Colleges and Secondary Schools and the New Jersey Department of Education. The class of 2015 included 408 students.

Post- Secondary Plans: Class of 2015 CLASS OF 2015

4-Year Colleges	91.4%
2-Year Colleges	5.3%
Military	1 student

The Class of 2015 received acceptances from the following colleges, universities, and military academies:

Amherst College	James Madison University	Stony Brook University
Austin Community College	John Jay College of Criminal Justice of the CUNY)	SUNY College at Cortland
Babson College	Johns Hopkins University (3)	SUNY Maritime College (2)
Barnard College	Kean University	Swarthmore College
Bates College	Keene State College (3)	Syracuse University (6)
Bentley University (2)	Lafayette College (2)	Temple University
Bergen Community College (24)	Lehigh University (5)	The Art Institute of Atlanta
Binghamton University (3)	Liberty University	The Catholic University of America
Boston College (7)	Lincoln Technical Institute	The College of New Jersey(5)
Boston University (3)	Loyola University Maryland (3)	The George Washington University (6)
Bowdoin College	Marquette University	The Juilliard School
Brandeis University (2)	Maryland Institute College of Art (2)	The University of Alabama (3)
Brown University	Marywood University (2)	The University of Georgia
Bryn Mawr College	McGill University (5)	The University of Scranton (5)
Bucknell University (5)	Merrimack College (2)	The University of Tampa
CA Polytechnic State Univ. San Luis Obispo	Monmouth University	The University of Texas, Austin
Case Western Reserve University	Montclair State University (2)	The University of Texas, Dallas
Champlain College	Mount Saint Mary's University	Trinity College (4)
Clemson University (3)	Muhlenberg College (2)	Tufts University (5)
Coastal Carolina University	New Jersey Institute of Technology (2)	Tulane University (4)
Colby College (2)	New York University (6)	Union College (2)

Colgate University (2)	Northampton Community College	University College London
College of Mount Saint Vincent	Northeastern University (2)	University of California at Los Angeles
College of the Holy Cross (4)	Nova Southeastern University	University of Chicago
College of William and Mary	Oberlin College	University of Cincinnati
Columbia University	Occidental College	University of Colorado at Boulder (5)
Concordia University - Montreal	Pace University, New York City	University of Delaware (8)
Connecticut College (2)	Pace University, Westchester Campus	University of Exeter
Cornell University (2)	Pennsylvania College of Technology	University of Hartford
Delaware State University	Pennsylvania State University, Altoona	University of Illinois at Urbana-Champaign (2)
DePauw University	Pennsylvania State University, University Park (7)	University of Maryland at College Park (7)
DigiPen Institute of Technology	Polytechnic Institute of NYU	University of Massachusetts, Amherst (2)
Dowling College	Pratt University	University of Miami
Drew University	Princeton University	University of Michigan (8)
Elon University (4)	Purchase College State University New York	University of Mississippi
		University of Missouri Columbia
Fairfield University (5)	Purdue University (5)	University of Pennsylvania (2)
Fairleigh Dickinson University	Quinnipiac University (3)	University of Pittsburgh (2)
Fairleigh Dickinson University - Madison	Ramapo College of NJ (7)	University of Rhode Island (3)
Fashion Institute of Technology	Rensselaer Polytechnic University	University of Richmond (3)
Fordham University	Rider University	University of Rochester
Franklin and Marshall College (3)	Roanoke College	University of South Carolina (5)
Furman College	Rochester Institute of Technology	University of the Sciences in Philadelphia (2)
George Mason University	Roger Williams University (3)	University of Tsukuba
Georgetown University (3)	Rowan University (5)	University of Vermont (6)
Gettysburg College (6)	Rutgers, The State University of NJ at New Brunswick (20)	University of Virginia
Goucher College	Sacred Heart University (3)	University of Wisconsin, Madison
Hamilton College – NY (3)	Santa Clara University	Urinus College (2)
Hampshire College	Sarah Lawrence College	Vassar College (2)
High Point University	Savannah College of Art & Design	Villanova University (4)
Hobart and William Smith Colleges	School of Visual Arts (2)	Virginia Polytechnic Institute and State University (2)
Hofstra University	Seton Hall University (2)	Wake Technical Community College
Indiana University – Bloomington (6)	Sienna College	Wellesley College
Ithaca College (4)	Skidmore College	Wesleyan University (2)
	Sophia University	West Chester University of Pennsylvania
	St. John's University, Queens Campus (2)	West Virginia University
	St. Mary's University of New York at Albany	Western New England University
	State University of NY at Albany	William Paterson University of NJ (4)
		Williams College
		Worcester Polytechnic Institute
		Yale University

Major Initiatives

In District Special Education Classes

The District offers specialized classes for certain special students. Learning disability classes are offered at Ridgewood High School, George Washington, Benjamin Franklin, Travell, Somerville and Willard. Autistic classes (RISe Program) are offered at George Washington Middle School, Ridge School and Glen School. Additionally, at Glen School, there are classes for preschool students with disabilities. These classes provide Ridgewood students with the opportunity to remain in the Ridgewood School System rather than be sent to expensive out of district specialized schools for the disabled. In district programs, provide these special students with the opportunity to be included in the regular education classes in their buildings when it is appropriate.

Financial Information

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is also subject to periodic evaluation by the District's management.

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

Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as committed or assigned fund balance at June 30, 2015.

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, 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 Single Audit Act, and the related OMB Circular A-133, and New Jersey OMB's Circular 15-08. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

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

Respectfully submitted,

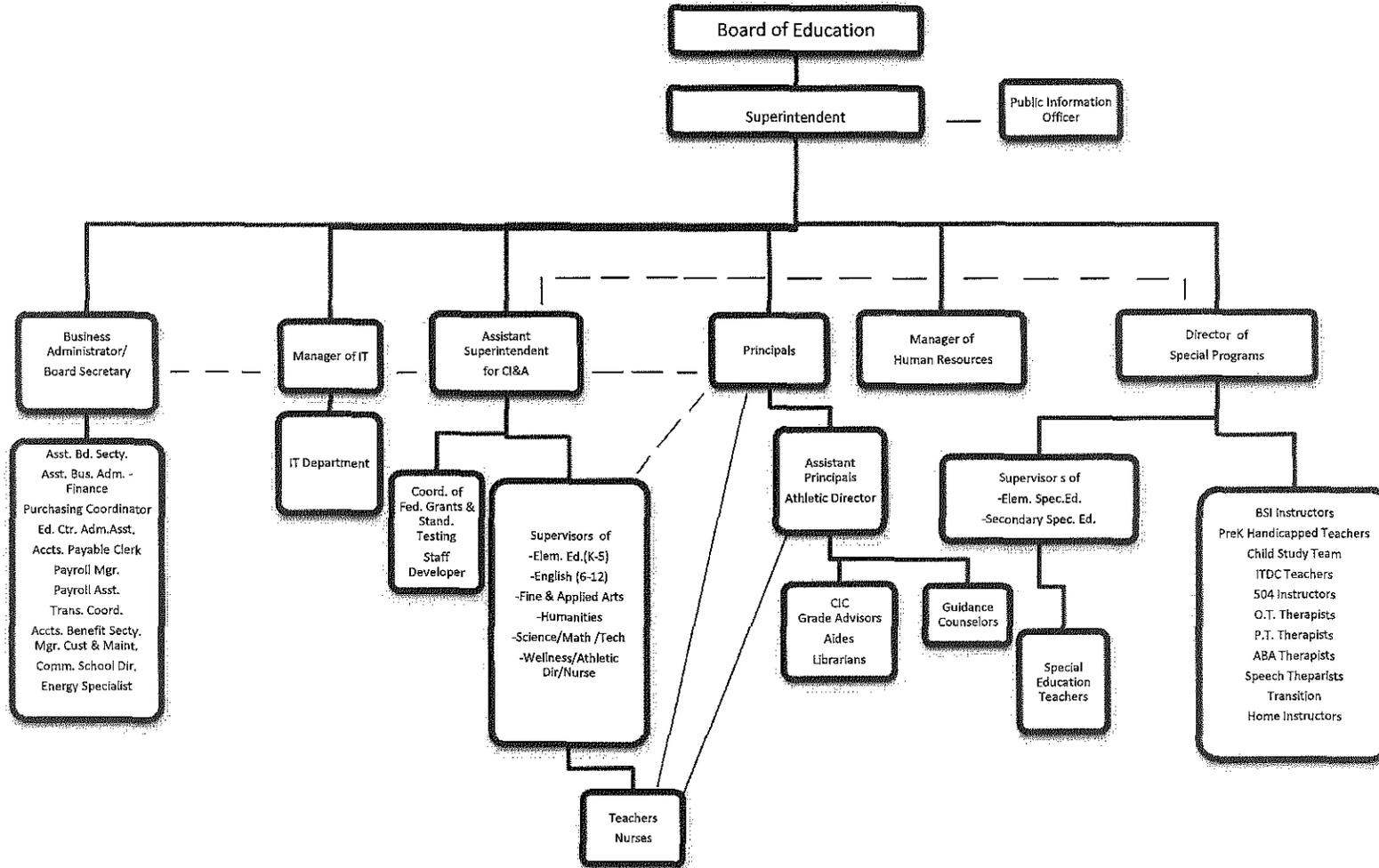


Daniel Fishbein, Ed. D
Superintendent of Schools



Alfredo Aguilar, Ed. D
Business Administrator/Board Secretary

Ridgewood Board of Education Organizational Chart



Ridgewood Board of Education

Roster of Officials

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Sheila Mary Brogan, President	2017
Mr. B. Vincent Loncto, Vice-President	2015
Ms. Christina Krauss	2018
Ms. Jennie Smith Wilson	2016
Mr. James Morgan	2016

Other Officials

Dr. Daniel Fishbein, Ed. D, Superintendent
Dr. Alfredo Aguilar, School Business Administrator/Board Secretary
Mr. Angelo DeSimone, Treasurer

Ridgewood Board of Education

Independent Auditor and Advisors

Independent Auditor

Wiss & Company, LLP
485 C Route One South, Suite 250
Iselin, New Jersey 08830

Attorney

Lindabury, McCormick, Estabrook & Cooper, P.C.
53 Cardinal Drive
P.O. Box 2369
Westfield, New Jersey 07091-2369

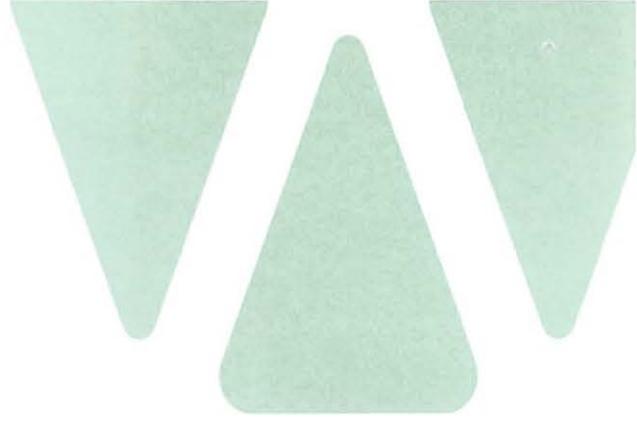
Official Depositories

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

TD North Bank
1100 Lake Street
Ramsey, New Jersey 07446

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Financial Section



Independent Auditors' Report

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

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, County of Bergen, New Jersey (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

wiss.com

354 Eisenhower Parkway
Suite 1850
Livingston, NJ 07039
973.994.9400

485C Route 1 South
Suite 250
Iselin, NJ 08830
732.283.9300

14 Penn Plaza
Suite 1010
New York, NY 10122
212.594.8155

5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 District'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 District'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 District as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter-Change in Accounting Principle

As discussed in Note 1.T. to the financial statements, during the fiscal year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which represents a change in accounting principle. As discussed in Note 16 to the financial statements, as of July 1, 2014 the District's net position was restated to reflect the impact of this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above 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. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The other information identified above has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 District's internal control over financial reporting and compliance.



Michael J. Andriola
Licensed Public School Accountant
No. 2429



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

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Required Supplementary Information - Part I

Management's Discussion and Analysis

Ridgewood Board of Education
Ridgewood, New Jersey

Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2015

This management discussion and analysis of the Ridgewood Board of Education's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements, notes and additional information in the transmittal letter to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information and required by the Governmental Accounting Standards Board. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal 2015 are as follows:

- In total, net position decreased \$21,734,913 from the prior year mainly as a result of the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.
- At the Government-Wide level, general revenues accounted for \$114,432,294 in revenue or 94.2% percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$6,982,679 or 5.8% of total revenues of \$121,414,973. Government-wide expenses were \$121,661,013 for the year ended June 30, 2015.
- At the Fund level, the General Fund expenditures totaled \$101,708,103 including \$9,428,970 in State on-behalf TPAF pension and social security contributions and \$1,006,033 in capital outlay. Grant related expenditures totaled \$3,573,745 in the Special Revenue Fund. Capital Project Fund expenditures totaled \$898,977 and debt service expenditures were \$3,720,785.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ridgewood Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The three components that comprise the District's basic financial statements are: 1) government-wide financial

statements, 2) fund financial statements, and 3) notes to the basic financial statements. The CAFR also contains required, supplementary and other information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Government-wide Statements

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the entire District, and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred inflows of resources, liabilities and deferred outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's net position and changes in net position.

In the Statement of Net Position and Statement of Activities, the District presents governmental activities and business-type activities. All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

The government-wide financial statements can be found on pages 23 and 24 of this report.

Reporting the School District's Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's funds. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds.

Governmental Funds

The District's main activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is reconciled in the financial statements.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25-27 of this report.

Proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its operations of its food service and infant/toddler development programs.

The basic enterprise fund financial statements can be found on pages 28-30 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside or within the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District uses a trust fund to account for its unemployment compensation and scholarship funds.

The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The basic fiduciary fund financial statements can be found on pages 31 and 32 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 to 73 of this report.

Required Supplementary Information and Other information

The required supplementary information related to the District's pension plans as well as the District's combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Required supplementary information and combining and individual fund statements and schedules can be found on pages 74-105 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

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.

Table 1 provides a summary of the District's net position at June 30, 2015 and 2014.

Table 1

Ridgewood Board of Education

Net Position As of June 30,

	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 8,979,115	\$ (4,000)	\$ 8,975,115	\$ 9,949,839	\$ (59,188)	\$ 9,890,651
Capital assets, net	94,502,129	165,869	94,667,998	94,975,404	182,963	95,158,367
Total assets	103,481,244	161,869	103,643,113	104,925,243	123,775	105,049,018
Deferred outflows of resources	2,799,607		2,799,607	209,498		209,498
Current liabilities	5,394,921	123,338	5,518,259	4,572,266	118,687	4,690,953
Net pension liability	22,482,937		22,482,937			
Long-term liabilities	46,646,116		46,646,116	48,377,103		48,377,103
Total liabilities	74,523,974	123,338	74,647,312	52,949,369	118,687	53,068,056
Deferred inflow of resources	1,339,861		1,339,861			
Net position:						
Net investment in capital assets	47,460,901	165,869	47,626,770	46,434,486	182,963	46,617,449
Restricted	4,818,989		4,818,989	5,271,884		5,271,884
Unrestricted (deficit)	(21,862,874)	(127,338)	(21,990,212)	479,002	(177,875)	301,127
Total net position	\$ 30,417,016	\$ 38,531	\$ 30,455,547	\$ 52,185,372	\$ 5,088	\$ 52,190,460

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction in progress, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and capital leases payable and related unamortized discount and deferred loss on the refunding of bonds and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net 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.

The total net position of the District decreased by \$21,734,913 from the prior year, which was mostly attributable to the restatement of the prior year net position in the amount of \$21,488,873 as a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The implementation of these GASB Statements also resulted in increases in deferred outflows of resources, deferred inflows of resources and net pension liability.

Current and other assets decreased mainly due to the expenditures related to the capital projects fund that reduced the amount of cash on hand.

The increase in current liabilities, as well as the deferred outflows, deferred inflow and net pension liability, are all a result of the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

Capital assets net of related debt increased due to the completion of various District projects that were funded through the capital reserve.

Restricted net position decreased mainly due to the decrease in the capital reserve of \$552,895 as a result of current year activity.

Table 2 presents changes in net position for the years ended June 30, 2015 and 2014:

Table 2
Ridgewood Board of Education
Changes in Net Position
Year ended June 30,

	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 689,432	\$ 2,477,394	\$ 3,166,826	\$ 879,643	\$ 2,249,485	\$ 3,129,128
Operating grants and contributions	1,999,970		1,999,970	1,730,518	2,124	1,732,642
Capital grants and contributions	1,815,883		1,815,883	177,260		177,260
Total program revenues	4,505,285	2,477,394	6,982,679	2,787,421	2,251,609	5,039,030
General revenues:						
Property taxes	89,437,119		89,437,119	87,847,977		87,847,977
Federal and state aid not restricted to specific purposes	23,699,314		23,699,314	12,345,398		12,345,398
Other	1,295,744	117	1,295,861	1,524,154	96	1,524,250
Total general revenues	114,432,177	117	114,432,294	101,717,529	96	101,717,625
Expenses:						
Instructional services	74,429,142		74,429,142	63,160,526		63,160,526
Support services	43,000,980	2,444,068	45,445,048	38,799,518	2,183,871	40,983,389
Interest on long-term debt	1,786,823		1,786,823	2,136,514		2,136,514
Total expenses	119,216,945	2,444,068	121,661,013	104,096,558	2,183,871	106,280,429
Change in net position (deficit) before special item	(279,483)	33,443	(246,040)	408,392	67,834	476,226
Special item -- legal settlement				105,000		105,000
Change in net position (deficit)	(279,483)	33,443	(246,040)	513,392	67,834	581,226
Net position -- beginning of year	52,185,372	5,088	52,190,460	51,671,980	(62,746)	51,609,234
Restatement	(21,488,873)		(21,488,873)			
Net position -- beginning of year (as restated)	30,696,499	5,088	30,701,587			
Net position -- end of year	\$ 30,417,016	\$ 38,531	\$ 30,455,547	\$ 52,185,372	\$ 5,088	\$ 52,190,460

Property taxes made up 75.2% of revenues for governmental activities for the Ridgewood Board of Education for fiscal year 2015. Federal and state grants accounted for another 19.9% of revenue.

The total cost of all governmental activities programs and services was \$121,661,013. Instruction comprised 61.2% of District expenses. Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Property taxes increased within allowable caps as permitted by New Jersey regulations.

Capital grants and contributions increased due to the recognition of more state revenue related to the New Jersey Schools Development Authority funding during the 2015 fiscal year as more funds were expended than in the prior year as the projects are ongoing. Federal and state aid not restricted to specific purposes increased due to the State providing more funding for the on behalf TPAF pension and post retirement than had been contributed in past years.

Business-type program revenues increased due to an increase in daily sales for the food service program and fees received for the infant/toddler program. Business-type program expenses increased from the prior year, but was in-line with the increase in revenues.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Financial Analysis of the District's Funds

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

General Fund. The general fund is the main operating fund of the District. At the end of the current fiscal year, restricted fund balances were \$4,818,989, assigned fund balances were \$57,326 and the unassigned fund balance was \$1,757,257 while the total fund balance was \$6,633,572 (B-1). For the year ended June 30, 2015, the District generated excess surplus in the amount of \$750,000.

Special Revenue Fund. Local revenue decreased due to various grants and donations made by private individuals in the prior year not being repeated. Federal revenue decreased due to a reduction in spending of various federal grants.

Capital Projects Fund. Both revenues and expenditures increased in the Capital Projects Fund due to additional projects the District entered into for Ridgewood High School window replacement and heating, ventilation and air-conditioning upgrades.

Debt Service Fund. Both revenues and expenditures are comparable to prior years'.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the General Fund, Special Revenue Fund and Debt Service Fund for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2014	Percent of Increase (Decrease)
Local sources	\$ 92,282,015	86.1%	\$ 415,904	0.5%
State sources	13,665,705	12.7	1,354,385	11.0
Federal sources	1,256,141	1.2	(41,378)	(3.2)
Total	\$ 107,203,861	100.0%	\$ 1,728,911	1.6%

The increase in local revenue was mainly due to an increase in the tax levy offset by decreases in tuition and miscellaneous revenues.

The increase in state sources is mainly due to a increase of the on behalf TPAF Pension contribution made by the State of New Jersey on behalf of the District.

The decrease in federal sources is mainly attributable to a decrease in Medicaid reimbursement (SEMI) revenues.

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 50,462,830	46.4%	\$ 1,504,393	3.1%
Undistributed expenditures	52,256,131	47.9	1,979,062	3.9
Capital outlay	2,562,887	2.3	303,438	13.4
Debt service	3,720,785	3.4	(38,932)	(1.0)
Total	\$ 109,002,633	100.0%	\$ 3,747,961	3.6%

The increase in instruction is a result of an increase in operating costs. The increase in undistributed expenditures was the result of a increase in employee benefits, which was mainly driven by the increase in on-behalf TPAF Pension contribution made by the State of New Jersey on behalf of the District.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of revenues and expenditures. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget through transfers approved by the Board.

Significant budgetary transfers were made between budgetary line items and approved by the Board for various reasons including:

- Regular instruction – a decrease of \$609,161 was mainly due to hiring of less professional staff for educational services in the current year due to budget constraints.
- Special education – an increase of \$244,420 was mainly due to an increase in the number of special education students serviced in District.
- Undistributed expenditures – other support services – students – extraordinary services – a decrease of \$302,746 was mainly due to a reduction in the cost of aides.
- Undistributed expenditures – custodial services - a decrease of \$214,283 was mainly due to the decrease in the cost of cleaning, repair and maintenance services required in the current year.

The District’s actual performance against its budget was precise and did not yield any significant variations.

Capital Assets

At the end of fiscal year 2015, the District had \$94,667,998 invested in land, construction in progress, site improvements, building and building improvements, vehicles, furniture, fixtures and equipment, net of accumulated depreciation. The following presents a comparison for 2015 and 2014:

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 7,435,206	\$ 7,435,206		
Construction in progress	1,841,687	283,141		
Site improvements	212,105	239,733		
Building and building improvements	82,274,576	84,320,317		
Vehicles	26,519	24,320		
Furniture, fixtures and equipment	2,712,036	2,672,687	\$ 165,869	\$ 182,963
Total	\$ 94,502,129	\$ 94,975,404	\$ 165,869	\$ 182,963

For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration and Long-term Liabilities

At June 30, 2015, the District had \$49,667,425 of long-term liabilities. Of this amount, \$1,295,963 relates to compensated absences, \$3,137,662 relates to various capital leases payable, \$45,255,000 of serial bonds for school construction, and \$(21,200) for the unamortized discount on bonds. For more detailed information, please refer to Note 5 to the basic financial statements.

For the Future

The Ridgewood Board of Education is presently in good financial condition. The District is proud of its community support of the public schools.

In conclusion, the Ridgewood Board of Education has committed itself to sound financial practices. The District plans to continue to improve its fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

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

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Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2015.

Ridgewood Board of Education

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 2,084,465	\$ 117,956	\$ 2,202,421
Accounts receivable	3,440,697	1,778	3,442,475
Internal balances	134,964	(134,964)	-
Inventories		11,230	11,230
Restricted assets:			
Cash and cash equivalents	3,318,989		3,318,989
Capital assets, non depreciable	9,276,893		9,276,893
Capital assets, depreciable, net	85,225,236	165,869	85,391,105
Total assets	<u>103,481,244</u>	<u>161,869</u>	<u>103,643,113</u>
Deferred Outflows of Resources			
Pension deferrals	2,638,455		2,638,455
Deferred loss on defeasance of debt	161,152		161,152
Total assets and deferred outflows of resources	<u>106,280,851</u>	<u>161,869</u>	<u>106,442,720</u>
Liabilities			
Accounts payable	1,354,729	51,486	1,406,215
Accrued interest payable	528,920		528,920
Intergovernmental payables:			
State	2,760		2,760
Unearned revenue	487,203	71,852	559,055
Net pension liability	22,482,937		22,482,937
Current portion of long-term obligations	3,021,309		3,021,309
Noncurrent portion of long-term obligations	46,646,116		46,646,116
Total liabilities	<u>74,523,974</u>	<u>123,338</u>	<u>74,647,312</u>
Deferred Inflow of Resources			
Pension deferrals	1,339,861		1,339,861
Total liabilities and deferred inflow of resources	<u>75,863,835</u>	<u>123,338</u>	<u>75,987,173</u>
Net position			
Net investment in capital assets	47,460,901	165,869	47,626,770
Restricted for:			
Other purposes	4,818,989		4,818,989
Unrestricted (deficit)	(21,862,874)	(127,338)	(21,990,212)
Total net position	<u>\$ 30,417,016</u>	<u>\$ 38,531</u>	<u>\$ 30,455,547</u>

Ridgewood Board of Education

Statement of Activities

Year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 74,429,142	\$ 689,432	\$ 1,585,966		\$ (72,153,744)		\$ (72,153,744)
Support services:							
Attendance/social work	62,477				(62,477)		(62,477)
Health services	1,114,392				(1,114,392)		(1,114,392)
Other support services	14,002,086		414,004		(13,588,082)		(13,588,082)
Improvement of instruction	2,357,688				(2,357,688)		(2,357,688)
Other support: instructional staff	199,501				(199,501)		(199,501)
School library	2,385,542				(2,385,542)		(2,385,542)
General administration	992,004				(992,004)		(992,004)
School administration	5,956,806				(5,956,806)		(5,956,806)
Required maintenance of plant services	1,444,764				(1,444,764)		(1,444,764)
Operation of plant	7,557,314			\$ 1,815,883	(5,741,431)		(5,741,431)
Student transportation	3,214,020				(3,214,020)		(3,214,020)
Central services	1,802,578				(1,802,578)		(1,802,578)
Administrative information technology	1,148,311				(1,148,311)		(1,148,311)
Special schools	763,497				(763,497)		(763,497)
Interest on long-term debt	1,786,823				(1,786,823)		(1,786,823)
Total governmental activities	119,216,945	689,432	1,999,970	1,815,883	(114,711,660)		(114,711,660)
Business-type activities							
Food service	1,491,101	1,537,697				\$ 46,596	46,596
Infant/toddler development	952,967	939,697				(13,270)	(13,270)
Total business-type activities	2,444,068	2,477,394				33,326	33,326
Total primary government	\$ 121,661,013	\$ 3,166,826	\$ 1,999,970	\$ 1,815,883	(114,711,660)	33,326	(114,678,334)
General revenues:							
Property taxes, levied for general purposes					86,223,037		86,223,037
Property taxes, levied for debt service					3,214,082		3,214,082
Unrestricted federal sources					2,103		2,103
Unrestricted state sources					23,697,211		23,697,211
Investment earnings					13,391	117	13,508
Miscellaneous income					1,282,353		1,282,353
Total general revenues					114,432,177	117	114,432,294
Change in net position					(279,483)	33,443	(246,040)
Net position — beginning of year (as restated)					30,696,499	5,088	30,701,587
Net position — end of year					\$ 30,417,016	\$ 38,531	\$ 30,455,547

See accompanying notes to the basic financial statements.

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Fund Financial Statements

Governmental Funds

Ridgewood Board of Education
Governmental Funds

Balance Sheet

June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 1,100,777	\$ 980,585		\$ 3,103	\$ 2,084,465
Accounts receivable:					
State	1,610,041		\$ 1,397,974		3,008,015
Federal		351,579			351,579
Interfund	1,312,849				1,312,849
Other	81,103				81,103
Restricted assets:					
Cash and cash equivalents	3,318,989				3,318,989
Total assets	<u>\$ 7,423,759</u>	<u>\$ 1,332,164</u>	<u>\$ 1,397,974</u>	<u>\$ 3,103</u>	<u>\$ 10,157,000</u>
Liabilities and fund balances					
Liabilities:					
Accounts and retainage payable	\$ 521,107	\$ 31,026	\$ 105,677		\$ 657,810
Intergovernmental payables:					
State		2,760			2,760
Unearned revenue	269,080	218,123			487,203
Interfunds payable		99,670	1,078,215		1,177,885
Total liabilities	<u>790,187</u>	<u>351,579</u>	<u>1,183,892</u>		<u>2,325,658</u>
Fund balances:					
Restricted for:					
Capital reserve account	2,318,989				2,318,989
Emergency reserve account	1,000,000				1,000,000
Excess fund balance - prior year, designated for subsequent years expenditures	750,000				750,000
Excess fund balance-current year	750,000				750,000
Capital projects			214,082		214,082
Debt service				\$ 3,103	3,103
Assigned to:					
Designated for subsequent years' expenditures		980,585			980,585
Other purposes	57,326				57,326
Unassigned	1,757,257				1,757,257
Total fund balances	<u>6,633,572</u>	<u>980,585</u>	<u>214,082</u>	<u>3,103</u>	<u>7,831,342</u>
Total liabilities and fund balances	<u>\$ 7,423,759</u>	<u>\$ 1,332,164</u>	<u>\$ 1,397,974</u>	<u>\$ 3,103</u>	<u>10,157,000</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$138,047,209 and the accumulated depreciation is \$43,545,080.	94,502,129
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.	(528,920)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	161,152
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	1,298,594
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(22,482,937)
Accrued pension contributions for the June 30, 2015 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(696,919)
Long-term liabilities, including bonds payable, capital leases, compensated absences and unamortized discounts on bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds and unamortized deferred gains are not reported as a deferred inflow in the funds.	(49,667,425)
Net position of governmental activities	<u>\$ 30,417,016</u>

See accompanying notes to the basic financial statements.

Ridgewood Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 86,223,037			\$ 3,214,082	\$ 89,437,119
Tuition	689,432				689,432
Interest on investments	13,391				13,391
Miscellaneous	1,282,353	\$ 859,720			2,142,073
Total local sources	88,208,213	859,720		3,214,082	92,282,015
State sources	13,188,561	3,066	\$ 259,029	474,078	13,924,734
Federal sources	2,103	1,254,038			1,256,141
Total revenues	101,398,877	2,116,824	259,029	3,688,160	107,462,890
Expenditures					
Current:					
Instruction	41,963,017	1,602,887			43,565,904
Undistributed-current:					
Instruction	6,896,926				6,896,926
Attendance/social work	39,856				39,856
Health services	708,684				708,684
Support services	9,302,711	414,004			9,716,715
Improvement of instruction	1,573,892				1,573,892
School library	1,576,172				1,576,172
Instructional staff training	147,099				147,099
General administration	812,902				812,902
School administration	3,769,146				3,769,146
Required maintenance of plant services	1,310,664				1,310,664
Operation of plant	7,098,760				7,098,760
Student transportation	3,020,649				3,020,649
Central services	1,182,702				1,182,702
Administrative information technology	774,375				774,375
Unallocated benefits	10,254,380				10,254,380
On-behalf TPAF social security and pension contributions	9,428,970				9,428,970
Capital outlay	1,006,033	1,556,854	898,977		3,461,864
Special schools	841,165				841,165
Debt service:					
Principal				1,975,000	1,975,000
Interest				1,745,785	1,745,785
Total expenditures	101,708,103	3,573,745	898,977	3,720,785	109,901,610
(Deficiency) of revenues (under) expenditures	(309,226)	(1,456,921)	(639,948)	(32,625)	(2,438,720)
Other financing sources (uses):					
Capital lease proceeds		1,440,000			1,440,000
Transfers in			651,330		651,330
Transfers out	(651,330)				(651,330)
Total other financing sources (uses)	(651,330)	1,440,000	651,330	-	1,440,000
Net change in fund balances	(960,556)	(16,921)	11,382	(32,625)	(998,720)
Fund balances, July 1	7,594,128	997,506	202,700	35,728	8,830,062
Fund balances, June 30	\$ 6,633,572	\$ 980,585	\$ 214,082	\$ 3,103	\$ 7,831,342

The reconciliation of the fund balances of government funds to the net position of governmental activities in the statement of activities is presented in accompanying schedule (B-3).

See accompanying notes to the basic financial statements.

Ridgewood Board of Education
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	(998,720)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital additions in the period.		
Capital additions	\$ 3,419,027	
Depreciation expense	<u>(3,892,302)</u>	(473,275)
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.		13,668
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.		2,998,014
Issuance of Long-term debt (capital leases and bonds) provide current financial resources to governmental funds, which the repayment of the principal of the long term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position.		(1,440,000)
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.		(54,706)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Pension expense		(392,389)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		67,925
Change in net position of governmental activities (A-2)	\$	<u>(279,483)</u>

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Proprietary Funds

Ridgewood Board of Education
Proprietary Funds

Statement of Net Position

June 30, 2015

	Major Enterprise Funds		
	Food Service	Infant/Toddler Development	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 117,456	\$ 500	\$ 117,956
Accounts receivable:			
Other	1,778		1,778
Inventories	11,230		11,230
Total current assets	130,464	500	130,964
Non-current assets:			
Capital assets:			
Equipment	323,349	352,186	675,535
Accumulated depreciation	(299,264)	(210,402)	(509,666)
Total capital assets, net	24,085	141,784	165,869
Total assets	154,549	142,284	296,833
Liabilities			
Current liabilities:			
Accounts payable	51,486		51,486
Interfund payable	54,225	80,739	134,964
Unearned revenue	37,502	34,350	71,852
Total current liabilities	143,213	115,089	258,302
Net position (deficit)			
Net investment in capital assets	24,085	141,784	165,869
Unrestricted (deficit)	(12,749)	(114,589)	(127,338)
Total net position	\$ 11,336	\$ 27,195	\$ 38,531

Ridgewood Board of Education
Proprietary Funds
Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2015

	Major Enterprise Funds		
	Food Service	Infant/Toddler Development	Totals
Operating revenues:			
Local sources:			
Daily food sales-reimbursable programs	\$ 1,458,303		\$ 1,458,303
Miscellaneous revenue- fees	79,394	\$ 939,697	1,019,091
Total operating revenues	1,537,697	939,697	2,477,394
Operating expenses:			
Salaries	434,875	604,183	1,039,058
Payroll taxes	68,408	39,252	107,660
Employee benefits	35,335	141,829	177,164
Insurance	65,110	21,500	86,610
Telephone		656	656
Supplies and materials	87,187	11,231	98,418
Transportation between schools		16,588	16,588
Rent	10,000	100,000	110,000
Outside services		2,864	2,864
Repairs	18,192		18,192
Depreciation	10,238	6,855	17,093
Cost of sales	639,722		639,722
Management fee	100,828		100,828
Miscellaneous	21,206	8,009	29,215
Total operating expenses	1,491,101	952,967	2,444,068
Operating (loss) income	46,596	(13,270)	33,326
Nonoperating revenues:			
Interest	117		117
Total nonoperating revenues	117	-	117
Change in net position (deficit)	46,713	(13,270)	33,443
Total net position (deficit)-beginning	(35,377)	40,465	5,088
Total net position (deficit)-ending	\$ 11,336	\$ 27,195	\$ 38,531

Ridgewood Board of Education
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2015

	Major Enterprise Funds		
	Food Service	Infant/Toddler Development	Totals
Cash flows from operating activities			
Receipts from customers	\$ 1,529,299	\$ 939,697	\$ 2,468,996
Payments to employees and for employee benefits	(538,618)	(785,264)	(1,323,882)
Payments to suppliers	(930,108)	(154,998)	(1,085,106)
Net cash (used in) provided by operating activities	60,573	(565)	60,008
Cash flows from capital and related financing activities			
Net payments/advances from interfund activity	54,226	(174,980)	(120,754)
Net cash provided by (used in) capital and related financing activities	54,226	(174,980)	(120,754)
Cash flows from investing activities			
Interest received	117		117
Net cash provided by investing activities	117		117
Net increase (decrease) in cash and cash equivalents	114,916	(175,545)	(60,629)
Cash and cash equivalents, beginning of year	2,540	176,045	178,585
Cash and cash equivalents, end of year	\$ 117,456	\$ 500	\$ 117,956
Reconciliation of operating (loss) income to net cash used in operating activities			
Operating (loss) income	\$ 46,596	\$ (13,270)	\$ 33,326
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	10,238	6,855	17,093
Change in assets and liabilities:			
Decrease in accounts receivable	6,612		6,612
(Increase) in inventory	(1,674)		(1,674)
Increase in accounts payable	13,811		13,811
(Decrease) increase in unearned revenue	(15,010)	5,850	(9,160)
Net cash provided by (used in) operating activities	\$ 60,573	\$ (565)	\$ 60,008

Noncash Noncapital Financing Activities

The District received \$ - 0 - of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2015.

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Fiduciary Funds

Ridgewood Board of Education
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 514,283	\$ 144,001	\$ 395,923
Investments, at fair value	1,995,127		
Interfund receivables		18,613	
Total assets	<u>2,509,410</u>	<u>162,614</u>	<u>\$ 395,923</u>
Liabilities			
Payroll deductions and withholdings payable			\$ 42,956
Interfund payable			18,613
Accounts payable		1,983	
Due to student groups			334,354
Total liabilities	<u>-</u>	<u>1,983</u>	<u>\$ 395,923</u>
Net position			
Held in trust for unemployment claims		<u>\$ 160,631</u>	
Held in trust for scholarships	<u>\$ 2,509,410</u>		

Ridgewood Board of Education
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2015

	Private Purpose Scholarship Trust	Unemployment Compensation Trust
Additions		
Employee contributions		\$ 77,508
Net appreciation in fair value	\$ 7,597	
Dividends	57,542	
Interest	1,440	131
Other contributions	33,628	
Total additions	100,207	77,639
Deductions		
Bank fees and other expenses	29,594	
Scholarship/award payments	58,245	
Unemployment claims paid		53,872
Total deductions	87,839	53,872
Change in net position	12,368	23,767
Net position-beginning of the year	2,497,042	136,864
Net position-end of the year	\$ 2,509,410	\$ 160,631

Ridgewood Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies

The financial statements of the Ridgewood Board of Education (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District’s accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Ridgewood Board of Education in the Village of Ridgewood, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of 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. The operations of the District include elementary, middle and high schools located in Ridgewood.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

- the organization is legally separate (can sue or be sued on their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District; or
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. Government-Wide and Fund Financial Statements

The government-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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in the basic financial statements and are reported separately from business-type activities, which rely on a significant extent on fees and charges for support.

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

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education has deemed every fund to be major for consistency of reporting among the school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-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. Revenues are recorded when earned and expenses are recorded when a liability is 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 as soon as 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 District considers all revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and capital leases, are recorded only when payment is due.

Property taxes 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 year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay subfund.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from private donations, state aid and serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Food Service Enterprise Fund: This fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation) of providing goods and services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.

Infant/Toddler Development Program Enterprise Fund: This fund is utilized to account for the operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs of providing the care to the students are financed through user charges.

Additionally, the District reports the following fiduciary fund types:

Fiduciary funds of the District include the unemployment compensation and private purpose scholarship trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District:

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Trust Funds: The private purpose scholarship and unemployment compensation funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and the District and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private purpose scholarship fund maintains donations which are used to provide scholarships and awards.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges 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 taxes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for sales of food, tuition and program fees. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets, if applicable. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations. The over-expenditures related to on-behalf payments and lease purchase payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as well as the non-budgeted lease purchase payments, as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less from the date of purchase.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed to/from a particular fund in the District and that are due within one year.

G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. The food service enterprise fund inventories are valued at cost, which approximates market, using first-in, first-out (FIFO) method.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

Capital assets, which include land, buildings, property, plant and equipment and construction in progress and those items acquired under capital leases, are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Furniture, fixtures and equipment	5-20
School buildings	45
Site improvements	15-20
Building improvements	20-45
Vehicles	5

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

J. Deferred Loss on Defeasance of Debt

The deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2015 amounted to \$48,346 and the unamortized balance is \$161,152 as of June 30, 2015.

K. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

District employees earn vacation and sick leave in varying amounts under the District's existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. As of June 30, 2015, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,295,963.

L. Unearned Revenue

Unearned revenue in the general, special revenue, and enterprise funds represents cash, which has been received but not yet earned.

M. Long-Term Obligations

In the government-wide financial statements and enterprise fund 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 enterprise fund type statement of net position. Bond discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable discount.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental fund types recognize bond discounts during the current period. The face amount of debt issued is reported as other financing sources. 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 either capital projects fund or debt service fund expenditures in the year of issuance.

N. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$6,633,572 of fund balance in the General Fund, \$2,318,989 has been restricted in the capital reserve account, \$1,000,000 has been restricted in an emergency reserve account, \$750,000 has been restricted for excess surplus-current year, \$750,000 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$57,326 of outstanding encumbrances is assigned to other purposes and \$1,757,257 is unassigned. The Capital Projects Fund balance of \$214,082 is restricted for capital projects. The Debt Service Fund balance is restricted for debt service, of which \$3,103 is included in the 2015-16 State approved budget.

O. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has a total excess surplus of \$1,500,000. \$750,000 of this surplus was generated during the 2013-14 fiscal year and will be appropriated in the 2015-16 budget and \$750,000 of excess surplus was generated during the 2014-15 fiscal year, which will be designated and appropriated in the 2016-17 budget.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

P. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net assets to what is now referred to as the statement of net position and the term “net assets” is changed to “net position” throughout the financial statements.

Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. Accrued Salaries and Wages

Certain District employees who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amounts earned by these employees were disbursed to the employees' own individual accounts.

R. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

S. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$10,034,572 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

T. GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement NO. 68* (“GASB 71”). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

T. GASBs Implemented in the 2015 Fiscal Year (continued)

pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. The requirements of this Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

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

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

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2015 through December 18, 2015, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized discount on bonds, capital leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this difference are as follows:

Bonds payable	\$ 45,255,000
Unamortized discount on bonds	(21,200)
Capital leases payable	3,137,662
Compensated absences	<u>1,295,963</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 49,667,425</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2015, the carrying amount of the District's deposits was \$6,575,619 and the bank balance was \$10,787,163. Of the bank balance, \$627,472 was secured by federal depository insurance and \$7,896,378 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$2,263,313 which is held in the District agency accounts is not covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

- d. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

As of June 30, 2015, the District's investment balance of \$1,995,127 was in mutual funds and is recorded in the private purpose scholarship trust fund. The mutual funds, 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. SIPC replaces investment claims up to a maximum of \$500,000 for each failed brokerage firm.

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk other than to maintain a safekeeping account for the securities at a financial institution.

Credit Risk: GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the District does not have an investment policy regarding credit risk except to the extent previously outlined under the District's investment policy.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

3. Deposits and Investments (continued)

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2015, all of the District's investments were invested in BNY Mellon Morgan Stanley brokerage accounts.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2015:

	Beginning Balance	Increases	Ending Balance
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 7,435,206		\$ 7,435,206
Construction in progress	283,141	\$ 1,558,546	1,841,687
Total capital assets, not being depreciated	<u>7,718,347</u>	<u>1,558,546</u>	<u>9,276,893</u>
Capital assets, being depreciated:			
Site improvements	892,094		892,094
Buildings and building improvements	116,669,558	183,300	116,852,858
Vehicles	337,834	33,150	370,984
Furniture, fixtures and equipment	9,010,349	1,644,031	10,654,380
Total capital assets being depreciated	<u>126,909,835</u>	<u>1,860,481</u>	<u>128,770,316</u>
Less accumulated depreciation for:			
Site improvements	(652,361)	(27,628)	(679,989)
Buildings and building improvements	(32,349,241)	(2,229,041)	(34,578,282)
Vehicles	(313,514)	(30,951)	(344,465)
Furniture, fixtures and equipment	(6,337,662)	(1,604,682)	(7,942,344)
Total accumulated depreciation	<u>(39,652,778)</u>	<u>(3,892,302)</u>	<u>(43,545,080)</u>
Total capital assets, being depreciated, net	<u>87,257,057</u>	<u>(2,031,821)</u>	<u>85,225,236</u>
Governmental activities capital assets, net	<u>\$ 94,975,404</u>	<u>\$ (473,275)</u>	<u>\$ 94,502,129</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

4. Capital Assets (continued)

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

Current:	
Instruction	\$2,064,782
Undistributed – current:	
Instruction	326,294
Attendance/social work	1,886
Health services	33,528
Support services	459,699
Improvement of instruction	74,461
Other support – instruction staff	6,959
School library	74,461
General administration	38,458
School administration	178,319
Required maintenance of plant services	62,008
Operation of plant	335,843
Student transportation	142,907
Central services	55,954
Administrative information technology	36,636
Total depreciation expense – governmental activities	<u>\$ 3,892,302</u>

The following is a summary of business-type activity changes in capital assets for the year ended June 30, 2015.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Business-type activity:			
Capital assets, being depreciated:			
Equipment	\$ 675,535		\$ 675,535
Less accumulated depreciation for:			
Equipment	(492,572)	\$ (17,094)	(509,666)
Business-type activity capital assets, net	<u>\$ 182,963</u>	<u>\$ (17,094)</u>	<u>\$ 165,869</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,363,088	\$ 10,550	\$ 78,475	\$ 1,295,963	\$ 7,848
Serial bonds payable	47,230,000		1,975,000	45,255,000	2,055,000
Unamortized discount on bonds	(27,560)		(6,360)	(21,200)	(6,360)
Obligations under capital leases	2,720,676	1,440,000	1,023,014	3,137,662	964,821
Governmental activities					
Long-term liabilities	\$ 51,287,004	\$ 1,450,550	\$ 3,070,129	\$ 49,667,425	\$ 3,021,309

The debt service fund is utilized to liquidate the serial bonds payable. The general fund liquidates the liabilities associated with compensated absences and obligations under capital leases.

Bonds Payable

Bonds are authorized in accordance with State law or by the residents of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Interest paid on debt issued by the District is exempt from federal income tax.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$3,475,000, 2011 refunding bonds, due in annual installments ranging from \$200,000 to \$235,000 through February 15, 2028 at interest rates of 2.00% to 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2015, \$2,875,000 of this debt remains outstanding.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

\$38,420,000, 2010 school improvement bonds, due in annual installments ranging from \$500,000 to \$2,810,000 through March 15, 2035 at interest rates of 3.00% to 4.40%. These bonds were issued to finance additions and renovations to various schools. As of June 30, 2015, \$37,270,000 of this debt remains outstanding.

\$5,300,000, 2013 school refunding bonds, due in annual installments ranging from \$1,205,000 to \$1,355,000 through October 1, 2018 at interest rates of 0.92% to 2.23%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2015, \$5,110,000 of this debt remains outstanding.

Advance Refundings:

The District has \$4,965,000 of defeased debt outstanding at June 30, 2015.

At June 30, 2015, there are no bonds or notes authorized but not issued.

Principal and interest due on all bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2016	\$2,055,000	\$1,698,129	\$3,753,129
2017	2,100,000	1,664,642	3,764,642
2018	2,155,000	1,619,261	3,774,261
2019	2,210,000	1,565,801	3,775,801
2020	1,715,000	1,514,215	3,229,215
2021-2025	9,785,000	6,464,550	16,249,550
2026-2030	11,675,000	4,345,375	16,020,375
2031-2035	13,560,000	1,793,900	15,353,900
	<u>\$ 45,255,000</u>	<u>\$ 20,665,873</u>	<u>\$ 65,920,873</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

5. Long-Term Liabilities (continued)

Capital Leases Payable

The District has remaining capital leases totaling \$3,137,662 with interest rates ranging from 1.139% to 2.640%. The terms of the leases are each five years and are for equipment, computers, technology equipment and field lighting. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015.

	<u>Amount</u>
Fiscal year:	
2016	\$ 994,821
2017	845,123
2018	696,006
2019	496,300
2020	197,153
Total minimum lease payments	<u>3,229,403</u>
Less amount representing interest	<u>(91,741)</u>
Present value of net minimum lease payments	<u>\$ 3,137,662</u>

6. Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Ridgewood Board of Education
Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2015, the State of New Jersey contributed \$3,803,911 to the TPAF for post-retirement medical contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,228,895 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially calculated contributions to PERS for each of the years ended June 30, 2015, 2014 and 2013 were \$989,952, \$943,470 and \$824,136, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$22,482,937 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2013, which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.1200836147 percent, which was a decrease of 0.0076469903 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized full accrual pension expense of \$1,382,845 in the government-wide financial statements. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 706,984	-
Net difference between projected and actual earnings on pension plan investments	-	\$ 1,339,861
Changes in proportion and differences between District contributions and proportionate share of contributions	1,234,552	-
District contributions subsequent to the measurement date	696,919	-
	<u>\$ 2,638,455</u>	<u>\$ 1,339,861</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

\$696,919 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 21,935
2017	21,935
2018	21,935
2019	21,935
2020	356,899
Thereafter	157,036
	<u>\$ 601,675</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.01%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 28,284,300	\$ 22,482,937	\$ 17,611,268

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	1,452,705,538
Collective deferred inflows of resources	\$	2,135,560,656
Collective net pension liability - Local Group	\$	18,722,735,003
District's Proportion		0.1200836147%

Collective pension expense for the Local Group for the measurement period ended June 30, 2014 is \$968,532,408.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.44 years.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2014 was \$231,014,249. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2014, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4322325846 percent, which was a decrease of 0.0098064165 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$12,430,736 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Fund / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	100.00%	

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	At 1% Decrease (3.68%)	At Current Discount Rate (4.68%)	At 1% Increase (5.68%)
State's proportionate share of the net pension liability associated with the District	\$ 277,849,458	\$ 231,014,249	\$ 192,059,607

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

6. Pension Plans (continued)

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

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	2,389,959,068
Collective deferred inflows of resources	\$	1,846,540,800
Collective net pension liability - Local Group	\$	53,813,067,539
State's proportionate share associated with the District		0.4322325846%

Collective pension expense for the plan for the measurement period ended June 30, 2014 is \$2,906,835,786.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 8.5 years.

7. Post-Retirement Benefits

Plan Description

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits (continued)

Plan Description (continued)

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

7. Post-Retirement Benefits

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2015, 2014 and 2013 were \$3,803,911, \$2,998,088 and \$3,229,706, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

8. Deferred Compensation

The District offers its employees a choice of various deferred compensation plans created in accordance with the Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment	The Equitable
The Prudential Insurance Company of America	Union Central
Franklin Templeton	VALIC

9. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2015 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,312,849	
Special Revenue Fund		\$ 99,670
Capital Projects Fund		1,078,215
Food Service Fund		54,225
Infant/Toddler Enterprise Fund		80,739
Unemployment Compensation Trust	18,613	
Payroll Agency		18,613
	\$ 1,331,462	\$ 1,331,462

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

9. Interfund Receivables and Payables (continued)

The interfund between the general fund and special revenue fund represents a repayment of a loan of cash from the general fund to the special revenue fund to fund special revenue expenditures due to the reimbursement basis of federal awards. The interfund between the general fund and capital projects fund represents a loan of cash to fund various capital projects due to the reimbursement basis of state SDA awards. The interfund between the general fund and food service fund represents a loan to the food service fund for the funding of a cash deficit. The interfund payable between the infant/toddler enterprise fund and general fund represents certain charges for operations that were not remitted prior to year-end as well as a loan from the general fund for the funding of a cash deficit. The interfund payable between the unemployment compensation trust fund and payroll agency fund represents a timing difference related to when funds were collected versus when they were remitted to the respective fund. All interfunds are expected to be liquidated within one year.

10. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2015 may be impaired. In addition, the District is receiving funding in the form of grants from the New Jersey Schools Development Authority (NJSDA) in connection with capital projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District management, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

11. Contingent Liabilities (continued)

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained insurance coverage to guard against these events which will provide minimum exposure to the District should they occur.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

13. Transfers - Reconciliation

	Transfers In	Transfers Out
General Fund		\$ 651,330
Capital Projects Fund	\$ 651,330	
	<u>\$ 651,330</u>	<u>\$ 651,330</u>

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

13. Transfers – Reconciliation (continued)

The transfer from the general fund to the capital projects fund represents the local share of the established ROD grant from the SDA.

14. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, 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 (June 1 to June 30) 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 separate proposal at budget time or by a special question at one of the four special elections pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 2,871,884
Deposits:	
Unexpended balance of withdrawn funds	34,685
Approved by June Board resolution	912,420
Withdrawals:	
Approved in the 2015 State approved budget	<u>(1,500,000)</u>
Ending balance, June 30, 2015	<u>\$ 2,318,989</u>

The June 30, 2015 capital reserve balance does not exceed local support costs identified in the District's Long Range Facility Plan at June 30, 2015. The District budgeted \$1,300,000 of the June 30, 2015 Capital Reserve balance in the 2015-16 budget.

Ridgewood Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2015

15. Restricted Assets

The District has \$3,318,989 of capital reserve and emergency reserve funds that are classified as restricted assets on the statement of net position because they are restricted by the New Jersey Department of Education codified in Administrative Code to be utilized for future capital projects that have been approved in the District's Long-Range Facility Plan and emergencies.

16. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

The implementation of the Statements required a restatement of prior year net position in the government-wide financial statements.

	Governmental Activities
Beginning Net Position - June 30, 2014	<u>\$ 52,185,372</u>
Adjustments:	
Recognition of Net Pension Liability	(21,488,873)
Deferred outflow for PERS FY2015 Pension Payment	989,952
Accounts Payable for PERS FY2015 Pension Payment	<u>(989,952)</u>
Adjustment	<u>(21,488,873)</u>
Beginning Net Position - June 30, 2014 (as restated)	<u>\$ 30,696,499</u>

17. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following budgetary accounts in the General Fund:

Undistributed expenditures – Speech, OT, PT & related services – purchased professional – educational services - \$18,805

Undistributed expenditures – operation and maintenance of plant services – other purchased property services - \$57,451

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Required Supplementary Information
Part II

Ridgewood Board of Education
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System

Last Ten Fiscal Years*

	<u>Year Ended June 30,</u> <u>2015</u>
District's proportion of the net pension liability (asset) - Local Group	0.1200836147%
District's proportionate share of the net pension liability (asset)	\$ 22,482,937
District's covered-employee payroll	\$ 7,167,298
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	313.69%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	52.08%

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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information.

Ridgewood Board of Education
 Schedule of District Contributions
 Public Employee's Retirement System

Last Ten Fiscal Years*

	Year Ended June 30, 2015
Contractually required contribution	\$ 696,919
Contributions in relation to the contractually required contribution	(696,919)
Contribution deficiency (excess)	\$ -
 District's covered-employee payroll	\$ 7,167,298
 Contributions as a percentage of covered-employee payroll	9.72%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information.

Ridgewood Board of Education
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

	Year Ended June 30, 2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4322325846%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 231,014,249
Total proportionate share of the net pension liability (asset) associated with the District	\$ 231,014,249
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

See notes to required supplementary information.

Ridgewood Board of Education
Notes to Required Supplementary Information
Year ended June 30, 2015

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014.

TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 86,223,037		\$ 86,223,037	\$ 86,223,037	
Tuition	700,000		700,000	689,432	\$ (10,568)
Interest on investments				13,391	13,391
Miscellaneous	1,500,000		1,500,000	1,282,353	(217,647)
Total - local sources	88,423,037		88,423,037	88,208,213	(214,824)
State sources:					
Extraordinary aid	1,376,345		1,376,345	1,345,935	(30,410)
On behalf TPAF pension contribution (non-budgeted)				6,200,075	6,200,075
Reimbursed TPAF social security (non-budgeted)				3,228,895	3,228,895
Additional nonpublic transportation aid				24,646	24,646
Transportation aid	116,741		116,741	116,741	-
Security aid	86,186		86,186	86,186	-
Categorical Special education aid	1,812,959		1,812,959	1,812,959	-
PARCC Readiness Aid				56,660	56,660
Per Pupil Growth Aid				56,660	56,660
Payment of institutionalized children - unknown					
District of residence	113,320		113,320	272,025	158,705
Total - state sources	3,505,551		3,505,551	13,200,782	9,695,231
Federal Sources:					
Medicaid Reimbursement	14,638		14,638	2,103	(12,535)
Total - federal sources	14,638		14,638	2,103	(12,535)
Total revenues	91,943,226		91,943,226	101,411,098	9,467,872
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	818,899	\$ 39,905	858,804	858,804	-
Grades 1-5	10,285,307	400,510	10,685,817	10,685,817	-
Grades 6-8	7,838,456	12,910	7,851,366	7,846,781	4,585
Grades 9-12	9,363,887	(191,207)	9,172,680	9,172,680	-
Home instruction:					
Salaries of teachers	60,000	(38,084)	21,916	21,916	-
Purchased professional-educational services	7,000	2,401	9,401	9,020	381
Undistributed instruction:					
Purchased professional-educational services	917,375	(867,357)	50,018	46,010	4,008
Other purchased services	1,018,117	(38,989)	979,128	978,755	373
General supplies	965,539	(32,418)	933,121	883,567	49,554
Textbooks	152,288	107,932	260,220	242,940	17,280
Other objects	8,850	(4,764)	4,086	1,433	2,653
Total instruction - regular programs	31,435,718	(609,161)	30,826,557	30,747,723	78,834

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 1,029,918	\$ 23,529	\$ 1,053,447	\$ 1,053,447	\$ -
Other salaries for instruction	450,000	(45,572)	404,428	404,428	-
General supplies	9,800	8,347	18,147	18,147	-
Total learning and/or language disabilities	1,489,718	(13,696)	1,476,022	1,476,022	-
Multiple disabilities:					
Salaries of teachers	295,150	25,185	320,335	320,335	-
Other salaries for instruction	300,000	95,689	395,689	395,689	-
Other purchased services	1,000	(1,000)	-	-	-
General supplies	9,300	(2,061)	7,239	6,756	483
Other objects	1,000	(1,000)	-	-	-
Total multiple disabilities	606,450	116,813	723,263	722,780	483
Resource room/center:					
Salaries of teachers	3,510,620	16,247	3,526,867	3,523,439	3,428
Other salaries for instruction	1,400,000	47,130	1,447,130	1,447,130	-
General supplies	10,565	5,786	16,351	16,351	-
Other objects	250	(250)	-	-	-
Total resource room/center	4,921,435	68,913	4,990,348	4,986,920	3,428
Autism:					
Salaries of teachers	-	15	15	15	-
Other salaries for instruction	-	34,134	34,134	19,034	15,100
Total autism	-	34,149	34,149	19,049	15,100
Preschool disabilities - full time:					
Salaries of teachers	350,837	76,188	427,025	427,025	-
Other salaries for instruction	160,000	(16,871)	143,129	140,081	3,048
Other purchased services	4,500	(2,269)	2,231	2,231	-
General supplies	8,400	(1,669)	6,731	6,329	402
Total preschool disabilities-full time	523,737	55,379	579,116	575,666	3,450
Home instruction:					
Salaries of teachers	45,000	(4,929)	40,071	40,071	-
Other purchased educational services	32,000	(12,809)	19,191	16,164	3,027
General supplies	-	600	600	600	-
Total home instruction	77,000	(17,138)	59,862	56,835	3,027
Total special education	7,618,340	244,420	7,862,760	7,837,272	25,488
Bilingual education:					
Salaries of teachers	526,969	(138,183)	388,786	388,786	-
General supplies	1,550	64	1,614	1,614	-
Total bilingual education	528,519	(138,119)	390,400	390,400	-
Basic skills/remedial instruction:					
Salaries of teachers	1,077,037	44,208	1,121,245	1,121,245	-
General supplies	3,206	376	3,582	3,582	-
Total basic skills/remedial instruction	1,080,243	44,584	1,124,827	1,124,827	-

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
School - sponsored cocurricular activities:					
Salaries	\$ 326,000	\$ 64,171	\$ 390,171	\$ 390,152	\$ 19
Purchased services	20,000	4,420	24,420	24,420	-
Supplies and materials	4,600	87,781	92,381	92,381	-
Other objects	21,750	(3,728)	18,022	18,022	-
Total school - sponsored cocurricular activities	372,350	152,644	524,994	524,975	19
School - sponsored athletics - instruction:					
Salaries	744,781	(13,459)	731,322	715,495	15,827
Purchased services	98,300	7,478	105,778	100,856	4,922
Supplies and materials	101,000	(3,290)	97,710	96,360	1,350
Other objects	45,000	19,228	64,228	64,228	-
Total school - sponsored athletics - instruction	989,081	9,957	999,038	976,939	22,099
Summer school - instruction:					
Salaries of teachers	77,000	(22,281)	54,719	54,719	-
Other salaries of instruction	68,500	(5,759)	62,741	62,741	-
Supplies and materials	350	47	397	397	-
Total summer school - instruction	145,850	(27,993)	117,857	117,857	-
Other instructional programs:					
Salaries	402,559	(165,346)	237,213	237,213	-
Other objects	5,500	311	5,811	5,811	-
Total other instructional programs	408,059	(165,035)	243,024	243,024	-
Total instruction	42,578,160	(488,703)	42,089,457	41,963,017	126,440
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-special	300,000	394,161	694,161	684,349	9,812
Tuition to county vocational school district - regular	425,000	21,000	446,000	441,900	4,100
Tuition to CSSD & regional day schools	700,000	(33,889)	666,111	666,111	-
Tuition to private school for the disabled - within state	4,900,000	(126,712)	4,773,288	4,698,756	74,532
Tuition to priv sch for the disabled & oth LEAs-Spl, O/S St	500,000	(89,185)	410,815	396,260	14,555
Tuition - other	40,000	(29,644)	10,356	9,550	806
Total undistributed instruction	6,865,000	135,731	7,000,731	6,896,926	103,805
Attendance and social work services:					
Salaries	20,675	21,685	42,360	37,974	4,386
Supplies and materials	150	1,732	1,882	1,882	-
Total attendance and social work services	20,825	23,417	44,242	39,856	4,386
Health services:					
Salaries	820,345	(133,036)	687,309	681,617	5,692
Other purchased services	900	(100)	800	550	250
Supplies and materials	20,119	6,642	26,761	24,308	2,453
Other objects	2,500	(290)	2,210	2,209	1
Total health services	843,864	(126,784)	717,080	708,684	8,396

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Speech, OT, PT & related services:					
Salaries	\$ 1,792,627	\$ (101,830)	\$ 1,690,797	\$ 1,690,797	\$ -
Purchased professional - educational services	1,250,000	142,858	1,392,858	1,411,663	(18,805)
Supplies and materials	9,500	(2,985)	6,515	5,746	769
Other objects	3,000	(975)	2,025	1,583	442
Total speech, OT, PT & related services	3,055,127	37,068	3,092,195	3,109,789	(17,594)
Other support services - students - extraordinary services:					
Salaries	700,000	(116,090)	583,910	572,715	11,195
Purchased professional - educational services	800,000	(187,856)	612,144	605,684	6,460
Supplies and materials	7,500	1,200	8,700	8,682	18
Total other support services - students - extraordinary services	1,507,500	(302,746)	1,204,754	1,187,081	17,673
Guidance:					
Salaries of other professional staff	1,595,140	192,608	1,787,748	1,761,774	25,974
Salaries of secretarial and clerical assistants	179,342	4,347	183,689	183,689	-
Purchased professional - educational services	120,000	336	120,336	120,336	-
Other purchased services	56,300	(38,287)	18,013	17,353	660
Supplies and materials	89,460	27,020	116,480	45,633	70,847
Other objects	700	383	1,083	1,018	65
Total guidance	2,040,942	186,407	2,227,349	2,129,803	97,546
Child study teams:					
Salaries of other professional staff	2,508,941	2,078	2,511,019	2,503,138	7,881
Salaries of secretarial and clerical assistants	339,958	(45,658)	294,300	294,300	-
Purchased professional - educational services	60,000	(24,362)	35,638	29,606	6,032
Other purchased services	26,200	(4,615)	21,585	18,382	3,203
Residential costs	25,000	(24,861)	139	-	139
Supplies and materials	16,500	15,043	31,543	30,386	1,157
Other objects	1,300	(1,074)	226	226	-
Total child study teams	2,977,899	(83,449)	2,894,450	2,876,038	18,412
Improvement of instructional services:					
Salaries of supervisors of instruction	876,511	110,310	986,821	975,690	11,131
Salaries of other professional staff	-	101,741	101,741	92,813	8,928
Salaries of secretaries and clerical assistants	250,257	-	250,257	230,587	19,670
Purchased professional - educational services	75,000	111,655	186,655	176,299	10,356
Other purchased services	17,600	12,909	30,509	19,388	11,121
Supplies and materials	5,500	64,162	69,662	69,630	32
Other objects	8,500	1,500	10,000	9,485	515
Total improvement of instructional services	1,233,368	402,277	1,635,645	1,573,892	61,753

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Educational media services/school library:					
Salaries	\$ 1,476,579	\$ (130,336)	\$ 1,346,243	\$ 1,345,730	\$ 513
Purchased professional services	3,500	4,150	7,650	7,650	-
Other purchased services	18,500	4,003	22,503	22,258	245
Supplies and materials	226,500	(2,031)	224,469	200,534	23,935
Other objects	200	-	200	-	200
Total educational media services/school library	1,725,279	(124,214)	1,601,065	1,576,172	24,893
Instructional staff training services:					
Salaries of other professional staff	37,500	40,997	78,497	33,075	45,422
Salaries of secretarial and clerical assistants	48,542	1,608	50,150	50,150	-
Other salaries	1,000	(1,000)	-	-	-
Other purchased services	30,750	36,235	66,985	59,132	7,853
Supplies and materials	9,550	(3,733)	5,817	4,742	1,075
Total instructional staff training services	127,342	74,107	201,449	147,099	54,350
Support services-general administration:					
Salaries	341,307	(41,866)	299,441	257,579	41,862
Legal services	87,000	7,555	94,555	94,555	-
Other purchased prof. services	46,300	15,800	62,100	56,200	5,900
Communications/telephone	140,000	98,228	238,228	196,821	41,407
BOE other purchased services	3,200	1,053	4,253	3,803	450
Miscellaneous purchased services	246,900	(27,101)	219,799	147,058	72,741
General supplies	12,500	(886)	11,614	8,168	3,446
Miscellaneous expenditures	20,000	3,089	23,089	22,055	1,034
BOE membership dues and fees	29,000	-	29,000	26,663	2,337
Total support services-general administration	926,207	55,872	982,079	812,902	169,177
Support services-school administration:					
Salaries of principals/ assistant principals	2,702,918	(64,464)	2,638,454	2,524,849	113,605
Salaries of secretarial and clerical assistants	1,112,366	(56,712)	1,055,654	1,030,175	25,479
Other salaries	124,334	590	124,924	124,924	-
Other purchased services	5,150	(2,440)	2,710	2,205	505
Supplies and materials	74,371	8,805	83,176	83,127	49
Miscellaneous expenditures	3,700	166	3,866	3,866	-
Total support services-school administration	4,022,839	(114,055)	3,908,784	3,769,146	139,638
Required maintenance for school facilities:					
Salaries	130,389	1,642	132,031	132,031	-
Purchased services - other professional services	-	44,693	44,693	42,687	2,006
Cleaning, repair and maintenance services	1,000,000	(70,602)	929,398	896,377	33,021
General supplies	218,000	15,920	233,920	229,729	4,191
Other objects	6,100	3,740	9,840	9,840	-
Total required maintenance for school facilities	1,354,489	(4,607)	1,349,882	1,310,664	39,218

Ridgewood Board of Education
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Operation and maintenance of plant services-					
Custodial services:					
Salaries	\$ 154,804	\$ 24,556	\$ 179,360	\$ 179,360	\$ -
Security	76,000	(29,570)	46,430	45,376	1,054
Purchased professional and technical services	318,400	20,265	338,665	338,665	-
Cleaning, repair and maintenance services	4,000,600	(162,280)	3,838,320	3,814,183	24,137
Rental of Land	37,000	(3,067)	33,933	32,476	1,457
Other purchased property services	230,200	(112,576)	117,624	175,075	(57,451)
Insurance	335,000	(15,074)	319,926	319,926	-
Miscellaneous purchased services	6,450	49,339	55,789	51,240	4,549
General supplies	88,095	56,446	144,541	139,922	4,619
Energy (natural gas)	365,000	(6,042)	358,958	357,499	1,459
Energy (electricity)	1,000,000	(38,427)	961,573	960,943	630
Miscellaneous expenditures	-	2,147	2,147	2,147	-
Total custodial services	6,611,549	(214,283)	6,397,266	6,416,812	(19,546)
Operation and maintenance of plant services-					
care and upkeep of grounds:					
Purchased professional and technical services	83,000	232	83,232	83,232	-
Cleaning, repair, and maintenance services	301,300	70,996	372,296	364,696	7,600
General supplies	50,000	(872)	49,128	49,128	-
Total care and upkeep of grounds	434,300	70,356	504,656	497,056	7,600
Security:					
Purchased professional and technical services	32,000	63,496	95,496	91,548	3,948
Cleaning, repair, and maintenance services	115,000	(26,466)	88,534	88,534	-
General supplies	15,000	(10,180)	4,820	4,810	10
Total security	162,000	26,850	188,850	184,892	3,958
Total operation and maintenance of plant services	8,562,338	(121,684)	8,440,654	8,409,424	31,230
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - regular	60,881	(349)	60,532	60,532	-
Other than bet. home & sch - regular	17,500	14,388	31,888	31,888	-
Management fee - ESC & CTSA trans. Program	58,000	(7,865)	50,135	50,135	-
Cleaning, repair, and maintenance services	1,200	8,456	9,656	9,656	-
Contracted services:					
Aid in lieu of payments - NonPub schools	100,000	28,868	128,868	114,673	14,195
Bet. home & sch. - vendors	756,944	(4,764)	752,180	751,943	237
Other than bet. home & sch - vendors	241,100	(18,143)	222,957	219,703	3,254
Bet. Home & school -joint agreements	100,000	(30,235)	69,765	58,031	11,734
Special ed stds - vendors	18,000	(5,160)	12,840	10,740	2,100
Special ed stds - joint agreements	1,550,000	161,386	1,711,386	1,709,952	1,434
Miscellaneous purchased services - transportation	1,000	(1,000)	-	-	-
General supplies	3,000	396	3,396	3,396	-
Total student transportation services	2,907,625	145,978	3,053,603	3,020,649	32,954
Undistributed expenditures - central services:					
Salaries	985,780	69,649	1,055,429	1,032,778	22,651
Purchased professional services	22,500	32,446	54,946	54,073	873
Misc purchased services	83,650	(15,415)	68,235	66,953	1,282
Supplies and materials	26,200	367	26,567	25,429	1,138
Miscellaneous expenditures	5,000	(875)	4,125	3,469	656
Total central services	1,123,130	86,172	1,209,302	1,182,702	26,600
Admin. info technology:					
Salaries	583,743	33,992	617,735	617,735	-
Purchased professional services	3,000	31,969	34,969	28,195	6,774
Other purchased services	98,000	(14,665)	83,335	81,035	2,300
Supplies and materials	11,000	35,885	46,885	46,885	-
Other objects	300	225	525	525	-
Total admin. info technology	696,043	87,406	783,449	774,375	9,074

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Unallocated benefits - empl benefits:					
Social security contributions	\$ 700,000	\$ 203,402	\$ 903,402	\$ 864,150	\$ 39,252.00
Other retirement contributions - PERS	894,163	209,812	1,103,975	1,075,129	28,846
Worker's compensation	275,000	(45,338)	229,662	225,162	4,500
Health benefits	8,300,000	(380,644)	7,919,356	7,806,373	112,983
Unemployment compensation	30,000	(30,000)	-	-	-
Tuition reimbursement	165,000	-	165,000	163,026	1,974
Other employee benefits	65,000	55,540	120,540	120,540	-
Total unallocated benefits	10,429,163	12,772	10,441,935	10,254,380	187,555
On-behalf TPAF pension contribution (non-budgeted)				6,200,075	(6,200,075)
Reimbursed TPAF social security contributions (non-budgeted)				3,228,895	(3,228,895)
Total on-behalf payments				9,428,970	(9,428,970)
Total undistributed expenditures	49,064,491	374,275	49,438,766	57,897,888	(8,459,122)
Total expenditures - current	91,642,651	(114,428)	91,528,223	99,860,905	(8,332,682)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	-	13,535	13,535	8,102	5,433
Non Instructional Services:					
Health services	-	2,687	2,687	2,687	-
Other support services - students - extraordinary services	-	5,782	5,782	5,763	19
Educational media services/school library	-	12,827	12,827	12,827	-
Required maintenance for school facilities	-	12,916	12,916	12,916	-
Care and upkeep of grounds	-	14,386	14,386	14,386	-
Noninstructional services	-	95,627	95,627	89,051	6,576
Total equipment	-	157,760	157,760	145,732	12,028
Facilities acquisition and construction services:					
Architectural/engineering services	150,000	(150,000)	-	-	-
Other purchased professional and technical services	-	17,435	17,435	15,227	2,208
Construction services	698,670	174,323	872,993	800,032	72,961
General Supplies	-	2,705	2,705	2,205	500
Other objects-assessment of debt service	42,837	-	42,837	42,837	-
Total facilities acquisition and construction services	891,507	44,463	935,970	860,301	75,669
Total expenditures - capital outlay	891,507	202,223	1,093,730	1,006,033	87,697

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

Expenditures (continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special schools:					
Other special schools - instruction:					
Salaries of teachers	\$ 406,534	\$ 46,367	\$ 452,901	\$ 435,739	\$ 17,162
Other salaries for instruction	500	17,818	18,318	18,318	
Purchased professional and technical services	6,400	(2,500)	3,900	2,413	1,487
Other purchased services	1,000	-	1,000	-	1,000
General supplies	12,000	(207)	11,793	10,336	1,457
Total other special schools - instruction	426,434	61,478	487,912	466,806	21,106
Other special schools - support services:					
Salaries	144,604	(4,281)	140,323	75,054	65,269
Personal services - employee benefits	37,000	-	37,000	-	37,000
Other purchased services	34,500	-	34,500	4,287	30,213
Supplies and materials	5,000	-	5,000	5,000	-
Other objects	12,000	6,552	18,552	18,552	-
Total other special schools - support services	233,104	2,271	235,375	102,893	132,482
Adult education - local - instruction:					
Salaries of teachers	115,000	1,582	116,582	116,582	-
Purchased professional and technical services	5,000	925	5,925	5,243	682
Other purchased services	66,000	(2,581)	63,419	52,255	11,164
General supplies	2,000	577	2,577	2,577	-
Textbooks	500	(369)	131	131	-
Total adult education - local - instruction	188,500	134	188,634	176,788	11,846
Adult education - local - support services:					
Salaries	53,000	-	53,000	44,741	8,259
Personal services - employee benefits	24,500	-	24,500	-	24,500
Other purchased services	80,000	2,575	82,575	49,824	32,751
Supplies and materials	200	-	200	113	87
Other objects	2,000	-	2,000	-	2,000
Total adult education - local - support services	159,700	2,575	162,275	94,678	67,597
Total special schools	1,007,738	66,458	1,074,196	841,165	233,031
Total expenditures	93,541,896	154,253	93,696,149	101,708,103	(8,011,954)
(Deficiency) excess of revenues (under) over expenditures	(1,598,670)	(154,253)	(1,752,923)	(297,005)	1,455,918
Other financing sources:					
Transfer out - capital reserve transfer to capital projects fund	(651,330)	(16,700)	(668,030)	(651,330)	16,700
Total other financing sources (uses)	(651,330)	(16,700)	(668,030)	(651,330)	16,700
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(2,250,000)	(170,953)	(2,420,953)	(948,335)	1,472,618
Fund balances, July 1	7,707,905	-	7,707,905	7,707,905	
Fund balances, June 30	\$ 5,457,905	\$ (170,953)	\$ 5,286,952	\$ 6,759,570	\$ 1,472,618

Ridgewood Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (1,548,670)	\$ (33,301)	\$ (1,581,971)	\$ (119,711)	\$ 1,462,260
Budgeted withdrawal from capital reserve	(701,330)	33,300	(668,030)	(651,330)	16,700
Adjustment for prior year encumbrances		(177,294)	(177,294)	(177,294)	-
Total	\$ (2,250,000)	\$ (170,953)	\$ (2,420,953)	\$ (948,335)	\$ 1,472,618
Recapitulation of fund balance:					
Year end encumbrances - assigned				\$ 57,326	
Emergency reserve account - restricted				1,000,000	
Excess surplus-prior year - restricted				750,000	
Excess surplus-current year-restricted				750,000	
Capital reserve account - restricted				2,318,989	
Unassigned				1,883,255	
Total fund balance (budgetary basis)				6,759,570	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				(125,998)	
Fund balance per Government Funds (GAAP)				\$ 6,633,572	

Ridgewood Board of Education
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 3,157	\$ 2,099	\$ 5,256	\$ 3,066	\$ (2,190)
Federal sources	1,208,208	97,525	1,305,733	1,254,038	(51,695)
Other sources		1,148,170	1,148,170	859,720	(288,450)
Total revenues	1,211,365	1,247,794	2,459,159	2,116,824	(342,335)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	106,239	80,539	186,778	119,337	67,441
Other purchased services		66,612	66,612	18,329	48,283
Tuition	1,008,412	33,799	1,042,211	1,042,211	-
Supplies and materials	20,085	141,359	161,444	126,204	35,240
Textbooks	400	1,625	2,025	1,895	130
Other objects		319,217	319,217	294,911	24,306
Total instruction	1,135,136	643,151	1,778,287	1,602,887	175,400
Support services:					
Salaries of program directors	73,472	(13,611)	59,861	59,644	217
Benefits		46,599	46,599	-	46,599
Purchased professional and educational / technical services	2,037	2,438	4,475	83	4,392
Other purchased services		123,831	123,831	87,225	36,606
General supplies	720	158,919	159,639	106,062	53,577
Miscellaneous expenditures		173,700	173,700	160,990	12,710
Total support services	76,229	491,876	568,105	414,004	154,101
Facilities acquisition and construction services:					
Instructional equipment		1,495,949	1,495,949	1,493,484	2,465
Non-instructional equipment		73,739	73,739	63,370	10,369
Total facilities acquisition and construction services		1,569,688	1,569,688	1,556,854	12,834
Total expenditures	1,211,365	2,704,715	3,916,080	3,573,745	342,335
(Deficiency) of revenues (under) expenditures	-	(1,456,921)	(1,456,921)	(1,456,921)	-
Other financing sources:					
Capital lease proceeds	-	1,440,000	1,440,000	1,440,000	-
Total other financing sources	-	1,440,000	1,440,000	1,440,000	-
Net change in fund balance	-	(16,921)	(16,921)	(16,921)	-
Fund balance, July 1	997,506		997,506	997,506	-
Fund balance, June 30	\$ 997,506	\$ (16,921)	\$ 980,585	\$ 980,585	\$ -

Ridgewood Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2015

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 101,411,098	\$ 2,116,824
Differences - Budgetary to GAAP:		
State aid payments are recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	113,777	
Current year	(125,998)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 101,398,877	\$ 2,116,824
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 101,708,103	\$ 3,573,745
Differences - Budgetary 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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 101,708,103	\$ 3,573,745

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Supplementary Information

Special Revenue Fund

Ridgewood Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures –
Budgetary Basis

Year ended June 30, 2015

	Nonpublic Aid			Title I A	Title II A	Title III A
	Text- books	Tech- nology	Nursing	Current	Current	Current
Revenues:						
State sources	\$ 1,895	\$ 1,088	\$ 83			
Federal sources				\$ 137,669	\$ 59,644	\$ 14,514
Local sources						
Total revenues	<u>\$ 1,895</u>	<u>\$ 1,088</u>	<u>\$ 83</u>	<u>\$ 137,669</u>	<u>\$ 59,644</u>	<u>\$ 14,514</u>
Expenditures:						
Instruction:						
Salaries				\$ 93,264		\$ 11,135
Other purchased services				4,263		
Tuition						
Supplies and materials		\$ 1,088		35,039		2,401
Textbooks	\$ 1,895					
Other objects						
Total instruction	<u>1,895</u>	<u>1,088</u>		<u>132,566</u>		<u>13,536</u>
Undistributed:						
Support services:						
Salaries of program directors					\$ 59,644	
Purchased professional and educational/ technical services			\$ 83			
Other purchased services						978
General supplies						
Miscellaneous expenditures						
Total support services			<u>83</u>		<u>59,644</u>	<u>978</u>
Facilities acquisition and construction services:						
Instructional equipment				5,103		
Non-instructional equipment						
Total facilities acquisition and construction services				<u>5,103</u>		
Total expenditures	<u>1,895</u>	<u>1,088</u>	<u>83</u>	<u>137,669</u>	<u>59,644</u>	<u>14,514</u>
Other financing sources:						
Capital lease proceeds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Ridgewood Board of Education
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures --
Budgetary Basis

Year ended June 30, 2015

	I.D.E.A		2010-2011 Capital Lease Deutsche Bank	2013-2014 Capital Lease First Hope Bank	2013-2014 Capital Lease US Bancorp	2014-2015 Capital Lease First Hope Bank	2014-2015 Capital Lease US Bancorp	Other	Totals
	Part B Basic	Preschool Current						Grants	
Revenues:									
State sources									\$ 3,066
Federal sources	\$ 1,006,225	\$ 35,986							1,254,038
Local sources								\$ 859,720	859,720
Total revenues	<u>\$ 1,006,225</u>	<u>\$ 35,986</u>						<u>\$ 859,720</u>	<u>\$ 2,116,824</u>
Expenditures:									
Instruction:									
Salaries								\$ 14,938	\$ 119,337
Other purchased services								14,066	18,329
Tuition	\$ 1,006,225	\$ 35,986							1,042,211
Supplies and materials								87,676	126,204
Textbooks									1,895
Other objects								294,911	294,911
Total instruction	<u>1,006,225</u>	<u>35,986</u>						<u>411,591</u>	<u>1,602,887</u>
Undistributed:									
Support services:									
Salaries of program directors									59,644
Purchased professional and educational/ technical services									83
Other purchased services								86,247	87,225
General supplies								106,062	106,062
Miscellaneous expenditures								160,990	160,990
Total support services								<u>353,299</u>	<u>414,004</u>
Facilities acquisition and construction services:									
Instructional equipment				\$ 2,044	\$ 969,877		\$ 485,000	31,460	1,493,484
Non-instructional equipment								63,370	63,370
Total facilities acquisition and construction services				<u>2,044</u>	<u>969,877</u>		<u>485,000</u>	<u>94,830</u>	<u>1,556,854</u>
Total expenditures	<u>1,006,225</u>	<u>35,986</u>		<u>2,044</u>	<u>969,877</u>		<u>485,000</u>	<u>859,720</u>	<u>3,573,745</u>
Other financing sources:									
Capital lease proceeds						\$ 955,000	\$ 485,000	-	1,440,000
Total other financing sources						<u>955,000</u>	<u>485,000</u>	<u>-</u>	<u>1,440,000</u>
Net changes in fund balance	-	-	-	(2,044)	(969,877)	955,000	-	-	(16,921)
Fund balance, July 1	-	-	\$ 25,457	2,044	970,005	-	-	-	997,506
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,457</u>	<u>\$ -</u>	<u>\$ 128</u>	<u>\$ 955,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,585</u>

Capital Projects Fund

Ridgewood Board of Education
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

Year Ended June 30, 2015

Issue/Project Title	Original Date	Appropriations	Expenditures to Date		Unexpended Balance
			Prior Years	Current Year	
RHS Rehab Projects	12/8/2009	\$ 8,127,827	\$ 8,140,918	\$ (13,091)	\$ -
Willard New Construction	12/8/2009	5,536,768	5,536,768	-	-
RHS Rehab Projects	12/8/2009	912,944	913,976	(1,032)	-
GW Rehab Electrical Service	12/8/2009	412,949	412,949	-	-
GW New Construction	12/8/2009	11,882,309	11,771,698	-	110,611
RHS HVAC Upgrade	6/27/2014	742,000	-	608,300	133,700
RHS Window Replacement	6/27/2014	343,550	-	304,801	38,749
		<u>\$ 27,958,347</u>	<u>\$ 26,776,309</u>	<u>\$ 898,978</u>	<u>\$ 283,060</u>

Ridgewood Board of Education
Capital Projects Fund

Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status

(Budgetary Basis)

Year ended June 30, 2015

	Current Year
Revenues and other financing sources	
State Sources - SDA Grant	\$ 328,008
Bond proceeds and transfers	-
Contribution from private sources	-
Special item - legal settlement	-
Transfer from capital reserve	651,330
Total revenues and other financing sources	979,338
Expenditures and other financing uses	
Purchased professional and technical services	-
Construction services	898,978
General supplies	-
Total expenditures and other financing uses	898,978
Excess of revenues and other financing sources over expenditures and other financing uses	80,360
Fund Balance, July 1	202,700
Fund Balance, June 30	\$ 283,060
Reconciliation of budgetary basis to GAAP basis:	
Fund balance, budgetary basis, June 30, 2015	\$ 283,060
Less: Revenue not recognized on a GAAP basis	(68,978)
Fund balance, GAAP basis, June 30, 2015	\$ 214,082

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Ridgewood High School Rehabilitation Projects

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 3,214,771	\$ (105,180)	\$ 3,109,591	\$ 3,109,591
Bond proceeds and transfers	5,018,236		5,018,236	5,018,236
Transfer from capital reserve				
Contribution from private sources				
Total revenues	8,233,007	(105,180)	8,127,827	8,127,827
Expenditures and other financing uses				
Purchased professional and technical services	898,481	(6,801)	891,680	891,680
Construction services	7,237,721	(6,290)	7,231,431	7,231,431
General supplies	4,716		4,716	4,716
Total expenditures and other financing uses	8,140,918	(13,091)	8,127,827	8,127,827
Excess (deficiency) of revenues over (under) expenditures	\$ 92,089	\$ (92,089)	\$ -	

Additional Project Information

NJ DOE project number	4390-050-09-3007
SDA project number	4390-050-09-OZCK
Grant number	G5-3395
Grant notification date	2/22/2010
Grant amount	\$ 3,926,037
Bond authorization date	12/8/2009
Bonds authorized	\$ 5,889,054
Bonds issued	5,889,054
Original authorized cost	\$ 9,815,091
Additional authorized cost	(1,687,264)
Revised authorized cost	\$ 8,127,827
Percentage decrease over original authorized cost	-17.19%
Percentage completion	100.00%
Original target completion date	9/1/2013
Revised target completion date	Complete

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Willard Classrooms Additions

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 802,771		\$ 802,771	\$ 802,771
Bond proceeds and transfers	4,683,997		4,683,997	4,683,997
Transfer from capital reserve				
Contribution from private sources	50,000		50,000	50,000
Total revenues	5,536,768	-	5,536,768	5,536,768
Expenditures and other financing uses				
Purchased professional and technical services	623,976		623,976	623,976
Construction services	4,749,369		4,749,369	4,749,369
General supplies	163,423		163,423	163,423
Total expenditures and other financing uses	5,536,768	-	5,536,768	5,536,768
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	

Additional Project Information

NJ DOE project number	4390-130-09-1001
SDA project number	4390-130-09-OZZI
Grant number	G5-3756
Grant notification date	2/22/2010
Grant amount	\$ 802,771
Bond authorization date	12/8/2009
Bonds authorized	\$ 4,385,562
Bonds issued	4,385,562
Original authorized cost	\$ 5,188,333
Additional authorized cost	348,435
Revised authorized cost	\$ 5,536,768
Percentage increase over original authorized cost	6.72%
Percentage completion	100.00%
Original target completion date	12/31/2012
Revised target completion date	Complete

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Ridgewood High School Rehabilitation Projects

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 365,588	\$ (1,032)	\$ 364,556	\$ 364,556
Bond proceeds and transfers	548,388		548,388	548,388
Transfer from capital reserve				
Contribution from private sources			-	
Total revenues	913,976	(1,032)	912,944	912,944
Expenditures and other financing uses				
Purchased professional and technical services	214,665		214,665	214,665
Construction services	699,311	(1,032)	698,279	698,279
General supplies			-	
Total expenditures and other financing uses	913,976	(1,032)	912,944	912,944
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	

Additional Project Information

NJ DOE project number	4390-050-09-3006
SDA project number	4390-050-09-OZGQ
Grant number	G5-3751
Grant notification date	3/20/2009
Grant amount	\$ 409,054
Bond authorization date	12/8/2009
Bonds authorized	\$ 613,582
Bonds issued	613,582
Original authorized cost	\$ 1,022,636
Additional authorized cost	(109,692)
Revised authorized cost	\$ 912,944
Percentage decrease over original authorized cost	-10.73%
Percentage completion	100.00%
Original target completion date	9/1/2013
Revised target completion date	Complete

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

George Washington Rehabilitation of Electrical Service and Window Replacement

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 162,024		\$ 162,024	\$ 162,024
Bond proceeds and transfers	250,925		250,925	250,925
Transfer from capital reserve				
Contribution from private sources			-	
Total revenues	412,949	-	412,949	412,949
Expenditures and other financing uses				
Purchased professional and technical services	35,912		35,912	35,912
Construction services	377,037		377,037	377,037
General supplies			-	
Total expenditures and other financing uses	412,949	-	412,949	412,949
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	

Additional Project Information

NJ DOE project number	4390-070-09-1009
SDA project number	4390-070-09-OZCM
Grant number	G5-3397
Grant notification date	2/22/2010
Grant amount	\$ 162,024
Bond authorization date	12/8/2009
Bonds authorized	\$ 243,035
Bonds issued	243,035
Original authorized cost	\$ 405,059
Additional authorized cost	7,890
Revised authorized cost	\$ 412,949
Percentage increase over original authorized cost	1.95%
Percentage completion	100.00%
Original target completion date	12/31/2012
Revised target completion date	Complete

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

George Washington Construction and Addition

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 11,402,309		\$ 11,402,309	\$ 11,402,309
Transfer from capital reserve				
Special item - legal settlement	480,000		480,000	480,000
Total revenues	11,882,309	-	11,882,309	11,882,309
Expenditures and other financing uses				
Purchased professional and technical services	996,514		996,514	996,514
Construction services	10,592,772		10,592,772	10,703,383
General supplies	182,412		182,412	182,412
Total expenditures and other financing uses	11,771,698	-	11,771,698	11,882,309
Excess (deficiency) of revenues over (under) expenditures	\$ 110,611	\$ -	\$ 110,611	\$ -

Additional Project Information

NJ DOE project number	N/A
SDA project number	N/A
Grant number	N/A
Grant notification date	N/A
Grant amount	N/A
Bond authorization date	12/8/2009
Bonds authorized	\$ 9,594,243
Bonds issued	9,594,243
Original authorized cost	\$ 9,594,243
Additional authorized cost	2,288,066
Revised authorized cost	\$ 11,882,309
Percentage increase over original authorized cost	23.85%
Percentage completion	100.00%
Original target completion date	12/31/2012
Revised target completion date	Complete

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

RHS HVAC Upgrades

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 296,800	\$ 296,800	\$ 296,800
Bond proceeds and transfers				
Transfer from capital reserve		445,200	445,200	445,200
Contribution from private sources				
Total revenues	-	742,000	742,000	742,000
Expenditures and other financing uses				
Purchased professional and technical services				
Construction services		\$ 608,300	\$ 608,300	\$ 608,300
General supplies				
Total expenditures and other financing uses	-	608,300	608,300	608,300
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 133,700	\$ 133,700	\$ 133,700

Additional Project Information

NJ DOE project number	4390-050-14-1002
SDA project number	4390-050-14-G1GP
Grant number	G5-4917
Grant notification date	6/27/2014
Grant amount	\$ 296,800
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 742,000
Additional authorized cost	-
Revised authorized cost	\$ 742,000
Percentage decrease over original authorized cost	0.00%
Percentage completion	81.98%
Original target completion date	Not determinable
Revised target completion date	Not determinable

Ridgewood Board of Education
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

RHS Window Replacement

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant		\$ 137,420	\$ 137,420	\$ 137,420
Bond proceeds and transfers				
Transfer from capital reserve		206,130	206,130	206,130
Contribution from private sources				
Total revenues	-	343,550	343,550	343,550
Expenditures and other financing uses				
Purchased professional and technical services		\$ 6,801	6,801	6,801
Construction services		298,000	298,000	298,000
General supplies			-	-
Total expenditures and other financing uses	-	304,801	304,801	304,801
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 38,749	\$ 38,749	\$ 38,749

Additional Project Information

NJ DOE project number	4390-050-14-1003
SDA project number	4390-050-14-G1GQ
Grant number	G5-4918
Grant notification date	6/27/2014
Grant amount	\$ 162,024
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 343,550
Additional authorized cost	-
Revised authorized cost	\$ 343,550
Percentage decrease over original authorized cost	0.00%
Percentage completion	88.72%
Original target completion date	Not determinable
Revised target completion date	Not determinable

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Fiduciary Funds

Ridgewood Board of Education
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2015

	Trust			Agency		
	Private Purpose Scholarship	Unemployment Compensation	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 514,283	\$ 144,001	\$ 658,284	\$ 334,354	\$ 61,569	\$ 395,923
Investments, at fair value	1,995,127		1,995,127			
Interfund receivable		18,613	18,613			
Total assets	<u>2,509,410</u>	<u>162,614</u>	<u>2,672,024</u>	<u>\$ 334,354</u>	<u>\$ 61,569</u>	<u>\$ 395,923</u>
Liabilities						
Payroll deductions and withholdings payable				\$ 42,956		\$ 42,956
Interfund payable				18,613		18,613
Accounts payable		1,983	1,983			
Due to student groups				\$ 334,354		334,354
Total liabilities	<u>-</u>	<u>1,983</u>	<u>1,983</u>	<u>\$ 334,354</u>	<u>\$ 61,569</u>	<u>\$ 395,923</u>
Net position						
Held in trust for unemployment claims		160,631	160,631			
Held in trust for scholarships	2,509,410		2,509,410			
Total net position	<u>\$ 2,509,410</u>	<u>\$ 160,631</u>	<u>\$ 2,670,041</u>			

Ridgewood Board of Education
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Elementary schools:				
Hawes	\$ 2,813	\$ 4,373	\$ 3,811	\$ 3,375
Orchard	14,876	16,530	14,941	16,465
Ridge	10,022	24,988	25,840	9,170
Somerville	8,442	36,053	36,568	7,927
Travell	4,154	984	831	4,307
Willard	38,028	55,156	47,941	45,243
	<u>78,335</u>	<u>138,084</u>	<u>129,932</u>	<u>86,487</u>
Middle schools:				
Benjamin Franklin	46,794	321,424	340,118	28,100
George Washington	29,436	237,211	257,716	8,931
	<u>76,230</u>	<u>558,635</u>	<u>597,834</u>	<u>37,031</u>
High school:				
Ridgewood High School	198,855	654,558	647,806	205,607
Athletic accounts	2,474	121,374	118,619	5,229
	<u>201,329</u>	<u>775,932</u>	<u>766,425</u>	<u>210,836</u>
Total all schools	<u>\$ 355,894</u>	<u>\$ 1,472,651</u>	<u>\$ 1,494,191</u>	<u>\$ 334,354</u>

Ridgewood Board of Education
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Assets				
Cash and cash equivalents	\$ 75,123	\$ 65,706,338	\$ 65,719,892	\$ 61,569
Total assets	<u>\$ 75,123</u>	<u>\$ 65,706,338</u>	<u>\$ 65,719,892</u>	<u>\$ 61,569</u>
Liabilities				
Payroll deductions and withholdings	\$ 57,594	\$ 65,687,725	\$ 65,702,363	\$ 42,956
Interfund payables	17,529	18,613	17,529	18,613
Total liabilities	<u>\$ 75,123</u>	<u>\$ 65,706,338</u>	<u>\$ 65,719,892</u>	<u>\$ 61,569</u>

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Long-Term Debt

Ridgewood Board of Education
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
Additions and renovations to various schools (Refunded 1999 bonds maturing 10-1-2011 to 10-1-2018)	10/15/04	\$ 10,040,000				\$ 1,255,000		\$ 1,255,000	\$ -
Additions and renovations to various schools (Refunded 2003 bonds maturing 2-15-2013 to 2-15-2028)	6/1/11	3,475,000	2/15/16	\$ 200,000	2.000	3,065,000		190,000	2,875,000
			2/15/17	200,000	4.000				
			2/15/18	205,000	3.000				
			2/15/19	205,000	3.000				
			2/15/20	215,000	5.000				
			2/15/21	220,000	5.000				
			2/15/22	230,000	3.250				
			2/15/23	230,000	3.250				
			2/15/24	235,000	4.000				
			2/15/25	235,000	4.000				
			2/15/26	235,000	4.000				
			2/15/27	235,000	4.000				
			2/15/28	230,000	4.000				
Additions and renovations to various schools	4/8/10	38,420,000	3/15/16	500,000	3.000	37,670,000		400,000	37,270,000
			3/15/17	600,000	3.000				
			3/15/18	700,000	3.250				
			3/15/19	800,000	4.000				
			3/15/20	1,500,000	4.000				
			3/15/21	1,600,000	4.000				
			3/15/22	1,650,000	4.000				
			3/15/23	1,700,000	4.000				
			3/15/24	1,800,000	4.000				
			3/15/25	1,885,000	4.000				
			3/15/26	2,000,000	4.000				
			3/15/27	2,075,000	4.000				
			3/15/28	2,200,000	4.000				
			3/15/29	2,300,000	4.000				
			3/15/30	2,400,000	4.125				
			3/15/31	2,500,000	4.250				
			3/15/32	2,650,000	4.250				
			3/15/33	2,800,000	4.250				
3/15/34	2,800,000	4.350							
3/15/35	2,810,000	4.400							
School refunding bonds	10/24/13	5,300,000	10/1/15	1,355,000	0.920	5,240,000		130,000	5,110,000
			10/1/16	1,300,000	1.270				
			10/1/17	1,250,000	1.780				
			10/1/18	1,205,000	2.230				
						\$ 47,230,000	\$ -	\$ 1,975,000	\$ 45,255,000

Ridgewood Board of Education
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2015

	Interest Rate	Amount of Original Issue	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
Field lighting	1.9894%	\$ 505,000	\$ 102,975	\$ -	\$ 102,975	\$ -
Computers	2.6400%	710,000	145,907	-	145,907	-
Computers	2.2230%	715,000	289,701	-	143,258	146,443
Computers	1.3500%	725,000	435,504	-	143,221	292,283
Computers	1.1390%	975,000	776,589	-	190,861	585,728
Technology equipment	1.2480%	970,000	970,000	-	196,971	773,029
Computers	1.4690%	485,000	-	485,000	99,821	385,179
Technology Equipment	1.5600%	955,000	-	955,000	-	955,000
			<u>\$ 2,720,676</u>	<u>\$ 1,440,000</u>	<u>\$ 1,023,014</u>	<u>\$ 3,137,662</u>

Ridgewood Board of Education
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,214,082		\$ 3,214,082	\$ 3,214,082	
State sources:					
Debt service aid type II	474,078		474,078	474,078	
Total revenues	<u>3,688,160</u>		<u>3,688,160</u>	<u>3,688,160</u>	
Expenditures:					
Principal on bonds	1,975,000		1,975,000	1,975,000	
Interest on bonds	1,745,785		1,745,785	1,745,785	\$ -
Total expenditures	<u>3,720,785</u>		<u>3,720,785</u>	<u>3,720,785</u>	-
(Deficiency) of revenues (under) expenditures	(32,625)		(32,625)	(32,625)	-
Fund balance, July 1	35,728		35,728	35,728	-
Fund balance, June 30	<u>\$ 3,103</u>	<u>\$ -</u>	<u>\$ 3,103</u>	<u>\$ 3,103</u>	<u>\$ -</u>

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Statistical Section
(Unaudited)

Statistical Section
Unaudited

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 27,747,187	\$ 28,350,205	\$ 31,563,716	\$ 32,735,639	\$ (3,026,561)	\$ 20,697,948	\$ 41,756,338	\$ 46,132,466	\$ 46,434,486	\$ 47,460,901
Restricted	5,594,883	7,768,283	5,099,625	4,051,369	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989
Unrestricted (deficit)	90,299	65,591	(136,004)	(1,033,044)	(1,350,383)	(1,335,961)	(1,415,055)	277,381	479,002	(21,862,874)
Total governmental activities net position	<u>\$ 33,432,369</u>	<u>\$ 36,184,079</u>	<u>\$ 36,527,337</u>	<u>\$ 35,753,964</u>	<u>\$ 37,257,808</u>	<u>\$ 43,277,784</u>	<u>\$ 48,175,471</u>	<u>\$ 51,671,980</u>	<u>\$ 52,185,372</u>	<u>\$ 30,417,016</u>
Business-type activities:										
Net investment in capital assets	\$ 159,862	\$ 134,973	\$ 116,267	\$ 84,172	\$ 78,561	\$ 174,404	\$ 200,277	\$ 200,056	\$ 182,963	\$ 165,869
Unrestricted (deficit)	450,769	438,735	402,043	317,127	238,200	84,170	(14,732)	(262,802)	(177,875)	(127,338)
Total business-type activities net position	<u>\$ 610,631</u>	<u>\$ 573,708</u>	<u>\$ 518,310</u>	<u>\$ 401,299</u>	<u>\$ 316,761</u>	<u>\$ 258,574</u>	<u>\$ 185,545</u>	<u>\$ (62,746)</u>	<u>\$ 5,088</u>	<u>\$ 38,531</u>
Government-wide:										
Net investment in capital assets	\$ 27,907,049	\$ 28,485,178	\$ 31,679,983	\$ 32,819,811	\$ (2,948,000)	\$ 20,872,352	\$ 41,956,615	\$ 46,332,522	\$ 46,617,449	\$ 47,626,770
Restricted	5,594,883	7,768,283	5,099,625	4,051,369	41,634,752	23,915,797	7,834,188	5,262,133	5,271,884	4,818,989
Unrestricted (deficit)	541,068	504,326	266,039	(715,917)	(1,112,183)	(1,251,791)	(1,429,787)	14,579	301,127	(21,990,212)
Total district net position	<u>\$ 34,043,000</u>	<u>\$ 36,757,787</u>	<u>\$ 37,045,647</u>	<u>\$ 36,155,263</u>	<u>\$ 37,574,569</u>	<u>\$ 43,536,358</u>	<u>\$ 48,361,016</u>	<u>\$ 51,609,234</u>	<u>\$ 52,190,460</u>	<u>\$ 30,455,547</u>

Source: District records.

Note: Net position as of and prior to June 30, 2012, is reclassified to reflect the implementation of GASB Statement No. 63, "financial Reporting of Deferred Outflows, Deferred Inflows of Resources and Net Position"

Note: This schedule represents ten years of data

Note: GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$21,488,873. This amount is not reflected in the June 30, 2014 Net Position above.

Ridgewood Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 33,811,474	\$ 36,450,455	\$ 37,489,605	\$ 36,067,316	\$ 37,635,956	\$ 39,044,444	\$ 39,520,534	\$ 41,066,546	\$ 42,268,110	\$ 49,809,263
Special education	4,008,048	4,732,243	6,150,367	6,604,765	6,697,403	7,094,778	8,659,407	9,677,014	10,365,003	12,214,247
Other special instruction	1,546,657	1,788,835	1,780,241	1,739,611	1,700,384	1,276,142	1,832,543	1,865,523	1,917,159	2,259,204
Other instruction	2,846,165	3,168,652	2,611,483	2,604,698	2,702,014	2,439,657	2,226,960	2,333,329	2,209,523	3,249,504
Support Services:										
Tuition	3,485,660	3,537,022	4,367,446	4,851,442	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926
Student and instruction related services	12,447,833	13,317,152	14,319,913	13,963,348	15,001,751	14,731,156	15,693,498	16,593,369	17,168,297	20,121,714
School administrative services	4,466,397	4,540,759	4,897,256	4,903,953	4,886,853	4,797,546	4,630,097	4,912,473	5,124,205	5,956,806
General administration services	1,334,123	1,292,484	1,319,377	1,339,367	1,290,797	973,223	1,002,754	996,072	1,030,247	992,004
Central services	1,372,897	1,439,255	1,596,351	1,634,429	1,609,055	1,569,040	1,566,374	1,557,969	1,647,350	1,802,578
Administrative information technology	677,747	731,239	666,840	745,703	859,287	755,846	784,880	712,561	893,325	1,148,311
Business and other support services										
Plant operations and maintenance	6,420,044	6,522,715	7,187,916	7,699,034	7,343,995	7,235,913	7,743,196	7,760,169	8,829,531	9,002,078
Pupil transportation	2,307,921	2,471,149	2,775,719	3,014,087	2,852,706	2,672,636	2,691,737	2,831,955	3,096,229	3,214,020
Special schools	1,141,790	1,160,117	1,267,630	1,243,150	1,052,193	996,687	940,027	915,697	1,010,334	763,467
Interest on long-term debt	961,059	915,679	871,721	818,757	1,124,232	2,235,001	2,167,806	2,084,878	2,136,514	1,786,823
Unallocated depreciation	2,692,795	1,918,597	2,136,188	2,185,602	2,177,278	2,341,669	2,337,989	3,478,605		
Total governmental activities expenses	79,520,610	83,986,353	89,438,053	89,415,262	91,913,880	93,652,653	98,066,328	103,299,971	104,096,558	119,216,945
Business-type activities										
Food service	1,257,719	1,254,245	1,262,215	1,279,041	1,200,627	1,153,075	1,234,287	1,272,615	1,467,124	1,491,101
Infant/Toddler Development Program	983,346	1,014,372	1,047,268	1,061,693	1,056,302	1,074,626	1,005,350	923,260	716,747	952,967
Total business-type activities	2,241,065	2,268,617	2,309,483	2,340,734	2,256,929	2,227,701	2,239,637	2,195,875	2,183,871	2,444,068
Total district expenses	\$ 81,761,675	\$ 86,254,970	\$ 91,747,536	\$ 91,755,996	\$ 94,170,809	\$ 95,880,354	\$ 100,305,965	\$ 105,495,846	\$ 106,280,429	\$ 121,661,013

Note: Beginning in the 2014 fiscal year, the District allocated depreciation expense by function.

Ridgewood Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Charges for services	\$ 1,788,088	\$ 1,744,586	\$ 1,820,589	\$ 1,724,684	\$ 1,697,013	\$ 1,671,910	\$ 1,440,927	\$ 1,932,584	\$ 879,643	\$ 689,432
Operating grants and contributions	7,561,081	10,204,771	10,556,693	7,900,404	8,970,346	8,515,529	10,101,630	12,062,765	1,730,518	1,999,970
Capital grants and contributions	185,010	199,904	21,099	279,223	522,627	4,123,851	3,440,895	1,012,305	177,260	1,815,883
Total governmental activities program revenues	9,534,179	12,149,261	12,398,381	9,904,311	11,189,986	14,311,290	14,983,452	15,007,654	2,787,421	4,505,285
Business-type activities:										
Charges for services										
Food service	1,130,780	1,127,744	1,107,922	1,126,800	1,058,262	1,044,532	1,078,878	1,096,927	1,395,639	1,537,697
Infant/Toddler Development Program	975,911	992,097	1,032,819	983,345	990,367	1,011,663	961,850	728,458	853,846	939,697
Operating grants and contributions	101,909	99,808	106,376	111,834	122,895	112,120	124,847	121,800	2,124	-
Total business-type activities program revenues	2,208,600	2,219,649	2,247,117	2,221,979	2,171,524	2,168,315	2,165,575	1,947,185	2,251,609	2,477,394
Total district program revenues	\$ 11,742,779	\$ 14,368,910	\$ 14,645,498	\$ 12,126,290	\$ 13,361,510	\$ 16,479,605	\$ 17,149,027	\$ 16,954,839	\$ 5,039,030	\$ 6,982,679
Net (Expense)/Revenue										
Governmental activities	\$ (69,986,431)	\$ (71,837,092)	\$ (77,039,672)	\$ (79,510,951)	\$ (80,723,894)	\$ (79,341,363)	\$ (83,082,876)	\$ (88,292,317)	\$ (101,309,137)	\$ (114,711,660)
Business-type activities	(32,465)	(48,968)	(62,366)	(118,755)	(85,405)	(59,386)	(74,062)	(248,690)	67,738	33,326
Total government-wide net expense	\$ (70,018,896)	\$ (71,886,060)	\$ (77,102,038)	\$ (79,629,706)	\$ (80,809,299)	\$ (79,400,749)	\$ (83,156,938)	\$ (88,541,007)	\$ (101,241,399)	\$ (114,678,334)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 64,948,735	\$ 67,994,062	\$ 70,967,340	\$ 73,806,034	\$ 76,758,275	\$ 79,728,606	\$ 81,323,178	\$ 82,949,642	\$ 84,608,635	\$ 86,223,037
Debt service	1,431,304	1,381,771	1,433,326	1,432,250	1,435,200	2,958,908	3,105,755	3,200,686	3,239,342	3,214,082
Unrestricted grants and contributions	4,000,526	4,015,502	4,038,972	3,098,311	3,428,070	2,189,099	3,146,320	5,239,532	12,345,398	23,699,314
Investment earnings	675,387	883,194	641,380	106,712	127,785	207,272	119,899	27,018	13,687	13,391
Miscellaneous	311,281	314,273	301,912	294,271	478,408	277,454	285,421	371,948	1,510,467	1,282,353
Special items	-	-	-	-	-	-	-	-	105,000	-
Total governmental activities	71,367,233	74,588,802	77,382,930	78,737,578	82,227,738	85,361,339	87,980,573	91,788,826	101,822,529	114,432,177
Business-type activities:										
Investment earnings	11,368	12,045	6,968	1,744	867	1,199	1,033	399	96	117
Total business-type activities	11,368	12,045	6,968	1,744	867	1,199	1,033	399	96	117
Total government-wide	\$ 71,378,601	\$ 74,600,847	\$ 77,389,898	\$ 78,739,322	\$ 82,228,605	\$ 85,362,538	\$ 87,981,606	\$ 91,789,225	\$ 101,822,625	\$ 114,432,294
Change in Net Position										
Governmental activities	\$ 1,380,802	\$ 2,751,710	\$ 343,258	\$ (773,373)	\$ 1,503,844	\$ 6,019,976	\$ 4,897,697	\$ 3,496,509	\$ 513,392	\$ (279,483)
Business-type activities	(21,097)	(36,923)	(55,398)	(117,011)	(84,538)	(58,187)	(73,029)	(248,291)	67,834	33,443
Total district	\$ 1,359,705	\$ 2,714,787	\$ 287,860	\$ (890,384)	\$ 1,419,306	\$ 5,961,789	\$ 4,824,668	\$ 3,248,218	\$ 581,226	\$ (246,040)

Source: District records

Note: Net position as of and prior to June 30, 2012, is reclassified to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows, Deferred Inflows of Resources and Net Position"

Note: This schedule represents ten years of data

Ridgewood Board of Education
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	As of June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 5,575,778	\$ 7,761,862	\$ 5,099,624	\$ 4,049,600	\$ 4,661,867					
Unreserved	1,270,151	1,316,892	1,224,659	416,268	388,549					
Restricted						\$ 4,491,947	\$ 4,137,931	\$ 4,285,603	\$ 5,271,884	\$ 4,818,989
Committed						626,236	524,538	863,807		
Assigned						55,629	67,945	81,909	201,232	57,326
Unassigned						633,086	595,619	2,131,432	2,121,012	1,757,257
Total general fund	<u>\$ 6,845,929</u>	<u>\$ 9,078,754</u>	<u>\$ 6,324,283</u>	<u>\$ 4,465,868</u>	<u>\$ 5,050,416</u>	<u>\$ 5,806,898</u>	<u>\$ 5,326,033</u>	<u>\$ 7,362,751</u>	<u>\$ 7,594,128</u>	<u>\$ 6,633,572</u>
All Other Governmental Funds										
Reserved	\$ 4,090	\$ 4,090			\$ 18,536,160					
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	3,992	(1,592)			18,434,955					
Debt service fund	11,023	3,923	\$ 1	\$ 1,769	1,770					
Restricted, reported in:										
Capital projects fund						\$ 3,536,919	\$ 2,667,119	\$ 104,862	\$ 202,700	\$ 214,082
Debt service fund						7,340	15,201	7,861	35,728	3,103
Committed, reported in:										
Capital projects fund						20,507,731	2,697,335			
Assigned, reported in:										
Capital projects fund						166,046	175,087			
Special revenue fund									997,506	980,585
Unassigned deficit, reported in:										
Capital projects fund						(5,420,422)	(2,383,023)			
Total all other governmental funds	<u>\$ 19,105</u>	<u>\$ 6,421</u>	<u>\$ 1</u>	<u>\$ 1,769</u>	<u>\$ 36,972,885</u>	<u>\$ 18,797,614</u>	<u>\$ 3,171,719</u>	<u>\$ 112,723</u>	<u>\$ 1,235,934</u>	<u>\$ 1,197,770</u>

Note: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

Source: District records

Note: This schedule represents ten years of data

Ridgewood Board of Education
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	Year Ended June 30,										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues											
Tax levy	\$ 63,248,930	\$ 66,380,039	\$ 69,375,833	\$ 72,400,666	\$ 75,238,284	\$ 78,193,475	\$ 82,687,514	\$ 84,428,933	\$ 86,150,328	\$ 87,847,977	\$ 89,437,119
Tuition	561,733	494,617	465,062	386,413	314,725	468,722	465,061	340,410	551,917	879,643	689,432
Interest earnings	396,078	675,387	883,194	641,380	106,712	127,785	207,272	119,899	27,018	13,687	13,391
Miscellaneous	2,255,448	2,218,634	2,225,601	2,316,872	2,471,838	2,372,905	2,284,237	2,391,509	2,924,860	3,124,804	2,142,073
State sources	10,855,096	10,106,209	12,773,650	13,010,693	9,458,715	10,455,749	12,297,765	14,021,944	15,669,656	12,311,320	13,924,734
Federal sources	1,359,897	1,235,758	1,230,395	1,245,281	1,275,193	2,025,226	1,963,964	1,893,252	1,672,701	1,297,519	1,256,141
Total revenue	78,677,182	81,110,644	86,953,735	90,001,305	88,865,467	93,643,862	99,905,813	103,195,947	106,996,480	105,474,950	107,462,890
Expenditures											
Instruction											
Regular Instruction	25,820,825	26,553,017	27,134,710	28,094,313	28,362,247	29,667,390	30,442,131	30,223,875	30,930,494	31,968,923	32,726,271
Special education instruction	2,777,658	3,083,691	3,465,462	4,536,206	5,027,038	5,091,202	5,265,323	6,335,189	7,038,909	7,462,101	7,638,879
Other special instruction	1,052,106	1,174,409	1,316,135	1,285,484	1,325,825	1,294,233	957,878	1,349,859	1,352,093	1,417,159	1,450,732
Other instruction	2,086,286	2,283,182	2,481,544	2,030,176	2,076,127	2,156,305	1,925,886	1,776,047	1,866,881	1,709,523	1,750,022
Support services:											
Tuition	3,118,284	3,485,660	3,537,022	4,367,446	4,851,442	4,979,976	5,488,915	6,268,526	6,513,811	6,400,731	6,896,926
Student and instruction related services	9,185,372	9,953,628	10,210,035	11,023,801	11,015,798	11,833,051	11,382,241	12,058,142	12,843,206	13,209,750	13,762,418
School administration services	3,450,921	3,448,607	3,350,171	3,607,586	3,737,212	3,706,608	3,552,799	3,394,576	3,584,519	3,734,917	3,769,146
General administration services	1,379,215	1,220,352	1,162,497	1,167,782	1,207,743	1,179,235	926,283	911,760	897,146	896,078	812,902
Central services	1,098,517	1,116,112	1,157,538	1,286,182	1,294,683	1,264,768	1,174,765	1,177,958	1,181,180	1,246,810	1,182,702
Administrative information technology services	565,099	639,614	689,173	626,394	681,177	760,859	589,380	617,686	548,276	679,276	774,375
Plant operations and maintenance	6,103,331	6,526,725	6,631,214	7,284,167	7,786,236	7,505,750	7,500,654	8,008,255	8,037,721	8,345,568	8,409,424
Pupil transportation	2,220,487	2,295,231	2,456,618	2,758,853	2,995,211	2,832,276	2,644,397	2,664,944	2,806,253	2,939,264	3,020,649
Employee benefits	11,916,177	13,702,713	17,172,746	17,852,008	15,603,662	16,241,126	17,271,044	18,897,615	20,406,898	18,215,072	19,683,350
Special schools	1,087,060	1,141,790	1,160,117	1,267,630	1,243,150	1,052,193	996,687	940,027	915,697	1,010,334	841,165
Capital outlay	8,373,080	1,393,898	1,520,676	4,360,048	2,307,514	3,824,054	25,114,187	21,742,993	6,127,501	2,266,611	3,461,864
Debt service:											
Principal	965,000	975,000	1,025,000	1,080,000	1,135,000	1,190,000	1,260,000	1,565,000	1,640,000	1,755,000	1,975,000
Interest and other charges	969,893	930,524	881,541	829,439	774,549	716,821	2,102,778	2,085,255	2,053,173	2,004,717	1,745,785
Total expenditures	82,169,311	79,924,153	85,352,199	93,457,515	91,424,614	95,295,847	118,595,348	120,017,707	108,743,758	105,261,834	109,901,610
Excess (Deficiency) of revenues over (under) expenditures	(3,492,129)	1,186,491	1,601,536	(3,456,210)	(2,559,147)	(1,651,985)	(18,689,535)	(16,821,760)	(1,747,278)	213,116	(2,438,720)
Other Financing sources (uses)											
Proceeds from borrowing						38,420,000					
Premium (discount) on bonds						649				(31,800)	
Capital leases (non-budgeted)	536,178	541,650	618,605	695,319	702,500	787,000	1,215,000	715,000	725,000	975,000	1,440,000
Proceeds from refunding	10,911,556						3,609,274			5,300,000	
Payments to refunded bond escrow agent	(10,781,090)						(3,553,528)			(5,206,728)	
Special item										105,000	
Transfers in	1,338,679	15,750		1,000		44,452	115,897	37,468	1,255		651,330
Transfers out	(1,338,679)	(15,750)		(1,000)		(44,452)	(115,897)	(37,468)	(1,255)		(651,330)
Total other financing sources (uses)	666,644	541,650	618,605	695,319	702,500	39,207,649	1,270,746	715,000	725,000	1,141,472	1,440,000
Net change in fund balances	\$ (2,825,485)	\$ 1,728,141	\$ 2,220,141	\$ (2,760,891)	\$ (1,856,647)	\$ 37,555,664	\$ (17,418,789)	\$ (16,106,760)	\$ (1,022,278)	\$ 1,354,588	\$ (998,720)
Debt service as a percentage of noncapital expenditures	2.62%	2.43%	2.27%	2.14%	2.14%	2.08%	3.60%	3.71%	3.60%	3.65%	3.50%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.

Note: This schedule represents ten years of data

Ridgewood Board of Education
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Summer school tuition and fees	\$ 151,166	\$ 168,059	\$ 106,057	\$ 103,138				\$ 41,545	\$ 56,625	\$ 100,940
Adult school and other special school fees	853,241	828,022	989,051	946,009	\$ 864,429	\$ 863,701	\$ 836,173	813,197	879,643	689,432
Student activity fees	107,413	114,319	114,632	78,139	174,525	251,978	169,762	302,498	361,079	308,821
Rentals	430,425	440,324	452,285	459,380	441,031	436,537	443,372	442,037	409,329	282,355
Transportation	2,880	1,066	-	53,484	25,413	16,712	22,261	16,169	32,749	22,750
Miscellaneous - restricted:										
Services provided other LEAs	375	15,417	86,289	85,781	94,046	8,656	15,210	156,646	259,516	479,369
Reimbursement of custodial and other costs	37,208	42,814	51,054	53,515	59,658	59,337	45,736	39,519	30,453	41,811
Utility rebates	76,806	-	-	-	-	-	-	-	-	-
Other	77,845	112,872	121,462	102,360	87,272	6,465	7,791	21,351	-	-
Miscellaneous - unrestricted	76,625	86,576	35,252	46,002	186,463	74,101	77,555	119,653	374,403	59,698
Annual totals	\$ 1,813,984	\$ 1,809,469	\$ 1,956,082	\$ 1,927,808	\$ 1,932,837	\$ 1,717,487	\$ 1,617,860	\$ 1,952,615	\$ 2,403,797	\$ 1,985,176

Source: District records

Note: This schedule represents ten years of data

Ridgewood Board of Education
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2006	\$ 13,498,200	\$ 3,501,301,100	\$ 346,683,900	\$ 59,404,000	\$ 3,920,887,200	\$ 5,003,153	\$ 3,925,890,353	\$ 446,405,300	\$ 5,807,290,564	\$ 1.767
2007	12,831,200	3,525,797,000	349,937,500	59,304,000	3,947,869,700	5,610,668	3,953,480,368	461,060,100	6,514,060,913	1.831
2008	19,347,800	5,972,283,900	619,430,500	116,784,800	6,727,847,000	5,610,668	6,733,457,668	747,683,600	6,848,892,924	1.117
2009	22,187,800	5,950,985,100	613,560,000	114,272,000	6,701,004,900	10,343,605	6,711,348,505	746,070,900	6,827,113,070	1.165
2010	24,188,000	5,948,400,600	596,467,300	106,335,700	6,675,391,600	10,616,803	6,686,008,403	746,841,100	6,707,210,394	1.237
2011	22,561,000	5,928,833,100	593,617,600	106,335,700	6,651,347,400	9,425,266	6,660,772,666	751,643,900	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	751,165,900	6,342,573,286	1.304
2013	16,795,700	5,111,925,100	506,624,400	88,306,400	5,723,651,600	-	5,723,651,600	688,929,700	6,827,113,070	1.535
2014	17,989,100	5,122,760,900	504,096,500	88,306,400	5,733,152,900	-	5,733,152,900	N/A	N/A	1.560
2015	18,991,800	5,138,526,500	504,214,500	88,306,400	5,750,039,200	-	5,750,039,200	N/A	N/A	-

Source: Municipal Tax assessor and Abstract of Ratables, County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

The Village of Ridgewood reassessed real property effective 2013 and 2008.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

N/A - At the time of CAFR completion, this data was not yet available.

Ridgewood Board of Education
 Direct and Overlapping Governments - Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Year Ended June 30,	Township of Ridgewood School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School	Village of Ridgewood	County of Bergen	
2006	\$ 1.718	\$ 0.049	\$ 1.767	\$ 0.631	\$ 0.272	\$ 2.670
2007	1.783	0.048	1.831	0.676	0.293	2.800
2008	1.089	0.028	1.117	0.417	0.189	1.723
2009	1.144	0.021	1.165	0.431	0.196	1.792
2010	1.194	0.043	1.237	0.454	0.196	1.887
2011	1.220	0.048	1.268	0.419	0.269	1.956
2012	1.255	0.049	1.304	0.500	0.210	2.014
2013	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

Source: Municipal Tax Collector

Notes: The Village of Ridgewood reassessed real property effective 2013 and 2008

N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

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

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

Ridgewood Board of Education
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
1200 E. Ridgewood Ave LLC	\$ 23,000,000	1	0.40%			
Milridge Realty, LLC	11,516,700	2	0.20%	\$ 8,204,300	2	0.22%
Home Properties WMF, LLC	9,705,700	3	0.17%	6,541,400	3	
Ridgewood Mayflower Realty	8,700,600	4	0.15%	5,512,700	8	
257 Ridgewood Avenue LLC	8,468,300	5	0.15%			
Cameron Apartments	8,167,200	6	0.14%			
Lucerne-Ridgewood LLC	8,080,000	7	0.14%			
Pondview Medical Center of Ridgewood	8,063,800	8	0.14%			
Kimco Ridgewood 615, Inc	7,452,500	9	0.13%			
Kew Management Corporaiton	7,431,700	10	0.13%			
Kew Management Corporaiton				5,686,100	6	0.15%
The Realty Associates				13,500,000	1	0.43%
Verizon NJ				5,758,519	5	0.19%
Van Dyk Health Care, Inc.				6,372,300	4	0.16%
Mayflower Realty						
Magnolia Partners LLC				5,553,900	7	0.14%
Stop & Shop Supermarket co.				4,839,200	9	0.13%
Ridgewood Savings Bank of NJ				4,707,300	10	0.12%
Total	<u>\$ 100,586,500</u>		<u>1.75%</u>	<u>\$ 66,675,719</u>		<u>1.54%</u>

Source: Municipal Tax Assessor

Note: The Village of Ridgewood reassessed real property effective 2013 and 2008.

Ridgewood Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Collected within the Fiscal Year of the
Levy

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years
2006	\$ 66,380,039	\$ 66,380,039	100.00%	-
2007	69,375,833	69,375,833	100.00%	-
2008	72,400,666	72,400,666	100.00%	-
2009	75,238,284	75,238,284	100.00%	-
2010	78,193,475	78,193,475	100.00%	-
2011	82,661,789	82,661,789	100.00%	-
2012	84,454,658	84,454,658	100.00%	-
2013	86,150,328	86,150,328	100.00%	-
2014	87,847,977	87,847,977	100.00%	-
2015	89,437,119	89,437,119	100.00%	-

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

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

Ridgewood Board of Education
Ratios of Outstanding Debt by Type
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income ^a	
	General Obligation Bonds*	Capital Leases	Total District	Income ^a	Per Capita ^a
2006	\$ 19,121,000	\$ 1,133,672	\$ 20,254,672	1.33%	838
2007	18,096,000	1,157,733	19,253,733	1.18%	798
2008	17,016,000	1,248,082	18,264,082	1.13%	758
2009	15,881,000	1,333,071	17,214,071	1.11%	712
2010	53,111,000	1,456,614	54,567,614	3.42%	2,183
2011	51,915,000	1,866,566	53,781,566	3.18%	2,137
2012	50,350,000	1,763,477	52,113,477	2.98%	2,063
2013	48,710,000	1,662,254	50,372,254	2.85%	1,983
2014	47,230,000	2,720,676	49,950,676	2.82%	1,959
2015	45,255,000	3,137,662	48,392,662	2.73%	1,898

Source: District Records

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

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

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			
2006	\$ 19,121,000		\$ 19,121,000	0.49%	838
2007	18,096,000		18,096,000	0.46%	798
2008	17,016,000		17,016,000	0.25%	758
2009	15,881,000		15,881,000	0.24%	712
2010	53,111,000		53,111,000	0.79%	2,183
2011	51,915,000		51,915,000	0.78%	2,137
2012	50,350,000		50,350,000	0.76%	2,063
2013	48,710,000		48,710,000	0.85%	1,983
2014	47,230,000		47,230,000	0.82%	1,959
2015	45,255,000		45,255,000	0.79%	1,898

Source: District Records

Note: The Village of Ridgewood reassessed real property effective 2013 and 2008.
 Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See J-6 for property tax data.

b See J-14 for population data. The ratio is calculated using the population for the prior calendar year.

Ridgewood Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015
Unaudited

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Village of Ridgewood	(1)	\$ 54,563,014	100.0000%	\$ 54,563,014
County of Bergen	(2);(A)	849,429,738	3.4687%	29,464,169
County of Bergen Utilities Authority	(3);(B)	222,526,476	0.0010%	2,225
Northwest Bergen County Utilities Authority	(4);(B)	17,114,772	0.2100%	35,941
Other debt				
Municipal Water System - Village of Ridgewood	(1)	\$ 25,096,738	100.00%	25,096,738
Municipal Parking System - Village of Ridgewood	(1)	1,633,615	100.00%	1,633,615
Subtotal, overlapping debt				110,795,703
Ridgewood Board of Education direct debt, issued and authorized to be issued				<u>45,255,000</u>
Total direct and overlapping debt				<u><u>\$156,050,703</u></u>

Sources: (1) Municipal Chief Financial Officer
(2) County Chief Financial Officer
(3) County of Bergen Utilities Authority
(4) Northwest Bergen County Utilities Authority

(A) The debt for this entity was apportioned to the Village of Ridgewood by applying the Municipality-to-County Net Valuation on which County taxes are apportioned for Bergen County.

(B) The debt for this entity was apportioned to the Village of Ridgewood by applying the usage percentage.

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

Ridgewood Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis	
	2014	\$ 6,195,324,076
	2013	6,000,892,850
	2012	6,194,601,256
	[A]	<u>\$ 18,390,818,182</u>
	Average equalized valuation of taxable property	[A/3] \$ 6,130,272,727
	Debt limit (4 % of average equalization value)	[B] \$ 245,210,909 ^a
	Total net Debt Applicable to Limit	[C] <u>45,255,000</u>
	Legal debt margin	[B-C] <u>\$ 199,955,909</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 207,877,220	\$ 231,279,693	\$ 252,358,585	\$ 266,708,799	\$ 270,146,454	\$ 266,850,895	\$ 260,721,259	\$ 253,879,774	\$ 200,299,151	\$ 199,955,909
Total net debt applicable to limit	19,121,000	18,096,000	17,016,000	15,881,000	53,111,000	51,915,000	50,350,000	48,710,000	47,230,000	45,255,000
Legal debt margin	<u>\$ 188,756,220</u>	<u>\$ 213,183,693</u>	<u>\$ 235,342,585</u>	<u>\$ 250,827,799</u>	<u>\$ 217,035,454</u>	<u>\$ 214,935,895</u>	<u>\$ 210,371,259</u>	<u>\$ 205,169,774</u>	<u>\$ 153,069,151</u>	<u>\$ 154,700,909</u>
Total net debt applicable to the limit as a percentage of debt limit	9.20%	7.82%	6.74%	5.95%	19.66%	19.45%	19.31%	19.19%	23.58%	22.63%

Source: Equalized valuation bases were obtained from the Annual Debt Statement, Village of Ridgewood.

^a Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Note: The Village of Ridgewood reassessed real property effective 2013 and 2008.

Ridgewood Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^{a(1)}	Personal Income ^b	Per Capita Personal Income ^{c(2)}	Unemployment Rate ^d
2006	24,156	\$ 1,524,316,068	\$ 63,103	2.8%
2007	24,122	1,629,296,368	67,544	2.3%
2008	24,102	1,622,811,762	67,331	3.0%
2009	24,181	1,544,537,194	63,874	5.5%
2010	24,992	1,596,613,920	63,885	5.7%
2011	25,167	1,692,430,416	67,248	5.6%
2012	25,261	1,750,107,341	69,281	5.9%
2013	25,397	1,764,964,515	69,495	5.3%
2014	25,496 **	1,771,844,520	69,495 *	4.0%
2015	25,496 **	1,771,844,520	69,495 *	N/A

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c US Bureau of Economic Analysis per capita personal income for New Jersey by county.

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

Notes:

* - Latest Bergen County per capita personal income available (2012) was used for calculation purposes

** - Latest population data available (2013) was used for calculation purposes

(1) Represents estimate as of July 1

(2) Represents county information vs. municipality

N/A - At the time of CAFR completion, this data was not yet available.

Ridgewood Board of Education
Principal Employers
Current Year and Ten Years Ago
Unaudited

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
N/A	N/A	1	N/A	N/A	1	N/A
N/A	N/A	2	N/A	N/A	2	N/A
N/A	N/A	3	N/A	N/A	3	N/A
N/A	N/A	4	N/A	N/A	4	N/A
N/A	N/A	5	N/A	N/A	5	N/A
N/A	N/A	6	N/A	N/A	6	N/A
N/A	N/A	7	N/A	N/A	7	N/A
N/A	N/A	8	N/A	N/A	8	N/A
N/A	N/A	9	N/A	N/A	9	N/A
N/A	N/A	10	N/A	N/A	10	N/A
				-		

Source: Village of Ridgewood and State of New Jersey Department of Labor and Industry Annual Labor Force Estimates by Municipality

N/A - At the time of CAFR completion, this data was not yet available.

Ridgewood Board of Education
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

Function/Program	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	346	349	351	354	372	369	348	350	341	344
Special education	95	89	139	141	93	54	78	76	89	82
Other special education - suppl/mainstreaming	40	49	12	13	15	59	107	119	95	101
Other instruction	1	1	1	1						
Support services										
Student & instruction related services	151	143	152	152	123	125	108	108	95	114
General administration	4	4	4	4	4	4	4	4	2	2
School administrative services	41	41	44	44	63	41	54	54	44	40
Central services	14	14	14	14	24	16	20	20	15	14
Administrative Information Technology	8	7	5	5	17	19	19	19	7	11
Plans operations and maintenance	16	15	16	16	9	2	7	6	3	2
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Special Schools										
Infant/Toddler Development Center	6	6	7	7	2	2	2	2	2	2
	33	33	33	33	33	33	33	32	33	33
Total	756	752	779	785	756	725	781	791	727	746

Source: District Personnel Records

N/A - Information is not available

Ridgewood Board of Education
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Senior High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	5,602	\$ 76,624,731	\$ 13,678	6.13%	401.92	14.6	12.5	13.8	5,551	5,318.8	0.89%	95.81%
2007	5,632	81,924,982	14,546	6.35%	409.19	13.5	12.1	13.6	5,568	5,402.4	0.30%	97.02%
2008	5,665	87,188,028	15,391	5.80%	413.89	14.1	12.7	13.4	5,611	5,410.0	0.76%	96.42%
2009	5,670	87,207,551	15,381	-0.07%	419.00	14.3	12.5	13.4	5,644	5,443.7	0.59%	96.45%
2010	5,777	89,564,972	15,504	0.80%	419.27	14.1	12.6	13.1	5,709	5,477.0	1.14%	95.94%
2011	5,822	90,118,383	15,479	-0.16%	423.00	14.4	12.4	11.8	5,711	5,488.7	0.03%	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	0.90%	96.37%
2014	5,743	99,235,506	17,279	1.82%	430.10	13.6	12.6	11.1	5,717	5,517.9	-0.59%	96.51%
2015	5,650	102,718,961	18,180	5.21%	426.00	15.5	15.9	15.0	5,650	5,463.0	-1.18%	96.69%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Ridgewood Board of Education
 School Building Information
 Last Ten Fiscal Years
 Unaudited

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 p. 1
 (continued)

	Year Ended June 30,										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<u>District Building</u>											
<u>Elementary</u>											
Glen (1959)											
Square Feet	27,300	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	N/A
Enrollment	56	51	50	34	42	54	37	42	42	42	
Hawes (1966)											
Square Feet	39,765	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	N/A
Enrollment a	421	422	410	405	416	407	405	407	407	407	
Orchard (1966)											
Square Feet	42,133	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	N/A
Enrollment	321	320	325	328	331	340	337	333	333	333	
Ridge (1960)											
Square Feet	47,800	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	N/A
Enrollment	505	486	488	478	478	500	497	514	514	514	
Somerville (1950)											
Square Feet	68,000	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	N/A
Enrollment a	466	473	508	507	534	527	502	517	517	517	
Travell (1966)											
Square Feet	47,800	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	N/A
Enrollment	400	421	419	416	416	407	395	365	365	365	
Willard (1926)											
Square Feet	50,500	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	N/A
Enrollment	482	463	453	468	458	484	479	500	500	500	

Ridgewood Board of Education
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Middle Schools</u>										
Benjamin Franklin (1954)	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400	190,400
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	653	648	677	692	691	691	697	738	738	738
Enrollment										
George Washington (1928)										
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	631	623	632	664	678	661	688	652	652	652
<u>High School</u>										
Ridgewood High School (1920)										
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	1,642	1,661	1,649	1,652	1,664	1,662	1,663	1,684	1,684	1,684
<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
Number of Schools at June 30, 2015										
Elementary = 7										
Middle Schools = 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 additions. Enrollment is based on the District's June Enrollment Report.

N/A - Information is not available

Ridgewood Board of Education
 General Fund
 Schedule of Required Maintenance Expenditures for School Facilities
 Last Ten Fiscal Years
 Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities
 11-000-261-XXX

*School Facilities	School #	Year Ended June 30,									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Ridgewood High School	050	\$ 239,967	\$ 407,140	\$ 397,798	\$ 387,746	\$ 469,753	\$ 28,872	\$ 377,586	\$ 374,705	\$ 355,471	\$ 346,196
Benjamin Franklin Middle School	060	140,143	204,684	274,941	198,025	221,103	75,875	349,328	287,346	204,427	199,093
George Washington Middle School	070	90,576	139,756	128,173	73,267	158,124	122,790	173,071	149,408	141,019	137,340
Glen Elementary School	080	35,003	42,190	40,646	72,943	18,158	20,656	37,476	41,200	52,398	51,031
Hawes Elementary School	085	77,369	60,060	68,371	131,657	45,628	46,837	25,864	52,821	89,505	87,170
Ridge Elementary School	090	61,394	47,233	73,544	64,070	99,958	73,875	52,033	71,565	66,201	64,474
Somerville Elementary School	100	69,527	96,216	94,982	82,723	169,905	186,173	116,760	102,623	142,082	138,375
Travell Elementary School	110	57,297	58,527	68,174	87,790	79,188	140,485	83,408	69,120	70,942	69,091
Orchard Elementary School	120	57,700	44,707	66,382	111,325	71,535	204,931	126,520	58,103	66,450	64,716
Willard Elementary School	130	69,234	71,634	78,421	92,656	133,068	427,402	25,329	76,213	73,703	71,780
Education Center	999	51,358	43,347	55,298	20,321	46,167	134,943	111,929	49,259	83,579	81,398
Total School Facilities		\$ 949,568	\$ 1,215,494	\$ 1,346,730	\$ 1,322,523	\$ 1,512,587	\$ 1,462,839	\$ 1,479,304	\$ 1,332,363	\$ 1,345,777	\$ 1,310,664

* School facilities as defined under EFCFA
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

Ridgewood Board of Education
Insurance Schedule
Year ended June 30, 2015
Unaudited

Type of Coverage	Coverage	Deductible
PACKAGE POLICY - Great American Ins. Co.		
PROPERTY	\$260,092,376	\$5,000
EARTHQUAKE/FLOOD (Outside Zones A & V)	5,000,000	50,000
FLOOD Zones A & V	1,000,000	500,000
AUTOMOBILE	1,000,000	1,000/COMP&COLL
COMPREHENSIVE GENERAL LIABILITY	1,000,000	
CRIME (Non-statutory Bonds) Selective Ins. Co.	100,000 PER EMPLOYEE 400,000 EXCESS	5,000
BOILER & MACHINERY	\$260,092,376	
ENVIRONMENTAL - ACE	2,000,000 20,000,000 Group Aggregate	15,000
EDUCATOR'S LEGAL LIABILITY/ EMPLOYMENT PRACTICES - Darwin	1,000,000	25,000 35,000
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.	\$2,000,000 occurrence \$6,000,000 Group Aggregate (Subject to Sublimits)	
WORKER'S COMPENATION - 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% Coinsurance on 1st \$25,000
Voluntary - Monumental Life	\$500,000	

Source: District Records

Note: The District is part of the Northeast Bergen County School Board Insurance Group (NESBIG). Several of the above coverages are the combined amounts for all the school districts under master policies with insurance companies.

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Single Audit Section

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 Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ridgewood Board of Education, in the County of Bergen, New Jersey (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

wiss.com

354 Eisenhower Parkway
Suite 1850
Livingston, NJ 07039
973.994.9400

485C Route 1 South
Suite 250
Iselin, NJ 08830
732.283.9300

14 Penn Plaza
Suite 1010
New York, NY 10122
212.594.8155

5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

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 District'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. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness which is identified as item 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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



Michael J. Andriola
Licensed Public School Accountant
No. 2429



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by
OMB A-133 and New Jersey OMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Ridgewood Board of Education, in the County of Bergen, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 15-08

wiss.com

354 Eisenhower Parkway
Suite 1850
Livingston, NJ 07039
973.994.9400

485C Route 1 South
Suite 250
Iselin, NJ 08830
732.283.9300

14 Penn Plaza
Suite 1010
New York, NY 10122
212.594.8155

5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

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 and state program occurred. An audit includes examining, on a test basis, evidence about the District'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 District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to previously that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District 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 District'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 OMB Circular A-133 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 District'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.

Purpose of this Report

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 OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



Michael J. Andriola
Licensed Public School Accountant
No. 2429



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

Ridgewood Board of Education
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	June 30, 2015		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
General Funds:														
U.S. Department of Human Service -														
Passed Through the State Department of Education														
Medicaid Assistance														
	93.778	7/1/14-6/30/15	\$ 14,638					\$ 2,103	\$ (2,103)					
Total U.S. Department of Human Services														
Passed-through the State Department of Education														
Total General Fund														
								2,103	(2,103)					
Special Revenue Fund:														
US Department of Education -														
Passed through the State Department of Education														
Title I, Part A														
	84.010A	9/1/13-6/30/14	106,239	\$ (21,446)				21,446						
	84.010A	7/1/14-6/30/15	162,656					112,878	(137,669)		\$ (24,791)			
	84.367A	9/1/13-6/30/14	73,472	(14,567)				14,567						
	84.367A	7/1/14-6/30/15	75,152					47,501	(59,644)		(12,143)			
	84.365	9/1/13-6/30/14	20,085	(4,222)				4,222						
	84.365	7/1/14-6/30/15	17,387					10,568	(14,514)		(3,946)			
	84.413A	9/1/11-11/30/15	10,646	(5,756)				5,756						
	84.215X	9/1/10-8/31/15	999,479	(53,470)				58,853			\$ 5,383			
	84.027A	9/1/13-6/30/14	971,532	(301,359)				301,359						
	84.027A	7/1/14-6/30/15	1,006,225					742,561	(1,006,225)		(263,664)			
	84.173A	9/1/13-6/30/14	35,603	(4,934)				4,934						
	84.173A	7/1/14-6/30/15	37,153					18,094	(35,986)		(17,892)			
Total U.S. Department of Education Passed-through the State Department of Education														
				(405,754)				1,342,739	(1,254,038)		(322,436)		5,383	
US Department of Homeland Security -														
Passed through the New Jersey State Police														
disaster grants- Public Assistance														
	97.036	9/1/12-8/31/13	208,188	(29,143)							(29,143)			
Total Special Revenue Fund														
				(434,897)				1,342,739	(1,254,038)		(351,579)		5,383	
Total Federal Awards														
				\$ -	\$ (424,897)	\$ -	\$ -	\$ 1,344,842	\$ (1,256,141)	\$ -	\$ -	\$ (351,579)	\$ 5,383	

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Ridgewood Board of Education
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	June 30, 2015				Memo Cumulative Total Expenditures
				Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	
State Department of Education															
General Fund:															
Special Education Aid	495-034-5120-089	7/1/14-6/30/15	\$ 1,812,959				\$ 1,705,675	\$ (1,812,959)					\$ (107,284)	\$ (1,812,959)	
Transportation Aid	495-034-5120-014	7/1/14-6/30/15	116,741				109,833	(116,741)					(6,908)	(116,741)	
Security Aid	495-034-5120-084	7/1/14-6/30/15	86,186				81,086	(86,186)					(5,100)	(86,186)	
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	56,660				53,307	(56,660)					(3,353)	(56,660)	
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	56,660				53,307	(56,660)					(3,353)	(56,660)	
Extraordinary Aid	100-034-5120-473	7/1/14-6/30/15	1,345,935					(1,345,935)				\$ (1,345,935)		(1,345,935)	
Extraordinary Aid	100-034-5120-473	7/1/13-6/30/14	1,436,791		\$ (1,436,791)		1,436,791								
Payment of Institutionalized Children- Unknown District of Residence	495-034-5120-078	7/1/14-6/30/15	272,025				191,626	(272,025)					(80,399)	(272,025)	
Payment of Institutionalized Children- Unknown District of Residence	495-034-5120-078	7/1/13-6/30/14	290,871		(52,358)		52,358							(24,646)	
Additional NonPublic Transportation Aid	Not available	7/1/14-6/30/15	24,646					(24,646)					(24,646)	(24,646)	
Additional NonPublic Transportation Aid	Not available	7/1/13-6/30/14	18,574		(18,574)		18,574								
On-behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/14-6/30/15	6,200,075				6,200,075	(6,200,075)						(6,200,075)	
Reimbursed TPAF - Social Security Contributions	495-034-5094-003	7/1/14-6/30/15	3,228,895				3,069,834	(3,228,895)					(159,061)	(3,228,895)	
Reimbursed TPAF - Social Security Contributions	495-034-5094-003	7/1/13-6/30/14	3,212,093		(160,743)		160,743								
Total General Fund					(1,668,466)		13,133,209	(13,200,782)					(1,610,041)	(125,998)	(13,200,782)
Special Revenue Fund:															
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	7/1/14-6/30/15	2,025				2,025	(1,895)					\$ 130	(1,895)	
Technology Aid	100-034-5120-373	7/1/14-6/30/15	1,324				1,088	(1,088)						(1,088)	
Technology Aid	100-034-5120-373	7/1/13-6/30/14	720			\$ 321			\$ (321)						
Non Public Auxiliary Services (Ch. 192):															
Compensatory Education	100-034-5120-067	7/1/13-6/30/14	1,712			1,712				(1,712)					
Non Public Handicapped Services (Ch. 193):															
Supplemental Instruction		7/1/13-6/30/14	694			694				(694)					
Examination and Classification		7/1/14-6/30/15	1,260			1,260							1,260		
Examination and Classification		7/1/13-6/30/14	3,342			2,228				(2,228)					
Corrective Speech		7/1/14-6/30/15	884			884							884		
Corrective Speech		7/1/13-6/30/14	1,484			1,484				(1,484)					
Non Public Nursing Services															
Non Public Nursing Services	100-034-5120-070	7/1/14-6/30/15	569			88	569	(83)					486	(83)	
Non Public Nursing Services	100-034-5120-070	7/1/13-6/30/14	463							(88)					
Total Special Revenue Fund						6,527	5,826	(3,066)		(6,527)			2,760	(3,066)	
Capital Projects Fund:															
New Jersey Schools Development Authority Grants	Various	7/1/09-completion	9,844,712		(1,138,945)			(259,029)					(1,397,974)	(259,029)	
Total Capital Projects Fund					(1,138,945)			(259,029)					(1,397,974)	(259,029)	
Debt Service Fund:															
Debt Service Aid	495-034-5120-017	7/1/14-6/30/15	474,078				474,078	(474,078)						(474,078)	
Total Debt Service Fund							474,078	(474,078)						(474,078)	
Total State Financial Assistance					\$ (2,807,411)	\$ 6,527	\$ 13,613,113	\$ (13,936,955)	\$ (6,527)	\$ -	\$ (3,008,015)	\$ 2,760	\$ (125,998)	\$ (13,936,955)	
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/14-6/30/15	6,200,075				6,200,075	(6,200,075)						(6,200,075)	
Total State Financial Assistance Subject to Single Audit Determination					\$ (2,807,411)	\$ 6,527	\$ 7,413,038	\$ (7,736,880)	\$ (6,527)	\$ -	\$ (3,008,015)	\$ 2,760	\$ (125,998)	\$ (7,736,880)	

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Ridgewood Board of Education

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2015

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal award and state financial assistance programs of the District. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the special revenue fund, which are presented using the budgetary basis of accounting, and capital projects fund, which is presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some of the amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison schedules and statements (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.

Ridgewood Board of Education

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2015

3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A-22:44.2. For GAAP purposes, these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last 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, whereas the GAAP basis does not.

The budgetary basis to the GAAP basis difference is \$(12,221) for the general fund and there was no difference for the special revenue fund. See Note to Required Supplementary Information for a reconciliation for the budgetary basis to GAAP of accounting for the general and special revenue funds (C-3). Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,103	\$ 13,188,561	\$ 13,190,664
Special Revenue Fund	1,254,038	3,066	1,257,104
Capital Projects Fund		259,029	259,029
Debt Service Fund		474,078	474,078
Total financial award revenues	<u>\$ 1,256,141</u>	<u>\$ 13,924,734</u>	<u>\$ 15,180,875</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Ridgewood Board of Education

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2015

5. Other

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015. The post retirement medical benefits received on-behalf of the District for the year ended June 30, 2015 amounted to \$6,200,075. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. However, they are not reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Adjustments

The adjustments shown on the Schedule of Expenditures of Federal Awards (K-3) and Schedule of Expenditures of State Financial Assistance (K-4) represent cancellations of prior year accounts receivable.

Ridgewood Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part I - Summary of Auditors' Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ✓ Yes No

Significant deficiency(ies) identified? Yes ✓ None Reported

Noncompliance material to financial statements noted? Yes ✓ No

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ Yes No

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified? Yes ✓ No

Significant deficiency(ies) identified? Yes ✓ None Reported

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? Yes ✓ No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA Part B, Basic
84.173A	IDEA Part B, Preschool

Ridgewood Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part I - Summary of Auditors' Results (continued)

State Awards Section

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

\$300,000

Auditee qualified as low-risk auditee?

✓ Yes No

Type of auditors' report issued on compliance for major programs:

Unmodified

Internal control over major programs:

Material weakness(es) identified?

 Yes ✓ No

Significant deficiency(ies) identified?

 Yes ✓ None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?

 Yes ✓ No

Identification of major state programs:

State Grant Number	Name of State Program or Cluster
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid

Ridgewood Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part II - Schedule of Financial Statement Findings

Material Weakness in Internal Control

2015-001

Criteria:

A properly functioning financial statement close process provides an adequate internal control system to ensure that appropriate month and year-end internal controls are in place to ensure that financial statements produced are produced on a timely basis and are materially accurate.

Condition:

The District's business office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. We noted instances where those procedures did not prevent or detect and correct material misstatements on a timely basis. However, the effect of the material misstatements did not have an impact on fund balance or net position.

Context:

While conducting our audit, we noted certain general ledger account balances were not supported by a detailed analysis.

The following are specific items that warrant consideration related to the financial statement close process:

- The subsequent posting of journal entries caused the previously reconciled cash balance to differ from the unadjusted bank reconciliation and Treasurer's report, which were not subsequently updated to reflect the impact of the journal entries.
- The District was unable to provide a detailed analysis of the composition of State accounts receivable and local accounts receivable. Certain revenues were appropriated in one of the aforementioned accounts, but the subsequent receipt of cash was not posted against the same account.

Ridgewood Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part II - Schedule of Financial Statement Findings (continued)

Cause and Effect:

An appropriately designed financial statement close process system reduces the risk of errors in the financial statements. Consequently, material audit adjustments were necessary to convert the unadjusted general ledger to the amounts presented in the audited financial statements. Significant turnover within the Business Office contributed to the challenge of reconciling the general ledger. Further, the District accounting system's failure to provide accurate end of period reports played a pivotal part in delaying appropriate analysis that would have led to opportunities for District staff to make timely corrective adjusting entries

Recommendation:

We suggest the District strengthen the controls surrounding the reconciliation procedures of the District's trial balance accounts to ensure all accounts are in agreement with supporting documentation. We did note that the District already added specific steps to its financial statement close process to address this situation.

Views of Responsible Officials and Planned Corrective Actions:

District management concurs with the finding and has developed a corrective action plan in response to the recommendation above. The District's financial statement close process has already been modified to include additional steps to address the issues identified above.

Ridgewood Board of Education
Schedule of Findings and Questioned Costs

Year ended June 30, 2015

**Part III - Schedule of Federal and State Award
Findings and Questioned Costs**

No compliance or internal control findings noted that are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 15-08.

Ridgewood Board of Education
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2015

Not applicable.