PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 5, 2020

NEW ISSUE – Book-Entry Only

Rating: S&P: "AA+"
See "RATING" herein

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as herein defined) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

$5,823,000
SCHOOL BONDS, SERIES 2020
THE BOARD OF EDUCATION OF THE BOROUGH OF RAMSEY
IN THE COUNTY OF BERGEN, NEW JERSEY
(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

CALLABLE
BANK-QUALIFIED

Dated: Date of Delivery

Due: January 15, as shown on inside cover

The $5,823,000 aggregate principal amount of School Bonds, Series 2020 (the "Bonds"), of The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases may be made in the principal amount of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth day of January and July in each year, commencing July 15, 2020, until maturity or prior redemption. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding July 1 and January 1 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities as set forth herein. *See* "DESCRIPTION OF THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by Methfessel & Werbel, Edison, New Jersey, General Counsel to the Board. Phoenix Advisors, LLC, Bordentown, New Jersey, served as Municipal Advisor in connection with the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about February 26, 2020.

ELECTRONIC SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, MUST BE MADE VIA PARITY PRIOR TO 11:00 A.M. EASTERN STANDARD TIME ON FEBRUARY 12, 2020. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.

$5,823,000
THE BOARD OF EDUCATION OF THE
BOROUGH OF RAMSEY
IN THE COUNTY OF BERGEN, NEW JERSEY
SCHOOL BONDS, SERIES 2020

(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)
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MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIP NUMBERS

Maturity (January 15)	Principal Amounts	Interest Rates	Yields	CUSIP Numbers*
2021	$228,000			751838___
2022	225,000			751838___
2023	225,000			751838___
2024	225,000			751838___
2025	450,000			751838___
2026	450,000			751838___
2027	450,000			751838___
2028	450,000			751838___
2029	450,000			751838___
2030	450,000			751838___
2031	450,000			751838___
2032	450,000			751838___
2033	450,000			751838___
2034	450,000			751838___
2035	420,000			751838___

* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**THE BOARD OF EDUCATION OF THE
BOROUGH OF RAMSEY
IN THE COUNTY OF BERGEN, NEW JERSEY**

BOARD MEMBERS

President – Laura Behrmann
Vice President – Keri Walsh

Jennifer Burns
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Matthew J. Murphy, Ed.D.

BUSINESS ADMINISTRATOR/BOARD SECRETARY

Thomas W. O'Hern

BOARD ATTORNEY

Methfessel & Werbel
Edison, New Jersey

BOARD AUDITOR

Wielkotz & Company, LLC
Pompton Lakes, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

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No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

OF

THE BOARD OF EDUCATION OF THE
BOROUGH OF RAMSEY
IN THE COUNTY OF BERGEN, NEW JERSEY

$5,823,000
SCHOOL BONDS, SERIES 2020
(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)

CALLABLE
BANK-QUALIFIED

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its $5,823,000 aggregate principal amount of School Bonds, Series 2020 (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Board.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated their date of delivery and shall mature on January 15 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the fifteenth day of January and July (each an "Interest Payment Date"), commencing on July 15, 2020, in each of the years and at the interest rates set forth on the inside cover page hereof until maturity or prior redemption by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each July 1 and January 1 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $1,000 each, or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption

The Bonds of this issue maturing prior to January 15, 2028 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after January 15, 2028 are redeemable at the option of the Board in whole or in part on any date on or after January 15, 2027 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

School Bond Reserve Act (1980 N.J. Laws c. 72)

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the “State”) shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized and are issued pursuant to (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, (ii) a proposal adopted by the Board on October 16, 2018, and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 11, 2018 and (iii) a resolution duly adopted by the Board on January 7, 2020 (the “Resolution”).

The proceeds of the Bonds will be used to finance various capital improvements in and for the School District (the “Project”) and to pay the costs of issuance associated with the issuance of the Bonds. The State has awarded the School District aid for the Project in the amount of approximately 40% of the eligible costs of such Project. As such, the State has agreed to pay approximately 40% of the annual debt service on the eligible costs financed by the Bonds each year.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, as set forth on the inside cover hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Notices of Redemption shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its paying agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the Board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District is a Type II school district and provides a full range of educational services appropriate to Pre-Kindergarten (Pre-K) through grade twelve (12), including regular and special education programs. The School District's educational facilities consist of three (3) elementary schools, one (1) middle school and one (1) high school. *See* "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Borough of Ramsey, in the County of Bergen, State of New Jersey."

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, effective April 3, 2007, the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in "School Budgetary Process"), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district without a board of school estimate.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval unless the Board has moved its annual election to November, as discussed below. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The Budget Election Law, P.L. 2011, c. 202, effective January 17, 2012 (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

School districts that opt to move the annual school election to November are no longer required to submit the budget to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the Tax Levy Cap Law (as hereinafter defined).

The Board conducts its annual election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts which are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004, also limited the annual increase in a school district's net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded $40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of sixty (60%) at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007, provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by four percent (4%) over the prior budget year's tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expense and capital outlay budgets created by CEIFA (as amended by P.L. 2004, c. 73, effective July 1, 2004). However, chapter 62 was in effect only through fiscal year 2012. Without an extension of chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the cap on the tax levy increase imposed by chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, effective July 13, 2010 and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of two percent (2%) over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election (the "Tax Levy Cap Law"). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy cap by a separate proposal can bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of "banked cap" only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, effective July 24, 2018, which increases State school aid to underfunded school districts and decreases state school aid to overfunded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban districts formerly referred to as Abbott Districts referred to herein under "SUMMARY OF STATE AID TO SCHOOL DISTRICTS", are permitted increases in the tax levy over the two percent (2%) limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district's ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one (1) year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts, interest on notes is raised in the General Fund of a school district and therefore is counted within its two percent (2%) tax levy cap on spending.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease is treated as a current expense and within the cap on the school district's budget. Under the CEIFA, lease purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's tax levy cap.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a Pre-Kindergarten (Pre-K) through grade twelve (12) school district, the School District can borrow up to four percent (4%) of the average equalized valuation of taxable property in the School District. The School District has not exceeded its four percent (4%) debt limit. *See* "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Borough of Ramsey, in the County of Bergen, State of New Jersey."

Exceptions to Debt Limitation

A Type II school district (other than a regional district) may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Energy Saving Obligations

Under P.L. 2009, c. 4, approved January 21, 2009 and effective 60 days thereafter, school districts may issue "energy savings obligations" without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called "Abbott Districts", now referred to as "SDA Districts") were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included QEA, CEIFA and EFCFA. For many years aid has simply been determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, effective January 1, 2008, attempts to remove the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State's then current plan for school aid was a "constitutionally adequate scheme." However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. In its budget process for fiscal year 2019 and with the enactment of P.L. 2018, c. 67, effective July 24, 2018, the State is moving the school districts toward the intent of the statutory scheme by increasing funding for underfunded school districts and decreasing funding for overfunded school districts over the next seven (7) years and providing cap relief for overfunded school districts to enable them to pick up more of the local share.

Notwithstanding over thirty-five (35) years of litigation, the State provides State aid to school districts of the State in amounts provided in the State budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State upfront and debt service aid must be appropriated annually by the State.

The State reduced debt service aid by fifteen percent (15%) for fiscal years 2011 through 2019. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in their fiscal years 2011 through 2019 budgets representing fifteen percent (15%) of the school district's proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to P.L. 2018, c. 67, effective July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a seven (7) year transition period during which funding will be reduced (with the exception of The Board of Education of the City of Jersey City, where the transition period will be five (5) years). For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one year.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE -
FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), governs the issuance of bonds and notes to finance certain municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough is limited by statute, subject to certain exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Borough as annually determined by the New Jersey Board of Taxation are set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues, except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon taxable property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

State Supervision

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Appropriations "Cap"

The New Jersey "Cap Law" (the "Cap Law") (N.J.S.A. 40A:4-45.1 et seq.) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two and one-half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two and one-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three and one-half percent (3.5%) over the previous year's final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored "cap" banking to the Local Budget Law. Municipalities are permitted to appropriate available "cap bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “cap”.

Additionally, P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty (50%).

The Division has advised that counties and municipalities must comply with both the budget “cap” and the tax levy limitation. Neither the tax levy limitation nor the Cap” Law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on it bonds and notes.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first $1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of $1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

FINANCIAL STATEMENTS

The audited financial statements of the Board as of and for the year ended June 30, 2019 together with the notes to the financial statements have been provided by Ferraioli, Wielkotz, Cerullo & Cuva, P.A., Pompton Lakes, New Jersey (the "Auditor"), and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). *See* "APPENDIX B – Financial Statements of The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey."

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Board with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Board Attorney, Methfessel & Werbel, Edison, New Jersey (the "Board Attorney"), there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax.

Premium Bonds

[The Bonds [maturing on January 15 in the years 20__ through 20__, inclusive (collectively, the "Premium Bonds")], have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

Discount Bonds

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on January 15 in the years 20__ through 20__, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the [Discount] Bonds, the amount of such original issue discount which is treated as having accrued with respect to the [Discount] Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the [Discount] Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences Relating to Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. *See* "APPENDIX C – Form of Approving Legal Opinion" for the complete text of the proposed form of Bond Counsel's approving legal opinion.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, State, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.

BANK-QUALIFIED BONDS

The Bonds will be designated as "qualified tax-exempt obligations" under Section 265 of the Code by the Board for an exemption from the denial of deduction for interest paid by financial institutions to purchase or carry tax-exempt obligations. The Board will furnish to the Underwriter (as herein after defined) at the time of delivery of any payment for the Bonds, a certificate executed by the Business Administrator/Board Secretary of the Board designating the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B)(ii) of the Code, and in such certificate the Board will represent that it reasonably expects that, collectively, neither it nor its subordinate entities, if any, will issue more than $10,000,000 of tax-exempt obligations in the current calendar year.

RISK TO HOLDERS OF BONDS

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters will be passed upon for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Board President and Business Administrator/Board Secretary. *See* "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement or in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto.

The Auditor has assisted in the preparation of the information contained in APPENDIX A hereto but does not take responsibility for the information included in APPENDIX A. The Auditor takes responsibility for the Financial Statements to the extent specified in the Independent Auditors' Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the Board considers to be reliable, but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned an underlying rating of "AA+" to the Bonds based upon the creditworthiness of the School District. The Bonds are additionally secured by the New Jersey School Bond Reserve Act.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board forwarded to the Rating Agency certain information and materials concerning the Bonds and the School District. There can be no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds are being purchased from the Board by __________ (the "Underwriter"), at a price of $_________. The purchase price of the Bonds reflects the par amount of Bonds equal to $5,823,000.00, minus an Underwriter's discount of $_________ less/plus a[n] [net] original issue discount/premium of $_________. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

SECONDARY MARKET DISCLOSURE

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board by no later than each January 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2020 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

Within the five (5) years immediately preceding the date of this Official Statement, the Board previously failed to file, in accordance with the SEC Rule, in a timely matter, under previous filing requirements, audited financial information for the fiscal year ending June 30, 2018. The notice of event and late filing have since been filed with EMMA. The Board appointed Phoenix Advisors, LLC, Bordentown, New Jersey in May of 2015 to serve as continuing disclosure agent.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Business Administrator/Board Secretary, Thomas W. O'Hern, (201) 785-2300, ext. 20402, or to Lisa A. Gorab, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6459.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

THE BOARD OF EDUCATION OF THE BOROUGH OF RAMSEY IN THE COUNTY OF BERGEN, NEW JERSEY

____

THOMAS W. O'HERN,
Business Administrator/Board Secretary

DATED: ____________, 2020

APPENDIX A

Certain Economic and Demographic Information Relating to the School District and the Borough of Ramsey, in the County of Bergen, State of New Jersey

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INFORMATION REGARDING THE SCHOOL DISTRICT[1]

Type

The School District is a Type II school district that is coterminous with the borders of the Borough of Ramsey (the "Board"). The School District provides a full range of educational services appropriate to Pre-Kindergarten (Pre-K) through grade twelve (12).

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, and the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Business Administrator/Board Secretary who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

Description of Facilities

The Board presently operates the following school facilities:

Facility	Grade Level	Student Enrollment (As of 6/30/19)
Mary A. Hubbard Elementary	Pre-K-3	377
Wesley D. Tisdale Elementary	Pre-K-3	383
John Y. Dater Elementary School	4-5	384
Eric S. Smith Middle School	6-8	714
Ramsey High School	9-12	869

Source: Comprehensive Annual Financial Report of the School District

[1] Source: The Board, unless otherwise indicated

Staff

The Superintendent is the chief executive officer of the Board and is in charge of carrying out Board policies. The Business Administrator/Board Secretary is the chief financial officer of the Board and must submit monthly financial reports to the Board and annual reports to the New Jersey Department of Education.

The following table presents the number of full and part-time teaching professionals and support staff of the School District as of June 30, 2019, for each of the past five (5) years.

	2019	2018	2017	2016	2015
Teaching Professionals	304	297	297	283	285
Support Staff	136	130	130	121	116
Total Full & Part Time Employees	440	427	427	404	401

Source: Comprehensive Annual Financial Report of the School District

Pupil Enrollments

The following table presents the historical average daily pupil enrollments for the past five (5) school years.

Pupil Enrollments

School Year	Enrollment
2018-2019	2,727
2017-2018	2,763
2016-2017	2,768
2015-2016	2,960
2014-2015	2,878

Source: School District and Comprehensive Annual Financial Report of the School District

Pensions

Those employees of the School District who are eligible for pension coverage are enrolled in one of the two (2) State-administered multi-employer pension systems (the "Pension System"). The Pension System was established by an act of the State Legislature. The Board of Trustees for the Pension System is responsible for the organization and administration of the Pension System. The two State-administered pension funds are: (1) the Teacher's Pension and Annuity Fund ("TPAF") and (2) the Public Employee's Retirement System ("PERS"). The Division of Pensions and Benefits, within the State of New Jersey Department of the Treasury (the "Division"), charges the participating school districts annually for their respective contributions. The School District raises its contributions through taxation and the State contributes the employer's share of the annual Social Security and Pension contribution for employees enrolled in the TPAF. The Pension System is a cost sharing multiple employer contributory defined benefit plan. The Pension System's designated purpose is to provide retirement and medical benefits for qualified retirees and other benefits to its members. Membership in the Pension System is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Fiscal 2019-2020 Budget

Prior to the passage of P.L. 2011, c. 202 the Board was required to submit its budget for voter approval on an annual basis. Under the Election Law (P.L. 2011, c. 202, effective January 17, 2012) if a school district has opted to move its annual election to November, it is no longer required to submit the budget to voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided for under the Tax Levy Cap Law (P.L. 2010, c. 44). If a school district proposes to spend above the two percent (2%) property tax levy cap, it is then required to submit its budget to voters at the annual school election in November.

The General Fund budget is the sum of all State aid (exclusive of pension aid and social security aid) and the local tax levy (exclusive of debt service). The Board's General Fund Budget for the 2019-2020 fiscal year is $62,828,965. The major sources of revenue are $57,153,381 from the local tax levy and $2,073,778 from State aid.

Source: Annual User-Friendly Budget of the School District

Budget History

Budget Year	Amount Raised in Taxes	Budget Amount	Election Result
2019-2020	$57,153,381	$62,828,965	N/A
2018-2019	55,658,725	61,342,169	N/A
2017-2018	53,781,644	62,613,800	N/A
2016-2017	52,028,416	58,878,976	N/A
2015-2016	50,496,209	56,081,437	Approved

Source: Annual User-Friendly Budget of the School District and NJ State Department of Education Website – School Election Results

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Financial Operations

The following table summarizes information on the changes in general fund revenues and expenditures for the school years ending June 30, 2015 through June 30, 2019 for the general fund. Beginning with the 1993-1994 fiscal year, school districts in the State of New Jersey have begun to prepare their financial statements in accordance with Generally Accepted Accounting Principles in the United States.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30:

	2019	2018	2017	2016	2015
REVENUES					
Local Sources:					
Local Tax Levy	$55,658,725	$53,781,644	$52,028,416	$50,496,209	$48,971,745
Other Local Revenue	3,568,813	1,902,870	2,192,253	1,798,604	2,008,395
Total Revenues-Local Sources	59,227,538	55,684,514	54,220,669	52,294,813	50,980,140
State Sources	10,768,182	9,536,154	8,521,808	7,779,102	6,819,216
Federal Sources	71,283	0	493	10,401	3,108
Total Revenues	$70,067,003	$65,220,668	$62,742,970	$60,084,316	$57,802,464
EXPENDITURES					
General Fund:					
Instruction	$26,197,058	$25,769,765	$24,716,245	$24,608,967	$24,136,700
Undistributed Expenditures	38,866,409	36,126,921	33,985,121	32,874,785	30,860,861
Capital Outlay	2,460,166	2,563,098	2,077,763	510,499	259,948
Total Expenditures	$67,523,633	$64,459,784	$60,779,129	$57,994,251	$55,257,509
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,543,370	760,884	1,963,841	2,090,065	2,544,955
Other Financing Sources (Uses):					
Proceeds of Capital Lease	0	0	0	0	0
Transfers In	264,569	0	315,128	0	0
Transfers Out	(41,893)	(251,499)	(31,194)	(28,099)	(2,452,457)
Total Other Financing Sources (Uses)	222,676	(251,499)	283,934	(28,099)	(2,452,457)
Net Change in Fund Balance	2,766,046	509,385	2,247,775	2,061,966	92,498
Fund Balance, July 1	15,706,400	15,197,015	12,949,240	10,887,274	10,794,776
Fund Balance, June 30	$18,472,446	$15,706,400	$15,197,015	$12,949,240	$10,887,274

Source: Comprehensive Annual Financial Report of the School District. Statement of Revenues, Expenditures Governmental Funds and Changes In Fund Balances on a GAAP basis

Capital Leases

As of June 30, 2019, the Board has no capital leases outstanding.

Source: Comprehensive Annual Financial Report of the School District

Operating Leases

As of June 30, 2019, the Board has operating leases outstanding with payments due through year ending June 30, 2025, totaling $116,105.

Source: Comprehensive Annual Financial Report of the School District

Short-Term Debt

As of June 30, 2019, the Board has no short-term debt outstanding.

Source: Comprehensive Annual Financial Report of the School District

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Long-Term Debt

The following table outlines the outstanding long-term debt of the Board as of June 30, 2019.

Fiscal Year Ending	Principal	Interest	Total
2020	$1,395,000	$1,432,095	$2,827,095
2021	2,307,000	1,477,385	3,784,385
2022	2,350,000	1,408,175	3,758,175
2023	2,410,000	1,321,613	3,731,613
2024	2,475,000	1,232,650	3,707,650
2025	1,700,000	1,123,775	2,823,775
2026	1,700,000	1,068,525	2,768,525
2027	1,700,000	1,013,275	2,713,275
2028	1,700,000	958,025	2,658,025
2029	1,700,000	902,775	2,602,775
2030	1,700,000	847,525	2,547,525
2031	1,700,000	792,275	2,492,275
2032	1,700,000	737,025	2,437,025
2033	1,700,000	681,775	2,381,775
2034	1,700,000	626,525	2,326,525
2035	1,700,000	571,275	2,271,275
2036	1,700,000	516,025	2,216,025
2037	1,700,000	460,775	2,160,775
2038	1,700,000	405,525	2,105,525
2039	1,700,000	348,150	2,048,150
2040	1,700,000	288,650	1,988,650
2041	1,690,000	229,150	1,919,150
2042	1,600,000	170,000	1,770,000
2043	1,600,000	114,000	1,714,000
2044	1,600,000	58,000	1,658,000
TOTALS	$44,627,000	$18,784,967	$63,411,967

Source: Comprehensive Annual Financial Report of the School District

Debt Limit of the Board

The debt limitation of the Board is established by statute (N.J.S.A. 18A:24-19). The Board is permitted to incur debt up to 4% of the average equalized valuation for the past three (3) years (See "SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT- Exceptions to School Debt Limitations" herein). The following is a summation of the Board's debt limitation as of June 30, 2019:

Average Equalized Real Property Valuation (2017, 2018, and 2019)	$3,624,455,729
School District Debt Analysis	
Permitted Debt Limitation (4% of AEVP)	$144,978,229
Less: Bonds and Notes Authorized and Outstanding	44,627,000
Remaining Limitation of Indebtedness	$100,351,229
Percentage of Net School Debt to Average Equalized Valuation	1.23%

Source: Comprehensive Annual Financial Report of the School District

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INFORMATION REGARDING THE BOROUGH[1]

The following material presents certain economic and demographic information of the Borough of Ramsey (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State").

General Information

The Borough is a quintessential American municipality nestled in the foothills of the Ramapo Mountains in the County. The Borough is noted for its convenient location for individuals working in major corporate headquarters and industries in northern New Jersey and New York City.

The Borough comprises six (6) square miles and borders the Township of Mahwah and the Boroughs of Allendale, Saddle River and Upper Saddle River. It is located approximately twenty (20) miles northwest of the George Washington Bridge.

Form of Government

The Borough is governed under the Borough form of New Jersey municipal government. The governing body consists of a Mayor and a Borough Council comprising six council members, with all positions elected at-large on a partisan basis as part of the November general election. A Mayor is elected directly by the voters to a four-year term of office. The Borough Council consists of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year in a three-year cycle.

The Borough form of government, the most common system used in the state, is a "weak mayor/strong council" government in which council members act as the legislative body with the mayor presiding at meetings and voting only in the event of a tie. The mayor can veto ordinances subject to an override by a two-thirds majority vote of the council. The mayor makes committee and liaison assignments for council members, and most appointments are made by the mayor with the advice and consent of the council.

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[1] Source: The Borough, unless otherwise indicated.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Borough, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Borough				
2018	8,220	7,994	226	2.7%
2017	8,276	8,014	262	3.2%
2016	8,330	8,058	272	3.3%
2015	8,325	8,022	303	3.6%
2014	8,167	7,811	356	4.4%
County				
2018	472,001	455,773	16,228	3.4%
2017	475,448	456,948	18,500	3.9%
2016	478,787	458,743	20,044	4.2%
2015	479,276	456,727	22,549	4.7%
2014	477,459	451,477	25,982	5.4%
State				
2018	4,422,900	4,239,600	183,400	4.1%
2017	4,518,838	4,309,708	209,123	4.6%
2016	4,530,800	4,305,515	225,262	5.0%
2015	4,537,231	4,274,685	262,531	5.8%
2014	4,527,177	4,221,277	305,900	6.8%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2017)

	Borough	County	State
Median Household Income	$137,768	$91,572	$76,475
Median Family Income	167,399	112,099	94,337
Per Capita Income	63,628	46,601	39,069

Source: US Bureau of the Census, 2017 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

	Borough		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2018 Estimate	14,991	3.6%	936,692	3.5%	8,908,520	1.3%
2010	14,473	0.9	905,116	2.4	8,791,894	4.5
2000	14,351	8.5	884,118	7.1	8,414,350	8.9
1990	13,228	2.6	825,380	-2.4	7,730,188	5.0
1980	12,899	2.6	845,385	-5.8	7,365,001	2.7

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Borough and their assessed valuations are listed below:

Taxpayers	2019 Assessed Valuation	% of Total Assessed Valuation
Ramsey Interstate CTR LLC	$79,785,700	2.29%
Triangle 17 Center LLC	59,120,000	1.70%
Lithia Northeast Realty	51,858,300	1.49%
Commercial Realty Enterprises	35,200,000	1.01%
LCN KMI Ramsey NJ LLC	25,222,200	0.72%
Ferncroft C/O H.W. Young & Assoc.,	12,588,000	0.36%
Ramsey Center	12,387,000	0.36%
Adventures in Recreation, Inc.	12,000,000	0.34%
Minolta Corp. C/O Tax Mgr	11,000,000	0.32%
Yankee Partners LLC	10,837,100	0.31%
Total	$309,998,300	8.90%

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2018	$83,628,600	$82,610,657	98.78%
2017	82,164,522	81,363,628	99.03%
2016	79,654,068	78,750,186	98.87%
2015	77,486,628	76,717,663	99.01%
2014	75,895,751	75,210,624	99.10%

Source: Annual Audit Reports of the Borough

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2018	$134,492	$812,100	$946,593	1.13%
2017	129,096	519,423	648,519	0.79%
2016	164,124	575,624	739,747	0.93%
2015	115,470	555,944	671,415	0.87%
2014	107,652	527,423	635,076	0.84%

Source: Annual Audit Reports of the Borough

Property Acquired by Tax Lien Liquidation

Year	Amount
2018	$122,400
2017	122,400
2016	122,400
2015	122,400
2014	122,400

Source: Annual Audit Reports of the Borough

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Borough residents for the past five (5) years.

Year	Municipal	Municipal Library	Local School	County	Total
2019	$0.493	$0.034	$1.683	$0.248	$2.458
2018	0.484	0.035	1.621	0.257	2.397
2017	0.476	0.034	1.587	0.255	2.352
2016R	0.468	0.033	1.541	0.245	2.287
2015	0.558	0.039	1.825	0.279	2.701

R: Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2019	$3,480,948,700	$3,684,323,349	94.48%	$300,000	$3,684,623,349
2018	3,477,559,600	3,538,780,503	98.27	300,000	3,650,563,335
2017	3,476,510,800	3,650,263,335	95.24	300,000	3,522,001,621
2016R	3,475,919,500	3,521,701,621	98.70	300,000	3,394,756,504
2015	2,853,561,900	3,394,672,734	84.06	83,770	3,312,025,042

R: Revaluation
Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2019	$20,538,900	$2,704,733,700	$2,139,200	$579,773,200	$153,471,400	$20,292,300	$3,480,948,700
2018	22,370,100	2,698,381,500	2,326,200	577,198,200	156,991,300	20,292,300	3,477,559,600
2017	22,402,700	2,693,194,700	2,326,200	580,897,600	157,397,300	20,292,300	3,476,510,800
2016R	21,974,900	2,692,366,400	2,051,200	582,349,300	156,885,400	20,292,300	3,475,919,500
2015	19,149,500	2,259,341,000	848,300	444,671,400	114,908,200	14,643,500	2,853,561,900

R: Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Borough's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	**2015**	**2016**	**2017**	**2018**	**2019**
Fund Balance Utilized	$3,050,000	$3,050,000	$2,650,000	$2,925,000	$2,300,000
Miscellaneous Revenues	3,058,521	3,314,617	3,550,330	3,296,496	3,379,143
Receipts from Delinquent Taxes	539,000	510,000	530,000	500,000	500,000
Amount to be Raised by Taxation	17,026,867	17,425,180	17,733,836	18,049,693	18,342,248
Total Revenue:	$23,674,388	$24,299,797	$24,464,166	$24,771,189	$24,521,391
Appropriations					
General Appropriations	$18,899,831	$19,100,515	$19,184,808	$19,686,810	$20,078,027
Operations (Excluded from CAPS)	1,706,057	1,613,730	1,607,358	1,517,379	1,423,364
Deferred Charges and Statutory Expenditures	76,000	76,000	76,000	62,000	0
Judgments	0	0	0	0	0
Capital Improvement Fund	1,150,000	1,250,000	1,250,000	1,400,000	522,600
Municipal Debt Service	692,500	1,209,552	1,296,000	1,055,000	1,447,400
Reserve for Uncollected Taxes	1,150,000	1,050,000	1,050,000	1,050,000	1,050,000
Total Appropriations:	$23,674,388	$24,299,797	$24,464,166	$24,771,189	$24,521,391

Source: Annual Adopted Budgets of the Borough

Fund Balance

Current Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	**Balance 12/31**	**Utilized in Budget of Succeeding Year**
2018	$3,659,641	$2,300,000
2017	4,763,221	2,925,000
2016	4,591,135	2,650,000
2015	5,336,124	3,050,000
2014	5,491,099	3,050,000

Source: Annual Audit Reports of the Borough

Water-Sewer Utility Operating Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Water-Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

Fund Balance
Water-Sewer Utility Operating Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2018	$1,794,788	$1,207,000
2017	1,923,309	1,318,000
2016	1,872,275	1,255,000
2015	2,305,970	1,255,000
2014	1,505,734	477,000

Source: Annual Audit Reports of the Borough

Swimming Pool Utility Operating Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Swimming Pool Utility Operating Fund for the past five (5) fiscal years ending December 31.

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Fund Balance
Swimming Pool Utility Operating Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2018	$204,833	$150,000
2017	249,359	135,000
2016	286,447	165,000
2015	365,742	217,000
2014	235,959	29,000

Source: Annual Audit Reports of the Borough

Borough Indebtedness as of December 31, 2018

General Purpose Debt	
Serial Bonds	$0
Bond Anticipation Notes	6,670,300
Bonds and Notes Authorized but Not Issued	3,126,000
Other Bonds, Notes and Loans	0
Total:	$9,796,300
Local School District Debt	
Serial Bonds	$51,805,930
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$51,805,930
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	1,655,000
Bonds and Notes Authorized but Not Issued	1,817,650
Other Bonds, Notes and Loans	1,010,645
Total:	$4,483,295
TOTAL GROSS DEBT	**$66,085,525**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	51,805,930
Self-Liquidating Debt	0
Total:	$51,805,930
TOTAL NET DEBT	**$14,279,595**

Source: Annual Debt Statement of the Borough

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Overlapping Debt (as of December 31, 2018)[2]

Name of Related Entity	Related Entity Debt Outstanding	Borough Percentage	Borough Share
Local School District	$51,805,930	100.00%	$51,805,930
County	1,392,358,291	2.04%	28,411,368
Net Indirect Debt			$80,217,298
Net Direct Debt			14,279,595
Total Net Direct and Indirect Debt			**$94,496,893**

Debt Limit

Average Equalized Valuation Basis (2016, 2017, 2018)	$3,570,248,486
Permitted Debt Limitation (3 1/2%)	124,958,697
Less: Net Debt	14,279,595
Remaining Borrowing Power	$110,679,102
Percentage of Net Debt to Average Equalized Valuation	0.400%
Gross Debt Per Capita based on 2010 population of 14,473	$4,566
Net Debt Per Capita based on 2010 population of 14,473	$987

Source: Annual Debt Statement of the Borough

[2] Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

APPENDIX B

Financial Statements of The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey
Ramsey, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2019, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ramsey Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ramsey Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FWCC

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 on our consideration of the Borough of Ramsey Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ramsey Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 22, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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RAMSEY BOARD OF EDUCATION
RAMSEY, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

As management of the Borough of Ramsey School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Ramsey School District for the fiscal year ended June 30, 2019.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased $3,098,194. Net position of governmental activities increased $3,158,108 while net assets of business-type activity decreased by $(59,914).

General revenues accounted for $78,705,904 in revenue or 97 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $2,115,724 or 3 percent of total revenues of $80,821,628.

The School District had $76,957,713 in expenses related to governmental activities; only $1,429,889 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of $78,727,825 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Ramsey School District's basic financial statements. The Borough of Ramsey School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Ramsey School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Ramsey School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Ramsey School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Ramsey School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Ramsey School District include instruction, support services and special schools. The business-type activities of the Borough of Ramsey School District include the food service program.

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Ramsey School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Ramsey School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources,* as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Borough of Ramsey School 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 balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Ramsey School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

The Borough of Ramsey School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Ramsey School District uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Ramsey School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve 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.

The School District's net position was $29,704,648 at June 30, 2019 and $26,606,454 at June 30, 2018, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2019 compared to 2018 (Table 1) and change in net position (Table 2) of the School District.

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

Net Position
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	54,633,688	15,799,000	158,047	211,191	54,791,735	16,010,191
Capital Assets	40,613,156	39,778,509	52,730	30,193	40,665,886	39,808,702
Total Assets	95,246,844	55,577,509	210,777	241,384	95,457,621	55,818,893
Deferred Outflows:						
Unamortized Bond Issuance Costs	51,726	68,969			51,726	68,969
Deferred Outflows of Resources Related to PERS	4,981,317	7,045,373			4,981,317	7,045,373
Total Deferred Outflows	5,033,043	7,114,342			5,033,043	7,114,342
Liabilities						
Current Liabilities	1,596,096	1,088,789	67,242	37,935	1,663,338	1,126,724
Noncurrent Liabilities	62,713,538	30,549,018			62,713,538	30,549,018
Total Liabilities	64,309,634	31,637,807	67,242	37,935	64,376,876	31,675,742
Deferred Inflows:						
Unamortized Bond Issuance Premiums	417,273	556,364			417,273	556,364
Deferred Inflows of Resources Related to PERS	5,991,867	4,094,675			5,991,867	4,094,675
Total Deferred Inflows	6,409,140	4,651,039			6,409,140	4,651,039
Net Assets						
Net Investment in Capital Assets	(4,379,391)	30,401,114	52,730	30,193	(4,326,661)	30,431,307
Restricted	53,443,142	14,707,228			53,443,142	14,707,228
Unrestricted	(19,502,638)	(18,705,337)	90,805	173,256	(19,411,833)	(18,532,081)
Total Net Position	29,561,113	26,403,005	143,535	203,449	29,704,648	26,606,454

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

Table 2
Changes in Net Position
Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales			619,110	579,988	619,110	579,988
Operating Grants and Contributions	1,429,889	1,165,205	66,725	67,466	1,496,614	1,232,671
General Revenues:						
Taxes:						
Property taxes	57,342,821	55,472,446			57,342,821	55,472,446
Federal and State Aid not Restricted	17,550,958	22,047,624			17,550,958	22,047,624
Transportation Fees	88,695	30,312			88,695	30,312
Tuition Received	2,258,857	1,484,058			2,258,857	1,484,058
Miscellaneous Income	1,221,261	388,500			1,221,261	388,500
Investment Income	265,233	818	115	26	265,348	844
Other Financing Sources/(Uses)	(41,893)	(251,499)	19,857	31,282	(22,036)	(220,217)
Total Revenues and Transfers	80,115,821	80,337,464	705,807	678,762	80,821,628	81,016,226

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Functions/Program Expenses						
Instruction:						
Regular	26,430,829	27,823,413			26,430,829	27,823,413
Special Education	7,388,346	7,576,342			7,388,346	7,576,342
Other Special Instruction	1,041,809	926,700			1,041,809	926,700
Other Instruction	1,624,423	1,624,754			1,624,423	1,624,754
Support Services:						
Tuition	2,308,995	2,284,987			2,308,995	2,284,987
Student & Instruction Related Services	10,315,158	10,183,764			10,315,158	10,183,764
General Administrative Services	1,467,330	1,268,434			1,467,330	1,268,434
Central Services	609,136	595,887			609,136	595,887
Administrative Info. Tech.	34,821	34,617			34,821	34,617
School Administrative Services	2,448,378	2,841,274			2,448,378	2,841,274
Plant Operations and Maintenance	6,230,266	5,822,222			6,230,266	5,822,222
Pupil Transportation	1,841,917	1,680,367			1,841,917	1,680,367
Unallocated Benefits	11,769,457	13,588,871			11,769,457	13,588,871
Capital Outlay-						
Non-depreciable	676,847	312,012			676,847	312,012
Interest on Long-Term Debt	792,943	363,037			792,943	363,037
Unallocated depreciation	2,098,906	2,031,976			2,098,906	2,031,976
Capital Lease Obligation and Amortization	(121,848)	(121,848)			(121,848)	(121,848)
Food Service			765,721	695,993	765,721	695,993
Total Expenses	76,957,713	78,836,809	765,721	695,993	77,723,434	79,532,802
Increase or (Decrease) in Net Position	3,158,108	1,500,655	(59,914)	(17,231)	3,098,194	1,483,424

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was $77,723,434. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only $57,342,821 because some of the cost was paid by those who benefitted from the programs $619,110, by other governments and organizations who subsidized certain programs with grants and contributions $1,496,614, unrestricted federal and state aid $17,550,958, tuition received $2,258,857, and by miscellaneous sources $1,553,268.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by $59,914.
- ✓ Charges for services provided totaled $619,110 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was $66,725.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2019, and the amount and percentage of increases/(decreases) relative to the prior year.

Revenues	Amount	Percent of Total	Increase/ (Decrease) from 2018	Percent of Increase/ (Decrease)	Prior Year
Local Source	$98,268,867	88.9%	$40,892,733	71.27%	$57,376,134
State Source	11,252,273	10.2%	1,271,039	12.73%	9,981,234
Federal Source	1,017,081	0.9%	296,956	41.24%%	720,125
Total	$110,538,221	100.0%	$42,460,728	62.37%	$68,077,493

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2018	Percent of Increase/ (Decrease)	Prior Year
Current Expenditures:					
Instruction	$27,006,471	37.6%	$653,782	2.48%	$26,352,689
Undistributed	39,486,885	55.0%	2,777,683	7.57%	36,709,202
Debt Service	1,696,750	2.5%	5,700	0.34%	1,691,050
Capital Outlay	3,540,681	4.9%	977,583	38.14%	2,563,098
Total	$71,730,787	100.0%	$4,414,748	6.56%	$67,316,039

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2019, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.

- The special revenue fund was increased by $550,633 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was $70,341,275 including transfers. That amount is $11,503,236 above the final amended budget of $58,834,268. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of $8,797,698 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of $129,238, and an excess of $2,311,731 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were $67,565,526 including transfers which is $2,940,307 above the final amended budget of $64,575,219. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of $8,797,698, and $5,857,391 unexpended budgeted funds.

General fund had total revenues of $70,341,275 including transfers and total expenditures and transfers of $67,565,526 with an ending fund balance of $18,618,639.

Special Revenue Fund

The special revenue fund actual revenue was $1,496,946 including transfers. That amount is $121,117 below the final amended budget of $1,618,063. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were $1,496,946, which is $121,117 below the final amended budget of $1,618,063. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the School District had $78,094,463 invested in sites, buildings, equipment. Of this amount $37,428,577 in depreciation has been taken over the years. We currently have a net book value of $40,665,886.

Table 3
Capital Assets at June 30,
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Sites and Improvements	$6,977,902	$4,425,700	$	$	$6,977,902	$4,425,700
Buildings and Improvements	32,209,926	33,845,551			32,209,926	33,845,551
Furniture, Equipment and Vehicles	1,425,328	1,507,258	52,730	30,193	1,478,058	1,537,451
	$40,613,156	$39,778,509	$52,730	$30,193	$40,665,886	$39,808,702

Debt Administration

At June 30, 2019, the District had $62,713,538 of long-term debt. Of this amount, $1,200,998 is for compensated absences, $44,627,000 is school improvement serial bonds issues dated April 4, 2012, and $16,885,540 is for net pension liability.

Table 4
Outstanding Serial Bonds at June 30,

	Governmental Activities	
	2019	2018
School Refunding Bonds - 2012	$ 7,535,000	$8,890,000
School Improvement Bonds - 2019	37,092,000	
	$44,627,000	$8,890,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2019-2020 school year that is greater than the level of the 2018-2019 school year.

These factors were considered in preparing the Borough of Ramsey School District's budgets for the 2019-2020 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Ramsey Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Thomas W. O'Hern
Business Administrator/Board Secretary
Ramsey Board of Education
266 East Main Street
Ramsey, NJ 07446

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

RAMSEY BOARD OF EDUCATION
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	43,411,456	75,051	43,486,507
Receivables, net	1,091,642	73,650	1,165,292
Inventory		9,346	9,346
Restricted assets:			
Capital reserve account - cash	10,130,590		10,130,590
Capital assets, net:			
Land	6,977,902		6,977,902
Other capital assets, net	33,635,254	52,730	33,687,984
Total Assets	95,246,844	210,777	95,457,621
Deferred Outflow of Resources:			
Unamortized bond issuance costs	51,726		51,726
Deferred outflows of resources related to PERS	4,981,317		4,981,317
Total Deferred Outflows	5,033,043		5,033,043
LIABILITIES			
Accounts payable and accrued liabilities	1,447,828	45,605	1,493,433
Payable to state government	40,216		40,216
Unearned revenue	108,052	21,637	129,689
Noncurrent liabilities:			
Due within one year	1,395,000		1,395,000
Due beyond one year	61,318,538		61,318,538
Total liabilities	64,309,634	67,242	64,376,876
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	417,273		417,273
Deferred inflows of resources related to PERS	5,991,867		5,991,867
Total Deferred Inflows	6,409,140		6,409,140
NET POSITION			
Net investment in capital assets	(4,379,391)	52,730	(4,326,661)
Restricted for:			
Debt service	1,482		1,482
Capital projects	46,142,074		46,142,074
Other purposes	7,299,586		7,299,586
Unrestricted (Deficit)	(19,502,638)	90,805	(19,411,833)
Total net position	29,561,113	143,535	29,704,648

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

Exhibit A-2

RAMSEY BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2019

			Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	19,361,427	7,069,402			(26,430,829)		(26,430,829)
Special education	5,569,365	1,818,981		809,413	(6,578,933)		(6,578,933)
Other special instruction	820,769	221,040			(1,041,809)		(1,041,809)
Other instruction	1,245,507	378,916			(1,624,423)		(1,624,423)
Support services:							
Instruction	2,308,995				(2,308,995)		(2,308,995)
Student & instruction related services	8,174,037	2,141,121		620,476	(9,694,682)		(9,694,682)
General administrative services	1,305,724	161,606			(1,467,330)		(1,467,330)
School administrative services	1,796,428	651,950			(2,448,378)		(2,448,378)
Central Services	451,420	157,716			(609,136)		(609,136)
Administrative information tech.	34,821				(34,821)		(34,821)
Plant operations and maintenance	5,320,619	909,647			(6,230,266)		(6,230,266)
Pupil transportation	1,765,001	76,916			(1,841,917)		(1,841,917)
Unallocated benefits	11,769,457				(11,769,457)		(11,769,457)
Capital outlay - non-depreciable	676,847				(676,847)		(676,847)
Interest on long-term debt	792,943				(792,943)		(792,943)
Unallocated depreciation	2,098,906				(2,098,906)		(2,098,906)
Amortization	(121,848)				121,848		121,848
Total governmental activities	63,370,418	13,587,295	-	1,429,889	(75,527,824)	-	(75,527,824)
Business-type activities:							
Food Service	765,721		619,110	66,725		(79,886)	(79,886)
Total business-type activities	765,721		619,110	66,725		(79,886)	(79,886)
Total primary government	64,136,139		619,110	1,496,614	(75,527,824)	(79,886)	(75,607,710)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Levied for general purposes	55,658,725		55,658,725
Taxes levied for debt service	1,684,096		1,684,096
Federal and State aid not restricted	17,550,958		17,550,958
Tuition received	185,941		185,941
Tution from Other LEAs Within the State	2,072,916		2,072,916
Transportation Fees	88,695		88,695
Investment Earnings	265,233	115	265,348
Miscellaneous Income	1,221,261		1,221,261
Other Financing Sources/(Uses)	(41,893)	19,857	(22,036)
Total general revenues, special items, extraordinary items and transfers	78,685,932	19,972	78,705,904
Change in Net Position	3,158,108	(59,914)	3,098,194
Net Position—beginning	26,403,005	203,449	26,606,454
Net Position—ending	29,561,113	143,535	29,704,648

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

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FUND FINANCIAL STATEMENTS

Exhibit B-1

RAMSEY BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	7,133,920		36,276,054	1,482	43,411,456
Accounts Receivable -					
Intergovernmental - State	380,025	1,259			381,284
Intergovernmental - Federal		416,711			416,711
Interfund receivables	540,771				540,771
Other receivables	287,147				287,147
Restricted cash and cash equivalents:					
Capital Reserve	10,130,590				10,130,590
Total assets	18,472,453	417,970	36,276,054	1,482	55,167,959
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	7				7
Intergovernmental payable:					
State		40,216			40,216
Interfund Payable		269,702	264,569		534,271
Unearned revenue		108,052			108,052
Total liabilities	7	417,970	264,569	-	682,546
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,418,519				2,418,519
Excess Surplus - prior year - designated for subsequent year's expenditures	2,367,215				2,367,215
Capital reserve account	10,130,590				10,130,590
Assigned to:					
Year-end Encumbrances	2,513,852				2,513,852
Capital projects fund			36,011,485		36,011,485
Debt service fund				1,482	1,482
Unassigned:					
General Fund	1,042,270				1,042,270
Total Fund balances	18,472,446	-	36,011,485	1,482	54,485,413
Total liabilities and fund balances	18,472,453	417,970	36,276,054	1,482	

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 $77,610,390 and the accumulated depreciation, is $36,997,234	40,613,156
Accounts payable for subsequent Pension payment is not a payable in the funds	(839,993)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is $1,390,910 and and accumulated amortization is $973,637	(417,273)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are $172,427 and accumulated amortization is $120,701	51,726
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	4,981,317
Deferred inflows of resources related to PERS Pension Liability	(5,991,867)
Accrued interest liabilities are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(607,828)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(62,713,538)
Net position of governmental activities	29,561,113

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

Exhibit B-2

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	55,658,725			1,684,096	57,342,821
Tuition charges	185,941				185,941
Tuition from Other LEAs Within the State	2,072,916				2,072,916
Transportation Fees	88,695				88,695
Bonds Issued			37,092,000		37,092,000
Interest on Investments			265,233		265,233
Miscellaneous	1,221,261				1,221,261
Total - Local Sources	59,227,538	-	37,357,233	1,684,096	98,268,867
State sources	10,768,182	484,091			11,252,273
Federal sources	71,283	945,798			1,017,081
Total revenues	70,067,003	1,429,889	37,357,233	1,684,096	110,538,221
EXPENDITURES					
Current:					
Regular instruction	19,370,830				19,370,830
Special education instruction	4,759,952	809,413			5,569,365
Other special instruction	820,769				820,769
School sponsored/other instructional	1,245,507				1,245,507
Support services and undistributed costs:					
Instruction	2,308,995				2,308,995
Attendance and social work services	47,010				47,010
Health services	472,501				472,501
Student & instruction related services	7,053,759	620,476			7,674,235
General administrative services	1,305,724				1,305,724
School administrative services	1,808,419				1,808,419
Central services	451,420				451,420
Administrative information tech.	34,821				34,821
Plant operations and maintenance	5,349,235				5,349,235
Pupil transportation	1,765,001				1,765,001
Unallocated benefits	9,471,826				9,471,826
On-behalf contributions	8,797,698				8,797,698
Debt Service:					
Principal				1,355,000	1,355,000
Interest and charges				341,750	341,750
Capital outlay	2,460,166		1,080,515		3,540,681
Total expenditures	67,523,633	1,429,889	1,080,515	1,696,750	71,730,787
Excess (Deficiency) of revenues over expenditures	2,543,370	-	36,276,718	(12,654)	38,807,434
OTHER FINANCING SOURCES (USES)					
Transfers out - Enterprise Fund	(41,893)				(41,893)
Transfers out - Debt Service			(664)		(664)
Transfers in - Capital Projects	264,569			664	265,233
Transfers out - General Fund			(264,569)		(264,569)
Total other financing sources and uses	222,676	-	(265,233)	664	(41,893)
Net change in fund balances	2,766,046	-	36,011,485	(11,990)	38,765,541
Fund balance—July 1	15,706,400	-		13,472	15,719,872
Fund balance—June 30	18,472,446	-	36,011,485	1,482	54,485,413

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

Exhibit B-3

RAMSEY BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2)		38,765,541
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(2,098,906)	
Non-depreciable capital outlay - Construction in Progress	1,932,702	
Non-depreciable capital outlay - Land	619,500	
Asset retired prior to full depreciation	(194)	
Depreciable outlays	381,545	
		834,647
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year , these amounts consist of:		
Serial bond obligations		1,355,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Proceeds of long-term debt	(37,092,000)	
		(37,092,000)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in interest is an adjustment in the reconciliation.		
Prior Year	156,635	
Current Year	(607,828)	
		(451,193)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Decrease in compensated absences payable		58,789
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District Pension Contributions	853,026	
Less: Pension Expense	(1,287,550)	
(Increase)/Decrease in Pension Expense		(434,524)
Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.		
Increase in On-behalf State Aid TPAF Pension		4,115,469
Increase in On-behalf TPAF Pension Expense		(4,115,469)
The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)		139,091
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		(17,243)
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
Increase in On-behalf State Aid TPAF Post Employment Medical Revenue		2,596,024
Increase in On-behalf State Aid TPAF Post Employment Medical Expense		(2,596,024)
Change in net position of governmental activities		3,158,108

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

Exhibit B-4

RAMSEY BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2019

	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	75,051
Accounts receivable:	
State	195
Federal	4,218
Other	69,237
Inventories	9,346
Total current assets	158,047
Noncurrent assets:	
Capital assets:	
Equipment	484,073
Less accumulated depreciation	(431,343)
Total capital assets (net of accumulated depreciation)	52,730
Total assets	210,777
LIABILITIES	
Current liabilities:	
Accounts payable	45,605
Prepaid revenue	21,637
Total current liabilities	67,242
NET POSITION	
Net investment in capital assets	52,730
Unrestricted	90,805
Total net position	143,535

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

Exhibit B-5

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	103,225
Daily sales - non-reimbursable programs	420,529
Special functions	95,356
Total operating revenues	619,110
Operating expenses:	
Cost of sales - reimbursable	107,683
Cost of sales - non-reimbursable	157,725
Salaries	269,576
Benefits	63,864
Supplies and materials	47,392
Purchased property services	65,000
Other expenses	45,126
Depreciation	9,355
Total operating expenses	765,721
Operating income (loss)	(146,611)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	2,184
Federal sources:	
National school lunch program	47,991
Food distribution program	16,550
Interest Income	115
Total nonoperating revenues (expenses)	66,840
Income (loss) before contributions & transfers	(79,771)
Other financing sources/(uses)	
Prior year prepaid revenue	(22,036)
Transfers in	41,893
Change in net position	(59,914)
Total net position—beginning	203,449
Total net position—ending	143,535

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

Exhibit B-6

RAMSEY BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	622,650
Payments to suppliers	(730,050)
Net cash provided by (used for) operating activities	(107,400)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Local Sources	52,997
State Sources	2,165
Federal Sources	47,356
Net cash provided by (used for) non-capital financing activities	102,518
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	115
Net cash provided by (used for) investing activities	115
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(31,892)
Net cash provided by (used for) capital and related financing activities	(31,892)
Net increase (decrease) in cash and cash equivalents	(36,659)
Balances—beginning of year	111,710
Balances—end of year	75,051
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(146,611)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable	3,939
Depreciation and net amortization	9,355
Food Distribution Program	16,550
(Increase) decrease in inventories	2,097
Increase (decrease) in accounts payable	7,670
Increase (decrease) in prepaid revenue	(400)
Total adjustments	39,211
Net cash provided by (used for) operating activities	(107,400)

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

Exhibit B-7

RAMSEY BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Unemployment Compensation Trust Fund	Private Purpose Funds	Agency Fund
ASSETS			
Cash and cash equivalents	286,373	16,321	935,374
Deficit in Athletic Account			1,880
Interfund Receivable	156		
Total assets	286,529	16,321	937,254
LIABILITIES			
Payable to student groups			867,779
Payroll deductions and withholdings			30,633
Deficit in Cash - Athletic Account			1,880
Contribution Pledged to Specific Awards			30,306
Due to State of NJ	2,686		
Interfund Payable			6,656
Total liabilities	2,686		937,254
NET POSITION			
Held in trust for unemployment claims and other purposes	283,843		
Reserved for scholarships		16,321	
	283,843	16,321	

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

Exhibit B-8

RAMSEY BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2019

	Unemployment Compensation Trust Fund	Private Purpose Funds
ADDITIONS		
Contributions:		
Payroll withholdings	54,291	
Donations		1,250
Total Contributions	54,291	1,250
Investment earnings:		
Interest	2,390	
Net investment earnings	2,390	
Total additions	56,681	1,250
DEDUCTIONS		
Unemployment Claims	40,441	
Total deductions	40,441	3,250
Change in net position	16,240	(2,000)
Net position—beginning of the year	267,603	18,321
Net position—end of the year	283,843	16,321

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The financial statements of the Board of Education of the Borough of Ramsey School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Ramsey School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ramsey School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Borough of Ramsey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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

B. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

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

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

GOVERNMENTAL FUNDS

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

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

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

PROPRIETARY FUNDS

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

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

C. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

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

C. Measurement Focus, (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

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

D. Basis of Accounting, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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

E. Budgets/Budgetary Control, (continued)

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

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

F. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

G. Cash, Cash Equivalents and Investments, (continued)

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

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

H. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

K. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of $2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

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

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue

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

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

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

P. Accounting and Financial Reporting for Pensions

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

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

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

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

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

P. Accounting and Financial Reporting for Pensions (continued)

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond premiums.

R. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

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

R. Fund Balances, (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses

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

W. Use of Estimates

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

X. New Accounting Standards:

During fiscal year 2019, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

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

X. New Accounting Standards, (continued)

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases,* which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2019, $-0- of the District's bank balance of $56,506,567 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. RECEIVABLES

Receivables at June 30, 2019, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	$381,284	$195	$381,479
Federal Aid	416,711	4,218	420,929
Other	287,147	69,237	356,384
Interfunds	540,771		6,500
Gross Receivables	1,625,913	73,650	1,165,292
Less: Allowance for Uncollectibles			
Total Receivables, Net	$1,625,913	$73,650	$1,165,292

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2019, consist of the following:

$264,569	Due to the General Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
6,500	Due to the General Fund from the Payroll Agency Fund for excess funds transferred.
269,702	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
156	Due to the Unemployment Compensation Trust Fund from the Payroll Agency Fund for employee deductions not turned over.
$540,927	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 4. INTERFUND BALANCES AND ACTIVITY, (continued)

Interfund transfers for the year ended June 30, 2019 consisted of the following:

$664	Due from the Capital Projects Fund to the Debt Service Fund for interest earnings.
41,893	Due from the General Fund to the Enterprise Fund to cover a deficit.
$42,557	

NOTE 5. CAPITAL ASSETS

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

	Balance 6/30/18	Additions	Deductions	Balance 6/30/19
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	$4,425,700	$619,500	$	$5,045,200
Construction in Progress		1,932,702		1,932,702
Total Capital Assets, Not Being Depreciated	4,425,700	2,552,202		6,977,902
Building and building improvements	59,558,983	2,410		59,561,393
Machinery and equipment	10,695,847	379,135	(3,887)	11,071,095
Totals at Historical Cost	70,254,830	381,545	(3,887)	70,632,488
Less Accumulated Depreciation For:				
Buildings and Improvements	(25,713,432)	(1,638,035)		(27,351,467)
Equipment	(9,188,589)	(460,871)	3,693	(9,645,767)
Total Accumulated Depreciation	(34,902,021)	(2,098,906)	3,693	(36,997,234)
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	35,352,809	(1,717,361)	(194)	33,635,254
Governmental Activities Capital Assets, Net	$39,778,509	$834,841	($194)	$40,613,156

NOTE 5. CAPITAL ASSETS, (continued)

	Balance 6/30/18	Additions	Deductions	Balance 6/30/19
Business-Type Activity				
Equipment	$457,456	$31,892	$(5,275)	$484,073
Less Accumulated Depreciation For:				
Equipment	(427,263)	(9,355)	5,275	(431,343)
Business-Type Activity Capital Assets, Net	$30,193	$22,537	$	$52,730

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

NOTE 6. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

On April 4, 2012, the District issued $16,700,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was $16,714,000 and the total interest payments defeased was $1,271,630. The net proceeds of $17,918,483 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by $172,427. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Changes in long-term obligations for the fiscal year ended June 30, 2019 are as follows:

	Balance June 30, 2018	Issued	Retired	Balance June 30, 2019	Amounts Due Within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	$8,890,000	$37,092,000	$(1,355,000)	$44,627,000	$1,395,000	$43,232,000
Total Bonds Payable	8,890,000	37,092,000	(1,355,000)	44,627,000	1,395,000	43,232,000
Other Liabilities:						
Compensated absences payable	1,259,788	115,582	(174,372)	1,200,998		1,200,998
Net Pension Liability PERS	20,399,231		(3,513,691)	16,885,540		16,885,540
Total other liabilities	21,659,019	115,582	(3,688,063)	18,086,538		18,086,538
Total Governmental Activities	$30,549,019	$37,207,582	($5,043,063)	$62,713,538	$1,395,000	$61,318,538

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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

Outstanding bonds payable at June 30, 2019 consisted of the following:

Issue	Amount Issued	Issue Date	Interest Rates	Date of Maturity	Principal Balance June 30, 2019
Refunding School Bonds	$16,700,000	4/4/12	2.0%-5.0%	1/15/24	$7,535,000
School Improvement Bonds	$37,092,000	2/14/19	3.00%-3.625%	1/15/44	37,092,000
					$44,627,000

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

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

Year Ending June 30,	Principal	Interest	Total
2020	$1,395,000	$1,531,185	$2,926,185
2021	2,307,000	1,464,605	3,771,605
2022	2,350,000	1,394,894	3,744,894
2023	2,410,000	1,308,331	3,718,331
2024	2,475,000	1,218,838	3,693,838
2025-2029	8,500,000	4,928,250	13,428,250
2030-2034	8,500,000	3,547,000	12,047,000
2035-2039	8,500,000	2,160,438	10,660,438
2040-2044	8,190,000	715,475	8,905,475
	$44,627,000	$18,269,016	$62,896,016

B. Bonds Authorized But Not Issued:

As of June 30, 2019 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District had no capital leases outstanding at June 30, 2019.

NOTE 7. OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2022. Total operating lease payments made during the year ended June 30, 2019 were $83,135. Future minimum lease payments are as follows:

Year ending June 30,	Amount
2020	$63,546
2021	19,421
2022	15,232
2023	10,899
2024	6,437
2025	570
Total future minimum lease payments	$116,105

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

NOTE 8. PENSION PLANS, (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

NOTE 8. PENSION PLANS, (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year Ending	PERS	DCRP
6/30/19	$853,026	$43,337
6/30/18	811,813	41,061
6/30/17	753,992	23,689

NOTE 8. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year Ending	Pension Contributions	Post-Retirement Medical Contributions	NCGI Premium	Long-Term Disability Insurance
6/30/19	$4,661,446	$2,158,685	$97,576	$3,085
6/30/18	3,523,876	2,331,229	85,516	3,068
6/30/17	2,663,521	2,299,730	96,506	3,605

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,876,906 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2019, the District had a liability of $16,885,540 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportion was 0.0857591000 percent, which was a decrease of (.0000187248) percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $1,287,550 . At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$322,010	$87,067
Changes of assumptions	2,782,457	5,399,098
Net difference between projected and actual earnings on pension plan investments		158,387
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,036,857	347,315
District contributions subsequent to the measurement date	839,993	
Total	$4,981,317	$5,991,867

The $839,993 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	$117,194
2020	(162,257)
2021	(1,163,516)
2022	(1,008,554)
2023	(322,952)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	June 30, 2018	June 30, 2017
Collective deferred outflows of resources	$4,684,852,302	$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	0.085791000%	0.0876315801%

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease 4.66%	At Current Discount Rate 5.66%	1% Increase 6.66%
District's proportionate share of the pension liability	$21,231,620	$16,885,540	$13,239,455

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

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

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	$ -0-
State's proportionate share associated with the District	152,230,251
	$152,230,251

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the proportion of the TPAF net pension liability associated with the District was 0.2392885746%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of $8,874,491 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.25%
Salary Increases	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, 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 contribution rate in the most recent fiscal year. The State contributed 50% of the actuary determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed $1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes $1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to $97.1 billion, an increase of $60.6 billion or 166 percent from the previous year's $36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is $90.5 billion, a decrease of $6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at https://www.state.nj.us/treasury/pensions/GASBnotices OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:	
District's proportionate share	$ -0-
State's proportionate share associated with the District	94,555,048
	$94,555,048

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	TPAF/ABP	**PERS**
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

(a) Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

(b) Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

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

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

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

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

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of $4,754,709 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

NOTE 10. DEFERRED COMPENSATION

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

AIM Fund Services	Equitable
Franklin Templeton	Lincoln
Lincoln Investment	Vanguard
Metropolitan Life	TIAA Creff
Paul Revere	Union Central Life
Valic	

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

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

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	$2,390	$54,291	$40,441	$283,843
2017-2018	746	53,141	8,017	267,603
2016-2017	274	51,833	69,790	221,733

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Ramsey Board of Education by inclusion of $502,000 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to N.J.A.C. 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 for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	$8,620,590
Increased by:	
Deposit Approved by Resolution - June 18, 2019	3,600,000
Decreased by:	
Budget Appropriations	2,090,000
Ending balance, June 30, 2019	$10,130,590

NOTE 13. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the $18,472,446 General Fund fund balance at June 30, 2019, $4,785,734 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($2,367,215 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); $10,130,590 has been reserved in the Capital Reserve Account; $2,513,852 is reserved for encumbrances; and $1,042,270 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2019 of $1,482 is unreserved and undesignated.

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is $4,785,734. Of this amount, $2,418,519 is the result of current year operations.

NOTE 15. INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	$5,199
Supplies	4,147
	$9,346

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 16. CONTINGENT LIABILITIES

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

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

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 22, 2019, the date which the financial statements were available to be issued and no other items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	55,658,725		55,658,725	55,658,725	
Tuition	36,082		36,082	185,941	149,859
Tuition from Other LEAs Within the State	1,131,298		1,131,298	2,072,916	941,618
Transportation Fees from Individuals	20,000		20,000	88,695	68,695
Interest Earned on Capital Reserve Funds	5,000		5,000		(5,000)
Other Restricted Miscellaneous Revenues	43,001		43,001		(43,001)
Unrestricted Miscellaneous Revenues	21,701		21,701	1,221,261	1,199,560
Total - Local Sources	56,915,807		56,915,807	59,227,538	2,311,731
Revenues from State Sources:					
Categorical Special Education Aid	1,194,536		1,194,536	1,194,536	
Categorical Security Aid	96,206		96,206	96,206	
Categorical Transportation Aid	309,420		309,420	309,420	
Extraordinary Aid	300,000		300,000	290,655	(9,345)
NTE Homeless Reimbursement				75,426	75,426
Other Restricted State Aid				13,944	13,944
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,158,685	2,158,685
On-behalf TPAF Pension (non-budgeted)				4,661,446	4,661,446
On-behalf TPAF NCGI Premium (non-budgeted)				97,576	97,576
On-behalf TPAD LTDI				3,085	3,085
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,876,906	1,876,906
Total - State Sources	1,900,162		1,900,162	10,777,885	8,877,723
Revenues from Federal Sources:					
Special Education Medicaid Initiative	18,299		18,299	40,189	21,890
Medicaid Administrative Claiming (MAC)				3,771	
FEMA - Snow Removal				27,323	27,323
Total - Federal Sources	18,299		18,299	71,283	49,213
TOTAL REVENUES	58,834,268		58,834,268	70,076,706	11,238,667
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	215,795		215,795	215,795	
Grades 1-5 - Salaries of Teachers	6,846,606	(512,740)	6,333,866	6,324,178	9,688
Grades 6-8 - Salaries of Teachers	5,052,322	(217,840)	4,834,482	4,830,452	4,030
Grades 9-12 - Salaries of Teachers	7,676,449	(685,613)	6,990,836	6,986,877	3,959
Regular Programs - Home Instruction:					
Salaries of Teachers	75,000	(29,200)	45,800	45,771	29
Purchased Professional-Educational Services		3,822	3,822	3,822	
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	193,925	11,965	205,890	167,978	37,912
Other Purchased Services (400-500 series)	74,665	(246)	74,419	63,474	10,945
General Supplies	642,027	126,994	769,021	568,390	200,631
Textbooks	110,674	75,392	186,066	160,482	25,584
Other Objects	6,227	(1,550)	4,677	3,611	1,066
TOTAL REGULAR PROGRAMS - INSTRUCTION	20,893,690	(1,229,016)	19,664,674	19,370,830	293,844
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	994,767	(92,214)	902,553	902,551	2
Other Salaries for Instruction	1,062,898	142,926	1,205,824	1,201,988	3,836
General Supplies	7,382		7,382	5,628	1,754
Total Learning and/or Language Disabilities	2,065,047	50,712	2,115,759	2,110,167	5,592
Behavioral Disabilities					
Salaries of Teachers	66,720	(18,300)	48,420	48,403	17
Total Behavioral Disabilities	66,720	(18,300)	48,420	48,403	17
Multiple Disabilities					
Salaries of Teachers	299,530	(22,500)	277,030	276,839	191
Other Salaries for Instruction	239,071	(32,660)	206,411	206,408	3
Other Purchased Services (400-500 Series)	12		12	11	1
General Supplies	2,657		2,657	517	2,140
Total Multiple Disabilities	541,270	(55,160)	486,110	483,775	2,335
Resource Room/Resource Center:					
Salaries of Teachers	1,806,171	(51,082)	1,755,089	1,755,086	3
Other Purchased Services (400-500 Series)	2,394		2,394	2,393	1
General Supplies	21,511	63	21,574	11,695	9,879
Textbooks	1,525		1,525		1,525
Total Resource Room/Resource Center	1,831,601	(51,019)	1,780,582	1,769,174	11,408
Preschool Disabilities - Part-Time:					
General Supplies	1,020		1,020	998	22
Total Preschool Disabilities - Part Time	1,020		1,020	998	22

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities- Full-Time:					
Salaries of Teachers	108,025	8,796	116,821	116,821	
Other Salaries for Instruction	285,356	(54,496)	230,860	227,078	3,782
General Supplies	3,570		3,570	3,536	34
Total Preschool Disabilities - Full-Time	396,951	(45,700)	351,251	347,435	3,816
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,902,609	(119,467)	4,783,142	4,759,952	23,190
Basic Skills/Remedial - Instruction					
Salaries of Teachers	393,762	33,717	427,479	420,984	6,495
Other Salaries for Instruction	128,960	119,830	248,790	236,366	12,424
General Supplies	3,400	(478)	2,922	2,811	111
Total Basic Skills/Remedial - Instruction	526,122	153,069	679,191	660,161	19,030
Bilingual Education - Instruction					
Salaries of Teachers	154,055	371	154,426	154,426	
General Supplies	3,950		3,950	3,872	78
Textbooks	2,400		2,400	2,310	90
Total Bilingual Education - Instruction	160,405	371	160,776	160,608	168
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	296,924	(94,890)	202,034	202,027	7
Purchased Services (300-500 series)	27,000	5,720	32,720	23,733	8,987
Supplies and Materials	20,334		20,334	17,442	2,892
Other Objects	4,920		4,920	4,327	593
Total School-Sponsored Co/Extra Curricular Activities - Instruction	349,178	(89,170)	260,008	247,529	12,479
School-Sponsored Athletics - Instruction					
Salaries	782,332	26,000	808,332	784,369	23,963
Purchased Services (300-500 series)	149,701	(8,182)	141,519	136,896	4,623
Supplies and Materials	40,990	19,760	60,750	56,744	4,006
Other Objects	24,100		24,100	19,969	4,131
Total School-Sponsored Athletics - Instruction	997,123	37,578	1,034,701	997,978	36,723
TOTAL INSTRUCTION	27,829,127	(1,246,635)	26,582,492	26,197,058	385,434
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		276	276	276	
Tuition to Other LEAs Within the State - Special	749,370	(105,463)	643,907	590,571	53,336
Tuition to County Voc. School Dist. - Regular	199,936	55,000	254,936	203,982	50,954
Tuition to CSSD & Regional Day Schools	253,160		253,160	184,642	68,518
Tuition to Private Schools for the Disabled Within State	1,633,566	(108,080)	1,525,486	1,091,422	434,064
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	47,353	211,937	259,290	238,102	21,188
Total Undistributed Expenditures - Instruction:	2,883,385	53,670	2,937,055	2,308,995	628,060
Undistributed Expend. - Attend. & Social Work					
Salaries	47,098		47,098	47,010	88
Total Undistributed Expend. - Attend. & Social Work	47,098		47,098	47,010	88
Undist. Expend. - Health Services					
Salaries	449,507	(2,800)	446,707	446,482	225
Purchased Professional and Technical Services		175	175	175	
Other Purchased Services (400-500 Series)	365	(12)	353	235	118
Supplies and Materials	35,201	(3,078)	32,123	25,609	6,514
Other Objects	245		245		245
Total Undistributed Expenditures - Health Services	485,318	(5,715)	479,603	472,501	7,102
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	722,081	1,400	723,481	723,409	72
Supplies and Materials	2,810	(86)	2,724	2,428	296
Total Undist. Expend. - Speech, OT, PT & Related Services	724,891	1,314	726,205	725,837	368
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	351,975	(61,400)	290,575	289,070	1,505
Purchased Professional - Educational Services	655,726	(18,584)	637,142	507,208	129,934
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	1,007,701	(79,984)	927,717	796,278	131,439
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,217,514	31,541	1,249,055	1,249,030	25
Salaries of Secretarial and Clerical Assistants	186,957	14,571	201,528	201,441	87
Other Purchased Professional and Technical Services	140,681	8,000	148,681	148,681	
Other Purchased Services (400-500 Series)	6,869		6,869	4,200	2,669
Supplies and Materials	19,115		19,115	9,415	9,700
Other Objects	2,475		2,475	2,466	9
Total Undist. Expend. - Guidance	1,573,611	54,112	1,627,723	1,615,233	12,490
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,274,495	57,818	1,332,313	1,331,878	435
Salaries of Secretarial and Clerical Assistants	135,791	21,055	156,846	156,844	2
Professional Svcs-Educational Services					
Other Purchased Professional and Technical Services	187,765	12,784	200,549	184,102	16,447
Misc. Pur Services (400-500 Series)	44,429	2,387	46,816	43,776	3,040

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Supplies and Materials	79,783	(25,123)	54,660	48,510	6,150
Other Objects	2,500		2,500	1,515	985
Total Undist. Expend. - Child Study Teams	1,724,763	68,921	1,793,684	1,766,625	27,059
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	160,680		160,680	159,744	936
Salaries of Other Professional Staff	195,000	20,364	215,364	184,148	31,216
Other Purch Prof. and Tech. Services	40,992	(2,908)	38,084	36,529	1,555
Supplies and Materials	23,538	(1,588)	21,950	21,395	555
Total Undist. Expend. - Improvement of Inst. Services	420,210	15,868	436,078	401,816	34,262
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	770,294	3,161	773,455	769,713	3,742
Salaries of Technology Coordinators	136,762		136,762	135,965	797
Other Purchased Services (400-500)	87,391	2,421	89,812	75,059	14,753
Supplies and Materials	1,450,244	(340,887)	1,109,357	684,916	424,441
Other Objects	2,675		2,675	1,607	1,068
Total Undist. Expend. - Educational Media Serv./Sch. Library	2,447,366	(335,305)	2,112,061	1,667,260	444,801
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	5,000	2,500	7,500	7,500	
Purchased Professional - Educational Services	70,045	(24,236)	45,809	43,967	1,842
Other Purchased Services (400-500 Series)	47,080	(47,080)			
Supplies and Materials	23,700	(3,927)	19,773	19,773	
Other Objects	9,500	(30)	9,470	9,470	
Total Undist. Expend. - Instructional Staff Training Serv.	155,325	(72,773)	82,552	80,710	1,842
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	428,201	(5,000)	423,201	420,694	2,507
Legal Services	129,539	(23,666)	105,873	80,324	25,549
Audit Fees	31,620		31,620	30,000	1,620
Architectural/Engineering Services	150,000	26,789	176,789	160,289	16,500
Other Purchased Professional Services	136,850	46,067	182,917	115,391	67,526
Purchased Technical Services	47,400	6,605	54,005	52,735	1,270
Communications/Telephone	120,967	(26,087)	94,880	94,097	783
BOE Other Purchased Services	4,500	(1,846)	2,654	2,087	567
Other Purch Services (400-500 Series)	282,900	(10,197)	272,703	267,139	5,564
General Supplies	34,000	2,063	36,063	36,014	49
Judgements Against The School District	50,000	(37,344)	12,656	12,656	
Misc. Expenditures	7,000	4,465	11,465	11,465	
BOE Membership Dues and Fees	30,000	(5,741)	24,259	22,833	1,426
Total Undist. Expend. - Supp. Serv. - General Administration	1,452,977	(23,892)	1,429,085	1,305,724	123,361
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,048,586	(24,354)	1,024,232	1,022,671	1,561
Salaries of Secretarial and Clerical Assistants	768,605	(46,903)	721,702	674,485	47,217
Other Purchased Services (400-500 series)	49,496	(6,206)	43,290	32,240	11,050
Supplies and Materials	88,510	(2,208)	86,302	68,534	17,768
Other Objects	11,151	98	11,249	10,489	760
Total Undist. Expend. - Support Serv. - School Administration	1,966,348	(79,573)	1,886,775	1,808,419	78,356
Undist. Expend. - Central Services					
Salaries	412,607		412,607	410,565	2,042
Purchased Professional Services	5,000	750	5,750	5,750	
Misc. Pur Services (400-500 Series)	24,500	(4,394)	20,106	17,582	2,524
Supplies and Materials	30,000	(2,699)	27,301	15,853	11,448
Miscellaneous Expenditures	2,000	(80)	1,920	1,670	250
Total Undist. Expend. - Central Services	474,107	(6,423)	467,684	451,420	16,264
Undist. Expend. - Admin Info. Technology					
Information Technology					
Purchased Technical Services	27,590	7,788	35,378	34,821	557
Total Undist. Expend. - Support Serv. - Administrative Information Technology	27,590	7,788	35,378	34,821	557
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	483,356	(167,915)	315,441	312,104	3,337
Cleaning, Repair and Maintenance Services	491,250	(209,976)	281,274	275,718	5,556
General Supplies	77,483	(39,700)	37,783	36,098	1,685
Total Undist. Expend. - Required Maint. for School Facilities	1,052,089	(417,591)	634,498	623,920	10,578

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services (262)					
Salaries	1,595,857	(106,129)	1,489,728	1,465,977	23,751
Salaries of Non-Instructional Aides	270,517	15,924	286,441	283,012	3,429
Cleaning, Repair and Maintenance Services	774,604	123,913	898,517	642,097	256,420
Rental of Land & Bldg. Oth. Than Lease Purch Agreeement	3,000		3,000	3,000	
Other Purchased Property Services	87,490	(3,800)	83,690	80,174	3,516
Insurance	371,373	(40,000)	331,373	331,351	22
Miscellaneous Purchased Services	12,307	(3,750)	8,557	6,072	2,485
General Supplies	317,061	(30,176)	286,885	282,630	4,255
Energy (Natural Gas)	341,000	(20,186)	320,814	242,097	78,717
Energy (Electricity)	513,208	26,173	539,381	475,753	63,628
Other Objects	50,306	78,501	128,807	98,434	30,373
Total Undist. Expend. - Custodial Services	4,336,723	40,470	4,377,193	3,910,597	466,596
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	142,641		142,641	122,011	20,630
Cleaning, Repair and Maintenance Services	129,100	42,335	171,435	114,886	56,549
General Supplies	66,439	(11,764)	54,675	51,222	3,453
Total Undist. Expend. - Care and Upkeep of Grounds	338,180	30,571	368,751	288,119	80,632
Undist. Expend. - Security (266)					
Salaries	143,656	41,978	185,634	184,891	743
Purchased Professional and Technical Services	2,850		2,850	1,500	1,350
Cleaning, Repair and Maintenance Services	59,355	33,550	92,905	74,058	18,847
General Supplies	226,951	46,714	273,665	266,150	7,515
Total Undist. Expend. - Security	432,812	122,242	555,054	526,599	28,455
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular					
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	160,513	39,856	200,369	200,227	142
Cleaning, Repair and Maintenance Services	25,000	(17,800)	7,200	6,400	800
Contract Services - Aid in Lieu Pymts - NonPub Sch.	60,000	347,868	407,868	399,520	8,348
Contract Services (Between Home & School)-Vendors	380,038	(208,953)	171,085	126,859	44,226
Contract Services (Other than Between Home & School)-Vendors	145,621	837,079	982,700	973,514	9,186
Contract Services (Sp. Ed. Students)-Vendors	850,000	(807,356)	42,644	42,499	145
Misc. Purchased Services - Transportation	6,800	(4,000)	2,800	705	2,095
General Supplies	250		250		250
Transportation Supplies	36,586	(20,500)	16,086	15,277	809
Total Undist. Expend. - Student Transportation Services	1,664,808	166,194	1,831,002	1,765,001	66,001
UNALLOCATED BENEFITS (291)					
Social Security Contributions	1,117,608		1,117,608	743,178	374,430
Other Retirement Contributions-PERS	949,385		949,385	863,832	85,553
Workmen's Compensation	280,000		280,000	207,428	72,572
Health Benefits	8,650,368		8,650,368	7,465,066	1,185,302
Tuition Reimbursement	150,000		150,000	52,872	97,128
Other Employee Benefits	115,000	(80,000)	35,000		35,000
Unused Sick Payment to Terminated/Retired Staff	65,000	80,000	145,000	139,450	5,550
TOTAL UNALLOCATED BENEFITS	11,327,361		11,327,361	9,471,826	1,855,535
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,158,685	(2,158,685)
On-behalf TPAF Pension (non-budgeted)				4,661,446	(4,661,446)
On-behalf TPAF NCGI Premium (non-budgeted)				97,576	(97,576)
On-behalf TPAF LTDI				3,085	(3,085)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,876,906	(1,876,906)
TOTAL ON-BEHALF CONTRIBUTIONS				8,797,698	(8,797,698)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	11,327,361		11,327,361	18,269,524	(6,942,163)
TOTAL UNDISTRIBUTED EXPENDITURES	34,542,663	(460,106)	34,082,557	38,866,409	(4,783,852)
TOTAL GENERAL CURRENT EXPENSE	62,371,790	(1,706,741)	60,665,049	65,063,467	(4,398,418)

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Undistributed					
Support Services - Child Study Teams	5,000		5,000		5,000
Custodial Services		8,648	8,648		8,648
Care and Upkeep of Grounds		73,094	73,094	56,464	16,630
School Buses-Reg.	99,878		99,878	99,878	
Total Equipment	104,878	81,742	186,620	156,342	30,278
Facilities Acquisition and Construction Services					
Construction Services		1,622,300	1,622,300	202,574	1,419,726
Building Other than Lease Purchase Agreement		2,092,699	2,092,699	2,092,699	
Assessment for Debt Service on SDA Funding	8,551		8,551	8,551	
Total Facilities Acquisition and Construction Services	8,551	3,714,999	3,723,550	2,303,824	1,419,726
TOTAL CAPITAL OUTLAY	113,429	3,796,741	3,910,170	2,460,166	1,450,004
TOTAL EXPENDITURES	62,485,219	2,090,000	64,575,219	67,523,633	(2,948,414)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,650,951)	(2,090,000)	(5,740,951)	2,553,073	8,294,024
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(50,000)		(50,000)	(41,893)	8,107
Operating Transfer In					
Capital Projects				264,569	264,569
Total Other Financing Sources/(Uses):	(50,000)		(50,000)	222,676	272,676
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(3,700,951)	(2,090,000)	(5,790,951)	2,775,749	8,566,700
Fund Balance, July 1	15,842,890		15,842,890	15,842,890	
Fund Balance, June 30	12,141,939	(2,090,000)	10,051,939	18,618,639	8,566,700
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,198,050)		(1,198,050)	(1,198,050)	
Increase in Capital Reserve:					
Principal				3,600,000	3,600,000
Interest Deposit to Capital Reserve	5,000		5,000		(5,000)
Withdrawal from Capital Reserve		(2,090,000)	(2,090,000)	(2,090,000)	
Budgeted Fund Balance	(2,507,901)		(2,507,901)	2,463,799	4,971,700
	(3,700,951)	(2,090,000)	(5,790,951)	2,775,749	8,566,700
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,418,519	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,367,215	
Capital Reserve				10,130,590	
Committed Fund Balance:					
Year-end Encumbrances				2,513,852	
Unassigned Fund Balance				1,188,463	
Total Fund Balance per Governmental Funds (Budgetary)				18,618,639	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				146,193	
Total Fund Balance per Governmental Funds (GAAP)				18,472,446	

Exhibit C-2

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	313,981	274,762	588,743	551,282	(37,461)
Federal Sources	753,449	275,871	1,029,320	945,664	(83,656)
Total Revenues	1,067,430	550,633	1,618,063	1,496,946	(121,117)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	20,213	23,284	43,497	38,924	4,573
Other Salaries for Instruction	25,049	2,405	27,454	27,454	-
Other Purchased Services (400-500 series)	521,009	116,059	637,068	637,068	-
General Supplies	45,409	35,664	81,073	65,602	15,471
Textbooks	36,531	4,106	40,637	40,365	272
Total instruction	648,211	181,518	829,729	809,413	20,316
Support services:					
Personal Services - Employee Benefits	6,513	(3,184)	3,329	2,978	351
Purchased Professional - Educational Services	370,306	251,449	621,755	523,474	98,281
General Supplies	42,400	120,850	163,250	161,081	2,169
Total support services	419,219	369,115	788,334	687,533	100,801
Total Expenditures	1,067,430	550,633	1,618,063	1,496,946	121,117
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

Exhibit C-3

RAMSEY BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2019

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	**[C-1]&[C-2]**	70,076,706	1,496,946
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			48,869
Current Year			(115,926)
The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		136,490	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(146,193)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	70,067,003	1,429,889
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]&[C-2]**	67,253,633	1,496,946
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.			
Prior Year			48,869
Current Year			(115,926)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	**[B-2]**	67,253,633	1,429,889

REQUIRED SUPPLEMENTARY INFORMATION - PART III

Exhibit L-1

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0777475999%	$ 14,556,477	$ 5,608,577	259.54%	52.08%
2016	0.0806100224%	18,095,335	5,980,007	302.60%	94.63%
2017	0.0848721434%	25,136,695	5,926,963	424.11%	100.77%
2018	0.0876315801%	20,399,231	6,128,533	332.86%	90.77%
2019	0.0857591000%	16,885,540	6,213,586	271.75%	83.06%

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

Exhibit L-2

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relations to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
2015	$ 640,940	$ (640,940)	$ -	$ 5,608,577	11.43%
2016	$ 693,030	$ (693,030)	$ -	$ 5,980,007	11.59%
2017	$ 753,992	$ (753,992)	$ -	$ 5,926,963	12.72%
2018	$ 811,813	$ (811,813)	$ -	$ 6,128,533	13.25%
2019	$ 853,026	$ (853,026)	$ -	$ 6,213,586	13.73%

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

RAMSEY BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.2389734233%	$ -	$ 127,723,517	$ 25,046,127	0.00%	33.64%
2016	0.2428812621%	-	153,511,329	25,132,890	0.00%	28.71%
2017	0.2436970485%	-	191,699,748	25,168,865	0.00%	22.33%
2018	0.2453786717%	-	165,443,148	26,134,251	0.00%	25.41%
2019	0.2392885746%	-	152,230,251	26,522,843	0.00%	26.49%

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

RAMSEY BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long·term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long·term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

Exhibit M-1

RAMSEY BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	2019	2018
Total OPEB Liability		
Service Costs	$ 4,188,191	$ 5,053,029
Interest on Total OPEB Liability	3,967,017	3,418,761
Difference between Expected and Acutal Expenditures	(8,140,618)	
Changes in Assumptions	(10,850,665)	(14,331,916)
Gross Benefit Payments	(2,528,368)	(2,497,620)
Contribution from the Member	87,384	91,969
Net Changes in total Share of OPEB Liability	(13,277,059)	(8,265,777)
Total OPEB Liability - Beginning	107,832,107	116,097,884
Total OPEB Liability - Ending	$ 94,555,048	$ 107,832,107
District's Proportionate Share of OPEB Liability	$ -	$ -
State's Proportionate Share of OPEB Liability	94,555,048	107,832,107
Total OPEB Liability - Ending	$ 94,555,048	$ 107,832,107
District's Covered Employee Payroll	$ 32,736,429	$ 32,262,784
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Notes to Schedule:

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

Change in benefit terms	None
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

APPENDIX C

Form of Bond Counsel's Approving Legal Opinion

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

__________, 2020

The Board of Education of the
Borough of Ramsey
Ramsey, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of $5,823,000 aggregate principal amount of School Bonds, Series 2020 (the "Bonds") of The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board).

The Bonds are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented (the "Education Law"); (ii) a proposal adopted by the Board on October 16, 2018 (the "Proposal") and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 11, 2018 and (iii) a resolution adopted by the Board on January 7, 2020 (the "Resolution").

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable commencing July 15, 2020 and semi-annually thereafter on the fifteenth day of January and July in each year until maturity or prior redemption, and shall mature on January 15 of the years and in the principal amounts as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2021	$228,000		2029	$450,000	
2022	225,000		2030	450,000	
2023	225,000		2031	450,000	
2024	225,000		2032	450,000	
2025	450,000		2033	450,000	
2026	450,000		2034	450,000	
2027	450,000		2035	420,000	
2028	450,000				

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that: (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Education Law, the Proposal and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are further of the opinion that the Bonds constitute "qualified tax-exempt obligations" within the meaning of section 265(b)(3)(B) of the Code and, therefore, will be treated as if they were acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on January 15 in the years 20__ through 20__, inclusive (the “[Premium] Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on January 15 in the years 20__ through 20__, inclusive (the “[Discount] Bonds”) and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the [Discount] Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each [Discount] Bond and the basis of each [Discount] Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.]

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of __________, 2020 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its $5,823,000 aggregate principal amount of School Bonds, Series 2020 dated their date of delivery (the "Bonds"). The Bonds are being issued by virtue of a proposal adopted by the Board on October 16, 2018 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 11, 2018 and pursuant to a resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF $5,823,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2020 OF THE BOARD OF EDUCATION OF THE BOROUGH OF RAMSEY IN THE COUNTY OF BERGEN, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH", duly adopted by the Board on January 7, 2020 (the "Bond Resolution"). The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for Federal income tax purposes.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Authority with EMMA pursuant to Section 5 of this Disclosure Agreement.

"Disclosure Representative" shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Release No. 34-59062*"* shall mean Release No. 34-59062 of the SEC dated December 5, 2008.

"State" shall mean the State of New Jersey.

"Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2020 (for the fiscal year ending June 30, 2020), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2021) the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. The Board's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Board (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data of the Board consistent with the information set forth in the Official Statement dated February 12, 2020, prepared in connection with the sale of the Bonds (the "Official Statement") in Appendix A under the sections relating to (1) Board indebtedness; (2) property valuation information; and (3) tax rate, levy and collection data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Board is an "Obligated Person" (as defined by the Rule), which have been filed with

EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(3) Principal and interest payment delinquencies;

(4) Nonpayment related defaults, if material;

(5) Unscheduled draws on debt service reserves reflecting financial difficulties;

(6) Unscheduled draws on credit enhancements reflecting financial difficulties;

(7) Substitution of credit or liquidity providers, or their failure to perform;

(8) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(9) Modifications to rights of Bondholders, if material;

(10) Bond calls, if material, and tender offers;

(11) Defeasances of the Bonds;

(12) Release, substitution or sale of property securing repayment of the Bonds, if material;

(13) Ratings changes rating to the Bonds;

(12) Bankruptcy, insolvency, receivership or similar event of the Board;

(13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;

(15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

The Board shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this Section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Board is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Dissemination Agent; Compensation. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Board. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Board or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board of Education:

The Board of Education of the
Borough of Ramsey
25 North Franklin Turnpike
Ramsey, New Jersey 07446
Attention: Business Administrator/Board Secretary

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

The Board of Education of the
Borough of Ramsey
25 North Franklin Turnpike
Ramsey, New Jersey 07446
Attention: Business Administrator/Board Secretary

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 15. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

THE BOARD OF EDUCATION OF THE BOROUGH OF RAMSEY

By:___________________________________
THOMAS W. O'HERN,
Business Administrator/
Board Secretary

EXHIBIT A

**NOTICE TO EMMA OF FAILURE
TO FILE ANNUAL REPORT**

Name of Issuer:	The Board of Education of the Borough of Ramsey in the County of Bergen, New Jersey
Name of Issue:	$5,823,000 School Bonds, Series 2020 Dated: __________, 2020 (CUSIP Number: 751838___)
Date of Issuance:	__________, 2020

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of __________, 2020 executed by the Board.

DATED: ________________________

____
DISSEMINATION AGENT
(on behalf of the Board)

cc: The Board

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